Form 7
)

OFFICIAL FILE COPY

Date	Surname	Code

Mr. C. Walker Lynn
Veil Building
Salmon, Idaho

Re: MMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract I-[illegible]651

Dear Mr. Lynn:

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

As you have been previously advised, there remains a balance due the Government of $2[illegible].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 $2[illegible]3.07 indebtedness to the Government.

Sincerely yours,

Acting Director

Enclosure

FMMurphy/mm (2/11/64)
cc: Mr. Fred J. Brough, Salmon, Idaho
Director's Reading File
Region I w/cy of Form 63 dated [illegible]/30/63 and ltr dated 1/21/64
Docket
Code 500

[illegible] 157 [illegible]
Spokane 1, Washington
June [illegible], 1962

Western Uranium Corporation
128 E. Third Street
Riverton, Wyoming

re: DMEA-2-[illegible] (Cobalt-Copper)
Montana Coal and Iron Company
Black Pine Mine
Lemhi County, Idaho
2nd Amended Contract Idm-[illegible]

and DMEA [illegible] (Copper)
Cantrice Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract Idm [illegible]

Gentlemen:

We are in receipt of a settlement sheet dated June 21, 1962, accompanied by a royalty check from The Anaconda Company, Anaconda Smelter, for ore shipped from the Tail mine by Western Uranium Corporation.

Western Uranium Corporation and Tail Mining Company recently filed and subsequently withdrew an OMM application for aid to explore on the Pope-Shenon property, which is owned by Fred Brough, et al., Salmon, Idaho. Production from this property is subject to royalty due the Government because of a DMEA contract.

The above-mentioned settlement sheet shows that royalty was also paid to Montana Coal and Iron Company, owners of the Black Pine mine, from which your company has been producing and paying royalty to the Government because of a DMEA contract.

In order that we may credit this royalty payment, will you please advise us as to whether it is on production from the Black Pine mine or the Pope-Shenon. A prompt reply will be appreciated.

Sincerely yours,

L. R. Mauldrup
Acting Field Officer, OMM
Region I

Enclosure:
cc: OMM
Reading copies to:
Halem, Hobbs, Gould

Idm-E651

Excerpt from Option to Purchase Mining Claims by Contract for Deed dated June 1, 1961, between Fred J. Brough and C. Walker Lyon and Grace M. Lyon, Sellers, and Western Uranium Corporation, Buyers:

11. 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 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 said 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".

See OME-6190, Western Uranium Corporation and Toil Mining Company

EXTRA COPY
O. M. E
RECEIVED AUG 4 1961
DATE | INITIALS | CODE
800

So. 157 Howard Street
Spokane 4, Washington
August 2, 1961

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 Ida-2651

On July 19, while I was in the field, Mrs. Sumlaer 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

EXTRA COPY O. M. E RECEIVED JUL 21 1961		
DATE	INITIALS	CODE
		800

So. 157 Howard Street
Spokane 4, Washington
July 19, 1961

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
For: D. R. MacLaren

Enclosures

LAW OFFICES
C. WALKER LYON
SALMON, IDAHO

May 16, 1960

EXTRA COPY
O. M. E.
RECEIVED MAY 23 1960

DATE	INITIALS	CODE
		800

Mr. R. D. [illegible]
Acting Field Officer, OME
Region I
Office of Minerals Exploration
No. 157 Sunset Street
Spokane 6, Washington

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

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,

CWL:ll

RECEIVED
MAY 1[illegible] 1960
U. S. N. S.
SPOKANE, WASH.

For Certificate of Deposit No. 464, dated July 3, 1958, giving royalty payment of $6.20, see E-9.

For Certificate of Deposit No. 433, dated December 23, 1957, giving royalty payment of $1,125.37, see E-152.

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-8631 | 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	Difference Unpaid	Difference 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	987.56	18.41	5.0	48.38			
Y9	6/17	53.317	3,879.93	72.77	5.0	194.00			
Y10	7/18	52.184	3,801.71	72.85	5.0	190.09			
1	11/1	14.358	993.17	68.22	5.0	49.66			
			$14,350.52			$ 717.54		717.54	
105-ASG	10/13/55	56.773	641.98	11.31	4.5	28.89	32.10		3.21
108-AS	12/5	54.626	543.05	9.94	3.0	16.29	27.14		10.85
111-RSG	12/23	54.685	583.11	10.66	4.0	23.32	29.16		5.84
113-RSG	1/9/56	54.244	503.33	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	629.75	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	6/3	56.566	454.32	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	6/3	57.211	172.29	3.01	1.5	2.58	8.61		6.03
600-17-OF	6/4	56.510	296.35	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	10/15	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	223.35	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	55.854	522.79	9.39	2.5	13.07	26.14		13.07
600-49-BK	1/2/57	50.967	432.02	8.48	1.5	6.48	21.60		15.12

Idm-E651 | Cantrida 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
600-50-GG	1/2/97	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-EBG	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	55.354	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	4/25	71.456	77.82	1.09	1.5	1.17	3.89		2.72
600-58-BK	4/25	53.790	331.20	6.16	1.5	4.97	16.56		11.59
X 15	5/10	56.750	566.73	9.99	3.0	17.00	28.54		11.54 Y
X 16	5/10	55.885	442.31	7.90	1.5	6.62	22.07		15.45 X
600-60-BKG	5/15	56.479	136.08	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	6/25	52.353	221.14	4.22	1.5	3.32	11.06		7.74
600-66-GG	7/3	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	53.106	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
X 32	9/13	57.251	566.39	9.89	3.0	16.99	28.32		11.33 X
600-70-GG	9/17	33.891	127.77	3.77	1.8	1.92	6.39		4.47
Y 35	10/8	35.938	481.43	8.61	2.0	9.63	24.07		14.44 X
Y 36	10/15	56.173	489.53	8.71	2.0	9.79	24.48		14.69 X
Raw Rej Sampler 5810	6/5/98	65.650	124.00	1.89	1.5	1.86	6.20		4.34
						$1,079.11	$ 786.04	$717.54	$424.47
		Net underpayment					293.07		293.07
						$1,079.11	$1,079.11	$717.54	$717.54

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 I, Spokane, Washington, pertaining to Contract No. Idm-5651, Docket No. DMRA-5112 (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-Shenon Mine located in Lemhi County, Idaho, during the period September 26, 1956, through April 13, 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 $3,555.54.

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	3,578.86
Balance of Royalty Due	$ 378.28

At April 13, 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

See file memo 8/9/57 + Opr. Comm. 8/26/57 (Nelson)

C. E. Fisher

April 13, 1960 C. E. Fisher, OME Auditor

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.

E651

Royalty due on shipments by Roulon Young prior to abandonment by Centrida Mines, Inc.		$ 717.54
Overpayments by Fred J. Brough of royalty on shipments by:		
Roulon Young	$ 87.21 ✓	
Clinton A. & Otis M. Gunderson	193.66 ✓	
Gunderson & Mayo	66.74 ✓	
Robertson & Steffler	72.52 ✓	
Melvin Parks	~~0~~	
Ram Rep Oil & Mining Co., Inc.	4.34 ✓	424.47
Net Underpayment		$ 293.07

Note: Contract contains abandonment clause. Operator abandoned property on completion of exploration work and is now a defunct corporation. No real attempt was made by Field Team to collect royalty during exploration period from Operator. Landowner refused to pay royalty on lessee production prior to Operator's abandonment, but has paid under protest and at 5% on subsequent production.

EXTRA COPY
O. M. E
RECEIVED MAY 16 1960

DATE	INITIALS	CODE
		800

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

EXTRA COPY
DMEA
RECEIVED MAR 24 1958

DATE	INITIALS	CODE
		800

So. 137 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-8651

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 I

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.

EXTRA COPY
DMEA
RECEIVED MAR 24 1958
DATE | INITIALS | CODE

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

Re: Docket No. DMA-3112 (Copper)
Centride Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Ida-8651

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 Centride Mines, Inc., under provisions of the subject contract.

This royalty should have been collected from Centride 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

APPROVED:

O. M. Bishop

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

CEFisher/wb
August 16, 1957

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

EXTRA COPY DMEA RECEIVED 12 1957		
DATE	INITIALS	CODE

So. 157 Howard Street
Spokane 4, Washington

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-5651 (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-5651.

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

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

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

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

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shannon Mine
Lemhi County, Idaho
Contract No. Ida-1631

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 (Reuben 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.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

APPROVED:

Frank D. Lamb
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

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

Copy to: Docket
Admr. Reading File
Operating Committee

GEFisher/vb
July 30, 1957

For Certificate of Deposit 406, dated June 14, 1957, giving royalty payment of $1,001.62, see E-152.

425 New U. S. Courthouse

Portland, Oregon

LETTER OF TRANSMITTAL

DEPOSIT NO.
14-23-020-394

For credit of 420, Division of Disbursement, Portland, Oregon 4/1/57
(Name, title, and disbursing or [illegible] identification symbol of accountable officer) [illegible]ate sent)

deposited with Federal Reserve Bank of San Francisco, Portland Branch
(Name and location of depositary) Portland, Oregon

$ 151.25

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	E-651	$151.25

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
c/o U. S. Bureau of Mines
1201 N. Division St.
Spokane 2, Washington

TO ABOVE-NAMED BANK OR TO TREASURER U. S.:

Herewith you will receive the deposit described above. Please observe the distribution printed on each accompanying copy of Standard Form 201.

(Depositor)
Dorothy F. Long, Authorized Collector

QUINTUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

DEPOSITARY WILL RETAIN THIS COPY

16—59686d-1 GPO

Check No. 88756 dated March 8, 1957
Amount - $9.53
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 88976 dated March 12, 1957
Amount - $59.53
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 89162 dated March 19, 1957
Amount - $9.66
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 89168 dated March 19, 1957
Amount - $[illegible].53
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

425 New U. S. Courthouse

Portland, Oregon

LETTER OF TRANSMITTAL

DEPOSIT NO.
14-23-020-393

$333.93

For credit of 420, Division of Disbursement, Portland, Oregon 4/5/57
(Name, title, and disbursing or identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of San Francisco, Portland Branch Portland, Oregon
(Name and location of depositary)

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	E-651	$333.93

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
c/o U. S. Bureau of Mines
1201 N. Division St.
Spokane 2, Washington

TO ABOVE-NAMED BANK OR TO TREASURER U. S.:

Herewith you will receive the deposit described above. Please observe the distribution printed on each accompanying copy of Standard Form 201.

Dorothy F. Long, Authorized Collector
(Depositor)

DEPOSITARY WILL RETAIN THIS COPY

16—59686d-1 GPO

QUINTUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

Check No. 86942 dated January 8, 1957
Amount - $85.50
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 87178 dated January 18, 1957
Amount - $89.89
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 87549 dated January 30, 1957
Amount - $11.79
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 87554 dated January 30, 1957
Amount - $[illegible]89
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 88682 dated March 6, 1957
Amount - $10.73
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 88731 dated March 7, 1957
Amount - $50.13
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

QUINTUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

LETTER OF TRANSMITTAL

For credit of 425 New U.S. Courthouse
(Name, title, and disbursing or[illegible] identification symbol of accountable officer)

11/30/56
(Date sent)

Portland, Oregon

DEPOSIT NO.
14-23-020-370

deposited with Federal Reserve Bank of San Francisco, Portland Branch
(Name and location of depositary)
Portland, Oregon

$ 311.56

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	E-651	$311.56

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
1201 N. Division Street
Spokane 2, Washington

TO ABOVE-NAMED BANK OR TO TREASURER U. S.:

Herewith you will receive the deposit described above. Please observe the distribution printed on each accompanying copy of Standard Form 201.

(Depositor)
Myrtle I. Purdy, Authorized Collector

DEPOSITARY WILL RETAIN THIS COPY

16—59686d-1 GPO

Check No. 84615 dated 10/30/56
Amount - $14.08
From:American Smelting and Refining Co.
Contract E651, Centrida Mines,Inc.
Royalty receipt

Check No. 84683 dated 11/2/56
Amount - $66.19
From: American Smelting and Refining Co.
Contract E651,Centrida Mines, Inc.
Royalty receipt

Check No. 84898 dated 11/7/56
Amount - $75.87
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 84978 dated 11/9/56
Amount - $35.79
From: American Smelting and Refining Co.
Contract E651,Centrida Mines, Inc.
Royalty receipt

Check No. 85114 dated 11/13/56
Amount - $66.54
From:American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 85172 dated 11/14/56
Amount - $53.09
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

QUINTUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

LETTER OF TRANSMITTAL

For credit of 425 New U.S. Courthouse
420, Division of [redacted]bursement, Portland, Oregon
(Name, title, and disbursing on[redacted] identification symbol of accountable officer)

11 [redacted]/30/56
([redacted]ate sent)

Portland, Oregon
DEPOSIT NO.
14-23-020-369

deposited with Federal Reserve Bank of San Francisco, Portland Branch
(Name and location of depositary)
Portland, Oregon

$ 236.47

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	E-651	$236.47

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
1201 N. Division St.
Spokane 2, Washington

TO ABOVE-NAMED BANK OR TO TREASURER U. S.:

Herewith you will receive the deposit described above. Please observe the distribution printed on each accompanying copy of Standard Form 201.

(Depositor)
Myrtle I. Purdy, Authorized Collector

DEPOSITARY WILL RETAIN THIS COPY

16—59686d-1

Check No. 84039 dated 10/11/56
Amount - $53.24
From: American Smelting and Refining Company
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 84075 dated 10/15/56
Amount - $22.31
From: American Smelting and Refining Company
Contract E651, Centrida Mines, Inc.
Royalty receipt

84124- Check No.- dated 10/16/56
Amount - $47.40
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 84273 dated 10/23/56
Amount - $58.48
From: American Smelting and
Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 84302 dated 10/24/56
Amount - $55.04
From: American Smelting and
Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

425 New U.S. Courthouse

Portland, Oregon

LETTER OF TRANSMITTAL

For credit of 420, Division of Disbursement, Portland, Oregon 6/1/57
(Name, title, and disbursing en[illegible] identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of San Francisco, Portland, Branch Portland, Oregon
(Name and location of depositary)

DEPOSIT NO. 14-23-020-392

$ $337.81

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	E-651	$ 337.81

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
c/o U. S. Bureau of Mines
1801 N. Division St.
Spokane 2, Washington

TO ABOVE-NAMED BANK OR TO TREASURER U. S.:

Herewith you will receive the deposit described above. Please observe the distribution printed on each accompanying copy of Standard Form 201.

Dorothy F. Long, Authorized Collector
(Depositor)

QUINTUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

DEPOSITARY WILL RETAIN THIS COPY

16—59686d-1 GPO

Check No. 85719 dated December 4, 1956
Amount - $65.03
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 85831 dated December 5, 1956
Amount - $45.33
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 86076 dated December 11, 1956
Amount - $82.96
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 86410 dated December 26, 1956
Amount - $50.71
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 86640 dated January 2, 1957
Amount - $33.82
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 86645 dated January 2, 1957
Amount - $59.96
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

For Certificate of Deposit No. 391, dated April 1, 1957, giving royalty payments of $25.47, $25.24, $55.31, and $26.14, see E-152.

For Certificate of Deposit No. 368, dated November 30, 1956, giving royalty payments of $67.92, $92.29, and $44.17, see E-9.

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

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	2,450.64	658.28	1,792.36	33.49	5.0%	89.62	5.0%	-0-	89.62
5/17/54	Y7	110,220	106,804	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	649,830	324.815	$18136.01	$3,785.49	$14,350.52	$44.18		$717.54		-0-	$717.54
Royalties Overpaid on Shipments to A.S.& R. Co., Garfield, Utah By Robertson and Staples													
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	106,160	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	$3,913.65	$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	115,220	109,574	54.787	$1,201.02	$ 572.27	$ 629.75	$11.49	4.5%	$ 28.33	5.0%	$ 31.49	
5/2/56	600-5-OF	117,560	115,502	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-gy	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		$91.63		$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				
Date of Settlement	Lot No.	Net weight Pounds	Dry weight Pounds	Short Dry Tons	Gross Proceeds	Allowable Deductions	Net Proceeds	Value S.D.T.	Royalty Due Rate	Royalty Due Amount	Royalty Paid Rate	Royalty Paid 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

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 questioned 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-Shenon 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-Shenon 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

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, Auditor

RECEIVED DEC 31 1956

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-8651 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
Mining Engineer

Date: Nov. 15, 1956

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

Re: Royalty Audit Report
Centrida Mines, Inc.
Idm-F651, 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

WForovies/wb
January 8, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

Wm. Chambers

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 Ralon 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:

(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 Rulon 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

Check Sheet of Examining Engineer

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

Address P. O. Box 638

Kellogg, Idaho

Exploration Contract No. Idm-7651 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. 15, 1956

82448

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

RECEIVED DEC 3 1956 D.M.E.A.

November 29, 1956

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

Re: Contract No. Idm-E651
Docket No. DMEA 3112 (copper)
Centrida Mines, Inc.

Dear Mr. Chambers:

This letter is to supplement my audit report on Contract Idm-E651, Docket No. DMEA 3112, copper, Centrida Mines, Inc., with additional information.

Centrida Mines, Inc. was formed for the express purpose of performing the exploration work under Contract No. Idm-E651, Docket No. DMEA 3112. Mr. Lester S. Harrison, Kellogg, Idaho, is acting as legal advisor for the corporation and has possession of the company's records. Mr. Harrison stated that the company was without funds.

Mr. Harrison leased the Pope-Shenon mine and later, June 1, 1953, assigned his contract to the Centrida Mines, Inc. for the purpose of exploration. The lease contained an abandonment clause which was taken advantage of by the Centrida Mines, Inc. The property reverted to the original owners, Fred J. Brough and Associates on April 6, 1955, after completion of the exploration contract.

During the period of March 1, 1954 to October 26, 1954, the following shipments were made by Rulon Young, lessee.

Date		Smelter Settlements		Royalty Due	
Shipped	Smelter Settlement	Gross	Net Subject to Royalty	Rate	Amount
3/1/54	3/16/54	$1,696.57	$1,111.87	5%	$ 55.59
3/15/54	3/30/54	2,450.64	1,792.36	5%	89.62
5/1/54	5/17/54	2,397.22	1,863.92	5%	93.20
5/24/54	6/ 8/54	1,622.66	907.56	5%	45.37
6/5/54	6/17/54	4,566.07	3,879.93	5%	194.00
7/1/54	7/16/54	4,400.68	3,801.71	5%	190.09
10/26/54	11/1/54	1,002.17	993.17	5%	49.66
Total		$18,136.01	$14,350.52		$717.53

The Royalty Audit Certificate indicates the balance of the unpaid royalty to be $578.27, or a difference of $139.26. This difference is caused by the fact that the owners paid 5% royalty on all shipments regardless of the value per ton, thereby causing overpayments on some shipments.

Mr. Harrison stated that the Centrida Mines, Inc. are without funds and that they have no intention of paying the royalties.

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-Shonon Mine.

Yours very truly,

C. A. Turner, Auditor

For Certificate of Deposit No. 357, dated October 10, 1956, giving royalty payments of $1.48 and $70.93, see E-189.

QUINTUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

LETTER OF TRANSMITTAL

Portland, Oregon

DEPOSIT NO.
14-23-000-355

For credit of 425 New U.S. Customhouse
420, Division of Disbursement, Portland, Oregon
(Name, title, and disbursing or other identification symbol of accountable officer)

10/2/56
(Date sent)

deposited with Federal Reserve Bank of San Francisco, Portland Branch
(Name and location of depositary) Portland, Oregon

$ 444.17

for accounts listed below. SCHEDULE Nos.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	E-651	$444.17

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
c/o Bureau of Mines
P. O. Box 498
Albany, Oregon

TO ABOVE-NAMED BANK OR TO TREASURER U. S.:

Herewith you will receive the deposit described above. Please observe the distribution printed on each accompanying copy of Standard Form 201.

(Depositor)
Myrtle I. Purdy, Authorized Collector

DEPOSITARY WILL RETAIN THIS COPY

16—59686d-1 GPO

Check No. 81525 dated 7/31/56
Amount - $83.45
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 81781 dated 8/7/56
Amount - $170.32
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 82518 dated 8/30/56
Amount - $58.80
From: American Smelting and Refining Co.
Contract $651, Centrida Mines, Inc.
Royalty receipt

Check No. 82553 dated 8/31/56
Amount - $34.19
From: American Smelting and Refining Co
Contract E651, Centrida Mines, Inc.
Royalty receipt.

Check No. 82754 dated 9/6/56
Amount - $40.27
From:American Smelting and Refining Co
Contract E651, Centrida Mines,Inc.
Royalty receipt

Check No. 82765 dated 9/6/56
Amount - $57.14
From:American Smelting and Refining Co
Contract E651, Centrida Mines, Inc.
Royalty receipt

QUINTUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

LETTER OF TRANSMITTAL

Portland, Oregon

DEPOSIT NO.
14-23-020-356

For credit of 425 New U. S. Courthouse
420, Division of Disbursement, Portland, Oregon
(Name, title, and disbursing or other identification symbol of accountable officer)

10/10/56
(Date sent)

deposited with Federal Reserve Bank of San Francisco, Portland Branch
(Name and location of depositary)
Portland, Oregon

$ 412.36

for accounts listed below. SCHEDULE Nos.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	E-651	$412.36

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
c/o Bureau of Mines
P. O. Box 492
Albany, Oregon

TO ABOVE-NAMED BANK OR TO TREASURER U. S.:

Herewith you will receive the deposit described above. Please observe the distribution printed on each accompanying copy of Standard Form 201.

(Depositor)
Myrtle I. Purdy, Authorized Colle

DEPOSITARY WILL RETAIN THIS COPY

16—59686d-1 GPO

Check No. 82984 dated [illegible]2/56
Amount - $81.77
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 82976 dated 9/12/56
Amount - $100.66
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 83344 dated 9/25/56
Amount - $86.94
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Chec[illegible]o. 17726 dated 8/16/56
Amount - $76.64
From: American Smelting and Refining Co.
(Tacoma Smelter)
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 17415 dated 8/6/56
Amount - $66.35
From:American Smelting and Refining Co.
(Tacoma Smelter)
Contract E651, Centrida Mines, Inc.
Royalty receipt

QUINTUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

LETTER OF TRANSMITTAL

Portland, Oregon

DEPOSIT NO. 14-23-020-345

For credit of 425 New U.S. Co[illegible] House
420, Division of Disbursement, Portland, Oregon
(Name, title, and disbursing or other identification symbol of accountable officer)

6/15/54
(Date sent)

deposited with Federal Reserve Bank of San Francisco, Portland Branch
Portland, Oregon
(Name and location of depositary)

$ 195.24

for accounts listed below. SCHEDULE Nos.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	E-651	$195.24

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
c/o Bureau of Mines
P. O. Box 492
Albany, Oregon

TO ABOVE-NAMED BANK OR TO TREASURER U. S.:

Herewith you will receive the deposit described above. Please observe the distribution printed on each accompanying copy of Standard Form 201.

(Depositor)
Myrtle I. Purdy, Authorized Collector

DEPOSITARY WILL RETAIN THIS COPY

16—59686d-1 GPO

Check No. 81056, dated 7/17/56
Amount - $14.40
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 80205, dated 6/22/56
Amount - $76.83
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 80416, dated 6/26/56
Amount - E104.01
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

RECEIVED
AUG 30 1956

QUINTUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

LETTER OF TRANSMITTAL

Portland, Oregon

DEPOSIT NO. 14-23-020-346

For credit of 425 New U.S. Court House
420 Division of Disbursements Portland, Oregon 8/15/56
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of San Francisco, Portland Branch
(Name and location of depositary) Portland, Oregon

$ 192.94

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	E-651	$192.94

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
c/o Bureau of Mines
P. O. Box 492
Albany, Oregon

TO ABOVE-NAMED BANK OR TO TREASURER U. S.:

Herewith you will receive the deposit described above. Please observe the distribution printed on each accompanying copy of Standard Form 201.

(Depositor)
Myrtle I. Purdy, Authorized Collector

DEPOSITARY WILL RETAIN THIS COPY

16—59686d-1 GPO

Check No. 80575, dated 7/3/56
Amount - $88.74
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 80908, dated 7/11/56
Amount - $32.03
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 80967, dated 7/12/56
Amount - $72.17
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

RECEIVED
AUG 30 1956

QUINTUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

LETTER OF TRANSMITTAL

For credit of 425 New U.S. Court House
420, Division of Disbursement, Portland, Oregon
(Name, title, and disbursing or other identification symbol of accountable officer)

6/15/56
(Date sent)

Portland, Oregon
DEPOSIT NO.
14-23-080-344

deposited with Federal Reserve Bank of San Francisco, Portland Branch
Portland, Oregon
(Name and location of depositary)

$ 104.81

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	E-651	$104.81

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
c/o Bureau of Mines
P.O. Box 492
Albany, Oregon

TO ABOVE-NAMED BANK OR TO TREASURER U. S.:

Herewith you will receive the deposit described above. Please observe the distribution printed on each accompanying copy of Standard Form 201.

Myrtle I. Purdy, Authorized Collector
(Depositor)

DEPOSITARY WILL RETAIN THIS COPY

16—59686d-1 GPO

Check No. 79805, dated 6/7/56
Amount - $17.30
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 79794, dated 6/7/56
Amount _ $72.68
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 80048, dated 6/14/56
Amount - $14.83
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

RECEIVED
AUG 20 1955

QUINTUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

LETTER OF TRANSMITTAL

For credit of 425 New U.S. Court House
420, Division of Disbursement, Portland, Oregon
(Name, title, and disbursing or other identification symbol of accountable officer)

8/15/56
(Date sent)

Portland, Oregon
DISBURSE No.
14-23-020-343

deposited with Federal Reserve Bank of San Francisco, Portland Branch
(Name and location of depositary) Portland, Oregon

$. 276.60

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	E-651	$276.60

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
c/o Bureau of Mines
P. O. Box 492
Albany, Oregon

TO ABOVE-NAMED BANK OR TO TREASURER U. S.:

Herewith you will receive the deposit described above. Please observe the distribution printed on each accompanying copy of Standard Form 201.

Myrtle I. Purdy, Authorized Collector
(Depositor)

DEPOSITARY WILL RETAIN THIS COPY

16—59686d-1 GPO

Check No. 79476, dated 5/31/56
Amount - $172.93
From: American Smelting and Regining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 79672, dated 6/5/56
~~Remx~~ Amount: $31.34
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 79762, dated 6/6/56
Amount - $72.33
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

RECEIVED
AUG 3 0 1956

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)
Centralia Mines, Inc.
Pope-Shannon 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 Centralia 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 Centralia 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 Lesher 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

See letters 10/2/56, 10/2/56

APPROVED:

FRANK D. LAMB
Member, Bureau of Mines

N. E. Nelson
Member, Geological Survey

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

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-E651

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

E-651

For Certificate of Deposit No. 292, dated January 17, 1956, giving royalty repayments of $76.30, $51,64, $29.16, $39.05, see E-406.

For Certificate of Deposit No. 286, dated December 21, 1955, giving royalty repayments of $59.18, $54.49, $65.09, and $74.65, see E-150.

QUINTUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

LETTER OF TRANSMITTAL

Portland, Oregon

DEPOSIT NO.
14-23-020-324

$ 194.92

For credit of 485 Rev U.S. Court House 480, Division of Disbursement, Portland, Oregon (Name, title, and disbursing or other identification symbol of accountable officer) 6/8/56 (Date sent)

deposited with Federal Reserve Bank of San Francisco, Portland Branch Portland, Oregon (Name and location of depositary)

for accounts listed below. SCHEDULE Nos.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	E-651	$194.92

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
c/o Bureau of Mines
P. O. Box 492
Albany, Oregon

TO ABOVE-NAMED BANK OR TO TREASURER U. S.:

Herewith you will receive the deposit described above. Please observe the distribution printed on each accompanying copy of Standard Form 201.

(Depositor) Myrtle I. Purdy, Authorized Collector

DEPOSITARY WILL RETAIN THIS COPY

16—59686d-1 GPO

Check No. 76905, dated 3/13/56
Amount - $17.17
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 77075, dated 3/22/56
Amount - $32.97
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 77472, dated 4/4/56
Amount -- $26.78
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 78138, dated 4/24/56
Amount - $107.77
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 78270, dated 4/25/56
Amount - $8.87
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 78276, dated 4/25/56
Amount - $1.36
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

For Certificate of Deposit No. 347, dated August 15, 1956, giving royalty repayments of $115.08, $100.46, and $1.13, see E-436.

For Certificate of Deposit No. 342, dated August 15, 1956, giving royalty repayment of $3.45, see E-9.

E-651

For Certificate of Deposit No. 293, dated January 20, 1956 giving royalty repayment of $25.17, see E-493.

For Certificate of Deposit No. 323, dated June 8, 1956, giving royalty repayments of $17.08, $21.56, and $55.50, see E-41.

SEXTUPLICATE

STANDARD FORM 209e (Formerly Cert. of Deposit, Form 6599)
Promulgated August 1951 by Treasury Department, Fiscal Service

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

DEPOSIT NO.
14-23-020-284

Deposited with Federal Reserve Bank of San Francisco (Name and location of depositary) 12/19/55 (Date sent)

$ 224.85

the sum shown opposite for credit, subject to check, in the disbursing account of—

SYMBOL NO.
420

A. O. Wahlers, RDO, 523 U. S. Courthouse, Portland 5, Oregon
(Name and address of officer to be credited)

On account of—

14X4401.....$224.85

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
c/o Bureau of Mines
P. O. Box 492
Albany, Oregon

SPACE BELOW TO BE USED BY DEPOSITARY ONLY
I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

(Date of credit in Treasurer's account)

DEPOSITOR WILL RETAIN THIS COPY

Check No. 14007, dated 12/12/55
Amount - $25.10
From: American Smelting & Refining Co.
Contract E436, Western States Copper Corp.
Royalty receipt

Check No. 70843, dated 9/15/55
Amount - $75.72
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 69398, dated 7/19/55
Amount - $51.70
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 71770, dated 10/13/55
Amount - $32.10
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 71890, dated 10/18/55
Amount - $40.23
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

QUINTUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

LETTER OF TRANSMITTAL

Portland, Oregon

DEPOSIT NO. 14-23-020-325

For credit of 425 New U.S. Courthouse
490, Division of Disbursement, Portland, Oregon
(Name, title, and disbursing or other identification symbol of accountable officer)

6/8/56
(Date sent)

deposited with Federal Reserve Bank of San Francisco, Portland Branch
(Name and location of depositary) Portland, Oregon

$ 496.67

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	E-651	$496.67

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
c/o Bureau of Mines
P. O. Box 492
Albany, Oregon

TO ABOVE-NAMED BANK OR TO TREASURER U. S.:

Herewith you will receive the deposit described above. Please observe the distribution printed on each accompanying copy of Standard Form 201.

Myrtle I. Purdy, Authorized Collector
(Depositor)

DEPOSITARY WILL RETAIN THIS COPY

16—59680d-1 GPO

Check No. 78492, dated 5/2/56
Amount - $46.65
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 78950, dated 5/14/56
Amount - $40.29
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 78996, dated 5/16/56
Amount - $38.28
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 14616, dated 2/2/56
Amount - $45.30
From:American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 15882, dated 4/24/56
Amount - $174.65
From:American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 16299, dated 5/11/56
Amount - $151.50
From: American Smelting & Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

AUG 3 1954

Mr. [illegible] Weissenborn
Executive Officer
DMA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. [illegible]-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-[illegible]651

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

APPROVED:

J. H. Hedges

Director, Bureau of Mines

s/ E. L. Newcomb

Director, Geological Survey

L.Griswold/er (rewritten 8/2/54)
72/3/54

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Acctg. Asst. Solicitor, DMA
Mr. Gildersleeve
Mr. C. H. Johnson
Mr. Chambers (DMA)
Chron.

orig file

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

pertaining to Exploration Project Contract No. Idm-2651, Docket No. DMRA 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 (Forms 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

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. C. Vou. No. 1545
Bu. Vou. No.

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

Voucher prepared at Spokane 6/27/55
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E651

RECEIVED
JUL - 5 1955

To Centrida Mines, Inc.
(Payee)

Box 838 Kellogg, Idaho
(Address) (City) (State)

PAID BY
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	March 1955	Balance of payment which was withheld pending final audit. $3,172.50 was paid on March 1955 MF-104 under Voucher No. 1489 dated 4/19/55.				500.00	
PAYMENT: Complete ☐ Partial ☐ Final ☐		FINAL PAYMENT					
		Use continuation sheet(s) if necessary			Total	500.00	

Shipped from to Weight Government B/L No.

(Payee must NOT use this space)
Differences
500.00
Account verified; correct for
(Signature or initials)

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

500.00

Myrtle I. Purdy

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401m	Revolving Fund, Defense Production Act, Interior	$500.00	$500.00

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

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

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

16—22000a-2

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 1955 Docket No. DMEA 3112 Contract No. IDM-E 651
Operator's Name CENTRIDA MINES, INC. Minerals Copper
Address Box 838, Kellogg, Idaho
Contract Amount, $ 63,140.00 Government Participation: 50 % Amount, $ 31,570.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling	7345.00	18,804.50	26,149.50			
Bulldozing						
Crosscutting	—	6,525.00	6,525.00			
Drifting	—	28,188.00	28,188.00			
Diamond Drill Stations	—	1,750.00	1,750.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	7345.00	55,267.50	62,612.50	7345.00	55267.50	62612.50

I certify that the above bill is correct and just and that payment therefor has not been received.
Date April 5, 1955 *Payee Centrida Mines, Inc.
Per C. W. Whalen Title Secretary

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 3172.50
Signature M. O. P.
(Authorized Certifying Officer)
Date 4-19-55 Vou. No. 1489
(See other side)

500.00 withheld pending audit

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 6 5 1 in accordance with the terms of the contract.

Signature /S/ Alfred R Service Title Mining Eng Date 4-11-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Eng Date 4-12-55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPT. OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 25 1955

Month of March 195 5 Docket No. DMEA 3112 Contract No. IDM-E 651
Operator's Name CENTRIDA MINES, INC. Minerals Copper
Address BOX 838, Kellogg, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	ft.	—	—	28,188.00	648	28,188.00)	800	~~34,800.00~~ 43.50
Crosscutting	ft.	—	—	6,525.00	150	6,525.00)		
Raising								
Shafts								
Winzes								
Drilling: Core	ft.	7345.00	1130	26,149.50	4023	26,149.50	4060	~~26,390.00~~ 6.50 ft
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Stations		—	—	1,750.00	6	1,750.00	7	1,950.00
TOTAL DISTRIBUTED COSTS		7345.00		62,612.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		7345.00		62,612.50				63,110.00

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

Date April 5, 1955 Operator Centrida Mines, Inc.

Per C. Whalen Title Secretary

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

REMARKS:

(Instructions on reverse)

Alfred R. Service (For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

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

Budget Bureau No. 42-R1036.5

Defense Minerals Administration
RECEIVED
APR 25 1955

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

Month of February, 195 5 Docket No. DMEA 3112 Contract No. IDM-E 651
Operator's Name CENTRIDA MINES, INC. Minerals Copper
Address Box 838, Kellogg, Idaho
Contract Amount, $ 63,140.00 Government Participation: 50 % Amount, $ 31,570.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	6981.00	11,823.50	18,804.50			
Bulldozing						
Crosscutting	—	6,525.00	6,525.00			
Drifting	—	28,188.00	28,188.00			
Diamond drill Stations	—	1,750.00	1,750.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	6981.00	48,286.50	55,267.50	6981.00	48286.50	55267.50

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

Date March 11, 1955 Payee CENTRIDA MINES, INC.

Per L. Whalen Title Secretary

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

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

(Instructions on reverse)

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

$ 3490 00

Signature M. A. P.
(Authorized Certifying Officer)

Date 4-19-55 Vou. No. 1489
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 651 in accordance with the terms of the contract.

Signature (S) Alfred R. Service Title Mining Engr Date 3-14-55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature (S) Stephen W Zoldok Title Mining Engr Date 4-19-55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Feb. 195 5 Docket No. DMEA 3112 Contract No. IDM-E 651

Operator's Name CENTRIDA MINES, INC. Minerals Copper

Address Box 838, Kellogg, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	—	—	28,188.00	648	28,188.00)	800	48.50 ~~34,800.00~~
Crosscutting	Ft.	—	—	6,525.00	150.	6,525.00)		
Raising								
Shafts								
Winzes								6.50 Ft
Drilling: Core	Ft.	6981.00	1074	18,804.50	2893	18,804.50	4060	~~26,390.00~~
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Stations		—	—	1,750.00	6	1,750.00	7	1950.00
TOTAL DISTRIBUTED COSTS		6981.00		55,267.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		6981.00		55,267.50				63140.00

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

REMARKS:

Date March 10, 1955 Operator CENTRIDA MINES, INC.

Per C. W. Chalm Title Secretary

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

(Instructions on reverse)

(For Government use only)

Is/ Stephen H Zoldok

INSTRUCTIONS

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

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

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

GPO 872894

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

April 5, 1955

Department of Defense Minerals
APR 25 19

A. E. Weissenborn
W. G. Agnew
Defense Minerals Exploration Administration
Spokane, Washington

Narrative report for the month of March, 1955, Centrida Mines, Inc., Pope Shenon Mine, Lemhi County, Idaho, Contract No. DMEA 3112.

Dear Sirs:

Please find enclosed a copy of the 40 scale map of the 600 level, one of the 500 level and also two small prints showing the location of the diamond drill holes, their logs and assays where taken.

Following is a listing of each of the diamond drill holes along with their completed depths:

Hole No.	15	minus 60° angle	305 feet
"	16	minus 57° angle	280 feet
"	17	horizontal	145 feet
"	18	horizontal	150 feet
"	19	horizontal	210 feet
"	8	deepened from 109' to 149'	40 feet

Total number of feet drilled this month. . . 1130 feet

Drill holes No. 15 and No. 16 were drilled to intersect the mineralized zone at the same horizon to the east and west respectively of that zone cut by drill hole No. 4. The zone cut in hole No. 15 was narrow and completely oxidized. That cut by No. 16 carried sulphides but of rather narrow width and not too good grade. Refer to the small prints for additional information.

Drill hole No. 17 was drilled on the 600 level near the adit to check the mineralization to the west of the intersection of the zone by the adit crosscut. This hole showed a 3 foot zone of 1.92% cu and 5.04 copper oxide.

Holes No. 18 and 19 were drilled on the 500 level to check the upward extension of the zone cut at the end of the 600 diamond drill cross cut. Hole No. 18 cut a 5 foot mineralized zone, which is very likely the upward extension of the zone. No. 19 did not cut any such zone.

The completion of Hole No. 19 finishes the diamond drilling on the present outlined program.

Very truly yours,

FRANK A. TAFT, Engineer

The above is a true copy of a report submitted by Mr. Taft to this corporation.

Centrida Mines, Inc.
C. Whalen
C. Whalen, Secretary

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

March 11, 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 25 1955

A. E. Weissenborn
W. Agnew
Defense Minerals Exploration Administration
Spokane, Washington

Narrative report for the month of February, 1955, Centrida Mines, Inc., Pope Shenon Mine, Lemhi County, Idaho, Contract DMEA 3112.

Dear Sirs:

Please find enclosed a copy of the 40 scale map plus one small print showing the location of the diamond drill holes completed this month.

Following is a listing of each diamond drill hole along with the completed depth of each:

Diamond drill hole	No. 9. . . .	90 ft. deep
"	No. 10. . . .	151 ft. deep
"	No. 11. . . .	300 ft. deep
"	No. 12. . . .	156 ft. deep
"	No. 13. . . .	301 ft. deep
"	No. 14. . . .	76 ft. deep

Total number of feet drilled this month: 1074

Drill hole No. 9 was drilled on a south bearing and on a minus 45° angle. Please refer to the small print for the location and geology of this hole, also assays. Drill holes No. 10, 11, 12, 13 and 14 were all horizontal holes drilled off the 600 level. Please refer to the 40 scale plan for the location and geology of these holes. No values showed up in either of these holes. The two holes No. 11 and 12 both crossed some open fractures and are making considerable water.

Very truly yours,

FRANK A. TAFT, Engineer

The above is a true copy of a report submitted by Mr. Taft to this corporation.

Centrida Mines, Inc.
C. Whalen
C. Whalen, Secretary

Form MF-134 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

U.S. Department of the Interior
Defense Minerals Administration
RECEIVED
FEB 28 1955

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

Month of Dec.-Jan., 195 4-5 Docket No. DMEA 3112 Contract No. IDM-E 651
Operator's Name CENTRIDA MINES, INC. Minerals Copper
Address Box 838, Kellogg, Idaho
Contract Amount, $ 63,140.00 Government Participation: 50 % Amount, $ 31,570.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	11,823.50	—	11,823.50	11823.50	— 0 —	11823.50
Bulldozing						
Crosscutting	—	6525.00	6525.00		6525.00	6525.00
Drifting	4,263.00	24,012.00	28,275.00	4176.00	24012.00	28188.00
Diamond Drill Stations	1,000.00	750.00	1750.00	1000.00	750.00	1750.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	17,086.50	31,287.00	48,373.50	16999.50	31287.00	48286.50

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

Date Feb. 12, 1955 *Payee Centrida Mines, Inc.

Per C. W. Hahn Title Secretary

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

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

(Instructions on reverse)

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

$ 8499.75

Signature M. G. P.
(Authorized Certifying Officer)

Date 2/18/55 Vou. No. 1441
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E651 in accordance with the terms of the contract.

Signature /S/ Alfred L. Service Title Mining Eng Date 2/14/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W. Goldsch Title Mining Eng Date 2/17/55

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Dec.-Jan. 1954-5 Docket No. DMEA 3112 Contract No. IDM-E 651

Operator's Name Centrida Mines, Inc. Minerals Copper

Address Box 838, Kellogg, Idaho

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	ft.	4263.00	98	28,275.00	650	28,275.00)	800	34,800.00
Crosscutting	ft.	—	—	6525.00	150	6525.00)		
Raising								
Shafts								
Winzes								
Drilling: Core	ft.	11,823.50	1819	11,823.50	1819	11,823.50	4060	26,390.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Stations		1000.00	5	1750.00	6	1750.00	7	1950.00
Total Distributed Costs		17,086.50		48,373.50				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		17,086.50		48,373.50				

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

Date Feb. 12, 1955 Operator Centrida Mines, Inc.

Per C. W. Hahn Title Secretary

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 28 1955

Feb. 12, 1955

A. E. Weissenborn
W. Agnew
Defense Minerals Exploration Administration
Spokane, Washington

Narrative report for the months of December, 1954 and January, 1955, Centrida Mines, Inc., Pope Shenon Mine, Lemhi County, Idaho, Contract DMEA-3112.

Dear Sirs:

Enclosed please find a copy of the 40 scale map showing the progress on the 600 level for the month of December. The total advance for the month was 85 feet in the east drift. The ground still remains very hard. However, it has become more blocky and has crossed a couple of small faults which are making water and also show some oxidation.

Please find enclosed a copy of the 40 scale progress map plus six small prints showing the geology and assay values of each diamond drill hole for the month of January, 1955. Also eight copies of the drill logs covering the eight diamond drill holes completed during January. The progress map shows 13 feet advance in the 600 east drift which completes the drifting of 500 feet agreed upon. Also the completion of five diamond drill stations that have been approved for location by the U.S.G.S. geologist.

Following is a listing of each diamond drill hole completed along with the completed depth of each:

Hole No. 1. . . .401 ft.	Hole No. 5. . . .187 ft.
Hole No. 2. . . .262 ft.	Hole No. 6. . . .169 ft.
Hole No. 3. . . .252 ft.	Hole No. 7. . . .128 ft.
Hole No. 4. . . .311 ft.	Hole No. 8. . . .109 ft.

Total number of ft. drilled-1819

Diamond drill holes No. 1, 2 and 3 were drilled south from the drill station in the cross cut on a minus 45°. Holes No. 1 and 2 showed the ore zone to be entirely oxidized with hole No. 3 showing sulphides but of rather low grade. Hole No. 4, on a minus 65° intersection, cut the ore zone about 120 ft. below hole No. 1 and showed 4½ ft. of core that averaged 8.1% cu. and it all being sulphides. Due to the good sulphides in hole No. 4 it is possible that an open water fault through the ore zone in the vicinity of No. 1 and 2 is responsible for the oxidation shown by the holes. Diamond drill hole No. 5 was drilled due north out of the end of the cross cut to further check the hanging wall for any mineralization, of which it showed none. Drill hole No. 6 cut about 107' south of the drill station and drilled north on a minus 30° to check the downward extension of the mineralized zone cut in the drill station. This hole showed 6' of well mineralized zone. The zone will probably run around 4% copper, which was the assay of it on the level. However, the core still showed considerable oxidation. Holes No. 7 and 8 were drilled horizontally to intersect the zone about 60' to the east and west respectively. They showed the zone narrowing and completely oxidized. For further information on the holes please refer to the maps and the drill logs of each hole, which are enclosed. Core recovery on all holes was very good.

Very truly yours,
FRANK A. TAFT, Consulting Engineer

The above is a true copy of Mr. Taft's reports. Centrida Mines, Inc. E. Whalen

DMEA Field Team, Region II December 17, 1954

DMEA Certifying Officer, Region II

Centrion Mines, Inc. Contract 1da-2651. Operating Report for October and November 1954.

The subject operating report has been received and processed for payment.

A deletion of $6,6.00 was made. This amount was claimed for 16 feet of crosscutting on the 50' level which is in excess of the amount allowed by the contract for this item.

Myrtle Purdy

cc: Operator
DMEA (2)
USGS
Wash. (2)
AD
Engr

XXXXXXXXXXXXXXXXXXX
1801 N. Division St.
Spokane 2, Washington
March 16, 1955

Centrida Mines, Inc.
Box 838
Kellogg, Idaho

Re: Contract Idu-[illegible]51
Monthly operating report for
February 1955

Gentlemen:

The subject invoice has been received and processed. However, as your project is nearing completion, payment is being withheld until another MF-104 is received. At that time a portion of the amount due on the two reports submitted will be held back and a check will be sent you for the balance.

This is standard procedure for all contracts as the project nears completion. We are obliged to withhold a portion of the Government's contribution to the cost pending a final accounting and receipt of a final engineering report.

By Field Team, Region I
Northwest District

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

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

cc: IMEA (2)
USGS (2)
Wash. (2)

DMEA Field Team, Region I
Northwest District

February 18, 1955

DMEA Certifying Officer, Region I

Centrida Mines, Inc., Contract I6m-E651, 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
WASH.
AD
Engr.

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 23 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Oct. & Nov. 1954 Docket No. DMEA 3112 Contract No. IDM-E 651

Operator's Name CENTRIDA MINES, INC. Minerals Copper

Address Box 838, Kellogg, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	ft.	5481.00	126	24,012.00	552	24,012.00)	800	34,800.00
Crosscutting	ft.	696.00	16	7,221.00	166	7,221.00)		
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond drill station				750.00				
TOTAL DISTRIBUTED COSTS		6177.00						TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		6177.00		31,983.00				

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

Date Dec. 10, 1954 Operator CENTRIDA MINES, INC.

Per L. Whalen Title Secretary

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

CENTRIDA MINES, INC.

P. O. BOX 838

KELLOGG, IDAHO

Dec. 10, 1954

OF THE INTERIOR
Minerals Administration
RECEIVED
DEC 3 1954

A. E. Weissenborn
W. Agnew
Defense Minerals Exploration Administration
Spokane, Washington

Narrative report for the months of October and November, 1954, Centrida Mines, Inc., Pope Shenon Mine, Lemhi County, Idaho, Contract DMEA-3112.

Dear Sirs:

Enclosed please find a copy of the 40 scale progress map showing the progress on the 500 level and 600 level for the month of October. The total progress for the month is 57', of which a 16' x-cut was driven on the 500 level and 41' on the east drift on the 600 level.

The end of the drift on the 500 level entered a mineralized zone and upon the suggestion of both the field men from the U. S. Bureau of Mines and the U. S. G. S. a short x-cut was driven to open up the zone. However, it did not show any signs of getting any stronger, so it was decided to leave it until we started diamond drilling to further explore it.

The drift on the 600 level has been swung east on about N 65 E upon recommendation of the U. S. G. S. field man. So far there has been very little change in the ground although it seems to be somewhat more blocky with some moisture showing. The advance is only 41' this month. Due to the hunting season my crew took off and then decided not to return, so I had to pick up a new crew.

Enclosed please find a copy of the 40 scale progress map showing the progress for the month of November. The total progress for the month was 85 feet in the east drift. The ground still remains very hard with no noticeable change in the formation.

Very truly yours,

FRANK A. TAFT, Consulting Engineer

I hereby certify that the above is a true copy of reports submitted to this corporation by Mr. Taft.

CENTRIDA MINES, INC.
C. Whalen
C. Whalen, Secretary

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

Budget Bureau No. 42-R1036.5

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

Month of Oct. and Nov., 1954 Docket No. DMEA 3112 Contract No. IDM-E 651
Operator's Name CENTRIDA MINES, INC. Minerals Copper
Address Box 838, Kellogg, Idaho
Contract Amount, $ 63,140.00 Government Participation: 50 % Amount, $ 31,570.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	696.00	6525.00	7221.00			
Drifting	5481.00	18,531.00	24,012.00			
Diamond Drill Station	—	750.00	750.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	6177.00	25,806.00	31,983.00	5481.00	25806.00	31,287.00

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

Date Dec. 10, 1954 *Payee CENTRIDA MINES, INC.

Per L. Whalen Title Secretary

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

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

(Instructions on reverse)

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

$ 2740.50

Signature M. R. P.
(Authorized Certifying Officer)

Date 12/16/54 Vou. No. 1376
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-651 in accordance with the terms of the contract.

Signature /s/ Vido Z Johnson Title Mining Engr Date 12/13/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Stephen W Zoldok Title Mining Engr Date 12/14/54

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

Defense Minerals Administration
RECEIVED
OCT 18 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September 1954 Docket No. DMEA 3112 Contract No. IDM-E 651
Operator's Name CENTRIDA MINES, INC. Minerals Copper.
Address Box 838, Kellogg, Idaho
Contract Amount, $ 63,140.00 Government Participation: 50 % Amount, $ 31,570.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	----	6525.00	6525.00			
Drifting	5481.00	13,050.00	18,531.00	5481.00		
Diamond Drill Station	----	750.00	750.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	5481.00	20,325.00	25,806.00	5481.00	20325.00	25806.00

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

Date Oct. 6, 1954 *Payee CENTRIDA MINES, INC.

Per C. Whalen Title Secretary

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

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

(Instructions on reverse)

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

$ 2740 50

Signature MGP
(Authorized Certifying Officer)

Date 10/14/54 Vou. No. 1313
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 657 in accordance with the terms of the contract.

Signature 1st Verda Z Johnson Title Mining Engr Date 10/8/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 1st Stephen W Zoldok Title Mining Engr Date 10/8/54

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MR-104A
(April 1952)

Budget Bureau No. 42-R1151.2

DEPARTMENT OF THE INTERIOR
Defense Minerals Adm.
RECEIVED
OCT 18 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1954 Docket No. DMEA 3112 Contract No. IDM-E 651
Operator's Name CENTRIDA MINES, INC. Minerals Copper
Address Box 838, Kellogg, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	5481.00	126	18,531.00	426	18,531.00	800	$34,800.00
Crosscutting	Ft.	----	----	6525.00	150	6525.00		
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Station				750.00				
TOTAL DISTRIBUTED COSTS		5481.00						TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		5481.00		25,806.00				

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

Date Oct. 6, 1954 Operator CENTRIDA MINES, INC.

Per C. Whalen Title Secretary

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

Department of the Interior
Defense Minerals Administration
RECEIVED
OCT 18 1954

CENTRIDA MINES, INC.

BOX 838

KELLOGG, IDAHO

October 6, 1954

Mr. A. E. Weissenborn

Mr. W. Agnew

Field Team II

Defense Minerals Exploration Administration

Spokane, Washington

Narrative report for month of September, 1954, Centrida Mines, Inc., Pope Shenon Mine, Lemhi County, Idaho. Contract DMEA 3112.

Dear Sirs:

Enclosed please find a copy of the 40 scale progress map showing the progress on the 500 and 600 levels for the month of September.

The total progress for the month was 126 feet, of which 75' was completed on the 600 level drift east and 51 feet on the 500 level drift east. This completes the drifting on the 500 level of 150 feet, set up for in this contract.

The drift on the 600 level has showed up very little, if any, changes except that it still remains very hard and difficult to break, making the advance very slow.

This completes the drifting on the 500 level and the last portion of it the ground got softer with the last round showing some mineralization.

Very truly yours,

FRANK A. TAFT, Consulting Engineer

Defense Materials Administration
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DEC 3 1954

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 $6,6.00 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
Wash. (2)

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

Budget Bureau No. 42-R1036.5

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 24 1954

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

Month of August, 1954 Docket No. DMEA 3112 Contract No. IDM-E 651
Operator's Name Centrida Mines, Inc. Minerals Copper
Address Box 838, Kellogg, Idaho
Contract Amount, $ 63,140.00 Government Participation: 50 % Amount, $ 31,570.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	-	6525.00	6525.00		6525.00	6525.00
Drifting	6742.50	6307.50	13,050.00	6742.50	6307.50	13050.00
Diamond Drill Station	-	750.00	750.00		750.00	750.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	6742.50	13,582.50	20,325.00	6742.50	13582.50	20325.00

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

Date 9-9-54 *Payee Centrida Mines, Inc.

Per C. Whelan Title Secretary

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

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

(Instructions on reverse)

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

$ 3371.25

Signature
(Authorized Certifying Officer)

Date 9/17/54 Vou. No. 1280
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E651 in accordance with the terms of the contract.

Signature /s/ Verdo Z Johnson Title Mining Eng Date 9/14/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Stephen W Zoldok Title Mining Engr Date 9/15/54

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 24 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1954 Docket No. DMEA 3112 Contract No. IDM-E 651

Operator's Name Centrida Mines, Inc. Minerals Copper

Address Box 838, Kellogg, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	6742.50	155	13,050.00	300	13,050.00	800	$34,800.00
Crosscutting	Ft.	-	-	6525.00	150	6525.00		
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Station				750.00				
TOTAL DISTRIBUTED COSTS		6742.50		20,325.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		6742.50		20,325.00				

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

Date 9-9-54 Operator Centrida Mines, Inc.

Per C. Whalen Title Secretary

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

CENTRIDA MINES, INC.

P. O. BOX 838

KELLOGG, IDAHO

September 3, 1954

Mr. A. E. Weissenborn
Mr. W. Agnew
Field Team II
Defense Minerals Exploration Administration
Spokane, Washington

Narrative report for Month of August, 1954, Centrida Mines, Inc., Pope Shenon Mine, Lemhi County Idaho, Contract, DMEA - 3112

Dear Sirs:

Enclosed please find a copy of the 40-scale map showing progress on the 600 level and the 500 level for the month of August.

The total progress for the month was 155 feet, of which 96' was completed on the 600 level and 59' on the 500 level.

You will notice on the map that both headings have been swung to the North. This was due to the fact that the mineralization which was at the beginning of both drifts deminished to nothing, and upon consulting the U. S. G. S. it appeared that we were likely in the foot-wall. With this in mind it was decided to swing north to get back into the favorable zone.

You will note that the sample that was cut near the end of the diamond drill cross-cut ran 4.15% Copper for a width of 5.5 feet.

Sincerely yours,

FRANK A. TAFT
Consulting Engineer

FAT:jwt
Enc.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OFFICE OF THE DIRECTOR
Defense Minerals Administration
RECEIVED
SEP - 3 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1954 Docket No. DMEA 3112 Contract No. IDM-E 651
Operator's Name Centrida Mines, Inc. Minerals
Address Box 838, Kellogg, Idaho Copper
Contract Amount, $ 63,140.00 Government Participation: 50 % Amount, $ 31,570.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	652.50	5872.50	6525.00	652.50	5872.50	6525.00
Drifting	6307.50	-	6307.50	6307.50		
Diamond Drill Stat.	750.00	-	750.00	750.00		
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	7710.00	5872.50	13,582.50	7710.00	5872.50	13582.50

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

Date 8-12-54 *Payee Centrida Mines, Inc.

Per C. Whalen Title Secretary

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

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

(Instructions on reverse)

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

$ 3855.00

Signature MOP
(Authorized Certifying Officer)

Date 8/26/54 Vou. No. 1258
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 651 in accordance with the terms of the contract.

Signature /s/ Verdo Z Johnson Title Mining Engr Date 8/16/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Stephen W Zoldok Title Mining Engr Date 8/18/54

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1954 Docket No. DMEA 3112 Contract No. IDM-E 651

Operator's Name Centrida Mines, Inc. Minerals

Address Box 838, Kellogg, Idaho Copper

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	ft.	6307.50	145	6307.50	145	6307.50	800	$34,800.00
Crosscutting	ft.	652.00	15	6525.00	150	6525.00		
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Diamond Drill Station		750.00		750.00				
Total Distributed Costs		7710.00						Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		7710.00		13,582.50				

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

Date 8-12-54 Operator Centrida Mines, Inc.

Per C. W. Phalen Title Secretary

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

CENTRIDA MINES, INC.

BOX 838

KELLOGG, IDAHO

August 1, 1954

Mr. A. E. Weissenborn
Mr. W. Agnew
Field Team II
Defense Minerals Exploration Administration
South 157 Howard Street
Spokane, Washington

Narrative report for month of July, 1954, Centrida Mines, Inc., Pope Shenon Mine, Lemhi County Idaho, Contract DMEA-3112.

Dear Sirs:

Please find 40-scale map enclosed. On the map is shown the progress in the various headings for the month of July, 1954. The diamond drill cross-cut was driven another 15 feet to completion, and the 1000 cu.ft. diamond drill station was also cut in the end.

The drift on the 600 level was driven 105' easterly. The first section for about 50' carried some mineralization which also paralleled a strong fault. The mineralization became so weak that I decided to swing on a due east line so as to get as far east as possible with the drift and bank on the lateral diamond drilling to pick up any mineralized zones, rather than drift off on a line so far South of East, as the known ore zone is on an East-West strike.

On the 500 level we have completed 40' of drifting. This hasn't been on a due east line either as we were following a strong mineralized zone and it is now swinging to the east.

The diamond drill cross-cut cut a 5' mineralized zone at the diamond drill station as shown on the map. I will sample this as there is considerable copper showing.

Sincerely yours,

FRANK A. TAFT
Consulting Engineer
Centrida Mines, Inc.

FAT:jwt
Enc.

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

Budget Bureau No. 42-R1036.5

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

Month of June; 1954 Docket No. DMEA 3112 Contract No. JDM-E 651
Operator's Name CENTRIDA MINES, INC. Minerals Copper
Address Box 838, Kellogg, Idaho
Contract Amount, $3,140.00 Government Participation: 50 % Amount, $1,570.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting				5872.50	—0—	5872.50
Drifting	5872.50	----	5872.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	5872.50		5872.50			

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

Date July 13, 1954 *Payee CENTRIDA MINES, INC.

Per C. W. Nalen Title Secretary

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

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

(Instructions on reverse)

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

$ 2936 25

Signature MJP
(Authorized Certifying Officer)

Date 8/2/50 Vou. No. 1241
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 651 in accordance with the terms of the contract.

Signature (S) Verdo Z Johnson Title Mining Eng Date 7/14/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature (S) Stephen W Zoldok Title Mining Eng Date 7/30/54

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1954 Docket No. DMEA 3112 Contract No. IDM-E 651

Operator's Name CENTRIDA MINES, INC. Minerals Copper

Address Box 838, Kellogg, Idaho

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Ft.	5872.50	135	5872.50	135	5872.50	800	34,800.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		5872.50		5872.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		5872.50		5872.50				

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

Date July 13, 1954 Operator CENTRIDA MINES, INC.

Per C. Whalen Title Secretary

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

CENTRIDA MINES, INC.

P. O. BOX 838

KELLOGG, IDAHO

AUG 5 - 1954

July 1, 1954

Mr. A. E. Weissenborn
Mr. Agnew
Field Team II
Defense Minerals Exploration Administration
S. 157 Howard Street
Spokane, Washington

Narrative report for month of June, 1954, Centrida Mines, Inc., Pope-Shenon Mine, Lemhi County, Idaho, Contract DMEA-3112.

Dear Sirs:

Enclosed please find a 40-scale map showing 135' progress on the diamond drill station x-cut for the month of June.

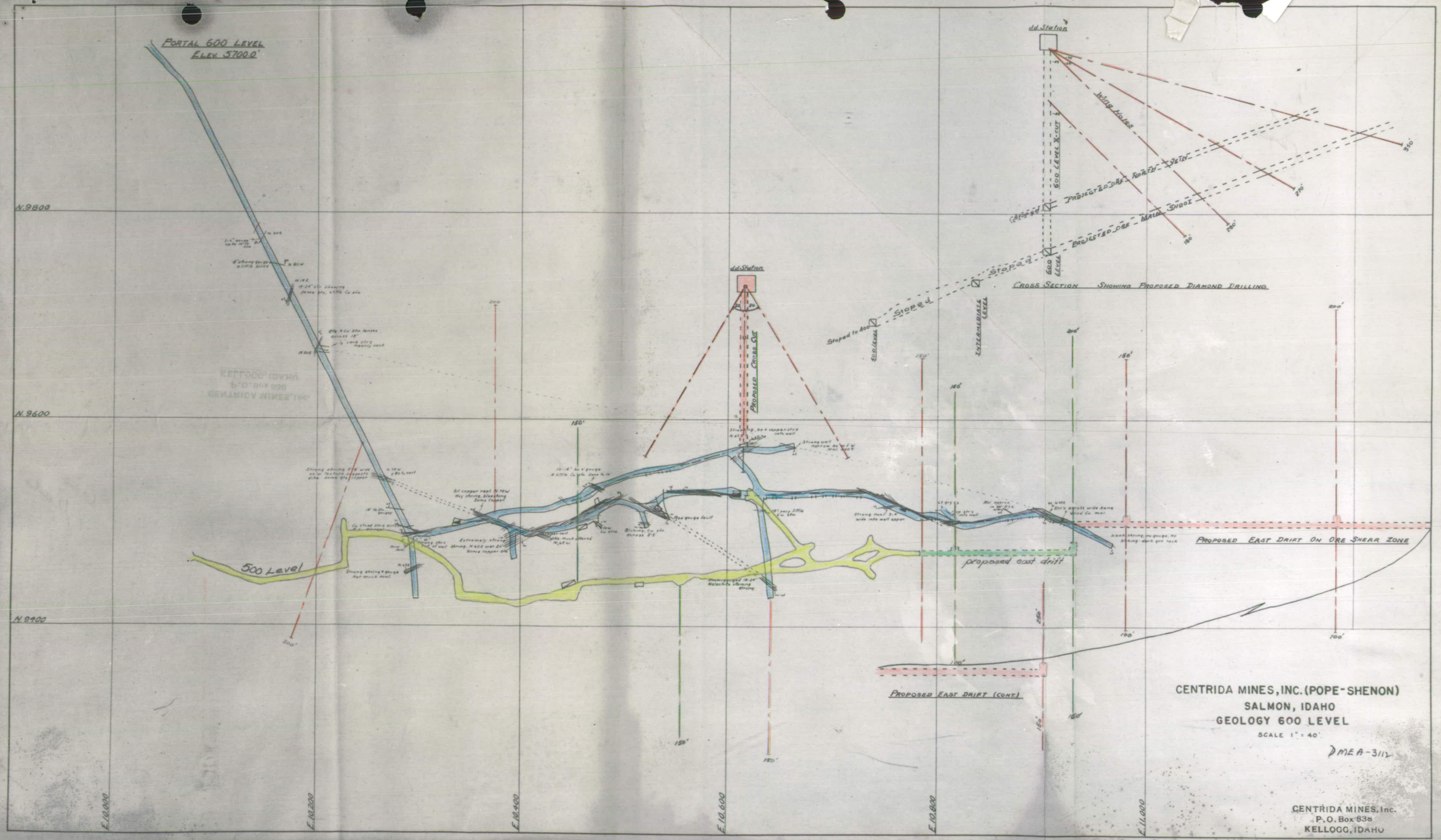
Work was started in May to rehabilitate the mine. A 12' x 20' building was erected for change room and shop. Also the building over the old ore bin was repaired to house the trammer and set up the charging unit in. The dump track was put in. The underground track was repaired with considerable new ties put in and also about 500' of new rail laid. The pipe lines were put in and carried to each face. Considerable work was required to clean the drift and even side swiping it in several places to permit the passage of 30 cu. ft. cars and trammer.

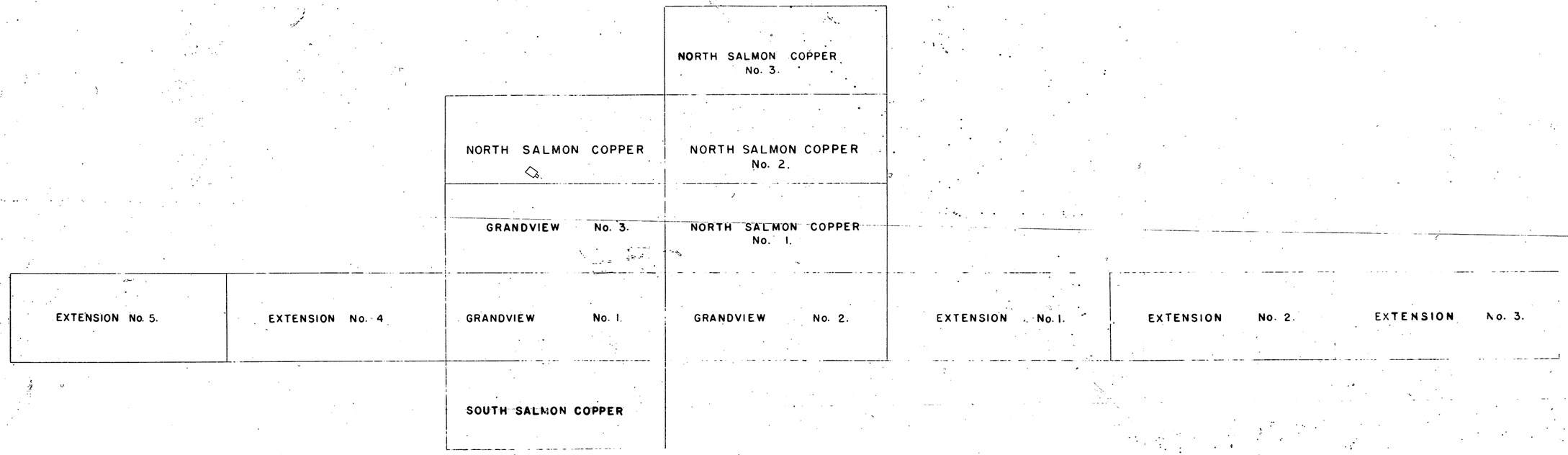
The cross-cut was started about the 4th of June with one crew. After the switch was put in and they were well around the curve, the second crew was added the 14th. The progress hasn't been too bad considering that the rock is very hard and that the men are not fully organized as yet or familiarized with the ground.

Sincerely yours,

FRANK A. TAFT
Consulting Engineer
Centrida Mines, Inc.

FAT:jwt
Enc.


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



CENTRIDA MINES, INC. (POPE-SHENON)
SALMON, IDAHO
MAP OF SURFACE SHOWING CLAIMS
SCALE 1 in. = 1 in.

CENTRIDA MINES, inc.
P.O. Box 838
KELLOGG, IDAHO

DMEA 3112

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR - 2 1954

DOCKET NO. DMEA 3112

COMMODITY Copper

Government's Copy

IDM-E 651

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

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 838
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 ~~XXXXX~~ 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 8 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 and engineering-geological maps or sketches showing the progress of the exploration, with assay reports of 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

CENTRIDA MINES, INC.
(Operator)

By C. D. Mitterdorf
Administrator, Defense Minerals Exploration Administration

By Wendell R. Brainard
President

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

C. Whalen
Secretary

[CORPORATE SEAL]

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

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Idaho, County of Lemhi, described as follows:1/ Grandview No. 1, Grandview No. 2 and Grandview No. 3, Grandview Extention 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 "A" 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/ [illegible], 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, 1953.

Fred J Brough [Seal]

Laurence 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.

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

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.

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

Docke[illegible]o. DMEA 3112

Commodity Copper

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 651

Date of Contract ~~or Amendment~~ December 28, 1953

Name and Address of Operator:

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

Amount of Government participation $ 31,570.00

Percent of Government participation 50%

Region: II State: Idaho

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

(Title)
12/28/53

Date Delivered to Bureau of Mines, Washington.

13908

Docket No. ~~DMEA - 3112~~

Commodity ~~Copper~~

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E ~~651~~

Date of Contract or Amendment: ~~xxxxxxxxxxxxx~~ Dec. 28,1953

Name and Address of Operator:

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

Amount of Government participation ____ $ 31,570.00

Percent of Government participation ~~50~~ %

Region: 1 State: Idaho

Note: Please release $ 263.75

(Name)

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

(Title)

Date Delivered to Bureau of Mines, Washington. 5/16/55

54458

RECEIVED
JAN 1 0 1955
SPOKANE, WASHINGTON

Government 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 ~~starting date from~~ _____ ~~to~~ ~~within~~ _____ ~~of the date of the contract and the~~ completion period 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

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

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

Pursuant to the provisions of Exploration Project Contract No. Idm-E651, dated December 28, 1953, Docket No. DMEA-X112, 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)

THE UNITED STATES OF AMERICA

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

Copy to:
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.

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

SEP 19 1955

Mr. Wendell R. Braimard, 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-6651

Dear Mr. Braimard:

Transmitted herewith is a certification of discovery or development related to the Exploration Project Contract No. Idm-6651, 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. R. 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

ACTING Administrator

Enclosure

MWarinsold/ar (9/14/55)
Copy to: Docket
Mr. C. A. Fredell, Actg. Dir., DM,EPS
Mr. Gresham, 3608
Mr. Aillegard, 5225
Admr R. Fils
Gp. Comptrlr
Cont. Admr Audit Div.
Plannce Office
Region I (2)
Mr. F. E. Johnson
Base Metals
W. R. Grimsold
Mr. Fred J. Brough
Chron.

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.

SEP 19 1955

Mr. Fred J. Brough

Salmon, Idaho

Re: Docket No. DMA-1112 (Copper)
Centrica Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. idm-6651

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 Centrica 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

WRGrimwold/er 9/14/55
Copy to: Docket
Admr & File
Op. Committee
Base Metals
Mr. Geehan, USBM, 3608
Mr. Killsgaard, USGS
Region I (2), N.W. Dist.
Mr. Jay Chambers
Chron.

Form 7
-58)

OFFICIAL FILE COPY

Date	Surname	Code
		100
		110
		120
		500
		800
		500

May 1, 1956

Memorandum

To: Files

From: Chief, Division of Minerals

Subject: PWFA-[illegible] (Copper)
Copperfield Mines, Inc.
Poper-Shoshone Mine
Lemhi County, Idaho
Contract [illegible]-8651

The operator paid rents for the lease contract expired in December 1951. 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 lien being sent to the operator or Owner.

W R Griswold

Chief, Division of Minerals

cc: [illegible]
[illegible]

[illegible] Files (2 copy)
[illegible] running file
Mr. Talbert

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.

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.