Extra Copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3523

Commodity Fluorspar, lead & zinc

Contract No. Idm-E 768

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 3rd day of March, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Gaylord Wallace and Wallace Baldwin, partners,

whose mailing address is Route #3 Harrisburg, Illinois,

hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Illinois, County of Pope, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the[4] Owner of[5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a[6] —, [7] — recorded in Book —, page —, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances:

None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows:

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

16—70618-1

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of fluorspar, lead & zinc The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before 6 mos. from date of/ contract (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $3,649.00 The Government will contribute 50 percent of the fixed unit costs as work is performed, in a total sum not in excess of $1,824.50: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, 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, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

C. O. Mittendorf

By .....

Administrator, Defense Minerals Exploration Administration

GAYLORD WALLACE and WALLACE BALDWIN
(Operator)

By .....

By .....

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
GAYLORD WALLACE and WALLACE BALDWIN
DOCKET NO. DMEA-3523

ANNEX I

The land referred to in Article 2 of the Contract is the SE¼ of the SE¼ of Section 22, Township 11S., Range 7E of the Third Principal Meridian, Pope County, Illinois. It lies one-half mile west of Illinois Highway 34 and about midway between the villages of Eisborn and Herod.

EXPLORATION PROJECT CONTRACT
GAYLORD WALLACE and WALLACE BALDWIN
DOCKET NO. DMEA-3583

EXHIBIT "A"

Description of the Work

The work shall be performed in two successive stages, as follows:

Stage I

The Williams fault zone shall be diamond core drilled an aggregate of 480 feet in holes at least 150 feet apart, starting at a point about 300 feet northeast of the Williams shaft. The holes shall have an approximate inclination of 45 degrees and shall be drilled to penetrate through the fault zone at the favorable horizon.

The New Baldwin fault zone shall be explored by an aggregate of 500 feet of power auger drilling in not more than 50 holes. The holes shall be approximately ten feet deep, and shall be drilled on not less than 5-foot centers on lines across the projected trend of the fault. The lines shall be parallel and shall be 350 feet apart. The power auger holes shall be drilled to bed rock.

The approximate locations of the diamond drill holes and of the auger holes are shown on the sketch entitled, "Figure 1 Baldwin Wallace Tract showing amended work program —DMEA 3583," attached hereto and made a part hereof.

If the Government is of the opinion that the results of Stage I warrant it, and the Government grants prior approval, Stage II shall be performed.

Stage II

A. At points along the Williams fault zone agreed upon by the Government and the Operator, diamond drill holes shall be drilled for not to exceed an aggregate of 460 feet.

B. Any unused diamond drill hole footage from item A may be used for diamond drilling to explore the New Baldwin fault zone.

No holes shall be less than 200 feet from a property boundary line.

All diamond drill holes shall be AX size, except that if unusual conditions are encountered the holes may be completed in BX size.

The power auger holes shall be not less than six inches in diameter.

The location, inclination, direction, and extent of all work are subject to approval by the Government.

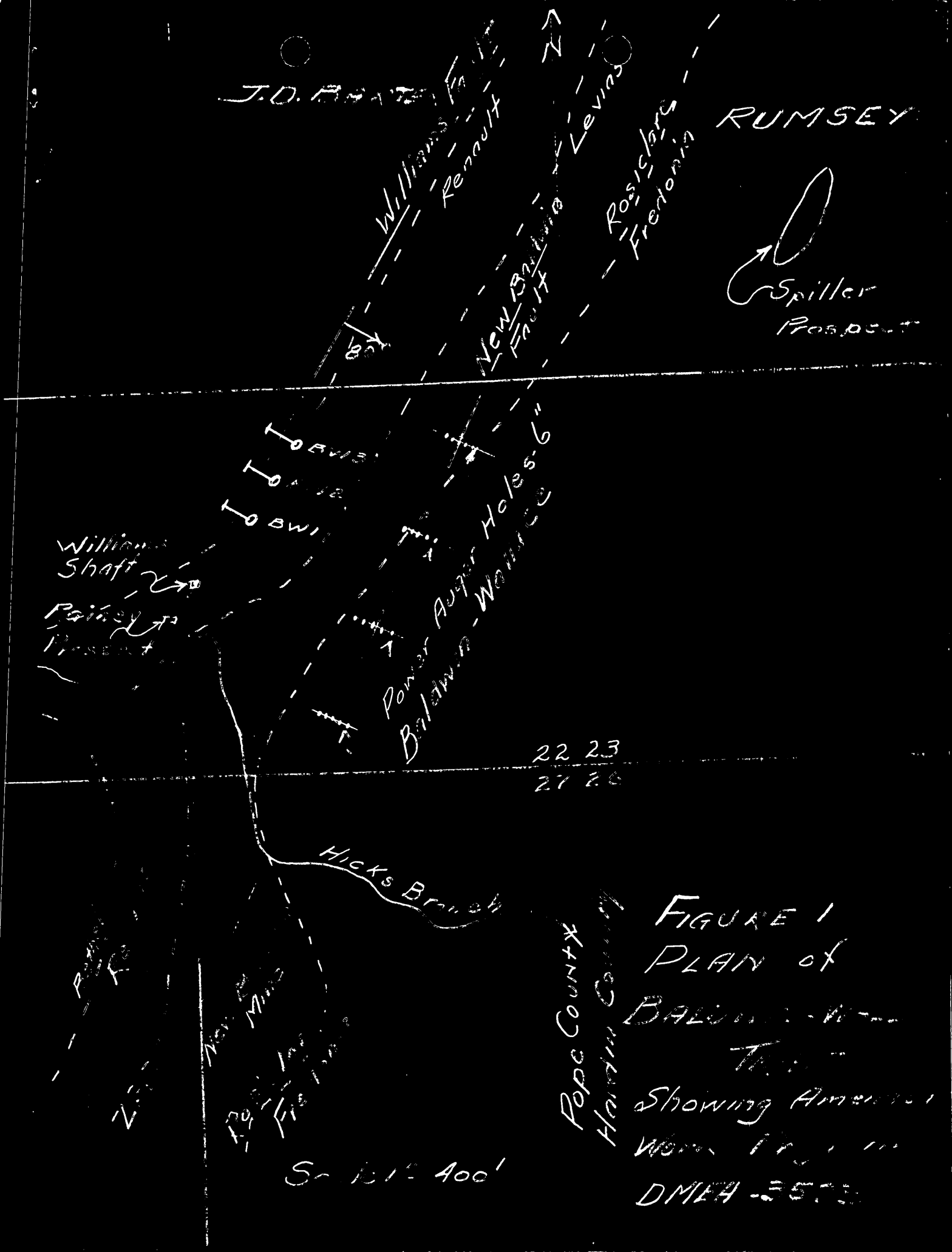
Fixed Unit Costs

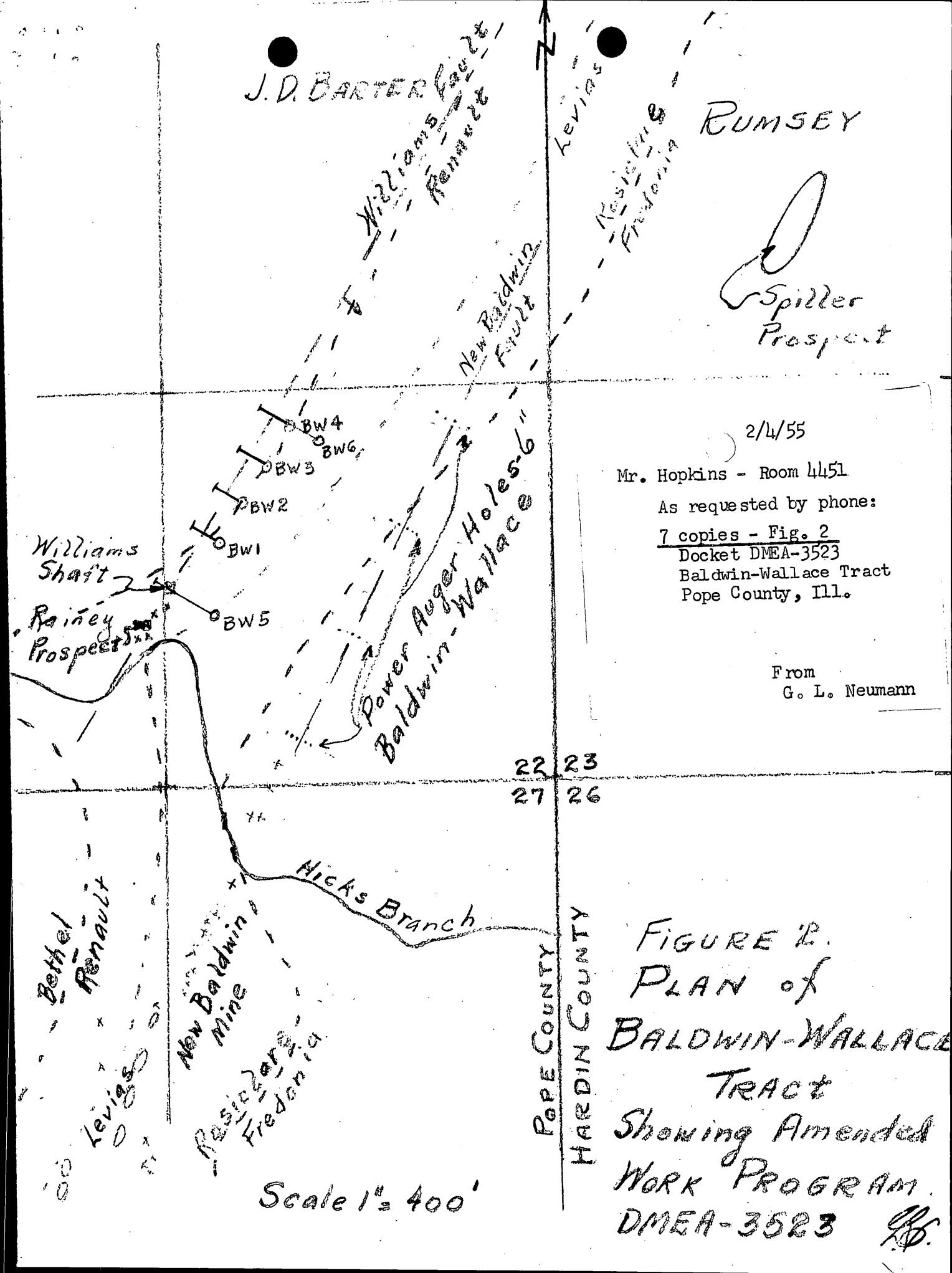
Stage I

400 feet of diamond drilling @ $3.25/ft.	$1,560.00	
500 feet of auger holes @ $0.60/ft.	300.00	
30 assays @ $5.00 each	150.00	
Diamond drill coreboxes: 480 feet of core @ $0.10/ft. of core	48.00	
Estimated Total Cost of Stage I		$2,058.00

Stage II

460 feet of diamond drilling @ $3.25/ft.	1,495.00	
Diamond drill coreboxes: 468 feet of core @ $0.10/ft. of core	46.80	
10 assays @ $5.00 each	50.00	
Estimated Total Cost of Stage II		$1,591.80
Estimated Total Cost of Project		$3,649.80
Government Participation @ 50%		$1,824.90


J.D. Rose Fault
Williams Fault
Renault
New Burnside Fault
Levins
Rosiclare
Fredonia
RUMSEY
Spiller Prospect
80°
Bwi
Bwi
Bwi
Williams Shaft
Pairey Prospect
Power Auger Holes 6"
Baldwin Warrick
22 23
27 26
Hicks Branch
Pope County
Hardin County
New Mine
Fault
N
Scale 400'
FIGURE 1
PLAN OF
Showing Amount
DMRA



2/4/55

Mr. Hopkins - Room 4451

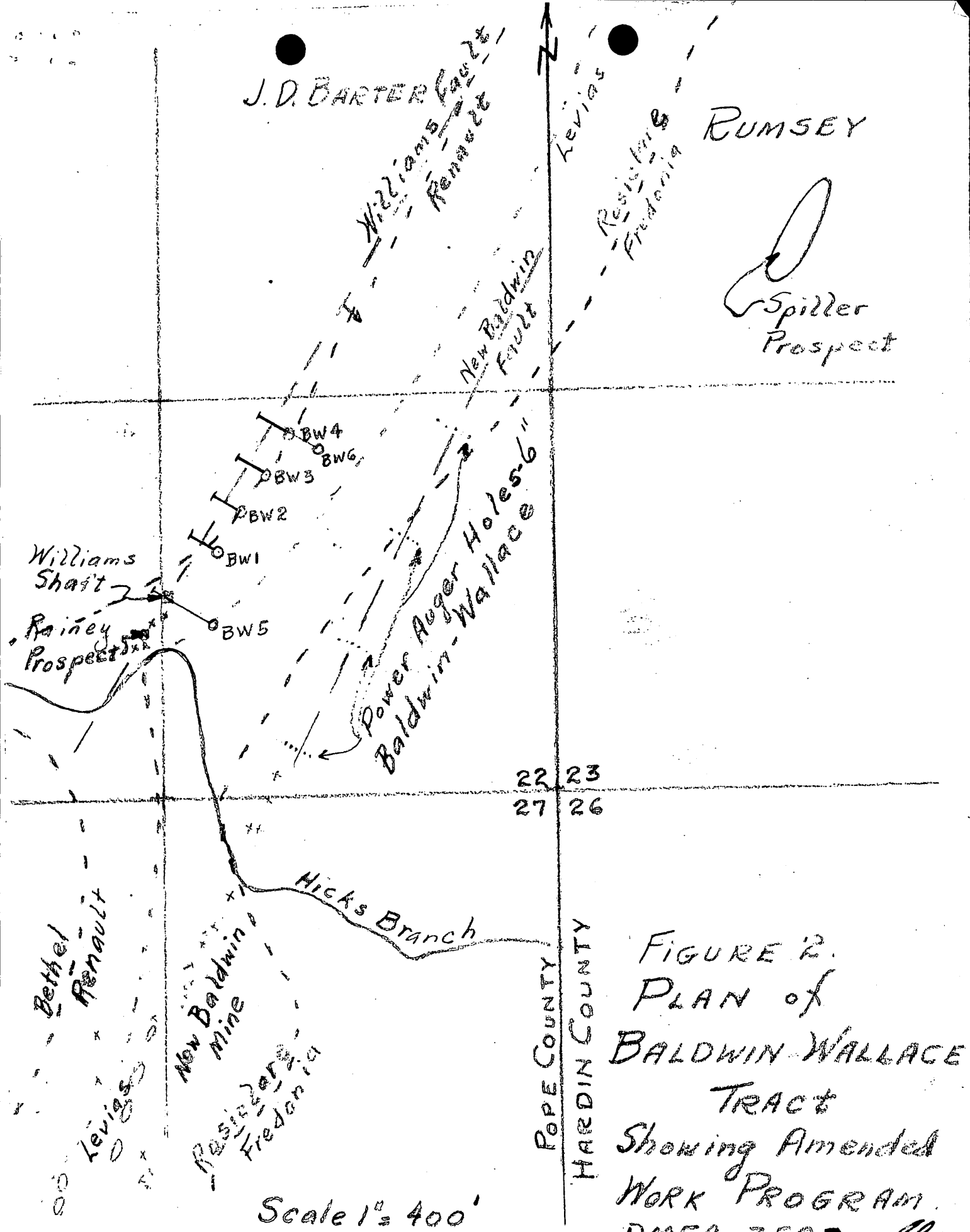
As requested by phone:

7 copies - Fig. 2

Docket DMEA-3523
Baldwin-Wallace Tract
Pope County, Ill.

From
G. L. Neumann

FIGURE 2.
PLAN of
BALDWIN-WALLACE
TRACT
Showing Amended
WORK PROGRAM.
DMEA-3523



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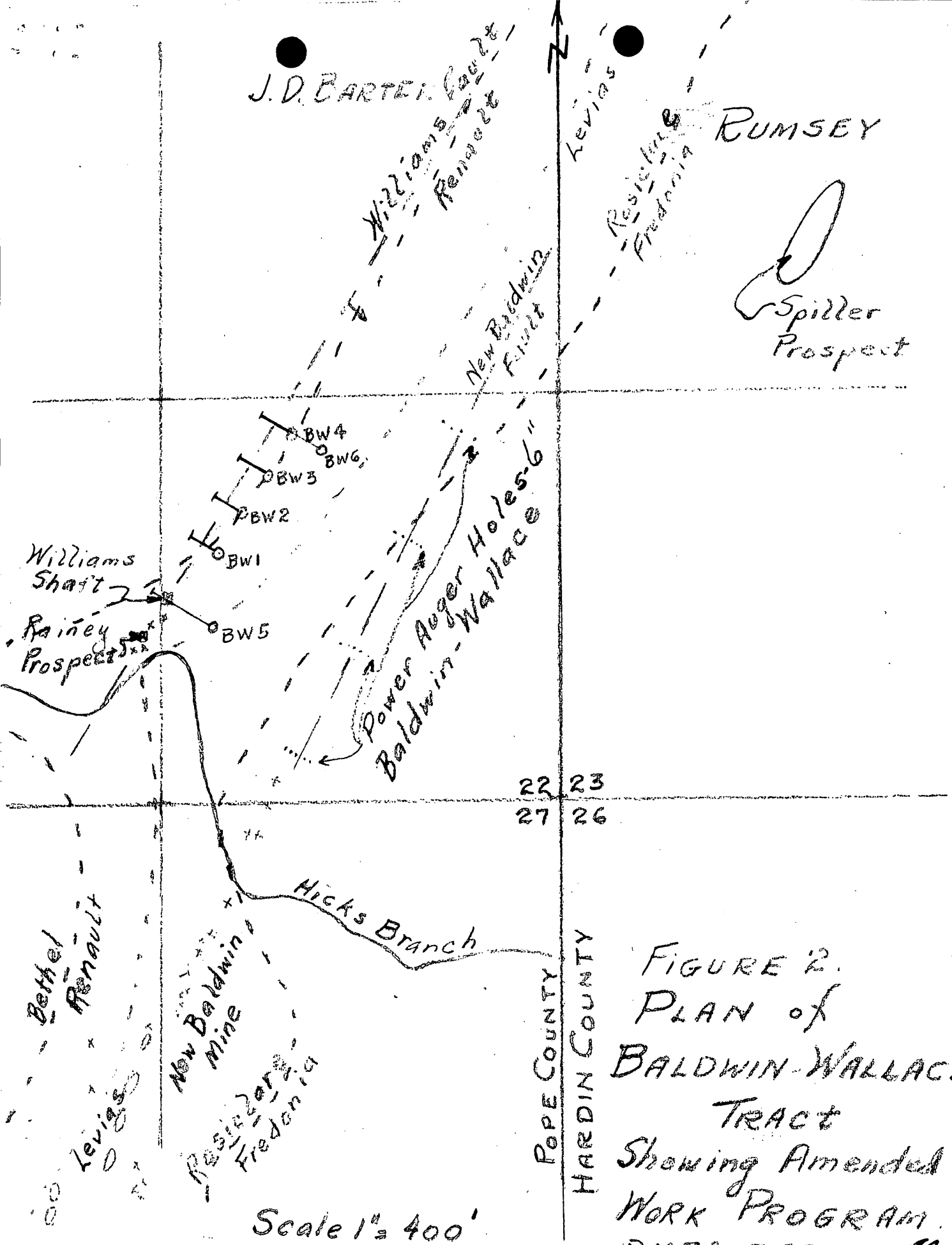
DMEA-3523



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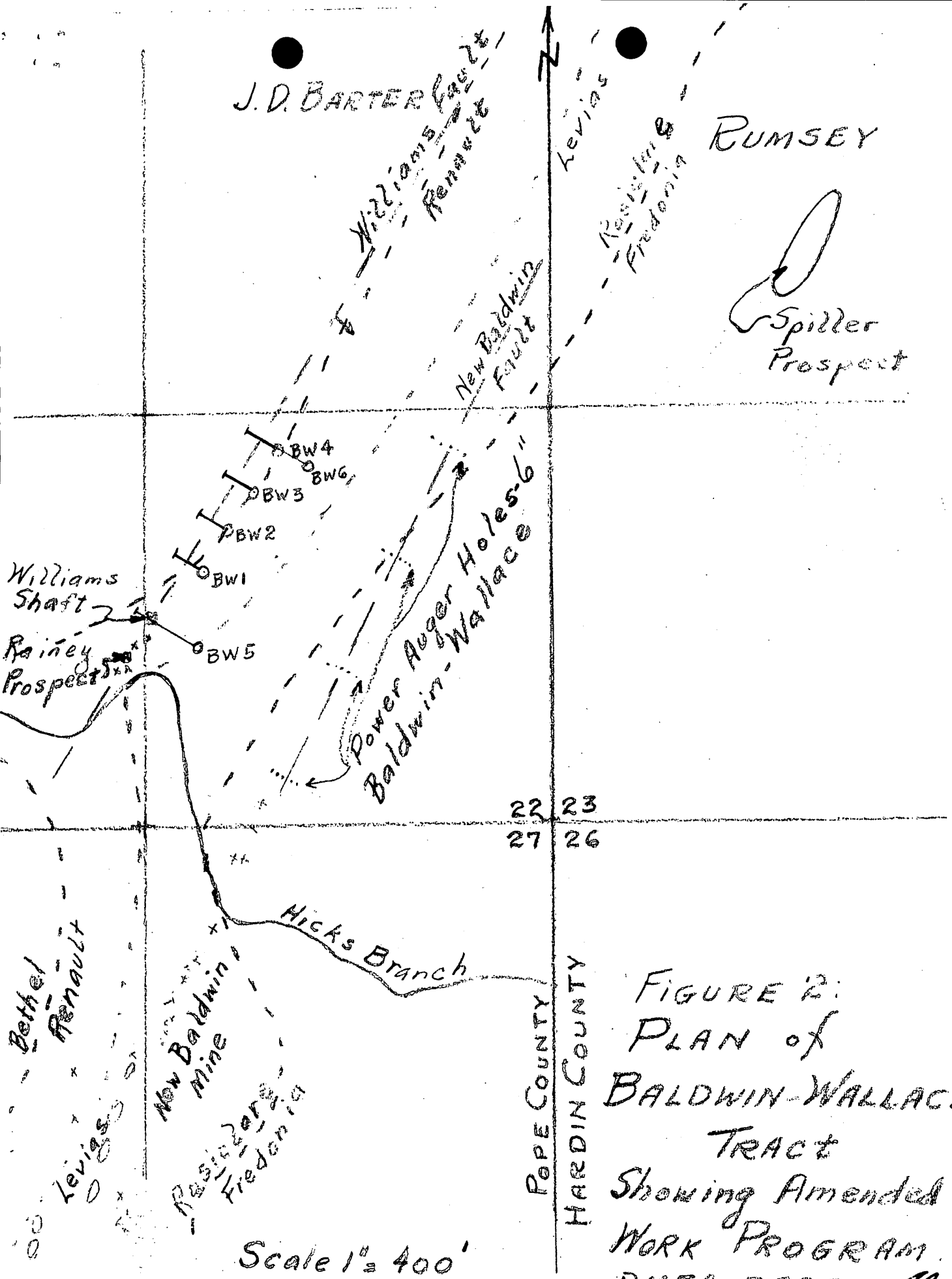
DMEA-3523



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Showing Amended
WORK PROGRAM
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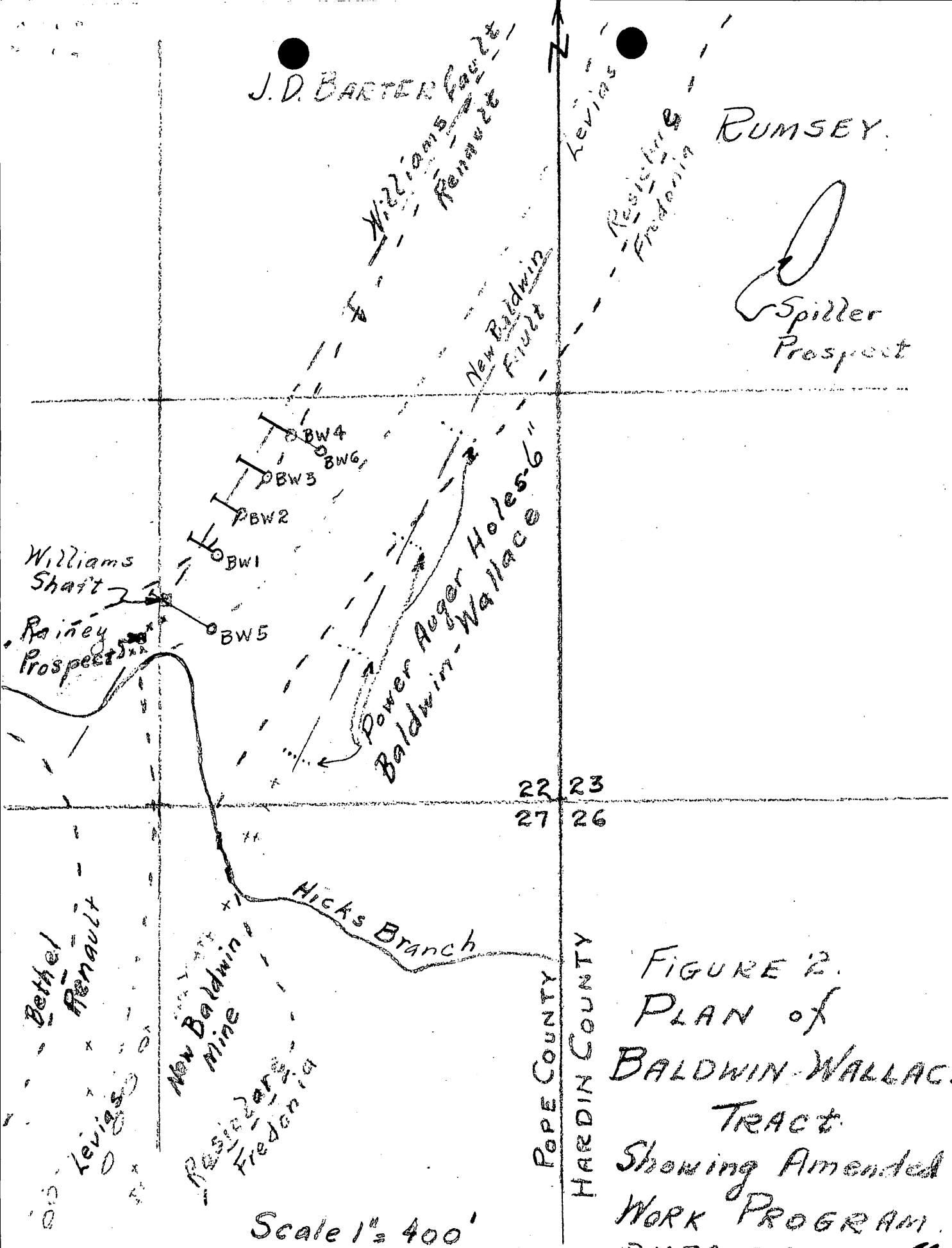

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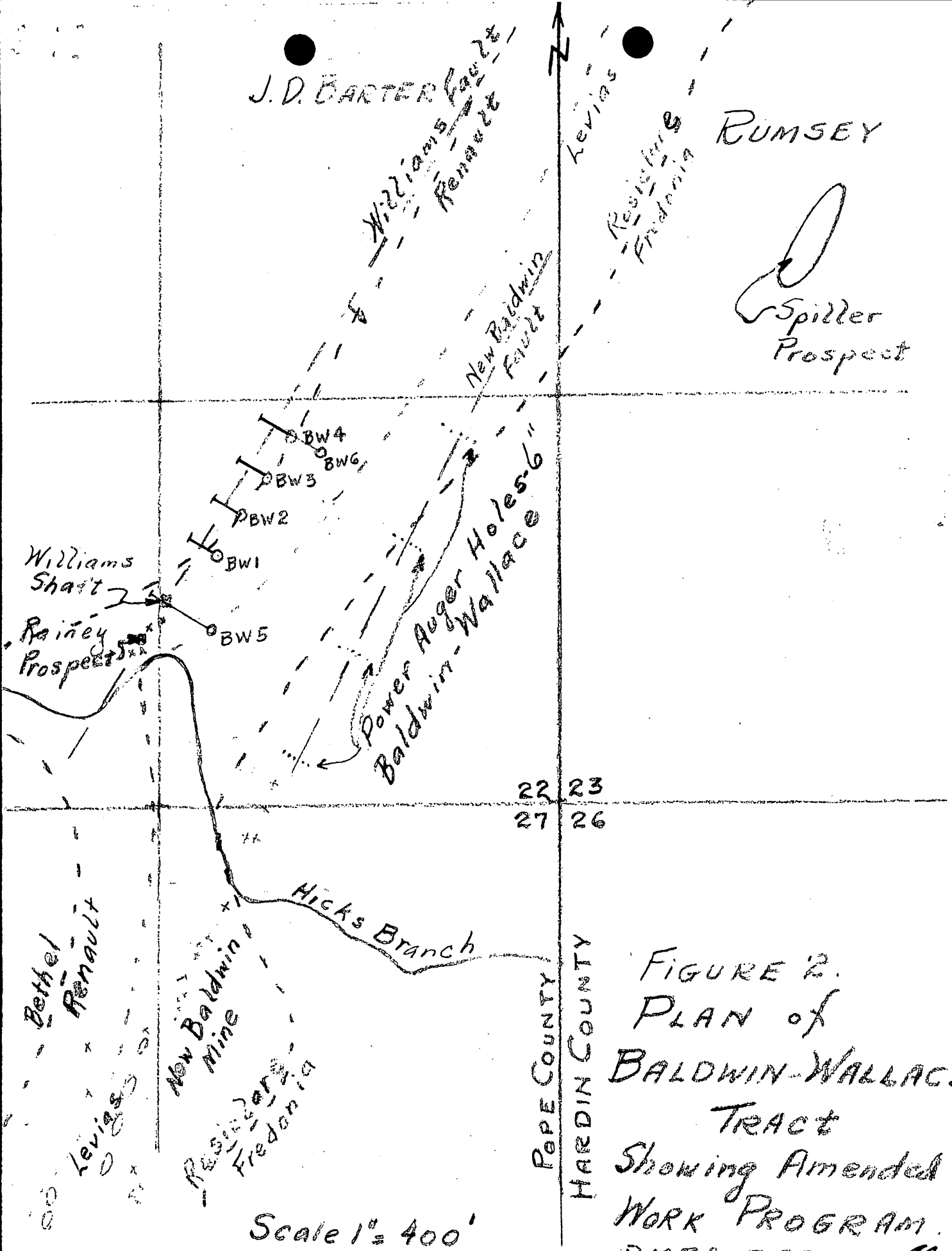

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DMEA-3523

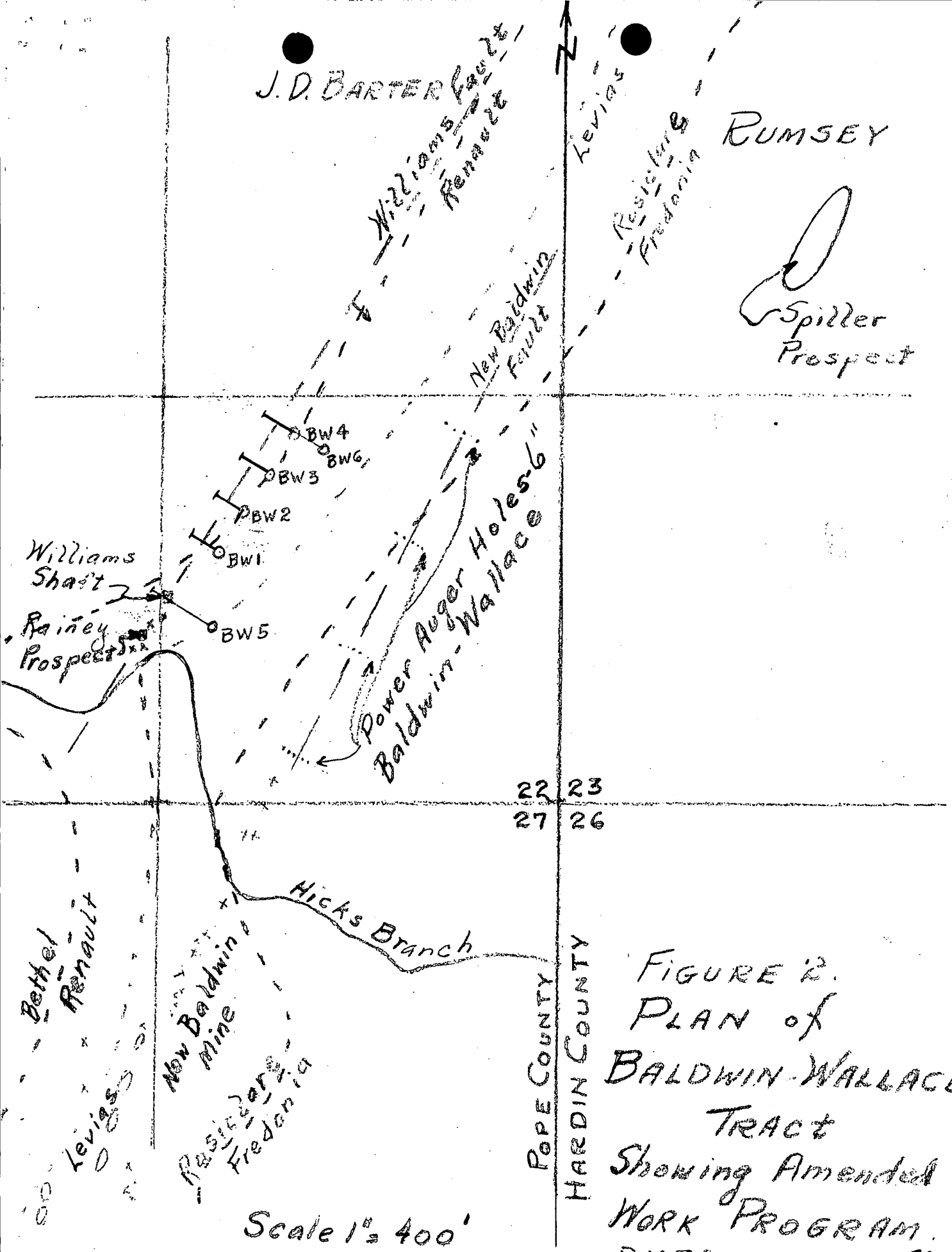

FIGURE 2.
PLAN of
BALDWIN-WALLACE
TRACT
Showing Amended
WORK PROGRAM.
DMEA-3523

600

MAY 2 4 1955

Messrs. Gayland Wallace and
Wallace Baldwin
Route #3
Harrisburg, Illinois

Re: Docket No. IBMA-5523 - Fluorspar,
Lead and Zinc
Gayland Wallace and Wallace Baldwin
Rosaline Williams Mine
Pope County, Illinois
Contract No. Ibm-6766

Gentlemen:

Reference is made to your letter dated May 9, 1955, returning copies of the unsigned contract.

The subject application is being withdrawn and placed in our inactive file. We will retain it in this status until such time that your rights to enter the subject property are established.

We regret the difficulty you have experienced in securing an adequate title to the land and therefore assure you of our willingness to give the matter further consideration if the title is cleared in the near future.

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:nd 5/23/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Ridlagnard, 5222
Mr. Arundale, 3516
Mr. Hauk

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

MAY 20 1955.

Memorandum

To: The Administrator, DMEA
Attention: L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3523 (Fluorspar, Lead, Zinc), Contract No. Idm-E768, Wallace and Baldwin, partners

This docket was submitted to this office on a routing slip dated May 13, with the notation: "Please prepare 'Rescission' letter without prejudice to Operator . . . for Administrator's signature."

Inasmuch as by letter dated May 9, the Operator returned to the Washington office all copies of the Contract, unsigned, we do not understand the request for action as stated on the routing slip. There is no occasion for rescinding a Contract that never has gone into effect.

The Administrator might wish to write a letter to the Operator expressing regret at the difficulty it is having with the matter of securing an adequate title to the land, and expressing a willingness to give the matter further consideration if the title is cleared in the future.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

JLHofflund:gjb 5/19/55

Copy to: DMEA Docket
Sol. Docket
L. G. Houk (2)
J. L. Hofflund
Chron. File

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

MAY 20 1955.

Memorandum

To: The Administrator, DMEA
Attention: L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3523 (Fluorspar, Lead, Zinc), Contract No. Idm-E768, Wallace and Baldwin, partners

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J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

JLHofflund:gjb 5/19/55

Copy to: DMEA Docket
Sol. Docket
L. G. Houk (2)
J. L. Hofflund
Chron. File

May 12, 1955

Memorandum

To: Operating Committee

From: Nonmetallic Minerals Division

Subject: Withdrawal of unexecuted contract

Docket No. DMEA-3523 - Fluorspar, Lead and Zinc
Gaylord Wallace and Wallace Baldwin
Beecher Williams Mine
Pope County, Illinois
Contract No. Idm-2768

The subject contract was prepared and submitted to the Operators for approval March 3, 1955.

Before the Operators could begin work on the project it was necessary to obtain permission from the owner of the surface rights to enter upon the property. Permission to enter was refused by the surface owner.

The Operators have been advised by their attorney that the right to enter upon the property probably could be obtained through court action by an injunction procedure at an estimated cost of $500.00. The Operators state that they are not prepared financially to assume this cost. The only alternative available will be that of attempting to peacefully negotiate some sort of a settlement at a later date.

Because of this obstruction to the project, we have requested the return of the copies of the unexecuted contract. It does not appear that the Operators and the surface owner will reach an amicable agreement in the very near future, therefore, we recommend that the contract be rescinded without prejudice.

JHopkins:ad 5/12/55
Copy to: Admr. R. File
Mr. Houk
Docket

James Hopkins
Nonmetallic Minerals Division

DEPT OF THE INTERIOR
DMEA
REC'D 5/11/55

COPY

May 9, 1955
Route #3
Harrisburg, Ill.

Department of Interior
Defense Minerals Administration

Gentlemen:

This is in reply to your letter concerning Docket No. DMEA-3523, Contract No. Idm-E768 with Wallace Baldwin and Gaylord Wallace for exploration of the Beecher Williams mine area.

In compliance with your order we are returning the mining exploration contracts to you. Mr. Barter the surface owner took the extremely unreasonable position that he had no intention of allowing us to enter the property to prospect.

Hicks Creek

It so happens that the P.M.T. Mining Corporation (Mr. Newman is familiar with this company and knows the members of it) owns mineral rights to part of Mr. Barter's farm and hold leases on other parts of it. We have contacted some members of this mining company and they tell us that they also plan to start some kind of mining operations on Mr. Barter's farm this spring. They expect some kind of opposition from Mr. Barter too and we are working on a plan to have P.M.T.'s attorney (who is also a member of their company) to represent us and P.M.T. jointly in a legal effort to make Mr. Barter remove his road block and allow us to enter the property and do our prospecting.

We hope that you will allow us to have full use of the contract as soon as the courts may issue a restraining order to Mr. Barter in regard to closing the road.

Very sincerely yours
Wallace Baldwin
Gaylord Wallace

600

APR 27 1955

Messrs. Gaylord Wallace and
Wallace Baldwin
Route #3
Harrisburg, Illinois

Re: Docket No. DMEA-3523 - Fluorspar, Lead and Zinc
Gaylord Wallace and Wallace Baldwin
Beecher Williams Mine
Pope County, Illinois
Contract No. Idm-E768

Gentlemen:

Reference is made to the original and five copies of the subject contract transmitted to you by Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region V.

Mr. Neumann, DMEA Field Engineer, informs me that you are having difficulty with the surface owner of the land described in the contract, and that you have been unable to gain access to the property for the purposes of beginning the exploration project. Please return the original and all copies of the contract to this office until such time as you have established your right to proceed with the contract.

The Bureau of Land Management's records here in Washington show that John Baldwin bought the SE¼ of the SE¼ of Section 22, Township 11S., Range 7E., on May 3, 1847, and was issued a patent March 1, 1848. This patent is described in Volume 22, Page 146. In establishing your right to enter the property it may be necessary to supply this office with a copy of the conveyance of the surface rights to the land.

Sincerely yours,

C. O. Mittendorf

Administrator

LGHouk:gad 4/22/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Arundale, 3516
Mr. Houk

Report of Inspection
by
O. L. Neumann, Engineer
April 9 & 12, 1955

DMEA Docket No. 3523 - (Fluorspar-Lead-Zinc)
Operator: Baldwin-Wallace (partnership)
R.F.D. #3, Harrisburg, Illinois
Property: Williams Tine Tract
Pope County, Illinois
Contract No. I de-2768 (unsigned)

Summary: The object of this contract is to enhance the Nation's reserves of the three critical materials: fluorspar, lead, and zinc. This contract was drawn up and sent to the Operators for approval. The Operators, not owning the surface rights and being gentlemen approached the owner of the surface rights, Mr. J. D. Barter of Harrisburg, Ill., and told him of the contract for exploration. He immediately says there will be no exploration. Mr. Barter is a construction contractor and also raises stock. On the 40 acres adjoining the Williams tract he has a dragline and takes road metal from the creek. In this operation he uncovered a sizable deposit of gravel spar. He told the owner of the mineral rights, Hicks Creek Mining Co., that he was going to mine this spar. They agreed but said it would cost $7.50 a ton royalty. This did not sit well with Barter the spar was covered up. Then a leaser from Hicks Creek Mining Dug a pit in one corner of the field and one of Barter's $300. cows fell into the pit and drowned. So it appears that Mr. Barter has no use for mining and mining people.

Mr. Wallace Baldwin owns an 80 acre farm in fee simple to the north of the Barter ground. Formerly there was a county road and a mail route from the main road, Ill. Route 34, through the Barter 40, which lies east of the Williams tract. This road went to the Baldwin farm and is the access road to the Williams tract. Barter put a gate across the road and a padlock on the gate. Mr. Barter gave Mr. Baldwin a key to this padlock so that he could get to his farm. The Operators are both well mannered, peace loving, farm boys and have had no trouble with Mr. Barter previously. The Field Team visited Mr. Sam Barter, son of J. D. Barter to get the other side of the story. He told the Field Team that the Operators could drill the tract but it was going to cost them. The Operators have consulted legal counsel and were told that if they made an attempt to get onto the grounds and were actually repulsed they then could go to court and no doubt go ahead with the program, but it would cost them about $500. to get an injunction against Barter. The Operators plan to have another talk ~~ha~~ with Barter to get his exact terms.

Conclusions: It appears that the Operators have 3 alternatives: (1) to pay Barter off, (2) to go to court, and (3) drop the deal. This whole deal is a dire injustice to the Operators.

Recommendations: The engineer of the Field Team recognizes that the DMEA cannot enter into legal squabbles, concerning titles and rights, and since the small effort of the Field Team to try to bring about an amicable settlement went awry, there is nothing further that DMEA can do at this time. Until the matter is settled, it would probably be best to have the Operators return the unsigned contract to the Operating Committee and if and when a settlement is reached, the Committee could then do as it deems best about this contract.

4/25/55 (College Park, Md.)

/s/ O. L. Neumann, Mine Examination and Exploration Engineer

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

DEPT. OF INT.
DMEA
REC'D. 5/11/55

March 9, 1955

COPY

Messrs. Gaylord Wallace and Wallace Baldwin
Route #3
Harrisburg, Illinois

Subject: Docket DMEA-3523 (Fluorspar-Lead-Zinc)
Beecher Williams Mine
Pope County, Illinois

Gentlemen:

Enclosed are six copies of contract Idm-E768 for exploration on the fluorspar deposit described in your application, Docket No. DMEA-3523.

Please review this contract, then if it meets with your approval, sign all six copies, retain the Operator's copy for your file and return the other five copies to this office. If any part of this contract does not meet with your approval, return all six copies with your comments, to this office.

Upon execution of this contract, it becomes a firm commitment under the terms of which you are obligated to conduct the authorized work at the unit costs specified in the contract.

Please note that in Article 3, line 3, of the contract, the date the work shall commence is left blank. This was left blank purposely because the date the drilling contractor might be available is indefinite. Please determine the earliest starting date for the exploration and either fill in the blank or supply this office with the date, so it can be filled in when the contract is returned. Upon execution of this contract, you are authorized to commence work on or before the date specified.

Very truly yours,

/s/ W. T. Millar

W. T. Millar
Supervising Mining Engineer

Enclosures - 6

600

MAR 3 - 1955

Mr. Robert A. Lawrence
Executive Officer, DMEA
Field Team, Region V
Room 13, Post Office Bldg.
Knoxville 2, Tennessee

Subject: Docket No. DMEA-9523 - Fluorspar, Lead and Zinc
Gaylord Wallace and Wallace Baldwin
Boucher Williams Mine
Pope County, Illinois

Dear Mr. Lawrence:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by the Government with register number and effective date as shown.

If the contract meets with your approval present it to the Operators for their approval and signature. Please explain to the Operators that the contract, when executed, is a firm commitment under the terms of which they are obligated to complete the work outlined at the agreed unit cost. If any part of this contract does not have either your approval or that of the Operators and cannot be executed within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from the Geological Survey, dated January 26, 1955, and from the Bureau of Mines, dated February 10, 1955, are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

E. L. Newcomb
Member, Geological Survey

Enclosures: 10

JHopkins:ad 2/28/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5228
Mr. Arundale, 3516
Mr. Houk

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

FEB 24 1955

Memorandum

To: The Administrator, DMEA
Attention: L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3523 (Fluorspar, Lead & Zinc), Gaylord Wallace and Wallace Baldwin, Pope County Illinois, Contract

There is attached hereto in proper legal form for execution a contract for the above identified project, subject to the attachment of the map referred to in Exhibit "A".

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

HCRubin:gjb
2/23/55
Copy to: DMEA Docket
Sol. Docket
J. L. Hofflund
L. G. Houk
H. C. Rubin
Chron. File

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 10 1955

February 10, 1955

Memorandum

To: Lawrence G. Houk, Director, Non-Metallic Minerals Division

From: Commodity Specialist, Branch of Construction and Chemical Materials

Subject: DMEA Docket No. 3523, Wallace Baldwin-Gaylord Wallace Tract, Pope County, Illinois, (fluorspar, lead zinc) Comments on Field Team Report on Examination

It is recommended that each of the two programs outlined under "recommendations" in the field team report be authorized and that such programs be conducted in two stages (the second stage being contingent on favorable results in the first state) as proposed in the report.

J. E. Holtzinger, Jr.
Commodity Specialist
Branch of Construction and
Chemical Materials Branch

JEHoltzinger:dct

Copy to: Files
Br. of Const. & Chem. Mats.
Div. of Minerals
Mr. Holtzinger

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

January 26, 1955

Re: DMEA-3523
Baldwin-Wallace
Tract
Pope Co., Illinois
$4,235 - Fluorspar

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of Field Team examination report

The Field Team has recommended that exploration assistance be granted on the Baldwin-Wallace Tract. Their proposed program will consist of two projects (1.) exploratory diamond drilling along the Williams Fault and (2) auger and diamond drilling along the New Baldwin Fault. Each of these projects will consist of two stages with the second stages contingent upon favorable results being obtained from the first stages.

Project I -- Williams Fault
Stage I -- 4 AX holes -- 130 feet in length.
Stage II -- 2 AX holes -- 230 feet in length.

Project II -- New Baldwin Fault
Stage I -- 50 auger holes -- 10 feet deep.
Stage II -- 2 AX holes -- 60 feet in length.

The objectives of the exploration program are twofold (1.) to explore for fluorspar along the Williams Fault northeasterly from known mineralization in the Williams shaft and the Rainey prospect pits which were developed in the Williams Fault zone, and (2.) to test for fluorspar gravel along the indicated trend of the New Baldwin Fault.

Fluorspar was found in the Williams shaft at a depth of 50 to 75 feet which had an average width of about 2 feet. A 20 foot shaft on the Rainey prospect, about 100 feet southwest of the Williams shaft, is reported to have been developed in a vein 3.5 feet wide which contained moderate amounts of galena. The amount of mineralization and the location of the old workings along the trend of the fault indicate that further exploration of the Williams Fault zone is geologically warranted.

Production from the nearby New Baldwin mine has been obtained entirely from gravel spar deposits, but evidence of vein material in the underlying limestone has been reported from two holes drilled south of Hicks Branch. The possible trend of the New Baldwin Fault across the applicants' property should be tested. The proposed auger holes will very inexpensively test the possibility that spar gravels occur along the New Baldwin fault. Inasmuch as the evidence for vein deposits along the New Baldwin has not adequately been established, diamond drilling should be contingent upon favorable evidence that gravel spar follows the trend of the New Baldwin fault zone.

I recommend the proposed two projects be approved with each of them consisting of two stages.

E. L. Newcomb

CC: J. C. Arundale

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

Defense Minerals
RECE
JAN 27 1955

January 26, 1955

Re: DMEA-3523
Baldwin-Wallace
Tract
Pope Co., Illinois
$4,235 - Fluorspar

Memorandum

To: L. G. Hook, Defense Minerals Exploration Administration

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of Field Team examination report

The Field Team has recommended that exploration assistance be granted on the Baldwin-Wallace Tract. Their proposed program will consist of two projects (1.) exploratory diamond drilling along the Williams Fault and (2) auger and diamond drilling along the New Baldwin Fault. Each of these projects will consist of two stages with the second stages contingent upon favorable results being obtained from the first stages.

Project I -- Williams Fault
Stage I -- 4 AX holes -- 130 feet in length.
Stage II -- 2 AX holes -- 230 feet in length.

Project II -- New Baldwin Fault
Stage I -- 30 auger holes -- 10 feet deep.
Stage II -- 2 AX holes -- 60 feet in length.

The objectives of the exploration program are twofold (1.) to explore for fluorspar along the Williams Fault northeasterly from known mineralization in the Williams shaft and the Rainey prospect pits which were developed in the Williams Fault zone, and (2.) to test for fluorspar gravel along the indicated trend of the New Baldwin Fault.

Fluorspar was found in the Williams shaft at a depth of 50 to 75 feet which had an average width of about 2 feet. A 20 feet shaft on the Rainey prospect, about 100 feet southwest of the Williams shaft, is reported to have been developed in a vein 3.5 feet wide which contained moderate amounts of galena. The amount of mineralization and the location of the old workings along the trend of the fault indicate that further exploration of the Williams Fault zone is geologically warranted.

Production from the nearby New Baldwin mine has been obtained entirely from gravel spar deposits, but evidence of vein material in the underlying limestone has been reported from two holes drilled south of Hicks Branch. The possible trend of the New Baldwin Fault across the applicants' property should be tested. The proposed auger holes will very inexpensively test the possibility that spar gravels occur along the New Baldwin fault. Inasmuch as the evidence for vein deposits along the New Baldwin has not adequately been established, diamond drilling should be contingent upon favorable evidence that gravel spar follows the trend of the New Baldwin fault zone.

I recommend the proposed two projects be approved with each of them consisting of two stages.

R. L. Newcomb

RLNewcomb:hlm
G-1/26/55

Copy to: Director's reading, 4212
Branch reading, 4212
MMA (3)
Docket file
J. C. Arundale, 3516 Interior

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 20 1955

College Park, Maryland

January 18, 1955

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region VIII

Subject: Docket No. DMEA-3523 - (Fluorspar-Zinc-Lead)
Wallace Baldwin-Gaylord Wallace (Partnership)
Baldwin-Wallace Tract
Pope County, Illinois

Transmitted herewith are the original and three copies of a report on the examination of the property described in the subject application, prepared by G. L. Neumann of the Bureau of Mines and Robert D. Trace of the Geological Survey.

The Field Team concurs in the recommendations made by the examining engineers.

W. T. Millar

W. T. Millar, Executive Officer
Bureau-Survey Field Team
Defense Minerals Exploration
Administration, Region VIII

for John B. Hanley

Quentin D. Singewald, U. S. Geological
Survey Member, Bureau-Survey Field Team
Defense Minerals Exploration
Administration, Region VIII

Enclosures

cc ✓Mr. Selfridge - Orig. & 3
U. S. Geological Survey
DMEA Field Team - 2

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 20 1955

Field Team Report on Examination of Property

DMEA Docket No. 3523 - (Fluorspar-Zinc-Lead)

Applicant: Wallace Baldwin-Gaylord Wallace (Partnership)
R. F. D. Route No. 3
Harrisburg, Illinois
Property: Baldwin-Wallace Tract (Beecher Williams Mine)
Pope County, Illinois

by
G. L. Neumann and Robert Trace 1/

Summary:

The object of this exploration is to enhance the known reserves of the three strategic minerals: fluorite, sphalerite, galena. The explorational program consists of diamond core drilling the Williams fault structure and power auger drilling to bedrock on the New Baldwin extension. The Beecher Williams shaft is located near the center of this tract and almost on the west side line thereof. The trend of the Williams fault is approximately N. 30° E. The Rainey prospect a short distance to the southwest of the Williams shaft seems to be on this same trend. The New Baldwin fault appears to be a parallel trend approximately 500 feet to the east of the Williams. Another apparently parallel fault, the Spiller prospect, exists about 800 feet east of the New Baldwin. The Williams-Rainey fault runs for approximately 750 feet on the Baldwin-Wallace tract. The New Baldwin fault traverses across the property for 1400 feet. The Spiller fault does not cut this property.

The Williams shaft was sunk to a depth of 90 feet and a drift was run 150 feet on the trend to the northeast. A considerable tonnage of

1/ G. L. Neumann, Mining Engineer, Bureau of Mines and Robert Trace, Geologist, Geological Survey.

fluorspar was produced from the Williams. The vein averaged 2 feet in width according to J. M. Weller 2/, although some reports say 6 feet. The Ramsey shaft was only 20 feet deep but produced fluorspar, zinc and lead from a 3.5 foot vein. The New Baldwin mine produced a large tonnage of gravel fluorspar to a depth of about 100 feet. The vein below the gravel was reported to have pinched. No deep exploration has been recorded. Two open cuts on the Rumsey tract (Spiller prospect) to the northeast of the Baldwin-Wallace tract had gravel fluorspar over a maximum width of 15 feet down to a 20-foot depth. Several test pits on the west side of the Rumsey tract also showed fluorspar. The Baldwin-Wallace tract is located in a strategic position so far as the stratigraphy is concerned. The main potential ore horizon in this Illinois fluorspar area is the Rosiclare horizon. On the west side of the tract the Rosiclare formation is about 60 feet below the surface. It crops out about the center of this tract.

The Baldwin-Wallace tract (see figure 1) is located geographically on the west flank of Hicks Dome and stratigraphically in the peripheral band, which follows along the north and west slopes of Hicks Dome, where the Renault, Levias, and Rosiclare formations outcrop. This band has been very productive since 1863, wherever it has occurred in conjunction with a fault structure: on the Empire fault at the Crabb, Empire, Redd, and Gullett (mined since 1948) mines. It has also been proven by diamond drilling west of Big Grand Pierre Creek (about 1950) on the Schwerin property, (purchased from Col. Durfee of Golconda). These properties extend well over a mile along this fault. On the Pierce fault are the Pierce and Hicks Creek mines and on the Douglas fault are the Douglas and Slapout mines. Three to four miles to the south in this band along the Stewart fault (covering a

2/ Confidential Report. Illinois Fluorspar Investigations, Empire District, by J. Marvin Weller, Illinois State Geological Survey, 1943.

two mile length) are the Baker, Stewart, Mackey, Hunn, Williams, New Mackey and Jefferson mines and the Fairbairn tract, recently explored and certified by DMEA. To the north of the Baldwin-Wallace in this band is the Hamp mine, now being operated by Alcoa. The Empire mine started at the surface in gravel spar, continued downward on vein spar and is now mining high grade fluorspar from the 250-foot level, which is well down in the Fredonia formation. The New Mackey is now mining high grade fluorspar from the 350-foot level, also well down in the Fredonia formation. The Empire District has produced well over 100,000 tons of fluorspar from veins, replacement, and residual deposits.

Conclusions:

Because the Baldwin-Wallace tract is favorably situated geographically and more especially stratigraphically on recognized fault structures in a territory known to be mineralized, the Field Team considers it a potential spot for exploration.

Recommendations:

The Field Team recommends acceptance of this application. The west zone (Williams fault) should be diamond core drilled, starting about 200 feet northeast of the shaft and enough east so that 45° holes would cut the trend at the horizon corresponding to a depth of 60 feet in the shaft. Other holes along the trend should be drilled at 150-foot intervals to check this horizon. If these prove favorable one or two deeper holes should follow.

The eastern half of the Baldwin-Wallace tract (New Baldwin Extension) should be explored by power auger drilling, to be followed, if successful in locating gravel fluorspar, by diamond core holes.

Time Spent on Property:

G. L. Neumann, Bureau of Mines Field Team engineer, spent the morning of November 21, 1954 with the partners, Wallace Baldwin and Gaylord Wallace, on the property. Robert D. Trace, USGS Field Team geologist, spent the afternoon of December 1, 1954 accompanied by Gaylord Wallace on the property.

Name and Location of Property:

The Baldwin-Wallace tract, formerly known as the Beecher Williams mine is located in the Illinois Fluorspar Mining District. It comprises the SE¼ of the SE¼ of Section 22, Township 11S, Range 7E of the Third Principal Meridian, Pope County, Illinois, one half mile west of Illinois Highway 34 and about midway between the villages of Eichorn and Herod. It is 12 miles from Rosiclare, Illinois and 16 miles from Harrisburg, Illinois. Highway 34 is a good all-weather road. The road for one half mile across the J. D. Barter farm is a good gravel road. It has been and is still being used for the hauling of road metal from the Barter plant, located about halfway between the Highway and the Baldwin-Wallace tract.

Competency of Applicant and Operating Personnel:

The applicants have had limited experience in the mining business. Mr. Wallace Baldwin is a school teacher and Gaylord Wallace is a farmer. They appear to be financially able to handle their obligation in this project. The drilling will be on contract and the engineering, core logging and sampling are to be done by the Illinois Geological Survey.

Applicant's Property Rights:

The partners, Wallace Baldwin and Gaylord Wallace, own the mineral rights on this tract in fee simple. There are no mortgages or liens on the mineral rights.

Description of Property:

The Baldwin-Wallace tract, 40 acres, is in the main, the east slope of a ridge which rises about 100 feet above Hicks Branch on the south. The trend of the ridge approximates the trend of the Williams fault. The slope is quite sharp from the south and more gentle to the east and north.

The surface facilities consist of a barn and pasture for cattle.

The Williams shaft was sunk to a depth of 90 feet, but is now inaccessible, being filled with water and debris. A drift was driven 150 feet to the northeast on the 60-foot level. A sizable dump showing mineralization is still in evidence at the shaft site.

The Rainey prospect lies just west of the west side line of the Baldwin-Wallace tract and about 100 feet southwest of the Williams shaft. A 20-foot shaft was sunk on the Rainey and produced fluorspar with accessory lead and zinc.

The sketch map and section of the Williams shaft included in the application and prepared by D. Saxby, Illinois Geological Survey, are reasonably accurate.

Geology:

Empire District

The Empire District, about 12 miles northwest of Rosiclare, is on the west flank of Hicks Dome where the strata generally dip 10 to 15 degrees west and northwest. Formations at or near the surface include the Chester and Meramec series of Upper Mississippian age. The area is broken by a number of faults that trend N. 20-75 degrees east and displace the beds vertically from 10 to 30 feet. Over 100,000 tons of gravel, vein, and replacement fluorspar ore and associated lead and zinc have been mined along these faults.

The main part of the Empire District is south of the Baldwin-Wallace and includes: the Crabb, Empire, Redd, Gullett and Schwerin mines on the Empire fault; the Pierce and Hicks Creek mines on the Pierce fault; and the Douglas and the Slapout mines on the Douglas fault. The district has been active almost continuously since it was opened in 1863. Some of the mines are reported to have considerable reserves.

Dr. J. M. Weller in his 1943 report says of the Empire District:

> "The Empire District is a promising area for prospecting by modern methods aimed at discovering extensions of the known fluorspar deposits or new deposits of similar type.
>
> * * * * * *
>
> "At some places workable weathered ore apparently overlay unworkable deposits in the underlying bedrock but at others workable ore continues downward along veins beneath the weathered deposits.
>
> The fact that mining ceased near the lower limits of the weathered ore on several properties is not reliable evidence that workable ore is absent at greater depth. Most of the mining operations in this district were conducted with minimum capital investments and work was commonly discontinued when difficulties were encountered or where the ore body pinched. Prevailing higher fluorspar prices certainly justify greater capital investment and make possible the working of deposits that were formerly of marginal value.
>
> * * * * * *
>
> "Much of the greater part of the fluorspar recovered in the Empire District has been weathered ore taken from depths of 60 feet or less and the character of the solid veins at greater depth has not been adequately explored. Ore from the solid veins has been profitably mined at a few places but none of the veins has been anywhere at a depth of more than 200 feet. Present increased needs and current higher prices enhances the importance of such veins of workable thickness as may occur and a carefully planned diamond drilling program to determine the future potentialities of this district appears to be warranted."

Since 1943 this district probably has produced more vein fluorspar than gravel fluorspar. Little deep drilling, however, has as yet been done, although several of the veins have been followed down to depths of 250 feet.

Baldwin-Wallace Property

The geology of the Baldwin-Wallace and adjoining properties is adequately shown on the map furnished by the applicants, most of which was copied from a map made in 1943 by J. Marvin Weller of the Illinois Geological Survey, (in files of USGS).

Formations exposed on the property and their approximate thicknesses are:

Chester series:	Bethel sandstone	85 feet
	Renault limestone and shale	80 "
Meramec series:	Ste. Genevieve formation -	
	Levias limestone member	30 "
	Rosiclare sandstone and shale member . . .	25 "
	Fredonia limestone member	200 "

Rainey-Williams Fault

At least one and possibly other faults cross the property. The known fault was found in the Rainey and Williams shafts (see Applicant's map). The best available information about the geology and ore deposits as found in these shafts is from an unpublished and for Official Use Only report by J. Marvin Weller, Illinois Geological Survey, 1943. His information probably was obtained from the operators.

Dr. Weller described the Williams shaft as follows:

> "A shaft was sunk here in 1938 to a depth of 90 feet by Beecher Williams and a drift was driven 150 feet northeast at the 60-foot level. The best fluorspar was found at depths between 50 and 75 feet but it probably did not average over 2 feet wide although the vein is reported to be 6 feet wide locally. Limestone constitutes both walls."

Although the Rainey shaft is on the property adjoining the Baldwin-Wallace property (which contains the Williams shaft), the two shafts are only a little over 100 feet apart and are on the same fault. Dr. Weller

gives the following description of the Rainey prospect:

> "Several pits and shallow shafts have been dug on the steep hillside just above (north) Hicks branch near the east line of the SW. 1/4 SE. 1/4 sec. 22. Some work has been done here prior to 1903 and Bain reported examining a vein 1 to 1-1/2 feet wide. The most recent activity was that by Knight, Knight and Clark in 1939 whose shaft was 20 feet deep. From the shaft a drift was driven a short distance back into the hill and 30 to 40 tons of ore are said to have been produced. The vein is reported to reach a maximum thickness of 3-1/2 feet and to contain a moderate amount of galena. It lies between walls of Renault limestone and shale and dips steeply to the east. Minor faulting probably occurred here.
>
> Limestone locally with a slight reddish color outcrops at the foot of the slope. This may be either Renault or Levias. It is cut by numerous veinlets of fluorspar trending 18 degrees east of north. Limestone with fluorspar veinlets also outcrops in the creek bed nearby and a small amount of spar is reported to have been dug out here. On the south bank of the creek the cistern of a former small grist mill was dug in gravel containing fluorspar and calcite fragments. A short diamond drill test undercut the creek here without finding any notable amount of spar but it may not have been continued far enough to be a fair test."

New Baldwin Fault

At least one more fault probably crosses the property, although no surface or underground data exists on the property itself to prove this. For example, fluorspar has been produced from the New Baldwin mines (see Applicant's maps), located in the 40-acre tract that adjoins the Baldwin-Wallace tract on the south. The dump from a small prospect pit located a few feet south of the line dividing secs. 22 and 27 contains fluorite and calcite fragments and the pit is presumably on or very close to a mineralized fracture, presumably the New Baldwin fault. If this structure continues its known northeasterly trend, it crosses the center of the Baldwin-Wallace tract, where it nearly parallels the outcrop of the base of the Rosiclare sandstone member. Dr. Weller discusses the New Baldwin mines as follows:

"The New Baldwin mine, in the NE. 1/4 NE. 1/4 sec. 27 was operated by J. C. Conrad from 1932 to 1934. Production was 1,000 or more tons. The deposit here consisted of weathered ore in a crevice between limestone walls dipping steeply to the east. It reached a maximum thickness of about 7 feet and averaged about 5 feet. No vein continuing downward in the limestone was recognized. Mining was accomplished partly by open cut and partly from shafts, the deepest of which was about 100 feet.

Subsequently additional prospecting has been done here without particularly favorable results. In 1941, Harry Collier sank a shaft south of the old workings from which about two tons of gravel spar were recovered. Two diamond drill tests were made below the extension of this deposit just south of Hicks Branch by Tom Rodabaugh. About 13 feet of shattered limestone with fluorspar veinlets constituting no more than 20 percent are reported to have been found.

In the south bank of Hicks branch just below the New Baldwin Mine the Rosiclare sandstone is exposed overlying Fredonia limestone cut by numerous small parallel fluorspar veinlets trending 33 degrees west of south. A small amount of faulting may have occurred here although this is not evident from the outcrops. Limestone outcropping beside the branch a short distance down stream is probably Ledias and this formation is believed to have formed the walls in the upper part of the New Baldwin Mine. The deposit here is probably an accumulation and concentration of fluorspar originally contained in several small related veins. Small fragments of replacement ore were found on the dumps but the importance of replacement here is not known."

Past Operations:

Past mining operations on the Baldwin-Wallace tract consist of the 90-foot Williams shaft and a drift 150 feet to the northeast of the shaft at the 60-foot level. The dump at the shaft confirms that amount of development. It is reported that the fluorspar vein was 2 feet wide and carried fair galena and minor sphalerite. There was probably a fair production but records are lacking and recollections are, as usual, hazy. This ore was probably in the Rosiclare. None of the miners who worked in this mine at the time of peak activity were available at the time of the examination.

The shaft is now inaccessible. Also of interest although some 10 feet off of the tract is the 20-foot shaft at the Rainey prospect, which is about 100 feet southwest of the Williams shaft and apparently on the same trend. This operation, reportedly, produced fluorspar with a showing of lead and zinc. This ore was probably in the Rosiclare formation. The Spiller prospect which produced a good quantity of gravel spar from two open cuts on the Ramsey tract to the northeast of the Baldwin-Wallace tract is mapped as Fredonia, which is below the Rosiclare.

Availability of Manpower, Materials, Supplies, Equipment, Water, etc.:

Manpower is available locally for any size or type of fluorspar operation, common labor at $1.00 an hour, skilled labor at $1.50 an hour. Materials and supplies can be obtained in Rosiclare or Elizabethtown, both 12 miles distant. Equipment can be obtained in Harrisburg, Illinois, 16 miles distant, Marion, Kentucky, about 30 miles distant, or Paducah, Kentucky, about 50 miles distant. An REA power line runs within 1/2 mile of the property. Water is available in Hicks Branch, which crosses the southwestern corner of the property.

Applicant's Proposal:

The Applicant's proposed work program of diamond core drilling is the best method so far developed for the exploration of fault fissure fluorspar deposits, especially in this territory. The Williams fault should be diamond core drilled (see figure 2) starting about 200 feet northeast of the shaft and on 150-foot centers along the trend to the property line. The Rosiclare formation should be the target. This will require four 45° holes about 130 feet deep. If these show favorable mineralization, one or two holes should be drilled to get an intercept about 75 - 100 feet below the Rosiclare. As the Rosiclare formation crops out in the area where the

extension of the New Baldwin fault projects, it would probably be advisable to test this ground first for beds of gravel fluorspar. A resistivity or self-potential survey might be a valuable tool in this, although it has not been definitely established that either of those types of geophysical surveying can successfully delineate such deposits. The best exploration program for gravel fluorspar would probably be bulldozer trenching to bedrock across the trend. But knowing the owner of the surface rights, Mr. J. D. Barter who grazes cattle on this tract, the Operator would have considerable trouble and no doubt even damage suits from such an operation. An alternative program would be to drill several lines of power auger holes to bedrock on 5-foot centers across the projected trend. Then if gravel spar were found, drill diamond core holes below such indicated beds. This power augering can be contracted for about $0.60 a foot. The amended program would entail:

4	AX Diamond Core Holes - 130 ft. ea.		520 feet
2	AX Diamond Core Holes - 230 ft. ea.		460 "
50	Power Auger Holes - 10 ft. ea.	500 feet	
2	AX Diamond Core Holes - 60 ft. ea.		120 "
	Totals -	500 feet	1100 feet

Short 440

Total AX Diamond Core Holes - 1100 ft. @ $3.25/ft.	$3,575.00
Total AX Core Boxes - 1100 ft. @ $0.10/ft.	110.00
Total Power Auger Holes - 500 ft. @ $0.60/ft.	300.00
50 Samples @ $5.00 ea.	250.00
Total Project -	$4,235.00
Government's share - 50% -	$2,117.50

This work program appears sufficient to explore this 40 acre tract. The target seems adequate to warrant the project. The prices of $3.25 a foot

for AX diamond core drilling and $0.60 for power auger drilling are well within line for contract work in this district. The sampling allowance is adequate. The applicants have assured the Field Team that they are able to handle their share of the exploration costs.

Operator's Property Rights:

The applicants own the mineral rights on this tract in fee simple. There are no mortgages or liens against the mineral rights. All of this tract, 40 acres, the SE¼ of the SE¼ of Section 22, Township 11S, Range 7E, will be explored and will be subject to royalty repayment for the Government's share of the exploration costs, if a discovery or development is certified and the ore is mined within the 10 year limitation.

Exploration Project:

The exploration will start within 30 days of the acceptance of the contract and should be completed easily within the six months period estimated in the contract. The project consists of 1280 feet of AX diamond core drilling at a unit price of $3.25 a foot, $0.10 a foot for core boxes, an allowance of $250.00 for splitting and assaying 50 samples @ $5.00 a sample, and $300.00 for 500 feet of auger drilling. This drilling is to check the extension of the ore mined on the Williams and New Baldwin faults and also to check for other possible parallel faults, splits, etc. within this property. Since the most favorable horizon, Rosiclare, crops out on this tract, the primary drilling would be shallow, possibly followed by deeper drilling, if results are indicative of favorable mineralization.

All of the work under this project would be on contract.

Allowable Costs of Project:

The quoted contract prices of $3.25 a foot for drilling AX diamond core holes and $0.60 for power auger holes to bedrock are in line with the

current costs prevailing in the district.

The allowance of $5.00 a sample appears adequate and reasonable for sampling and analysis.

The allowance of $0.10 for core boxes is OK.

The core will be logged and geological consultation given gratis by the Illinois Geological Survey. The Operators in this district are most fortunate to receive such services.

The total cost of the project will be:

1100 feet AX core drilling @ $3.25/ft.	$3,575.00
1100 feet core boxes @ $0.10/ft.	110.00
500 feet auger drilling @ $0.60/ft.	300.00
Sampling and analyses (50 samples at $5.00/sample)	250.00
Total cost of project -	$4,235.00
Government's Participation - 50% -	$2,117.50

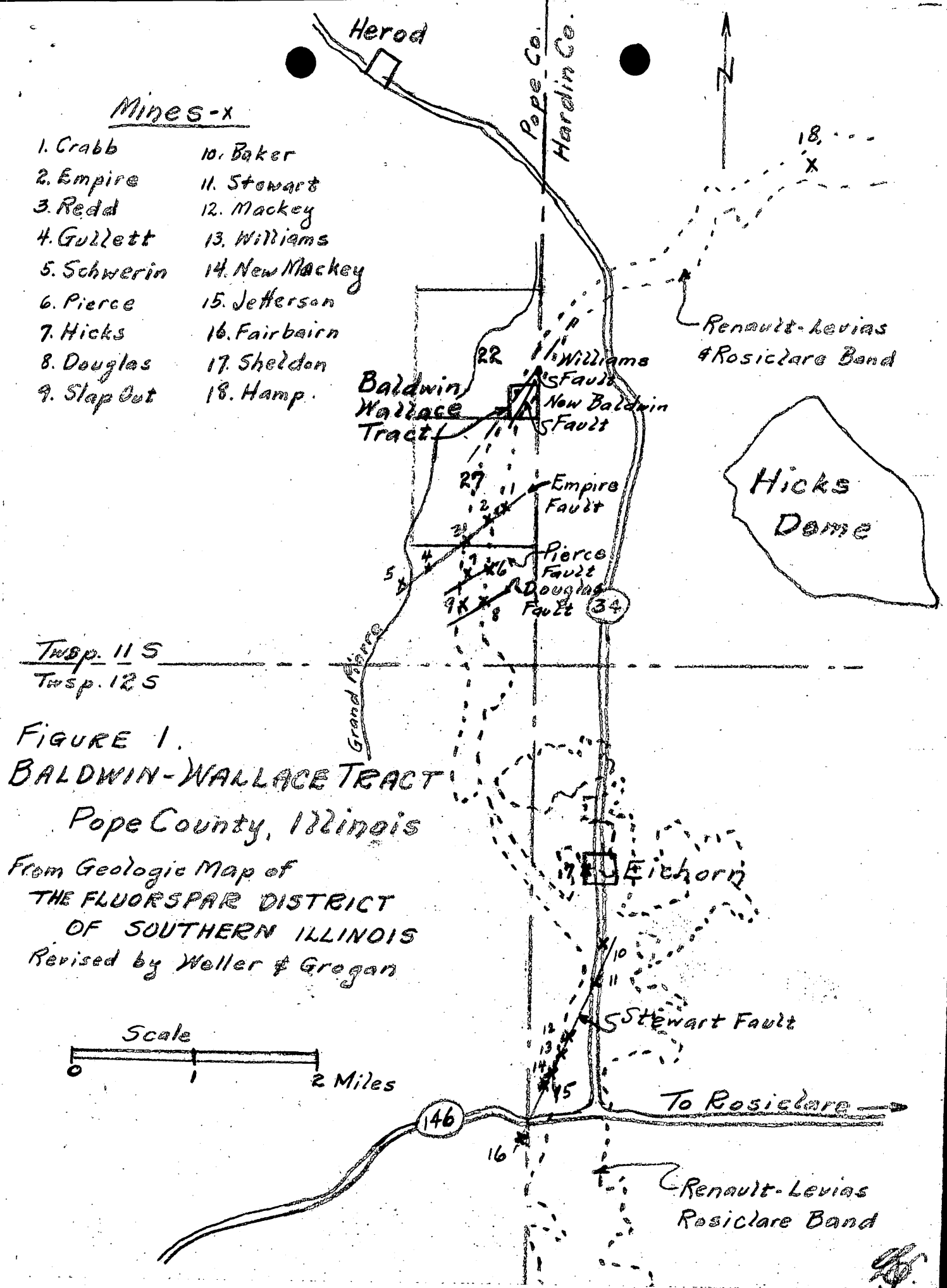

FIGURE 1.
BALDWIN-WALLACE TRACT
Pope County, Illinois

From Geologic Map of
THE FLUORSPAR DISTRICT
OF SOUTHERN ILLINOIS
Revised by Weller & Gregan

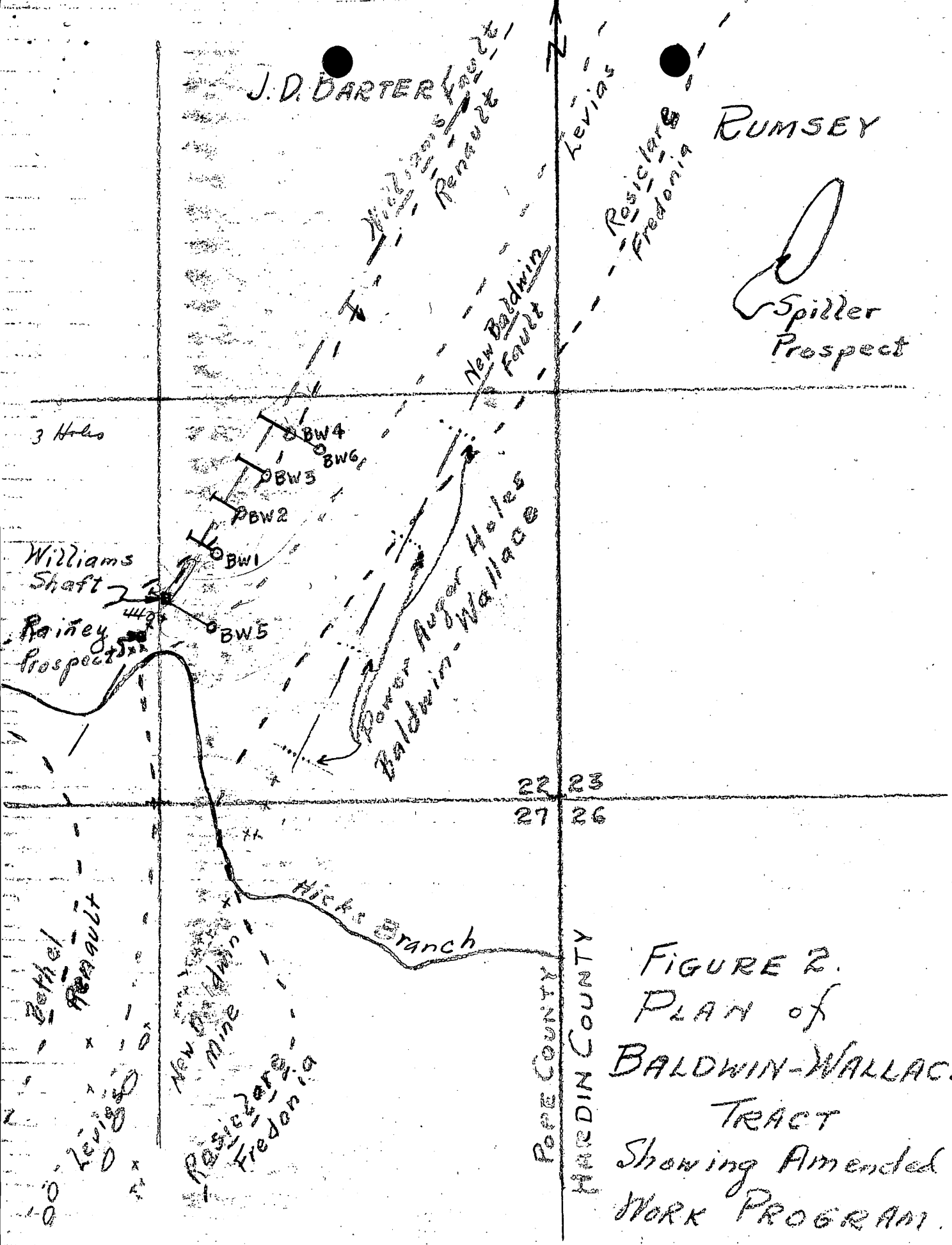

FIGURE 2.
PLAN of
BALDWIN-WALLACE
TRACT
Showing Amended
WORK PROGRAM.

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

600

NOV 1 - 1954

Mr. W. T. Millar
Executive Officer, DMEA
Field Team, Region VIII
Bureau of Mines
Eastern Experiment Station
College Park, Maryland

Subject: Docket No. DMEA-3523 - Fluorspar,
Lead and Zinc
Gaylord Wallace and Wallace
Baldwin
Thacher Williams Mine
Pope County, Illinois

Dear Mr. Millar:

Please review the subject application and arrange for a field examination if you deem it necessary.

Copies of memoranda from the Geological Survey, dated October 13, 1954, and from the Bureau of Mines, dated October 26, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures 4

JHopkins:gadisaf 10/29/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Arundale, 3516
Mr. Kiilsgaard, 5223
Mr. Hook

[redacted]

Mr. . T. Millar
Executive Officer, DMEA
Field Team, Region VIII
Bureau of Mines
Eastern Experiment Station
College Park, Maryland

Subject: Docket No. DMEA-3523 - Fluorspar, Lead and Zinc
Baldwin-Wallace Property
Beecher Williams Mine
Pope County, Illinois

Dear Mr. Millar:

Please review the subject application and arrange for a field examination if you deem it necessary.

Copies of memoranda from the Geological Survey, dated October 13, 1954, and from the Bureau of Mines, dated October 26, 1954, are enclosed for your information.

Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

Enclosures 4

JHopkins:gad 10/27/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Arundale, 3516
Mr. Kiilsgaard, 5223
Mr. Houk

600

NOV 1 - 1954

Messrs. Gaylord Wallace and
Wallace Baldwin
Route #3
Harrisburg, Illinois

Re: Docket No. DMEA-3523 - Fluorspar,
Lead and Zinc
Beecher Williams Mine
Pope County, Illinois

Gentlemen:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. W. T. Miller, Executive Officer, DMEA Field Team, Region VIII, Bureau of Mines, Eastern Experiment Station, College Park, Maryland, for further consideration and possibly a field examination.

The Regional Office will contact you at an early date if an examination is to be made. Any assistance that you may give the members of the field team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:gad 10/27/54
Copy to: Admr. R. File
Docket
Field Team, Region VIII
Operating Committee
Mr. Arundale, 3516
Mr. Kiilsgaard, 5223
Mr. Houk

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

Defense Minerals Administration
RECEIVED
OCT 27 1954

October 26, 1954

Memorandum

To: Mr. Lawrence Houk, Chief, Nonmetallic Minerals Division, D. M. E. A.

From: Assistant Chief, Construction and Chemical Materials Branch

Subject: DMEA Docket No. 3523, Wallace Baldwin & Gaylord Wallace, Route No. 3, Harrisburg, Illinois, Baldwin-Wallace Property (Fluorspar-Lead-Zinc), Pope County, Illinois

The subject application appears to warrant further investigation by the Field Team. Therefore, I recommend this application be submitted to the Field Team for evaluation and recommendation.

Joseph C. Arundale

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

October 13, 1954

Memorandum

REVIEW OF APPLICATION DMEA-3523 (fluorspar, lead, zinc)

To: L. G. Monk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant's name and address: Gaylord Wallace, Wallace Baldwin, Route 3, Harrisburg, Illinois
Name of property: Beecher Williams mine, Baldwin Wallace trust.
Location of property:
SE1/4 SE1/4 Sec. 22, T. 11 S., R. 7 E., Pope County, Ill.
Summary of applicant's proposal:
Core drill 2,000 feet to intersect faults at Rosiclare horizon; cost about $6,500.
Sources of information on applicant's property:
Weller, J. M., Grogan, R. M. and Tippie, F. E., 1952, Geology of the fluorspar deposits of Illinois: Ill. Geol. Survey Bull. 76, p. 135 and pl. 4.
Comments:

1) Evidently the small quantity of fluorspar produced from this trust came from shallow workings on narrow veins along faults of very small displacement cutting favorable formations.

2) Although the shaft is filled and examination of the limited underground workings is not possible, a field examination should result in better locations of the proposed holes with respect to probable fault zones that might be mineralized.

3) If exploration is done here, it is suggested that the fault zones be located better on the property by first drilling a section of holes across the trend of the Rainey-Williams fault zone and possibly across the trend of the New Baldwin fault zone projected to the northeast. Further exploration of either of these two zones should be contingent upon the results of this drilling.

RECOMMENDATION: Refer to Field Team.

REVanAlstine:hlm
G-10/13/54
Copy to: Director's reading, 4212 R. E. Van Alstine
Branch reading, 4212
DMEA (3)
Docket file
J. C. Arundale, 3516

Operator's Copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3523

Commodity Fluorspar, Lead & Zinc

Contract No. Idm-E- 768

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 3rd day of March, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Gaylord Wallace and Wallace Baldwin, partners,

whose mailing address is Route #3 Harrisburg, Illinois,
hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Illinois, County of Pope, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Owner of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] ——, [7] —— recorded in Book ——, page ——, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances:

None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows:

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of fluorspar, lead & zinc The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before 6 mos. from date of/ contract (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $3,649.00 The Government will contribute 50 percent of the fixed unit costs as work is performed, in a total sum not in excess of $1,824.50 : *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, 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, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

GAYLORD WALLACE and WALLACE BALDWIN
(Operator)

By C. M. Whittemore

Administrator, Defense Minerals Exploration Administration

By .....

By .....

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
GAYLORD WALLACE and WALLACE BALDWIN
DOCKET NO. DMEA-3523

ANNEX I

The land referred to in Article 2 of the Contract is the SE¼ of the SE¼ of Section 22, Township 11S., Range 7E., of the Third Principal Meridian, Pope County, Illinois. It lies one-half mile west of Illinois Highway 34 and about midway between the villages of Eichorn and Herod.

EXPLORATION PROJECT CONTRACT
GAYLORD WALLACE and WALLACE BALDWIN
DOCKET NO. DMEA-3523

EXHIBIT "A"

Description of the Work

The work shall be performed in two successive stages, as follows:

Stage I

The Williams fault zone shall be diamond core drilled an aggregate of 480 feet in holes at least 150 feet apart, starting at a point about 300 feet northeast of the Williams shaft. The holes shall have an approximate inclination of 45 degrees and shall be drilled to penetrate through the fault zone at the favorable horizon.

The New Baldwin fault zone shall be explored by an aggregate of 500 feet of power auger drilling in not more than 50 holes. The holes shall be approximately ten feet deep, and shall be drilled on not less than 5-foot centers on lines across the projected trend of the fault. The lines shall be parallel and shall be 350 feet apart. The power auger holes shall be drilled to bed rock.

The approximate locations of the diamond drill holes and of the auger holes are shown on the sketch entitled, "Figure 1 Baldwin Wallace Tract showing amended work program —DMEA 3523," attached hereto and made a part hereof.

If the Government is of the opinion that the results of Stage I warrant it, and the Government grants prior approval, Stage II shall be performed.

Stage II

A. At points along the Williams fault zone agreed upon by the Government and the Operator, diamond drill holes shall be drilled for not to exceed an aggregate of 460 feet.

B. Any unused diamond drill hole footage from item A may be used for diamond drilling to explore the New Baldwin fault zone.

No holes shall be less than 200 feet from a property boundary line.

All diamond drill holes shall be AX size, except that if unusual conditions are encountered the holes may be completed in EX size.

The power auger holes shall be not less than six inches in diameter.

The location, inclination, direction, and extent of all work are subject to approval by the Government.

Fixed Unit Costs

Stage I

480 feet of diamond drilling @ $3.25/ft.	$1,560.00	
500 feet of auger holes @ $0.60/ft.	300.00	
30 assays @ $5.00 each	150.00	
Diamond drill coreboxes: 480 feet of core @ $0.10/ft. of core	48.00	
Estimated Total Cost of Stage I		$2,058.00

Stage II

460 feet of diamond drilling @ $3.25/ft.	1,495.00	
Diamond drill coreboxes: 460 feet of core @ $0.10/ft. of core	46.00	
10 assays @ $5.00 each	50.00	
Estimated Total Cost of Stage II		$1,591.00
Estimated Total Cost of Project		$3,649.00
Government Participation @ 50%		$1,824.50

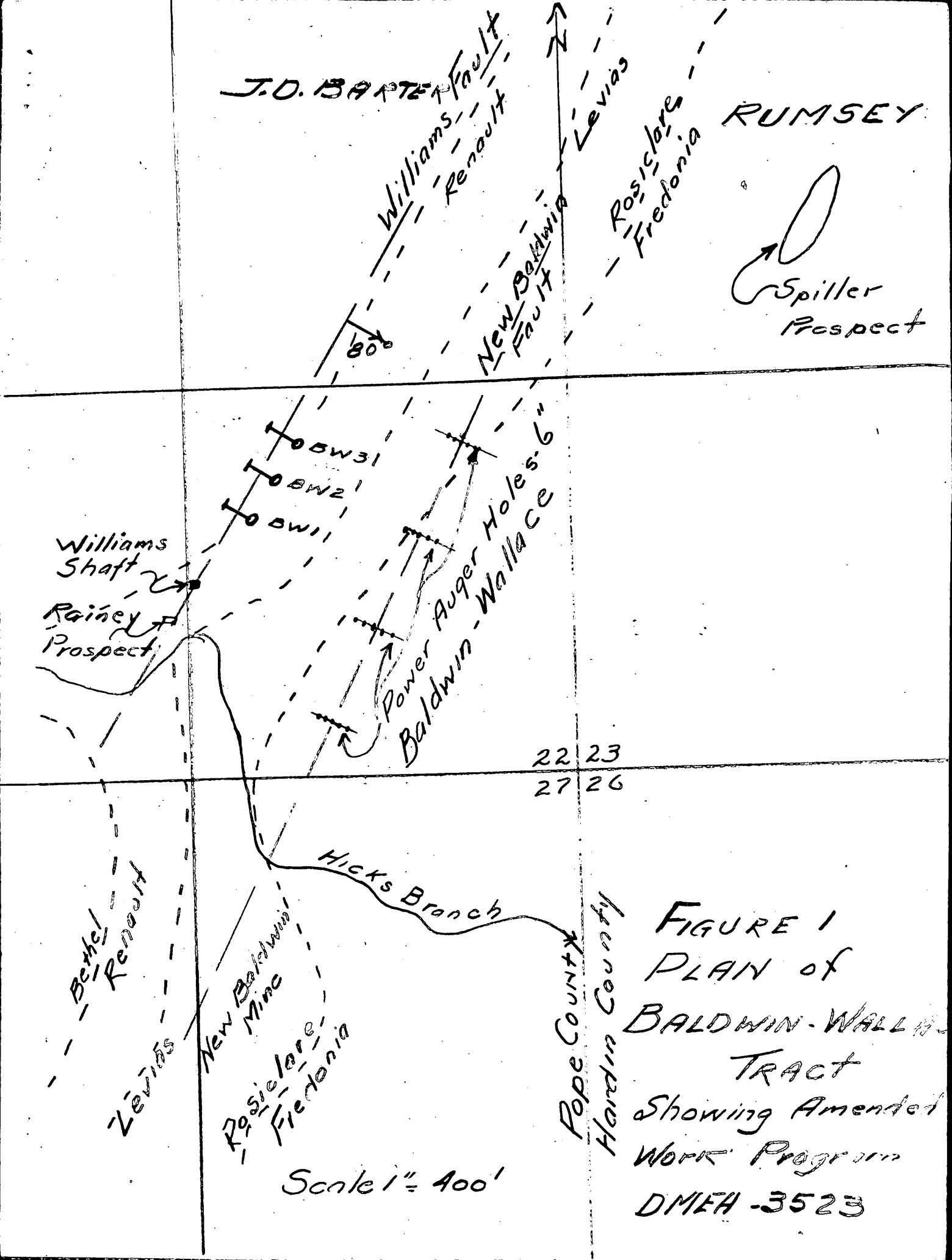

FIGURE 1
PLAN of
BALDWIN-WALLACE
TRACT
Showing Amended
Work Program
DMEA-3523

Finance Office Copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3523

Commodity Fluorspar, Lead & Zinc

Contract No. Idm-E - 768

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 3rd day of March, 195 5, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Gaylord Wallace and Wallace Baldwin, partners,

whose mailing address is Route #3 Harrisburg, Illinois,
hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Illinois, County of Pope, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Owner of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] —, [7] — recorded in Book —, page —, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances:

None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows:

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of fluorspar, lead & zinc. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before 6 mos. from date of/ contract (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $3,649.00. The Government will contribute 50 percent of the fixed unit costs as work is performed, in a total sum not in excess of $1,824.50: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, 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, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except*, that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer*, sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

GAYLORD WALLACE and WALLACE BALDWIN
(Operator)

By O. Mitteudorf
Administrator, Defense Minerals Exploration Administration

By .....

By .....

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
GAYLORD WALLACE and WALLACE BALDWIN
DOCKET NO. DMEA-3523

ANNEX I

The land referred to in Article 2 of the Contract is the SE¼ of the SE¼ of Section 22, Township 11S., Range 7E., of the Third Principal Meridian, Pope County, Illinois. It lies one-half mile west of Illinois Highway 34 and about midway between the villages of Eichorn and Herod.

EXPLORATION PROJECT CONTRACT
GAYLORD WALLACE and WALLACE BALDWIN
DOCKET NO. DMEA-3523

EXHIBIT "A"

Description of the Work

The work shall be performed in two successive stages, as follows:

Stage I

The Williams fault zone shall be diamond core drilled an aggregate of 480 feet in holes at least 150 feet apart, starting at a point about 300 feet northeast of the Williams shaft. The holes shall have an approximate inclination of 45 degrees and shall be drilled to penetrate through the fault zone at the favorable horizon.

The New Baldwin fault zone shall be explored by an aggregate of 500 feet of power auger drilling in not more than 50 holes. The holes shall be approximately ten feet deep, and shall be drilled on not less than 5-foot centers on lines across the projected trend of the fault. The lines shall be parallel and shall be 350 feet apart. The power auger holes shall be drilled to bed rock.

The approximate locations of the diamond drill holes and of the auger holes are shown on the sketch entitled, "Figure 1 Baldwin Wallace Tract showing amended work program —DMEA 3523," attached hereto and made a part hereof.

If the Government is of the opinion that the results of Stage I warrant it, and the Government grants prior approval, Stage II shall be performed.

Stage II

A. At points along the Williams fault zone agreed upon by the Government and the Operator, diamond drill holes shall be drilled for not to exceed an aggregate of 460 feet.

B. Any unused diamond drill hole footage from item A may be used for diamond drilling to explore the New Baldwin fault zone.

No holes shall be less than 200 feet from a property boundary line.

All diamond drill holes shall be AX size, except that if unusual conditions are encountered the holes may be completed in EX size.

The power auger holes shall be not less than six inches in diameter.

The location, inclination, direction, and extent of all work are subject to approval by the Government.

Fixed Unit Costs

Stage I

480 feet of diamond drilling @ $3.25/ft.	$1,560.00	
500 feet of auger holes @ $0.60/ft.	300.00	
30 assays @ $5.00 each	150.00	
Diamond drill coreboxes: 480 feet of core @ $0.10/ft. of core	48.00	
Estimated Total Cost of Stage I		$2,058.00

Stage II

460 feet of diamond drilling @ $3.25/ft.	1,495.00	
Diamond drill coreboxes: 460 feet of core @ $0.10/ft. of core	46.00	
10 assays @ $5.00 each	50.00	
Estimated Total Cost of Stage II		$1,591.00
Estimated Total Cost of Project		$3,649.00
Government Participation @ 50%		$1,824.50

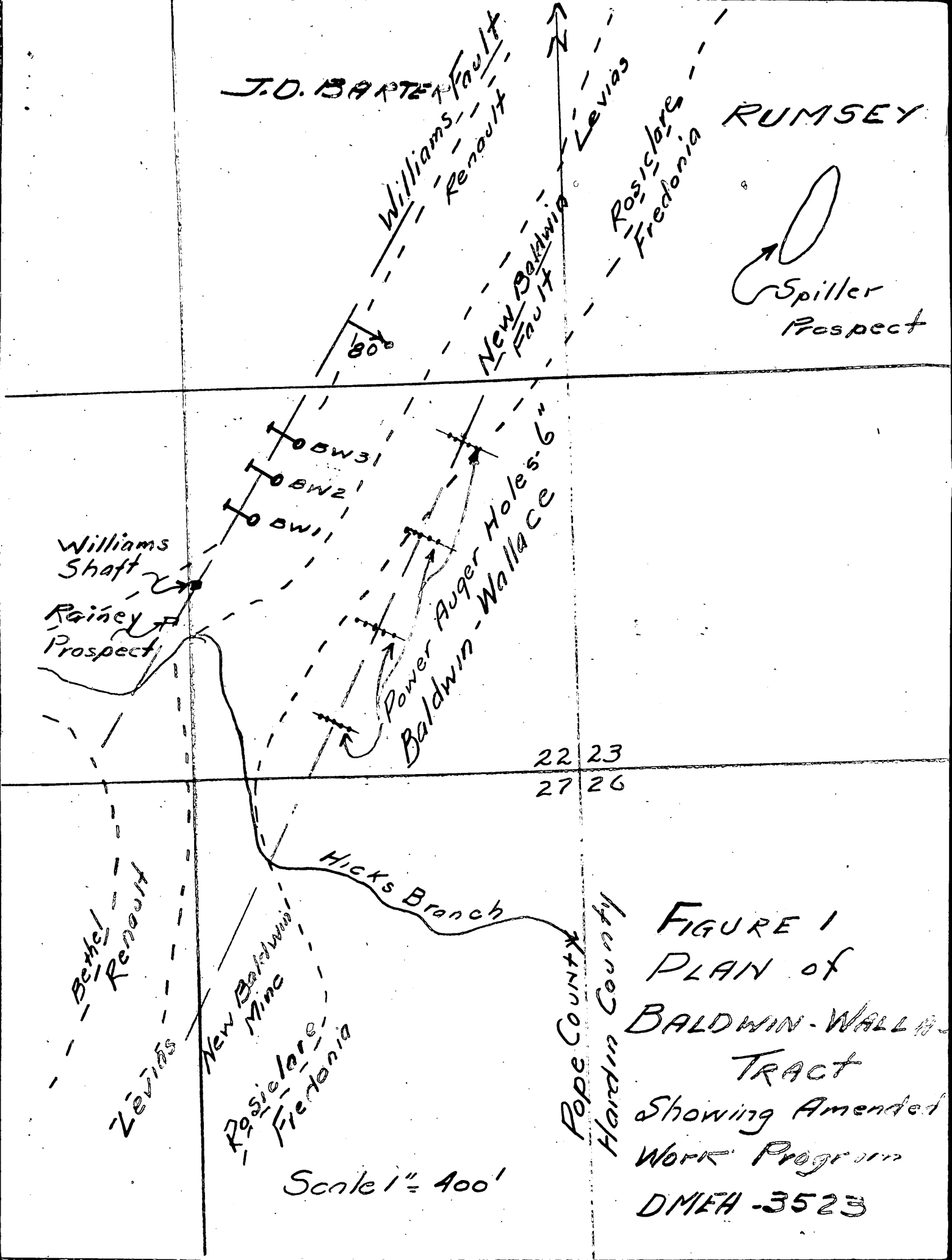

FIGURE 1
PLAN of
BALDWIN-WALLACE
TRACT
Showing Amended
Work Program
DMEH-3523

Field Team Copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3523

Commodity Fluorspar, lead & zinc

Contract No. Idm-E 768

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 3rd day of March, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Gaylord Wallace and Wallace Baldwin, partners, whose mailing address is Route #3 Harrisburg, Illinois, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and .....

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Illinois, County of Pope, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Owner of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] ——, [7] —— recorded in Book ——, page ——, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: .....

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of fluorspar, lead & zinc The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before 6 mos. from date of/ contract (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $3,649.00 The Government will contribute 50 percent of the fixed unit costs as work is performed, in a total sum not in excess of $1,824.50: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

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(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, 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, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

GAYLORD WALLACE and WALLACE BALDWIN
(Operator)

By C. O. Mittenbergy
Administrator, Defense Minerals Exploration Administration

By .....

By .....

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
GAYLORD WALLACE and WALLACE BALDWIN
DOCKET NO. EMRA-3583

ANNEX I

The land referred to in Article 2 of the Contract is the SE¼ of the SE¼ of Section 22, Township 11S., Range 7E., of the Third Principal Meridian, Pope County, Illinois. It lies one-half mile west of Illinois Highway 34 and about midway between the villages of Eichorn and Herod.

EXPLORATION PROJECT CONTRACT
GAYLORD WALLACE and WALLACE BALDWIN
DOCKET NO. DMRA-3523

EXHIBIT "A"

Description of the Work

The work shall be performed in two successive stages, as follows:

Stage I

The Williams fault zone shall be diamond core drilled an aggregate of 480 feet in holes at least 150 feet apart, starting at a point about 300 feet northeast of the Williams shaft. The holes shall have an approximate inclination of 45 degrees and shall be drilled to penetrate through the fault zone at the favorable horizon.

The New Baldwin fault zone shall be explored by an aggregate of 500 feet of power auger drilling in not more than 50 holes. The holes shall be approximately ten feet deep, and shall be drilled on not less than 5-feet centers on lines across the projected trend of the fault. The lines shall be parallel and shall be 350 feet apart. The power auger holes shall be drilled to bed rock.

The approximate locations of the diamond drill holes and of the auger holes are shown on the sketch entitled, "Figure 1 Baldwin Wallace Tract showing amended work program —DMRA 3523," attached hereto and made a part hereof.

If the Government is of the opinion that the results of Stage I warrant it, and the Government grants prior approval, Stage II shall be performed.

Stage II

A. At points along the Williams fault zone agreed upon by the Government and the Operator, diamond drill holes shall be drilled for not to exceed an aggregate of 460 feet.

B. Any unused diamond drill hole footage from item A may be used for diamond drilling to explore the New Baldwin fault zone.

No holes shall be less than 200 feet from a property boundary line.

All diamond drill holes shall be AX size, except that if unusual conditions are encountered the holes may be completed in BX size.

The power auger holes shall be not less than six inches in diameter.

The location, inclination, direction, and extent of all work are subject to approval by the Government.

Fixed Unit Costs

Stage I

480 feet of diamond drilling @ $3.25/ft.	$1,560.00	
500 feet of auger holes @ $0.60/ft.	300.00	
30 assays @ $5.00 each	150.00	
Diamond drill coreboxes: 480 feet of core @ $0.10/ft. of core	48.00	
Estimated Total Cost of Stage I		$2,058.00

Stage II

460 feet of diamond drilling @ $3.25/ft.	1,495.00	
Diamond drill coreboxes: 460 feet of core @ $0.10/ft. of core	46.00	
10 assays @ $5.00 each	50.00	
Estimated Total Cost of Stage II		$1,591.00
Estimated Total Cost of Project		$3,649.00
Government Participation @ 50%		$1,824.50

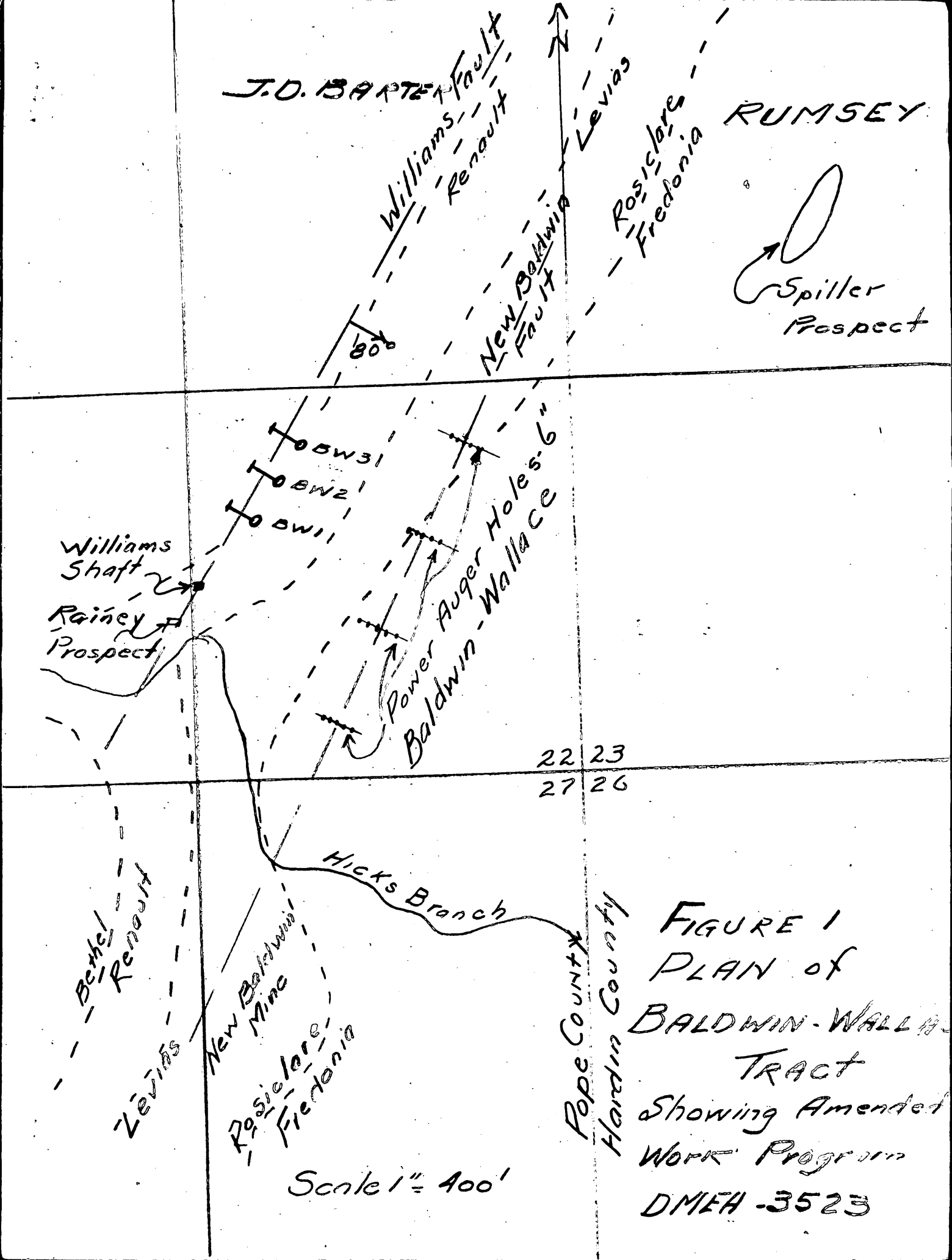

FIGURE 1
PLAN of
BALDWIN-WALLACE
TRACT
Showing Amended
Work Program
DMEA-3523

Division Copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3323

Commodity Lucopper, lead & zinc

Contract No. Idm-E - 768

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 3rd day of March, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Gaylord Allace and Allace Seldin, partners,

whose mailing address is Route 13
Harrisburg, Illinois,
hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Illinois, County of Pope, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] owner of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] —, [7] — recorded in Book —, page —, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances:

None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows:

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of fluorspar, lead & zinc. The work to be performed is described in Exhibit "A." The Operator on or before contract shall commence the work, and on or before 6 mos. from date of contract (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $3,649.00. The Government will contribute 50 percent of the fixed unit costs as work is performed, in a total sum not in excess of $1,[illegible].50: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, 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, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

[redacted]
(Operator)

By [redacted]

Administrator, Defense Minerals Exploration Administration

By [redacted]

By [redacted]

Chamberlin Hoch Selfridge

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
GAYLORD WALLACE and WALLACE BALDWIN
DOCKET NO. DMRA-3583

ANNEX I

The land referred to in Article 2 of the Contract is the SE¼ of the SE¼ of Section 28, Township 11S., Range 7E., of the Third Principal Meridian, Pope County, Illinois. It lies one-half mile west of Illinois Highway 34 and about midway between the villages of Eichorn and Herod.

EXPLORATION PROJECT CONTRACT
GAYLORD WALLACE and WALLACE BALDWIN
DOCKET NO. DMEA-3583

EXHIBIT "A"

Description of the Work

The work shall be performed in two successive stages, as follows:

Stage I

The Williams fault zone shall be diamond core drilled an aggregate of 430 feet in holes at least 150 feet apart, starting at a point about 300 feet northeast of the Williams shaft. The holes shall have an approximate inclination of 45 degrees and shall be drilled to penetrate through the fault zone at the favorable horizon.

The New Baldwin fault zone shall be explored by an aggregate of 500 feet of power auger drilling in not more than 50 holes. The holes shall be approximately ten feet deep, and shall be drilled on not less than 5-foot centers on lines across the projected trend of the fault. The lines shall be parallel and shall be 350 feet apart. The power auger holes shall be drilled to bed rock

The approximate locations of the diamond drill holes and of the auger holes are shown on the sketch entitled, "Figure 1 Baldwin Wallace Tract showing amended work program —DMEA 3583," attached hereto and made a part hereof.

If the Government is of the opinion that the results of Stage I warrant it, and the Government grants prior approval, Stage II shall be performed.

Stage II

A. At points along the Williams fault zone agreed upon by the Government and the Operator, diamond drill holes shall be drilled for not to exceed an aggregate of 460 feet.

B. Any unused diamond drill hole footage from item A may be used for diamond drilling to explore the New Baldwin fault zone.

No holes shall be less than 200 feet from a property boundary line.

All diamond drill holes shall be AX size, except that if unusual conditions are encountered the holes may be completed in BX size.

The power auger holes shall be not less than six inches in diameter.

The location, inclination, direction, and extent of all work are subject to approval by the Government.

Fixed Unit Costs

Stage I

480 feet of diamond drilling @ $3.25/ft.	$1,560.00	
500 feet of auger holes @ $0.60/ft.	300.00	
30 assays @ $5.00 each	150.00	
Diamond drill coreboxes: 480 feet of core @ $0.10/ft. of core	48.00	
Estimated Total Cost of Stage I		$2,058.00

Stage II

460 feet of diamond drilling @ $3.25/ft.	1,495.00	
Diamond drill coreboxes: 460 feet of core @ $0.10/ft. of core	46.00	
10 assays @ $5.00 each	50.00	
Estimated Total Cost of Stage II		$1,591.00
Estimated Total Cost of Project		$3,649.00
Government Participation @ 50%		$1,824.50

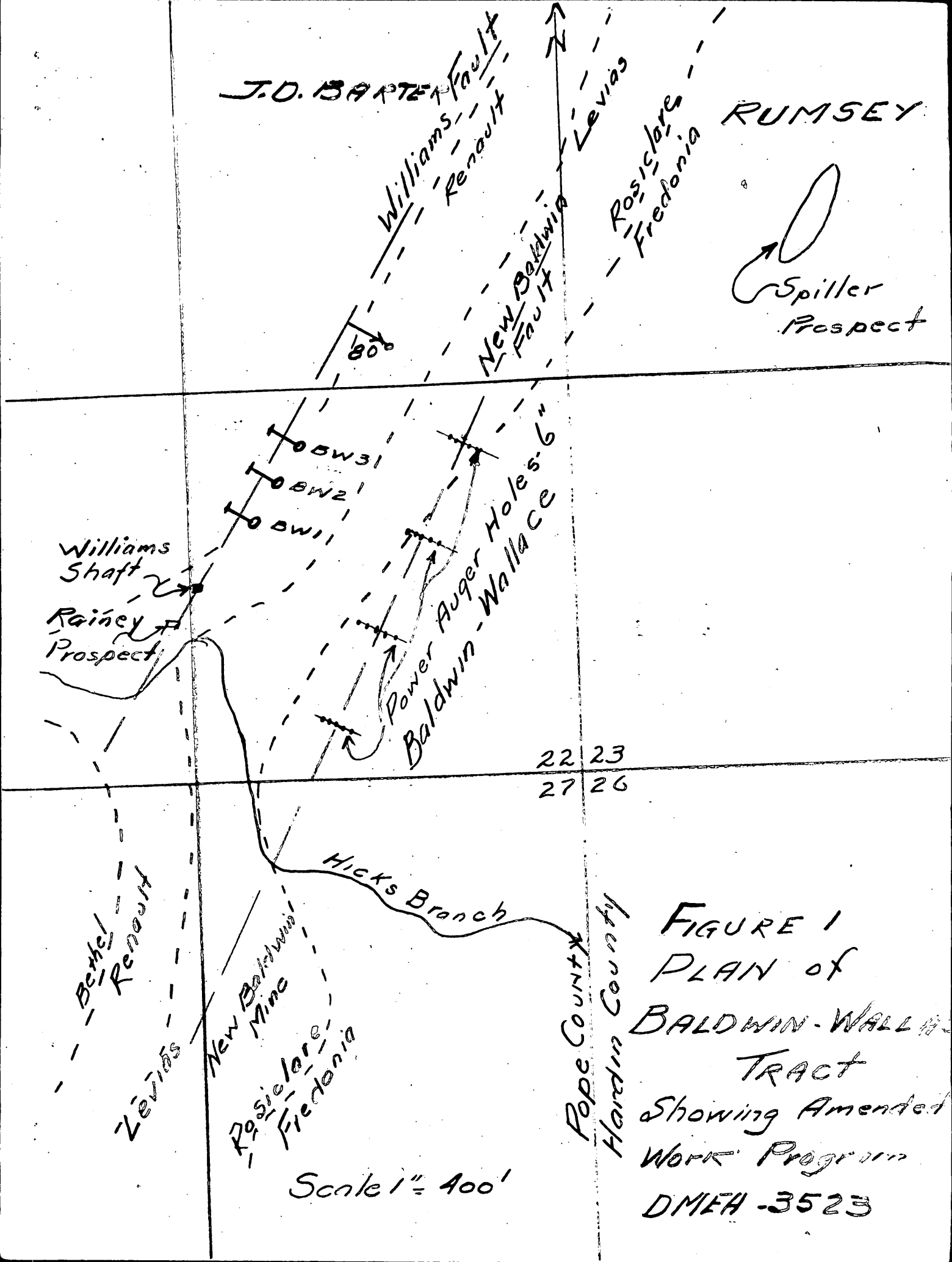

FIGURE 1
PLAN of
BALDWIN-WALLACE
TRACT
Showing Amended
Work Program
DMEH-3523

Docket Copy
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2/21/55

MF-200A
(Revised June 1954)

Docket No. DMEA 3523

Commodity Fluorspar, Lead & Zinc

Contract No. Idm-E 768

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 3rd day of March, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Gaylord Allace and Allace Baldwin, partners,

whose mailing address is Route 13
Harrisburg, Illinois,
hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Illinois, County of Pope, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Owner of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] ---, [7] --- recorded in Book ---, page ---, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances:

None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows:

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

16—70616-1

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of fluorspar, lead & zinc. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before 6 mos. from date of/ contract (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $3,649.00. The Government will contribute 50 percent of the fixed unit costs as work is performed, in a total sum not in excess of $1,824.50: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, 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, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

GAYLORD WALLACE and WALLACE BALDWIN
(Operator)

By .....

Administrator, Defense Minerals Exploration Administration

By .....

By .....

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
GAYLORD WALLACE and WALLACE BALDWIN
DOCKET NO. DMRA-3523

ANNEX I

The land referred to in Article 2 of the Contract is the SE¼ of the SE¼ of Section 22, Township 11E., Range 7E., of the Third Principal Meridian, Pope County, Illinois. It lies one-half mile west of Illinois Highway 34 and about midway between the villages of Eichorn and Herod.

EXPLORATION PROJECT CONTRACT
GAYLORD WALLACE and WALLACE BALDWIN
DOCKET NO. DMEA-3583

EXHIBIT "A"

Description of the work

The work shall be performed in two successive stages, as follows:

Stage I

The Williams fault zone shall be diamond core drilled an aggregate of 480 feet in holes at least 150 feet apart, starting at a point about 300 feet northeast of the Williams shaft. The holes shall have an approximate inclination of 45 degrees and shall be drilled to penetrate through the fault zone at the favorable horizon.

The New Baldwin fault zone shall be explored by an aggregate of 500 feet of power auger drilling in not more than 50 holes. The holes shall be approximately ten feet deep, and shall be drilled on not less than 5-foot centers on lines across the projected trend of the fault. The lines shall be parallel and shall be 350 feet apart. The power auger holes shall be drilled to bed rock.

The approximate locations of the diamond drill holes and of the auger holes are shown on the sketch entitled, "Figure 1 Baldwin Wallace Tract showing amended work program —DMEA 3583," attached hereto and made a part hereof.

If the Government is of the opinion that the results of Stage I warrant it, and the Government grants prior approval, Stage II shall be performed.

Stage II

A. At points along the Williams fault zone agreed upon by the Government and the Operator, diamond drill holes shall be drilled for not to exceed an aggregate of 460 feet.

B. Any unused diamond drill hole footage from item A may be used for diamond drilling to explore the New Baldwin fault zone.

No holes shall be less than 200 feet from a property boundary line.

All diamond drill holes shall be AX size, except that if unusual conditions are encountered the holes may be completed in EX size.

The power auger holes shall be not less than six inches in diameter.

The location, inclination, direction, and extent of all work are subject to approval by the Government.

Fixed Unit Costs

Stage I

480 feet of diamond drilling @ $3.25/ft.	$1,560.00	
500 feet of auger holes @ $0.60/ft.	300.00	
30 assays @ $5.00 each	150.00	
Diamond drill coreboxes: 480 feet of core @ $0.10/ft. of core	48.00	
Estimated Total Cost of Stage I		$2,058.00

Stage II

460 feet of diamond drilling @ $3.25/ft.	1,495.00	
Diamond drill coreboxes: 460 feet of core @ $0.10/ft. of core	46.00	
10 assays @ $5.00 each	50.00	
Estimated Total Cost of Stage II		$1,591.00
Estimated Total Cost of Project		$3,649.00
Government Participation @ 50%		$1,824.50

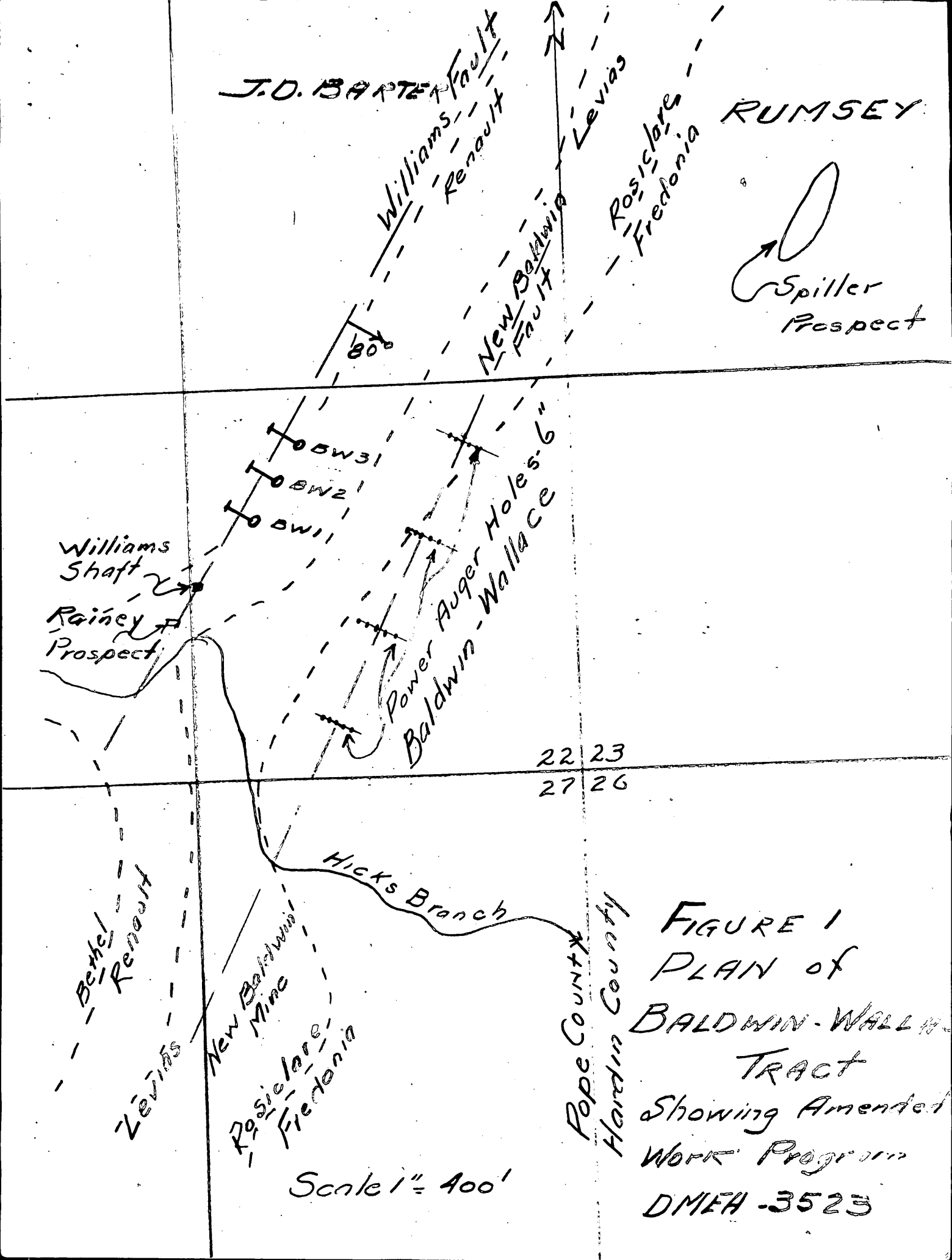

FIGURE 1
PLAN of
BALDWIN-WALLACE
TRACT
Showing Amended
Work Program
DMEH-3523

Government's Copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3523

Commodity Fluorspar, Lead & Zinc

Contract No. Idm-E - 768

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 3rd day of March, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Gaylord Wallace and Wallace Baldwin, partners,

whose mailing address is Route #3 Harrisburg, Illinois, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Illinois, County of Pope, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Owner of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] ---, [7] -- recorded in Book --, page --, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances:

None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows:

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of fluorspar, lead & zinc. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before 6 mos. from date of contract (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $3,649.00. The Government will contribute 50 percent of the fixed unit costs as work is performed, in a total sum not in excess of $1,824.50: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, 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, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

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ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

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ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

GAYLORD WALLACE and WALLACE BALDWIN
(Operator)

By C. P. Mitchenor
Administrator, Defense Minerals Exploration Administration

By .....

By .....

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
GAYLORD WALLACE and WALLACE BALDWIN
DOCKET NO. DMEA-3523

ANNEX I

The land referred to in Article 2 of the Contract is the SE$\frac{1}{4}$ of the SE$\frac{1}{4}$ of Section 22, Township 11S., Range 7E., of the Third Principal Meridian, Pope County, Illinois. It lies one-half mile west of Illinois Highway 34 and about midway between the villages of Eichorn and Herod.

EXPLORATION PROJECT CONTRACT
GAYLORD WALLACE and WALLACE BALDWIN
DOCKET NO. DMEA-3523

EXHIBIT "A"

Description of the Work

The work shall be performed in two successive stages, as follows:

Stage I

The Williams fault zone shall be diamond core drilled an aggregate of 480 feet in holes at least 150 feet apart, starting at a point about 300 feet northeast of the Williams shaft. The holes shall have an approximate inclination of 45 degrees and shall be drilled to penetrate through the fault zone at the favorable horizon.

The New Baldwin fault zone shall be explored by an aggregate of 500 feet of power auger drilling in not more than 50 holes. The holes shall be approximately ten feet deep, and shall be drilled on not less than 5-foot centers on lines across the projected trend of the fault. The lines shall be parallel and shall be 350 feet apart. The power auger holes shall be drilled to bed rock.

The approximate locations of the diamond drill holes and of the auger holes are shown on the sketch entitled, "Figure 1 Baldwin Wallace Tract showing amended work program —DMEA 3523," attached hereto and made a part hereof.

If the Government is of the opinion that the results of Stage I warrant it, and the Government grants prior approval, Stage II shall be performed.

Stage II

A. At points along the Williams fault zone agreed upon by the Government and the Operator, diamond drill holes shall be drilled for not to exceed an aggregate of 460 feet.

B. Any unused diamond drill hole footage from item A may be used for diamond drilling to explore the New Baldwin fault zone.

No holes shall be less than 200 feet from a property boundary line.

All diamond drill holes shall be AX size, except that if unusual conditions are encountered the holes may be completed in EX size.

The power auger holes shall be not less than six inches in diameter.

The location, inclination, direction, and extent of all work are subject to approval by the Government.

Fixed Unit Costs

Stage I

480 feet of diamond drilling @ $3.25/ft.	$1,560.00	
500 feet of auger holes @ $0.60/ft.	300.00	
30 assays @ $5.00 each	150.00	
Diamond drill coreboxes: 480 feet of core @ $0.10/ft. of core	48.00	
Estimated Total Cost of Stage I		$2,058.00

Stage II

460 feet of diamond drilling @ $3.25/ft.	1,495.00	
Diamond drill coreboxes: 460 feet of core @ $0.10/ft. of core	46.00	
10 assays @ $5.00 each	50.00	
Estimated Total Cost of Stage II		$1,591.00
Estimated Total Cost of Project		$3,649.00
Government Participation @ 50%		$1,824.50

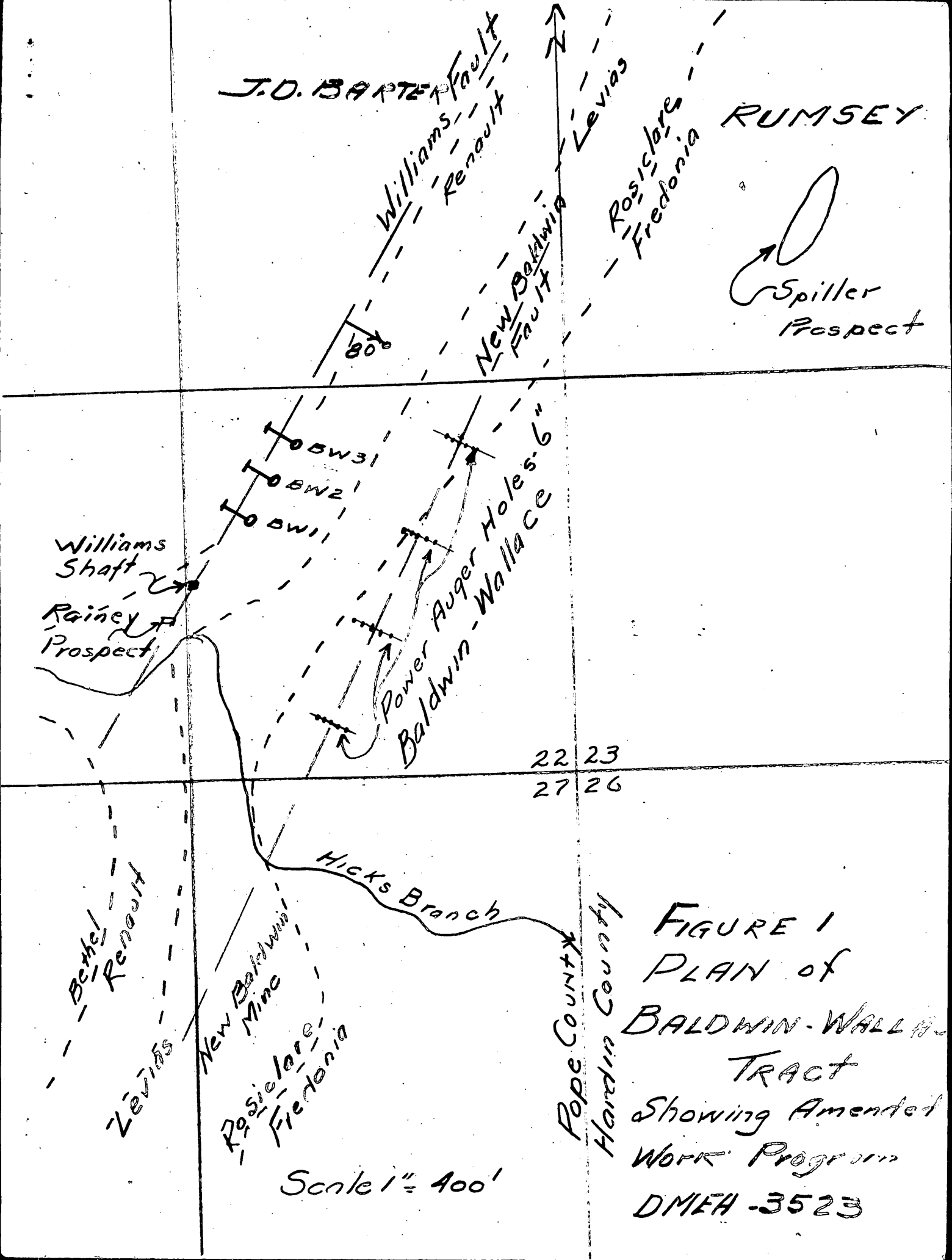

FIGURE 1
PLAN of
BALDWIN-WALLACE
TRACT
Showing Amended
Work Program
DMEH-3523

Docket No. DMEA - 3523

Commodity Fluorspar, L. Z.

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUN - 3 1955
MAY 31 1955
U. S. BUREAU OF MINES
ELECTROTECHNICAL LABORATORY
NORRIS, TENNESSEE

WITHDRAWAL

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 768

Date of Contract ~~[illegible]~~ March 3, 1955

Name and Address of Operator:
Gaylord and Wallace Baldwin
Beecher Williams Mine
Pope County, Illinois

To be posted in May

Amount of Government participation ____ $ 1,824.50

Percent of Government participation 50 %

Region: V State: Illinois

Note: Please release $ 1,824.50 Contract has been withdrawn.

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

Date Delivered to Bureau of Mines, Washington.

5/25/55

54458

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF MINES

ELECTROTECHINCAL LABORATORY

NORRIS, TENNESSEE

RECEIVED
JUN - 3 1955

June 1, 1955
P. O. Box 217

Memorandum

To: Jay L. Chambers, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Administrative Assistant, Electrotechnical Experiment Station, Norris, Tennessee

Subject: Withdrawal Notice - Contract Idm-E-768

We are returning your "Withdrawal" notice covering contract Idm-E-768, Docket No. DMEA-3523, Gaylord and Wallace Baldwin, in the amount of $1,824.50 for cancellation.

This contract has not been received and has not been entered on our books.

Helen Miller
Helen R. Miller

Attachment 1
/hbm
Copies to R. A. Laurence
V. J. Lynch
Region Files
Day Files

Allegheny document
put in file

RECEIVED
JUN - 3 1955

June 1, 1955
P. O. Box 217

Memorandum

To: Jay L. Chambers, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Administrative Assistant, Electrotechnical Experiment Station, Norris, Tennessee

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Helen R. Miller

Attachment 1
/hbm
Copies to R. A. Laurence
V. J. Lynch
Region Files
Day Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

May 23, 1955

Memorandum

To: R. E. Adams, Chief, Operations Control and Statistics Division

From: Nonmetallic Minerals Division

Subject: Withdrawal of Application - Docket No. DMEA-3523 - Fluorspar, Lead and Zinc
Gaylord Wallace and Wallace Baldwin
Beecher Williams Mine
Pope County, Illinois

The subject application is being withdrawn and placed in the inactive file because the applicant has been unable to secure an adequate title to the land.

The application will remain in this status for a reasonable period or until an adequate title is secured and the applicant requests it to be reopened.

James Hopkins
Nonmetallic Minerals Division

DOCKET COPY
Surname:

Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

MAY 24 1955

Messrs. Gaylord Wallace and
Wallace Baldwin
Route #3
Harrisburg, Illinois

Re: Docket No. DMEA-3523 - Fluorspar, Lead and Zinc
Gaylord Wallace and Wallace Baldwin
Beecher Williams Mine
Pope County, Illinois
Contract No. Idm-E768

Gentlemen:

Reference is made to your letter dated May 9, 1955, returning copies of the unexecuted contract.

The subject application is being withdrawn and placed in our inactive file. We will retain it in this status until such time that your rights to enter the subject property are established.

We regret the difficulty you have experienced in securing an adequate title to the land and therefore assure you of our willingness to give the matter further consideration if the title is cleared in the near future.

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:ad 5/23/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Arundale, 3516
Mr. Houk

R.C.B.

Hopkins
Houk

600

May 23, 1955

Memorandum

To: R. E. Adams, Chief, Operations Control and Statistics Division

From: Nonmetallic Minerals Division

Subject: Withdrawal of Application - Docket No. DMRA-3523 - Fluorspar, Lead and Zinc
Gaylord Wallace and Wallace Baldwin
Beecher Williams Mine
Pope County, Illinois

The subject application is being withdrawn and placed in the inactive file because the applicant has been unable to secure an adequate title to the land.

The application will remain in this status for a reasonable period or until an adequate title is secured and the applicant requests it to be reopened.

James Hopkins
Nonmetallic Minerals Division

JHopkins:ad 5/23/55
Copy to: Admr. R. File
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

May 12, 1955

Memorandum

To: Operating Committee

From: Nonmetallic Minerals Division

Subject: Withdrawal of unexecuted contract

Docket No. DMEA-3523 - Fluorspar, Lead and Zinc
Gaylord Wallace and Wallace Baldwin
Beecher Williams Mine
Pope County, Illinois
Contract No. Idm-E768

The subject contract was prepared and submitted to the Operators for approval March 3, 1955.

Before the Operators could begin work on the project it was necessary to obtain permission from the owner of the surface rights to enter upon the property. Permission to enter was refused by the surface owner.

The Operators have been advised by their attorney that the right to enter upon the property probably could be obtained through court action by an injunction procedure at an estimated cost of $500.00. The Operators state that they are not prepared financially to assume this cost. The only alternative available will be that of attempting to peacefully negotiate some sort of a settlement at a later date.

Because of this obstruction to the project, we have requested the return of the copies of the unexecuted contract. It does not appear that the Operators and the surface owner will reach an amicable agreement in the very near future, therefore, we recommend that the contract be rescinded without prejudice.

James Hopkins
Nonmetallic Minerals Division

DOCKET FILE
Surname: Hopkins
Noted J. L. Chandler 5/13/55

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

May 12, 1955

Memorandum

To: Operating Committee

From: Nonmetallic Minerals Division

Subject: Withdrawal of unexecuted contract

Docket No. DMEA-3523 - Fluorspar, Lead and Zinc
Gaylord Wallace and Wallace Baldwin
Beecher Williams Mine
Pope County, Illinois
Contract No. Idm-E763

The subject contract was prepared and submitted to the Operators for approval March 3, 1955.

Before the Operators could begin work on the project it was necessary to obtain permission from the owner of the surface rights to enter upon the property. Permission to enter was refused by the surface owner.

The Operators have been advised by their attorney that the right to enter upon the property probably could be obtained through court action by an injunction procedure at an estimated cost of $500.00. The Operators state that they are not prepared financially to assume this cost. The only alternative available will be that of attempting to peacefully negotiate some sort of a settlement at a later date.

Because of this obstruction to the project, we have requested the return of the copies of the unexecuted contract. It does not appear that the Operators and the surface owner will reach an amicable agreement in the very near future, therefore, we recommend that the contract be rescinded without prejudice.

JHopkins:ad 5/12/55
Copy to: Admr. R. File
Mr. Houk
Docket

James Hopkins
Nonmetallic Minerals Division

Report of Inspection
by
G. L. Neumann, Engineer
April 9 & 12, 1955

DMEA Docket No. 3523 - (Fluorspar-Lead-Zinc)
Operator: Baldwin-Wallace (partnership)
R.F.D. #3, Harrisburg, Illinois
Property: Williams Mine Tract
Pope County, Illinois
Contract No. I dm-2768 (unsigned)

Summary: The object of this contract is to enhance the Nation's reserves of the three critical materials: fluorspar, lead, and zinc. This contract was drawn up and sent to the Operators for approval. The Operators, not owning the surface rights and being gentlemen approached the owner of the surface rights, Mr. J. D. Barter of Harrisburg, Ill., and told him of the contract for exploration. He immediately says there will be no exploration. Mr. Barter is a construction contractor and also raises stock. On the 40 acres adjoining the Williams tract he has a dragline and takes road metal from the creek. In this operation he uncovered a sizable deposit of gravel spar. He told the owner of the minerals rights, Hicks Creek Mining Co., that he was going to mine this spar. They agreed but said it would cost $7.50 a ton royalty. This did not sit well with Barter the spar was covered up. Then a leaser from Hicks Creek Mining Dug a pit in one corner of the field and one of Barter's $300. cows fell into the pit and drowned. So it appears that Mr. Barter has no use for mining and mining people.

Mr. Wallace Baldwin owns an 80 acre farm in fee simple to the north of the Barter ground. Formerly there was a county road and a mail route from the main road, Ill. Route 34, through the Barter 40, which lies east of the Williams tract. This road went to the Baldwin farm and is the access road to the Williams tract. Barter put a gate across the road and a padlock on the gate. Mr. Barter gave Mr. Baldwin a key to this padlock so that he could get to his farm. The Operators are both well mannered, peace loving, farm boys and have had no trouble with Mr. Barter previously. The Field Team visited Mr. Sam Barter, son of J. D. Barter to get the other side of the story. He told the Field Team that the Operators could drill the tract but it was going to cost them. The Operators have consulted legal counsel and were told that if they made an attempt to get onto the grounds and were actually repulsed they then could go to court and no doubt go ahead with the program, but it would cost them about $500. to get an injunction against Barter. The Operators plan to have another talk with Barter to get his exact terms.

Conclusion: It appears that the Operators have 3 alternatives: (1) to pay Barter off, (2) to go to court, and (3) drop the deal. This whole deal is a dire injustice to the Operators.

Recommendations: The engineer of the Field Team recognizes that the DMEA cannot enter into legal squabbles, concerning titles and rights, and since the small effort of the Field Team to try to bring about an amicable settlement went awry, there is nothing further that DMEA can do at this time. Until the matter is settled, it would probably be best to have the Operators return the unsigned contract to the Operating Committee and if and when a settlement is reached, the Committee could then do as it deems best about this contract.

/s/ G. L. Neumann, Mine Examination and Exploration Engineer

4/25/55 (College Park, Md.)

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

MAY 2 3 1955.

Memorandum

To: The Administrator, DMEA
Attention: L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3523 (Fluorspar, Lead, Zinc), Contract No. Idm-E768, Wallace and Baldwin, partners

This docket was submitted to this office on a routing slip dated May 13, with the notation: "Please prepare 'Rescission' letter without prejudice to Operator . . . for Administrator's signature."

Inasmuch as by letter dated May 9, the Operator returned to the Washington office all copies of the Contract, unsigned, we do not understand the request for action as stated on the routing slip. There is no occasion for rescinding a Contract that never has gone into effect.

The Administrator might wish to write a letter to the Operator expressing regret at the difficulty it is having with the matter of securing an adequate title to the land, and expressing a willingness to give the matter further consideration if the title is cleared in the future.

J. L. Hoffland
Acting Assistant Solicitor,
Defense Minerals

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

MAY 20 1955

Memorandum

To: The Administrator, DMEA
Attention: L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3523 (Fluorspar, Lead, Zinc), Contract No. Idm-E768, Wallace and Baldwin, partners

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J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

JLHofflund:gjb 5/19/55

Copy to: DMEA Docket
Sol. Docket
L. G. Houk (2)
J. L. Hofflund
Chron. File

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 11 1955

May 9, 1955
Route #3
Harrisburg, Ill.

Department of Interior
Defense Minerals Administration

Gentlemen:

This is in reply to your letter concerning Docket No1 DMEA-3523, Contract No. Idm-E768 with Wallace Baldwin and Gaylord Wallace for exploration of the Beecher Williams mine area.

In compliance with your order we are returning the mining exploration contracts to you. Mr. Barter the surface owner took the extremely unreasonable position that he had no intention of allowing us to enter the property to prospect.

It so happens that the P.M.T Mining Hicks Creek Corporation (Mr. Newman is familiar with this company and knows the members of it) owns mineral rights to part of Mr. Barter's farm and hold leases on other parts of it. We have contacted some members of this mining company and they tell us that they also plan to start some kind of mining operations on Mr. Barter's farm this spring. They expect some kind of opposition from Mr. Barter too and we are working on a plan to have P.M.T.'s attorney (who is also a member of their company) to represent us and P.M.T. jointly in a legal effort to make Mr. Barter remove his road block and allow us to enter the property and do our prospecting.

We hope that you will allow us to have full use of the contract as soon as the courts may issue a restraining order to Mr. Barter in regard to closing the road.

Very sincerely yours
Wallace Baldwin
Gaylord Wallace

Docket Copy
Surname:
Houk
Hoffland

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
600
WASHINGTON 25, D. C.

APR 27 1955

Messrs. Gaylord Wallace and
Wallace Baldwin
Route #3
Harrisburg, Illinois

Re: Docket No. DMEA-3523 - Fluorspar, Lead and Zinc
Gaylord Wallace and Wallace Baldwin
Beecher Williams Mine
Pope County, Illinois
Contract No. Idm-E768

Gentlemen:

Reference is made to the original and five copies of the subject contract transmitted to you by Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region V.

Mr. Neumann, DMEA Field Engineer, informs me that you are having difficulty with the surface owner of the land described in the contract, and that you have been unable to gain access to the property for the purposes of beginning the exploration project. Please return the original and all copies of the contract to this office until such time as you have established your right to proceed with the contract.

The Bureau of Land Management's records here in Washington show that John Baldwin bought the SE¼ of the SE¼ of Section 22, Township 11S., Range 7E., on May 3, 1847, and was issued a patent March 1, 1848. This patent is described in Volume 22, Page 146. In establishing your right to enter the property it may be necessary to supply this office with a copy of the conveyance of the surface rights to the land.

Sincerely yours,

C. O. Mittendorf

Administrator

LGHouk:gad 4/22/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Arundale, 3516
Mr. Houk

R.C.S.

Hopkins

Report of Inspection
by
G. L. Neumann, Engineer
April 9 & 12, 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
APR 29 1955

DMEA Docket No. 3523 - (Fluorspar-Lead-Zinc)
Operator: Baldwin-Wallace (partnership)
R.F.D. #3, Harrisburg, Illinois
Property: Williams Mine Tract
Pope County, Illinois
Contract No. Idm-E768 (unsigned)

Summary: The object of this contract is to enhance the Nation's reserves of the three critical materials: fluorspar, lead, and zinc. This contract was drawn up and sent to the Operators for approval. The Operators, not owning the surface rights and being gentlemen approached the owner of the surface rights, Mr. J. D. Barter of Harrisburg, Ill., and told him of the contract for exploration. He immediately says there will be no exploration. Mr. Barter is a construction contractor and also raises stock. On the 40 acres adjoining the Williams tract he has a dragline and takes road metal from the creek. In this operation he uncovered a sizable deposit of gravel spar. He told the owner of the minerals rights, Hicks Creek Mining Co., that he was going to mine this spar. They agreed but said it would cost $7.50 a ton royalty. This did not sit well with Barter the spar was covered up. Then a leaser from Hicks Creek Mining Dug a pit in one corner of the field and one of Barter's $300. cows fell into the pit and drowned. So it appears that Mr. Barter has no use for mining and mining people.

Mr. Wallace Baldwin owns an 80 acre farm in fee simple to the north of the Barter ground. Formerly there was a county road and a mail route from the main road, Ill. Route 34, through the Barter 40, which lies east of the Williams tract. This road went to the Baldwin farm and is the access road to the Williams tract. Barter put a gate across the road and a padlock on the gate. Mr. Barter gave Mr. Baldwin a key to this padlock so that he could get to his farm. The Operators are both well mannered, peace loving, farm boys and have had no trouble with Mr. Barter previously. The Field Team visited Mr. Sam Barter, son of J. D. Barter to get the other side of the story. He told the Field Team that the Operators could drill the tract but it was going to cost them. The Operators have consulted legal counsel and were told that if they made an attempt to get onto the grounds and were actually repulsed they then could go to court and no doubt go ahead with the program, but it would cost them about $500. to get an injunction against Barter. The Operators plan to have another talk with Barter to get his exact terms.

Conclusions: It appears that the Operators have 3 alternatives: (1) to pay Barter off, (2) to go to court, and (3) drop the deal. This whole deal is a dire injustice to the Operators.

Recommendations: The engineer of the Field Team recognizes that the DMEA cannot enter into legal squabbles, concerning titles and rights, and since the small effort of the Field Team to try to bring about an amicable settlement went awry, there is nothing further that DMEA can do at this time. Until the matter is settled, it would probably be best to have the Operators return the unsigned contract to the Operating Committee and if and when a settlement is reached, the Committee could then do as it deems best about this contract.

/s/ G. L. Neumann, Mine Examination and Exploration Engineer

4/25/55 (College Park, Md.)

Report of Inspection
by
G. L. Neumann, Engineer
April 9 & 12, 1955

DMEA Docket No. 3523 - (Fluorspar-Lead-Zinc)
Operator: Baldwin-Wallace (partnership)
R.F.D. #3, Harrisburg, Illinois
Property: Williams Mine Tract
Pope County, Illinois
Contract No. Idm-2768 (unsigned)

Summary: The object of this contract is to enhance the Nation's reserves of the three critical materials: fluorspar, lead, and zinc. This contract was drawn up and sent to the Operators for approval. The Operators, not owning the surface rights and being gentlemen approached the owner of the surface rights, Mr. J. D. Barter of Harrisburg, Ill., and told him of the contract for exploration. He immediately says there will be no exploration. Mr. Barter is a construction contractor and also raises stock. On the 40 acres adjoining the Williams tract he has a dragline and takes road metal from the creek. In this operation he uncovered a sizable deposit of gravel spar. He told the owner of the minerals rights, Hicks Creek Mining Co., that he was going to mine this spar. They agreed but said it would cost $7.50 a ton royalty. This did not sit well with Barter the spar was covered up. Then a leaser from Hicks Creek Mining Dug a pit in one corner of the field and one of Barter's $300. cows fell into the pit and drowned. So it appears that Mr. Barter has no use for mining and mining people.

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/s/ G. L. Neumann, Mine Examination and Exploration Engineer

4/25/55 (College Park, Md.)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 11 1955

March 9, 1955

Messrs. Gaylord Wallace and
Wallace Baldwin
Route #3
Harrisburg, Illinois

Subject: Docket DMEA-3523 (Fluorspar-Lead-Zinc)
Beecher Williams Mine
Pope County, Illinois

Gentlemen:

Enclosed are six copies of contract Idm-E768 for exploration on the fluorspar deposit described in your application, Docket No. DMEA-3523.

Please review this contract, then if it meets with your approval, sign all six copies, retain the Operator's copy for your file and return the other five copies to this office. If any part of this contract does not meet with your approval, return all six copies with your comments, to this office.

Upon execution of this contract, it becomes a firm commitment under the terms of which you are obligated to conduct the authorized work at the unit costs specified in the contract.

Please note that in Article 3, line 3, of the contract, the date the work shall commence is left blank. This was left blank purposely because the date the drilling contractor might be available is indefinite. Please determine the earliest starting date for the exploration and either fill in the blank or supply this office with the date, so it can be filled in when the contract is returned. Upon execution of this contract, you are authorized to commence work on or before the date specified.

Very truly yours,

W. T. Millar

W. T. Millar
Supervising Mining Engineer

Enclosures - 6

DOCKET COPY
Surname:

Houk
Chandler
Selfridge
Fehlman

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

600

MAR 3 - 1955

Mr. Robert A. Laurence
Executive Officer, DMEA
Field Team, Region V
Room 13, Post Office Bldg.
Knoxville 2, Tennessee

Subject: Docket No. DMEA-3523 - Fluorspar, Lead and Zinc
Gaylord Wallace and Wallace Baldwin
Beecher Williams Mine
Pope County, Illinois

Dear Mr. Laurence:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by the Government with register number and effective date as shown.

If the contract meets with your approval present it to the Operators for their approval and signature. Please explain to the Operators that the contract, when executed, is a firm commitment under the terms of which they are obligated to complete the work outlined at the agreed unit cost. If any part of this contract does not have either your approval or that of the Operators and cannot be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from the Geological Survey, dated January 26, 1955, and from the Bureau of Mines, dated February 10, 1955, are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

J. H. Hedges
Member, Bureau of Mines (JHB)

E. L. Newcomb
Member, Geological Survey (JHB)

Enclosures 10

JHopkins:ad 2/28/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Arundale, 3516
Mr. Houk

R.C.L.

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

FEB 24 1955.

Memorandum

To: The Administrator, DMEA
Attention: L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3523 (Fluorspar, Lead & Zinc), Gaylord Wallace and Wallace Baldwin, Pope County Illinois, Contract

There is attached hereto in proper legal form for execution a contract for the above identified project, subject to the attachment of the map referred to in Exhibit "A".

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

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

Rubin

FEB 24 1955.

Memorandum

To: The Administrator, DMEA
Attention: L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3523 (Fluorspar, Lead & Zinc), Gaylord Wallace and Wallace Baldwin, Pope County Illinois, Contract

There is attached hereto in proper legal form for execution a contract for the above identified project, subject to the attachment of the map referred to in Exhibit "A".

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

HCRubin:gjb
2/23/55
Copy to: DMEA Docket
Sol. Docket
J. L. Hofflund
L. G. Houk
H. C. Rubin
Chron. File

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 10 1955

February 10, 1955

Memorandum

To: Lawrence G. Houk, Director, Non-Metallic Minerals Division

From: Commodity Specialist, Branch of Construction and Chemical Materials

Subject: DMEA Docket No. 3523, Wallace Baldwin-Gaylord Wallace Tract, Pope County, Illinois, (fluorspar, lead zinc) Comments on Field Team Report on Examination

It is recommended that each of the two programs outlined under "recommendations" in the field team report be authorized and that such programs be conducted in two stages (the second stage being contingent on favorable results in the first state) as proposed in the report.

J. E. Holtzinger Jr.

J. E. Holtzinger, Jr.
Commodity Specialist
Branch of Construction and
Chemical Materials Branch

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
RECEIVED
JAN 27 1955

January 26, 1955

Re: DMEA-3523
Baldwin-Wallace
Tract
Pope Co., Illinois
$4,235 - Fluorspar

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of Field Team examination report

The Field Team has recommended that exploration assistance be granted on the Baldwin-Wallace Tract. Their proposed program will consist of two projects (1.) exploratory diamond drilling along the Williams Fault and (2) auger and diamond drilling along the New Baldwin Fault. Each of these projects will consist of two stages with the second stages contingent upon favorable results being obtained from the first stages.

Project I -- Williams Fault
Stage I -- 4 AX holes -- 130 feet in length. 520 @ 3.25 = 1690.00
Stage II -- 2 AX holes -- 230 feet in length. 460 @ 3.25 = 1495.00

Project II -- New Baldwin Fault
Stage I -- 50 auger holes -- 10 feet deep. 500 @ 0.60 = 300.00
Stage II -- 2 AX holes -- ~~60~~ 70 feet in length. 140 @ 3.25 = 455.00

The objectives of the exploration program are twofold (1.) to explore for fluorspar along the Williams Fault northeasterly from known mineralization in the Williams shaft and the Rainey prospect pits which were developed in the Williams Fault zone, and (2.) to test for fluorspar gravel along the indicated trend of the New Baldwin Fault.

Fluorspar was found in the Williams shaft at a depth of 50 to 75 feet which had an average width of about 2 feet. A 20 foot shaft on the Rainey prospect, about 100 feet southwest of the Williams shaft, is reported to have been developed in a vein 3.5 feet wide which contained moderate amounts of galena. The amount of mineralization and the location of the old workings along the trend of the fault indicate that further exploration of the Williams Fault zone is geologically warranted.

Production from the nearby New Baldwin mine has been obtained entirely from gravel spar deposits, but evidence of vein material in the underlying limestone has been reported from two holes drilled south of Hicks Branch. The possible trend of the New Baldwin Fault across the applicants' property should be tested. The proposed auger holes will very inexpensively test the possibility that spar gravels occur along the New Baldwin fault. Inasmuch as the evidence for vein deposits along the New Baldwin has not adequately been established, diamond drilling should be contingent upon favorable evidence that gravel spar follows the trend of the New Baldwin fault zone.

I recommend the proposed two projects be approved with each of them consisting of two stages.

E. L. Newcomb

E. L. Newcomb

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 20 1955

January 18, 1955

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region VIII

Subject: Docket No. DMEA-3523 - (Fluorspar-Zinc-Lead)
Wallace Baldwin-Gaylord Wallace (Partnership)
Baldwin-Wallace Tract
Pope County, Illinois

Transmitted herewith are the original and three copies of a report on the examination of the property described in the subject application, prepared by G. L. Neumann of the Bureau of Mines and Robert D. Trace of the Geological Survey.

The Field Team concurs in the recommendations made by the examining engineers.

W. T. Millar

W. T. Millar, Executive Officer
Bureau-Survey Field Team
Defense Minerals Exploration
Administration, Region VIII

for John B. Hanley
Quentin D. Singewald, U. S. Geological
Survey Member, Bureau-Survey Field Team
Defense Minerals Exploration
Administration, Region VIII

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
1-24-55
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 20 1955

Field Team Report on Examination of Property

DMEA Docket No. 3523 - (Fluorspar-Zinc-Lead)

Applicant: Wallace Baldwin-Gaylord Wallace (Partnership)
R. F. D. Route No. 3
Harrisburg, Illinois
Property: Baldwin-Wallace Tract (Beecher Williams Mine)
Pope County, Illinois

by
G. L. Neumann and Robert Trace 1/

Reviewed by
DMEA OPERATING COMMITTEE
1-24-55
(date)

Summary:

The object of this exploration is to enhance the known reserves of the three strategic minerals: fluorite, sphalerite, galena. The explorational program consists of diamond core drilling the Williams fault structure and power auger drilling to bedrock on the New Baldwin extension. The Beecher Williams shaft is located near the center of this tract and almost on the west side line thereof. The trend of the Williams fault is approximately N. 30° E. The Rainey prospect a short distance to the southwest of the Williams shaft seems to be on this same trend. The New Baldwin fault appears to be a parallel trend approximately 500 feet to the east of the Williams. Another apparently parallel fault, the Spiller prospect, exists about 800 feet east of the New Baldwin. The Williams-Rainey fault runs for approximately 750 feet on the Baldwin-Wallace tract. The New Baldwin fault traverses across the property for 1400 feet. The Spiller fault does not cut this property.

The Williams shaft was sunk to a depth of 90 feet and a drift was run 150 feet on the trend to the northeast. A considerable tonnage of

1/ G. L. Neumann, Mining Engineer, Bureau of Mines and Robert Tract, Geologist, Geological Survey.

fluorspar was produced from the Williams. The vein averaged 2 feet in width according to J. M. Weller 2/, although some reports say 6 feet. The Rainey shaft was only 20 feet deep but produced fluorspar, zinc and lead from a 3.5 foot vein. The New Baldwin mine produced a large tonnage of gravel fluorspar to a depth of about 100 feet. The vein below the gravel was reported to have pinched. No deep exploration has been recorded. Two open cuts on the Rumsey tract (Spiller prospect) to the northeast of the Baldwin-Wallace tract had gravel fluorspar over a maximum width of 15 feet down to a 20-foot depth. Several test pits on the west side of the Rumsey tract also showed fluorspar. The Baldwin-Wallace tract is located in a strategic position so far as the stratigraphy is concerned. The main potential ore horizon in this Illinois fluorspar area is the Rosiclare horizon. On the west side of the tract the Rosiclare formation is about 60 feet below the surface. It crops out about the center of this tract.

The Baldwin-Wallace tract (see figure 1) is located geographically on the west flank of Hicks Dome and stratigraphically in the peripheral band, which follows along the north and west slopes of Hicks Dome, where the Renault, Levias, and Rosiclare formations outcrop. This band has been very productive since 1863, wherever it has occurred in conjunction with a fault structure: on the Empire fault at the Crabb, Empire, Redd, and Gullett (mined since 1948) mines. It has also been proven by diamond drilling west of Big Grand Pierre Creek (about 1950) on the Schwerin property, (purchased from Col. Durfee of Golconda). These properties extend well over a mile along this fault. On the Pierce fault are the Pierce and Hicks Creek mines and on the Douglas fault are the Douglas and Slapout mines. Three to four miles to the south in this band along the Stewart fault (covering a

2/ Confidential Report. Illinois Fluorspar Investigations, Empire District, by J. Marvin Weller, Illinois State Geological Survey, 1943.

two mile length) are the Baker, Stewart, Mackey, Humm, Williams, New Mackey and Jefferson mines and the Fairbairn tract, recently explored and certified by DMEA. To the north of the Baldwin-Wallace in this band is the Hamp mine, now being operated by Alcoa. The Empire mine started at the surface in gravel spar, continued downward on vein spar and is now mining high grade fluorspar from the 250-foot level, which is well down in the Fredonia formation. The New Mackey is now mining high grade fluorspar from the 350-foot level, also well down in the Fredonia formation. The Empire District has produced well over 100,000 tons of fluorspar from veins, replacement, and residual deposits.

Conclusions:

Because the Baldwin-Wallace tract is favorably situated geographically and more especially stratigraphically on recognized fault structures in a territory known to be mineralized, the Field Team considers it a potential spot for exploration.

Recommendations:

The Field Team recommends acceptance of this application. The west zone (Williams fault) should be diamond core drilled, starting about 200 feet northeast of the shaft and enough east so that 45° holes would cut the trend at the horizon corresponding to a depth of 60 feet in the shaft. Other holes along the trend should be drilled at 150-foot intervals to check this horizon. If these prove favorable one or two deeper holes should follow.

The eastern half of the Baldwin-Wallace tract (New Baldwin Extension) should be explored by power auger drilling, to be followed, if successful in locating gravel fluorspar, by diamond core holes.

Time Spent on Property:

G. L. Neumann, Bureau of Mines Field Team engineer, spent the morning of November 21, 1954 with the partners, Wallace Baldwin and Gaylord Wallace, on the property. Robert D. Trace, USGS Field Team geologist, spent the afternoon of December 1, 1954 accompanied by Gaylord Wallace on the property.

Name and Location of Property:

The Baldwin-Wallace tract, formerly known as the Beecher Williams mine is located in the Illinois Fluorspar Mining District. It comprises the SE$\frac{1}{4}$ of the SE$\frac{1}{4}$ of Section 22, Township 11S, Range 7E of the Third Principal Meridian, Pope County, Illinois, one half mile west of Illinois Highway 34 and about midway between the villages of Eichorn and Herod. It is 12 miles from Rosiclare, Illinois and 16 miles from Harrisburg, Illinois. Highway 34 is a good all-weather road. The road for one half mile across the J. D. Barter farm is a good gravel road. It has been and is still being used for the hauling of road metal from the Barter plant, located about halfway between the Highway and the Baldwin-Wallace tract.

Competency of Applicant and Operating Personnel:

The applicants have had limited experience in the mining business. Mr. Wallace Baldwin is a school teacher and Gaylord Wallace is a farmer. They appear to be financially able to handle their obligation in this project. The drilling will be on contract and the engineering, core logging and sampling are to be done by the Illinois Geological Survey.

Applicant's Property Rights:

The partners, Wallace Baldwin and Gaylord Wallace, own the mineral rights on this tract in fee simple. There are no mortgages or liens on the mineral rights.

Description of Property:

The Baldwin-Wallace tract, 40 acres, is in the main, the east slope of a ridge which rises about 100 feet above Hicks Branch on the south. The trend of the ridge approximates the trend of the Williams fault. The slope is quite sharp from the south and more gentle to the east and north.

The surface facilities consist of a barn and pasture for cattle.

The Williams shaft was sunk to a depth of 90 feet, but is now inaccessible, being filled with water and debris. A drift was driven 150 feet to the northeast on the 60-foot level. A sizable dump showing mineralization is still in evidence at the shaft site.

The Rainey prospect lies just west of the west side line of the Baldwin-Wallace tract and about 100 feet southwest of the Williams shaft. A 20-foot shaft was sunk on the Rainey and produced fluorspar with accessory lead and zinc.

The sketch map and section of the Williams shaft included in the application and prepared by D. Saxby, Illinois Geological Survey, are reasonably accurate.

Geology:

Empire District

The Empire District, about 12 miles northwest of Rosiclare, is on the west flank of Hicks Dome where the strata generally dip 10 to 15 degrees west and northwest. Formations at or near the surface include the Chester and Meramec series of Upper Mississippian age. The area is broken by a number of faults that trend N. 20-75 degrees east and displace the beds vertically from 10 to 30 feet. Over 100,000 tons of gravel, vein, and replacement fluorspar ore and associated lead and zinc have been mined along these faults.

The main part of the Empire District is south of the Baldwin-Wallace and includes: the Crabb, Empire, Redd, Gullett and Schwerin mines on the Empire fault; the Pierce and Hicks Creek mines on the Pierce fault; and the Douglas and the Slapout mines on the Douglas fault. The district has been active almost continuously since it was opened in 1863. Some of the mines are reported to have considerable reserves.

Dr. J. M. Weller in his 1943 report says of the Empire District:

"The Empire District is a promising area for prospecting by modern methods aimed at discovering extensions of the known fluorspar deposits or new deposits of similar type.

* * * * * *

"At some places workable weathered ore apparently overlay unworkable deposits in the underlying bedrock but at others workable ore continues downward along veins beneath the weathered deposits.

The fact that mining ceased near the lower limits of the weathered ore on several properties is not reliable evidence that workable ore is absent at greater depth. Most of the mining operations in this district were conducted with minimum capital investments and work was commonly discontinued when difficulties were encountered or where the ore body pinched. Prevailing higher fluorspar prices certainly justify greater capital investment and make possible the working of deposits that were formerly of marginal value.

* * * * * *

"Much of the greater part of the fluorspar recovered in the Empire District has been weathered ore taken from depths of 60 feet or less and the character of the solid veins at greater depth has not been adequately explored. Ore from the solid veins has been profitably mined at a few places but none of the veins has been anywhere at a depth of more than 200 feet. Present increased needs and current higher prices enhances the importance of such veins of workable thickness as may occur and a carefully planned diamond drilling program to determine the future potentialities of this district appears to be warranted."

Since 1943 this district probably has produced more vein fluorspar than gravel fluorspar. Little deep drilling, however, has as yet been done, although several of the veins have been followed down to depths of 250 feet.

Baldwin-Wallace Property

The geology of the Baldwin-Wallace and adjoining properties is adequately shown on the map furnished by the applicants, most of which was copied from a map made in 1943 by J. Marvin Weller of the Illinois Geological Survey, (in files of USGS).

Formations exposed on the property and their approximate thicknesses are:

Chester series:	Bethel sandstone	85 feet
	Renault limestone and shale	80 "
Meramec series:	Ste. Genevieve formation -	
	Levias limestone member	30 "
	Rosiclare sandstone and shale member . . .	25 "
	Fredonia limestone member	200 "

Rainey-Williams Fault

At least one and possibly other faults cross the property. The known fault was found in the Rainey and Williams shafts (see Applicant's map). The best available information about the geology and ore deposits as found in these shafts is from an unpublished and for Official Use Only report by J. Marvin Weller, Illinois Geological Survey, 1943. His information probably was obtained from the operators.

Dr. Weller described the Williams shaft as follows:

> "A shaft was sunk here in 1938 to a depth of 90 feet by Beecher Williams and a drift was driven 150 feet northeast at the 60-foot level. The best fluorspar was found at depths between 50 and 75 feet but it probably did not average over 2 feet wide although the vein is reported to be 6 feet wide locally. Limestone constitutes both walls."

Although the Rainey shaft is on the property adjoining the Baldwin-Wallace property (which contains the Williams shaft), the two shafts are only a little over 100 feet apart and are on the same fault. Dr. Weller

gives the following description of the Rainey prospect:

> "Several pits and shallow shafts have been dug on the steep hillside just above (north) Hicks branch near the east line of the SW. 1/4 SE. 1/4 sec. 22. Some work has been done here prior to 1903 and Bain reported examining a vein 1 to 1-1/2 feet wide. The most recent activity was that by Knight, Knight and Clark in 1939 whose shaft was 20 feet deep. From the shaft a drift was driven a short distance back into the hill and 30 to 40 tons of ore are said to have been produced. The vein is reported to reach a maximum thickness of 3-1/2 feet and to contain a moderate amount of galena. It lies between walls of Renault limestone and shale and dips steeply to the east. Minor faulting probably occurred here.
>
> Limestone locally with a slight reddish color outcrops at the foot of the slope. This may be either Renault or Levias. It is cut by numerous veinlets of fluorspar trending 18 degrees east of north. Limestone with fluorspar veinlets also outcrops in the creek bed nearby and a small amount of spar is reported to have been dug out here. On the south bank of the creek the cistern of a former small grist mill was dug in gravel containing fluorspar and calcite fragments. A short diamond drill test undercut the creek here without finding any notable amount of spar but it may not have been continued far enough to be a fair test."

New Baldwin Fault

At least one more fault probably crosses the property, although no surface or underground data exists on the property itself to prove this. For example, fluorspar has been produced from the New Baldwin mines (see Applicant's maps), located in the 40-acre tract that adjoins the Baldwin-Wallace tract on the south. The dump from a small prospect pit located a few feet south of the line dividing secs. 22 and 27 contains fluorite and calcite fragments and the pit is presumably on or very close to a mineralized fracture, presumably the New Baldwin fault. If this structure continues its known northeasterly trend, it crosses the center of the Baldwin-Wallace tract, where it nearly parallels the outcrop of the base of the Rosiclare sandstone member. Dr. Weller discusses the New Baldwin mines as follows:

"The New Baldwin mine, in the NE. 1/4 NE. 1/4 sec. 27 was operated by J. C. Conrad from 1932 to 1934. Production was 1,000 or more tons. The deposit here consisted of weathered ore in a crevice between limestone walls dipping steeply to the east. It reached a maximum thickness of about 7 feet and averaged about 5 feet. No vein continuing downward in the limestone was recognized. Mining was accomplished partly by open cut and partly from shafts, the deepest of which was about 100 feet.

Subsequently additional prospecting has been done here without particularly favorable results. In 1941, Harry Collier sank a shaft south of the old workings from which about two tons of gravel spar were recovered. Two diamond drill tests were made below the extension of this deposit just south of Hicks Branch by Tom Rodabaugh. About 13 feet of shattered limestone with fluorspar veinlets constituting no more than 20 percent are reported to have been found.

In the south bank of Hicks branch just below the New Baldwin Mine the Rosiclare sandstone is exposed overlying Fredonia limestone cut by numerous small parallel fluorspar veinlets trending 33 degrees west of south. A small amount of faulting may have occurred here although this is not evident from the outcrops. Limestone outcropping beside the branch a short distance down stream is probably Levias and this formation is believed to have formed the walls in the upper part of the New Baldwin Mine. The deposit here is probably an accumulation and concentration of fluorspar originally contained in several small related veins. Small fragments of replacement ore were found on the dumps but the importance of replacement here is not known."

Past Operations:

Past mining operations on the Baldwin-Wallace tract consist of the 90-foot Williams shaft and a drift 150 feet to the northeast from of the shaft at the 60-foot level. The dump at the shaft confirms that amount of development. It is reported that the fluorspar vein was 2 feet wide and carried fair galena and minor sphalerite. There was probably a fair production but records are lacking and recollections are, as usual, hazy. This ore was probably in the Rosiclare. None of the miners who worked in this mine at the time of peak activity were available at the time of the examination.

The shaft is now inaccessible. Also of interest although some 10 feet off of the tract is the 20-foot shaft at the Rainey prospect, which is about 100 feet southwest of the Williams shaft and apparently on the same trend. This operation, reportedly, produced fluorspar with a showing of lead and zinc. This ore was probably in the Rosiclare formation. The Spiller prospect which produced a good quantity of gravel spar from two open cuts on the Rumsey tract to the northeast of the Baldwin-Wallace tract is mapped as Fredonia, which is below the Rosiclare.

Availability of Manpower, Materials, Supplies, Equipment, Water, etc.:

Manpower is available locally for any size or type of fluorspar operation, common labor at $1.00 an hour, skilled labor at $1.50 an hour. Materials and supplies can be obtained in Rosiclare or Elizabethtown, both 12 miles distant. Equipment can be obtained in Harrisburg, Illinois, 16 miles distant, Marion, Kentucky, about 30 miles distant, or Paducah, Kentucky, about 50 miles distant. An REA power line runs within 1/2 mile of the property. Water is available in Hicks Branch, which crosses the southwestern corner of the property.

Applicant's Proposal:

The Applicant's proposed work program of diamond core drilling is the best method so far developed for the exploration of fault fissure fluorspar deposits, especially in this territory. The Williams fault should be diamond core drilled (see figure 2) starting about 200 feet northeast of the shaft and on 150-foot centers along the trend to the property line. The Rosiclare formation should be the target. This will require four 45° holes about 130 feet deep. If these show favorable mineralization, one or two holes should be drilled to get an intercept about 75 - 100 feet below the Rosiclare. As the Rosiclare formation crops out in the area where the

extension of the New Baldwin fault projects, it would probably be advisable to test this ground first for beds of gravel fluorspar. A resistivity or self-potential survey might be a valuable tool in this, although it has not been definitely established that either of those types of geophysical surveying can successfully delineate such deposits. The best exploration program for gravel fluorspar would probably be bulldozer trenching to bedrock across the trend. But knowing the owner of the surface rights, Mr. J. D. Barter who grazes cattle on this tract, the Operator would have considerable trouble and no doubt even damage suits from such an operation. An alternative program would be to drill several lines of power auger holes to bedrock on 5-foot centers across the projected trend. Then if gravel spar were found, drill diamond core holes below such indicated beds. This power augering can be contracted for about $0.60 a foot. The amended program would entail:

4	AX Diamond Core Holes - 130 ft. ea.		520 feet
2	AX Diamond Core Holes - 230 ft. ea.		460 "
50	Power Auger Holes - 10 ft. ea.	500 feet	
2	AX Diamond Core Holes - 60 ft. ea.		120 "
	Totals -	500 feet	1100 feet

Total AX Diamond Core Holes - 1100 ft. @ $3.25/ft.	$3,575.00
Total AX Core Boxes - 1100 ft. @ $0.10/ft.	110.00
Total Power Auger Holes - 500 ft. @ $0.60/ft.	300.00
50 Samples @ $5.00 ea.	250.00
Total Project -	$4,235.00
Government's share - 50% -	$2,117.50

This work program appears sufficient to explore this 40 acre tract. The target seems adequate to warrant the project. The prices of $3.25 a foot

for AX diamond core drilling and $0.60 for power auger drilling ore well within line for contract work in this district. The sampling allowance is adequate. The applicants have assured the Field Team that they are able to handle their share of the exploration costs.

Operator's Property Rights:

The applicants own the mineral rights on this tract in fee simple. There are no mortgages or liens against the mineral rights. All of this tract, 40 acres, the SE$\frac{1}{4}$ of the SE$\frac{1}{4}$ of Section 22, Township 11S, Range 7E, will be explored and will be subject to royalty repayment for the Government's share of the exploration costs, if a discovery or development is certified and the ore is mined within the 10 year limitation.

Exploration Project:

The exploration will start within 30 days of the acceptance of the contract and should be completed easily within the six months period estimated in the contract. The project consists of 1280 feet of AX diamond core drilling at a unit price of $3.25 a foot, $0.10 a foot for core boxes, an allowance of $250.00 for splitting and assaying 50 samples @ $5.00 a sample, and $300.00 for 500 feet of auger drilling. This drilling is to check the extension of the ore mined on the Williams and New Baldwin faults and also to check for other possible parallel faults, splits, etc. within this property. Since the most favorable horizon, Rosiclare, crops out on this tract, the primary drilling would be shallow, possibly followed by deeper drilling, if results are indicative of favorable mineralization.

All of the work under this project would be on contract.

Allowable Costs of Project:

The quoted contract prices of $3.25 a foot for drilling AX diamond core holes and $0.60 for power auger holes to bedrock are in line with the

current costs prevailing in the district.

The allowance of $5.00 a sample appears adequate and reasonable for sampling and analysis.

The allowance of $0.10 for core boxes is OK.

The core will be logged and geological consultation given gratis by the Illinois Geological Survey. The Operators in this district are most fortunate to receive such services.

The total cost of the project will be:

1100 feet AX core drilling @ $3.25/ft.	$3,575.00
1100 feet core boxes @ $0.10/ft.	110.00
500 feet auger drilling @ $0.60/ft.	300.00
Sampling and analyses (50 samples at $5.00/sample)	250.00
Total cost of project -	$4,235.00
Government's Participation - 50% -	$2,117.50

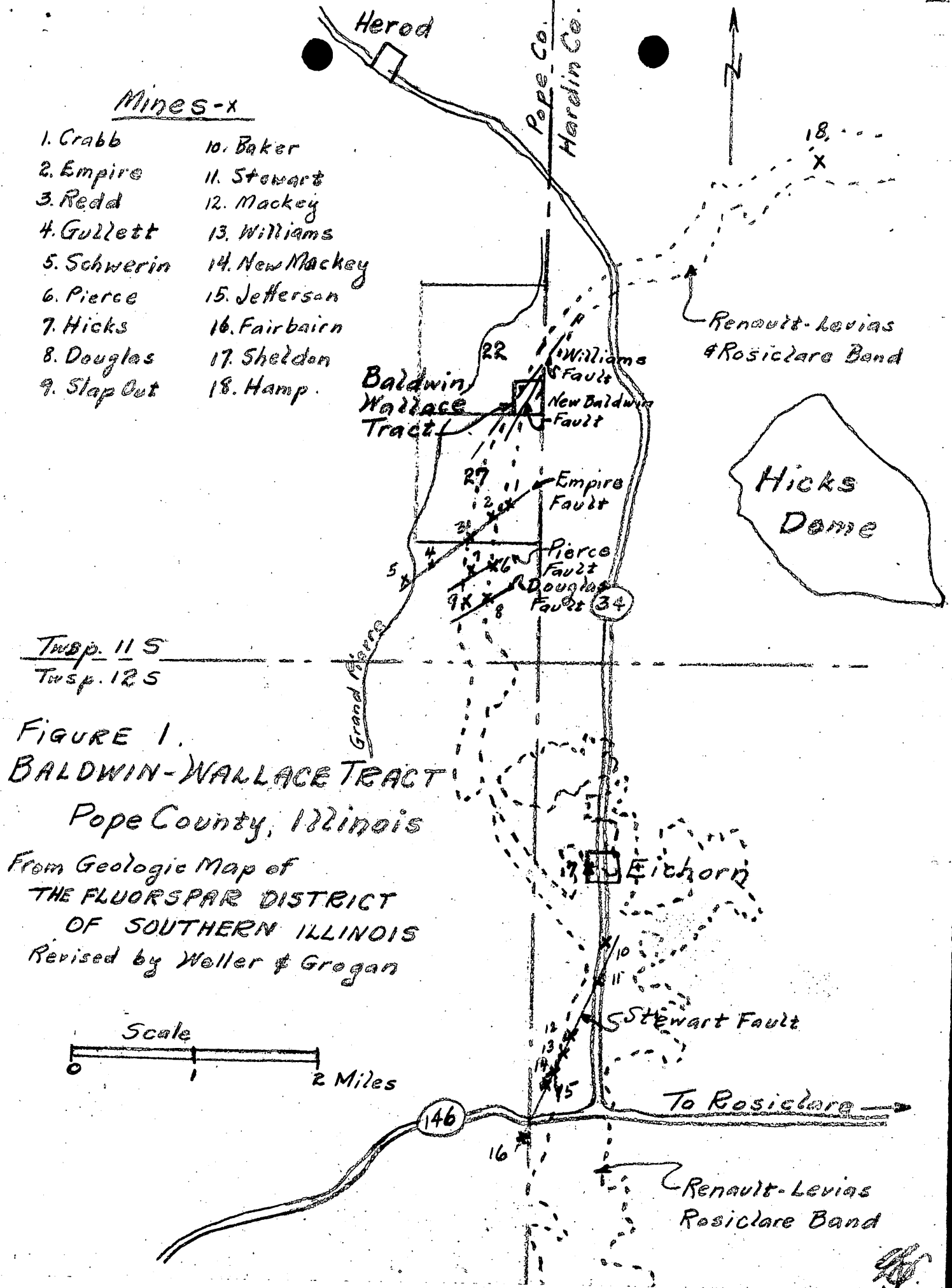

FIGURE 1.
BALDWIN-WALLACE TRACT
Pope County, Illinois

From Geologic Map of
THE FLUORSPAR DISTRICT
OF SOUTHERN ILLINOIS
Revised by Weller & Grogan

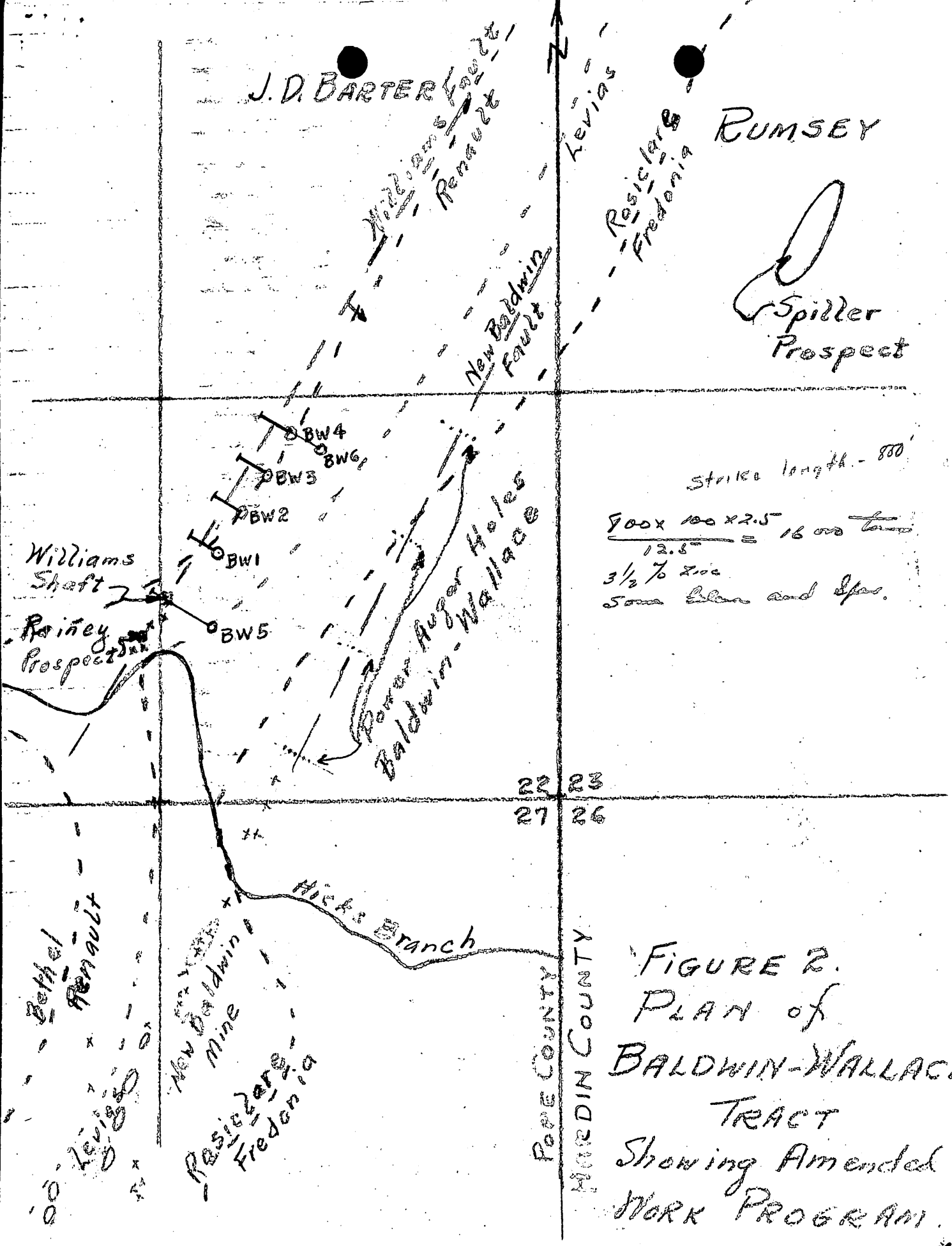

FIGURE 2.
PLAN of
BALDWIN-WALLACE
TRACT
Showing Amended
WORK PROGRAM.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

Selfridge
JHJ

NOV 1 1954

Mr. W. T. Millar
Executive Officer, DMEA
Field Team, Region VIII
Bureau of Mines
Eastern Experiment Station
College Park, Maryland

Subject: Docket No. DMEA-3523 - Fluorspar, Lead and Zinc
Gaylord Wallace and Wallace Baldwin
Beecher Williams Mine
Pope County, Illinois

Dear Mr. Millar:

Please review the subject application and arrange for a field examination if you deem it necessary.

Copies of memoranda from the Geological Survey, dated October 13, 1954, and from the Bureau of Mines, dated October 26, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures 4

JHopkins:gad:esf 10/29/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Arundale, 3516
Mr. Kiilsgaard, 5223
Mr. Houk

R.C.S.

Docket Copy
Surname:
Hope
Houk Selfridge

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

Mr. . . T. Millar
Executive Officer, DMEA
Field Team, Region VIII
Bureau of Mines
Eastern Experiment Station
College Park, Maryland

Subject: Docket No. DMEA-3523 - Fluorspar, Lead and Zinc
Baldwin-Wallace Property
Beecher Williams Mine
Pope County, Illinois

Dear Mr. Millar:

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Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

Enclosures 4

JHopkins:gad 10/27/54
Copy to: Admr. R. File
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Operating Committee
Mr. Arundale, 3516
Mr. Kiilsgaard, 5223
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

Mr. W. T. Millar
Executive Officer, DMEA
Field Team, Region VIII
Bureau of Mines
Eastern Experiment Station
College Park, Maryland

Subject: Docket No. DMEA-3523 - Fluorspar, Lead and Zinc
Baldwin-Wallace Property
Beecher Williams Mine
Pope County, Illinois

Dear Mr. Millar:

Please review the subject application and arrange for a field examination if you deem it necessary.

Copies of memoranda from the Geological Survey, dated October 13, 1954, and from the Bureau of Mines, dated October 26, 1954, are enclosed for your information.

Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

Enclosures 4

Docket Copy
Surname:
Hopkins
Houk
Kiilsgaard
Hedges
Selbredge
Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

NOV 1 - 1954

Messrs. Gaylord Wallace and
Wallace Baldwin
Route #3
Harrisburg, Illinois

Re: Docket No. DMEA-3523 - Fluorspar,
Lead and Zinc
Beecher Williams Mine
Pope County, Illinois

Gentlemen:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. W. T. Millar, Executive Officer, DMEA Field Team, Region VIII, Bureau of Mines, Eastern Experiment Station, College Park, Maryland, for further consideration and possibly a field examination.

The Regional Office will contact you at an early date if an examination is to be made. Any assistance that you may give the members of the field team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

JHopkins:gad 10/27/54
Copy to: Admr. R. File
Docket
Field Team, Region VIII
Operating Committee
Mr. Arundale, 3516
Mr. Kiilsgaard, 5223
Mr. Houk

R.G.H.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 27 1954

October 26, 1954

Memorandum

To: Mr. Lawrence Houk, Chief, Nonmetallic Minerals Division, D. M. E. A.

From: Assistant Chief, Construction and Chemical Materials Branch

Subject: DMEA Docket No. 3523, Wallace Baldwin & Gaylord Wallace, Route No. 3, Harrisburg, Illinois, Baldwin-Wallace Property (Fluorspar-Lead-Zinc), Pope County, Illinois

The subject application appears to warrant further investigation by the Field Team. Therefore, I recommend this application be submitted to the Field Team for evaluation and recommendation.

Joseph C. Arundale

Joseph C. Arundale

IN REPLY REFER TO:

Defense Minerals Administration
RECEIVED
OCT 14 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

October 13, 1954

Memorandum

REVIEW OF APPLICATION DMEA-3523 (fluorspar, lead, zinc)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant's name and address: Gaylord Wallace, Wallace Baldwin, Route 3, Harrisburg, Illinois
Name of property: Beecher Williams mine, Baldwin Wallace tract.
Location of property:
SE1/4 SE1/4 Sec. 22, T. 11 S., R. 7 E., Pope County, Ill.
Summary of applicant's proposal:
Core drill 2,000 feet to intersect faults at Rosiclare horizon; cost about $6,500.
Sources of information on applicant's property:
Weller, J. M., Grogan, R. M. and Tippie, F. E., 1952, Geology of the fluorspar deposits of Illinois: Ill. Geol. Survey Bull. 76, p. 135 and pl. 4.
Comments:

1) Evidently the small quantity of fluorspar produced from this tract came from shallow workings on narrow veins along faults of very small displacement cutting favorable formations.

2) Although the shaft is filled and examination of the limited underground workings is not possible, a field examination should result in better locations of the proposed holes with respect to probable fault zones that might be mineralized.

3) If exploration is done here, it is suggested that the fault zones be located better on the property by first drilling a section of holes across the trend of the Rainey-Williams fault zone and possibly across the trend of the New Baldwin fault zone projected to the northeast. Further exploration of either of these two zones should be contingent upon the results of this drilling.

RECOMMENDATION: Refer to Field Team.

R. E. Van Alstine

R. E. Van Alstine

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

October 8, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region VIII

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region VIII.

DMEA - 3523 Gaylord Wallace & Wallace Baldwin

Robert E. Adams,
Chief, Operation's Control
and Statistics Division

October 8, 1954

Subject: DMEA-3523
Re: Exploration Assistance
Beecher Williams Mine

Messrs. Gaylord Wallace
& Wallace Baldwin
Route # 3
Harrisburg, Illinois

Gentlemen:

The receipt of your application dated October 4, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3523 and referred to the Non-Metallic Minerals Division.

Kindly refer to in any future correspondence relating to your application.

Sincerely yours,

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

Department of the Interior
Defense Minerals Administration
RECEIVED
OCT 7 1954

October 6, 1954

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region VIII

Subject: Wallace Baldwin & Gaylord Wallace
Route No. 3, Harrisburg, Illinois
Property: Baldwin-Wallace Property (Fluorspar-Lead-Zinc)
Pope County, Illinois

Transmitted herewith are the original and two copies of an application covering the subject property.

W. T. Millar

W. T. Millar

Enclosures - 3

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OCT - 7 1954

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

Not to be filled in by applicant

Docket No. 3523
Metal or Mineral Fluorspar, Lead, & Zinc
Date Received
Estimated Cost $6,800
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Gaylord Wallace, Wallace Baldwin
Route # 3 Harrisburg, Illinois
This is a partnership

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract SE¼ of SE¼ of Section 22
Township 11 S., Range 7 E.

(*b*) State any mine name by which the property is known. Beecher Williams mine. (Surface rights)

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise
Owners of the mineral right.

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

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

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

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

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

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

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

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

5. *The exploration project.*—(*a*) State the mineral or minerals for which you will explore Fluorspar, lead, and zinc.

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

(*c*) The work will start within 30 days and be completed within 6 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

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

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

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

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

☑ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated October 4, 1954

Gaylord Wallace
(Applicant)
By Wallace Baldwin

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

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

STATE OF ILLINOIS
WILLIAM G. STRATTON, GOVERNOR
DEPARTMENT OF
REGISTRATION AND EDUCATION
VERA M. BINKS, DIRECTOR
SPRINGFIELD
BOARD OF NATURAL RESOURCES
AND CONSERVATION
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BIOLOGY - - A. E. EMERSON
FORESTRY - - LEWIS H. TIFFANY
UNIVERSITY OF ILLINOIS
REPRESENTING THE PRESIDENT—
W. L. EVERITT
SOUTHERN ILLINOIS UNIVERSITY
PRESIDENT - - DELYTE W. MORRIS

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
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OCT - 2 1954

STATE GEOLOGICAL SURVEY DIVISION

JOHN C. FRYE, CHIEF
121 NATURAL RESOURCES BUILDING
UNIVERSITY OF ILLINOIS CAMPUS
URBANA

September 10, 1954

Mr. Gaylord Wallace
Route 3, Box 169
Harrisburg, Illinois

Dear Mr. Wallace:

After inspecting your property with you, I have prepared the enclosed diagram of your property and vicinity.

The following data from our files concern the prospects in which you are most interested:

Rainey Prospect (Hutchinson) NE Cor. SE¼ SW¼ SE¼, Section 22, T.11 S., R.7 E., Pope County, listed as a vein and gravel spar deposit in a 20' shaft having limestone walls, possibly Renault. Fault strikes N 32° E having up to 3½' spar. Thirty to forty tons of ore were mined in 1939 and some previous to this. Spar associated with moderate amount of galena and minor amounts of sphalerite.

Beecher Williams prospect, Cen. W line SE¼ SE¼, Section 22, T.11 S., R.7 E., Pope County, listed as a vein ore deposit, 2' to 3' wide in limestone, probably Renault. Ore has considerable amounts of galena and about 3½% sphalerite. Vein runs N 32° E. Shaft is 90' deep. Ore was mined out of 60' level in 1938 for 150' NE. Verbal estimate is that about 100 tons of spar have been removed from this Shaft.

These two above prospects are mentioned in our Bulletin 76, "Geology of the Fluorspar Deposits of Illinois," 1952.

The presence of ore along the fault on which the Rainey & Williams prospects are located and the occurrence of ore in the New Baldwin mine fault about 600 feet to the East suggests that the Baldwin Wallace area shown on the attached map is worthy of prospecting for fluorspar. Another desirable feature of the area near the Rainey-Williams fault is the presence of the most favorable stratigraphic zone for ore occurrence, the Rosiclare and associated beds at a depth of less than 100 feet below the ground surface.

If you undertake prospect drilling, we will be glad to study and interpret your cores.

Very truly yours,
Donald B. Saxby
Donald B. Saxby, Assistant Geologist
Stratigraphy and Areal Geology Division

Gaylord Wallace, Wallace Baldwin
Route 3 Harrisburg, Ill.

4. Physical Description

(Items a,b,c

The following descriptions of prospects were obtained from Donald B. Saxby assistant Geologist Stratigraphy and Areal Geology division of the State of Illinois.

Beecher Williams Prospect. Cen. W. Line SE¼ SE¼ Section 22 T. 11 S., R. 7 E., Pope County, listed as a vein ore deposit, 2' to 3' wide in limestone, probably Renault. Ore has considerable amounts of galena and about 3½% sphalerite. Vein runs N. 32 deg. E. Shaft is 90' deep. Ore was mined out of 60' level in 1938 for 150' NE. Verbal estimate is that about 100 tons of spar have been removed from this shaft. At the present time this shaft is filled up making examination below the surface impossible.

I am giving data on the Rainey prospect because it is on the same fault as the Williams prospect although it is a few feet off our property. Perhaps it will add some to what is known about this fault.

The Rainey prospectNE. Cor. SE¼ SW¼ SE¼ Section 22, T. 11 S., R. 7 E., Pope county listed as a vein and gravel spar deposit in a 20' shaft having limestone wall, possibly Renault. Fault strikes N. 32 Deg. E. having up to 3½' spar. Thirty to forty tons of ore were mined in 1939 and some previous to this. Spar associated with moderate amount of galena and minor amounts of sphalerite.

The following is a quotation from Donald Saxby's letter who saw these two prospects in August of 1954.

"The presence of ore along the fault on which the Rainey & Williams prospects are located and the occurrence of ore in the New Baldwin mine fault about 600 feet to the east suggests that the Baldwin Wallace area shown on the attached map is worthy of prospecting for flourspar. Another desirable feature of the area near the Rainy-Williams fault is the presence of the most favorable stratigraphic zone for ore occurrence, the Rosiclare and associated beds at a depth of less than 100 feet below the ground surface".

To the on ~~of the New Baldwin mines~~ and apparently part of the same fault structure are the Charles Crabb, Red and Empire mines all of which are good producers of high grade fluorspar carrying lead and zinc and which have considerable reserves

(d) Roads

There is a good gravel road leading from route 34 through J.D. Barter's farm to this area. The ore could be sent easily to Rosiclare (about 12 miles distant) for sale to mining companies who buy the production of smaller mines.

(e) Manpower, materials, etc.

This is an unemployment area so there is plenty of man power. Machinery and timber, necessary for mining, are readily available. Water is available for drilling

5. Exploration project

(d) Applicants for drilling

Burrell Bales applicant for drilling contract is highly recommended by the Mahoning mining company of Rosiclare. He has fulfilled many contracts of core drilling for that company. SOME ON D.M.E.R. William Robinett is an independent driller who has generally done his drilling while prospecting for himself. We believe that Robinett would be capable of drilling our project but Bales has had more experience in this work.

6. Estimates of cost.

(a) The cost of drilling as bid by the contractors is $3.25 per foot. We are requesting 2000feet of drilling for which the total cost would amount to $6500.

(G)

If the government requires preservation of cores 10 cents per foot should be added for core boxes.

2000 X $.10 = $200.00

Sampling and Assaying

~~Cost of 50 samples being analyzed at~~ _____ per unit =

Estimated Cost of sampling .05 per foot = $100

B. W. BALES
CABLE TOOLS :-: DIAMOND CORE DRILLS
BOX 73
CAVE-IN-ROCK, ILLINOIS

September 24, 1954

Wallace Baldwin & Gaylord Wallace
Route # 3
Harrisburg, Illinois

Gentlemen:

We are pleased to submit the bid of $3.25 per foot for the 2000 ft. core drilling on the Hutchinson tract located in SE¼, SE¼ Section 22, Township 11S, Range 7E, Pope County, Illinois. This drilling would be done with an AX core. It would be agreeable to stop operations after 600 ft. of drilling if deemed necessary.

Yours very truly,

B W Bales

B. W. BALES EP

BWBep

Roseclare, Ill
Sept. 15, 1954.
Gen. Delivery.

Mr. Gaylord Wallace
and Wallace Baldwin
Route 3 Harrisburg, ILL.

Gentlemen:

I would like to submit a bid for drilling on your property which is the S.E. 1/4 S.E. 1/4 of section 22, township 11 south, range 7 east in Pope County Ill.

This would be core drilling with a diamond drill. The price per foot would be $3.25 per foot unless unusually difficult formations were encountered. Then in such case you would be expected to bear the expense of the drill bits.

I am submitting a bid for 2000 feet and the minimum footage I would accept is 300 feet.

Very sincerely yours,

William M. Robinett

Gaylord Wallace, Wallace Baldwin
Route 3 Harrisburg, Ill.

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
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OCT - 7 1954

5. Exploration Project.

(b)

It is stated in Bulletin 76 Geology of the Fluorspar Deposits of Illinois that the dip on the Rainey and Williams prospects is 80 degrees W. but the operators in the shaft at the Williams mine states that the dip is 80 deg. E. Therefore the holes (BW 1, 2, 3) would be drilled from the east side of the fault trend at 45 deg. The Rosiclare formation is evident in the Williams shaft at 90 ft.

The holes are to intersect the Rosiclare on a 45 deg. angle and would be approximately 130 feet long. It would appear logical to continue holes to cut the Rainey prospect trend so that the actual length of the holes will be approximately 200 ft.

The New Baldwin mine to the south of the Baldwin Wallace tract had a good showing of fluorspar and is apparently on a parallel trend. This deserves some exploration. Apparently the Rosiclare formation was in the shaft at the New Baldwin mine at 40 feet so that a 45 deg hole drilled from 50 feet of the apparent trend should cut the fault at a favorable horizon. If not, then a 60 degree hole could be drilled from the same location for orientation. The first hole could be drilled about 50 feet from the south property line. The other holes should be drilled at approximately 200 ft. intervals so long as indications are favorable. About 8 holes might be drilled along this trend. Holes will be about 100 ft in Length

On the next 40 acre tract NE of the Baldwin Wallace property is the Fowler; Spiller and Willis prospect. I mention this because this adjoining area shows some mineralization. The following statements are taken from Bulletin 76 Geology of the Fluorspar Deposits of Illinois. "Section 23 S½ NW SW Hardin County. Two open cuts made with drag line. Gravel spar deposit had maximum width 15 feet, depth of strip 20'. Direction N. 34 deg. E. Numerous other traces of fluorspar exposed in test pits in W½ SW SW Sec. 23. The above mentioned prospect is shown on the map.

In view of the fault structure in this vicinity being somewhat complicated it is deemed advisable to drill a NW-SE cross section starting with hole BW1 and normal to trend on approximately 200 ft. centers. Hole BW 7 on the New Baldwin trend would be hole no. 4 on the cross section. One hole 200 feet to the SE of BW 7 would be the last hole of the cross section. These cross section holes are to be approximately 200 feet in length and drilled on a 45 deg.

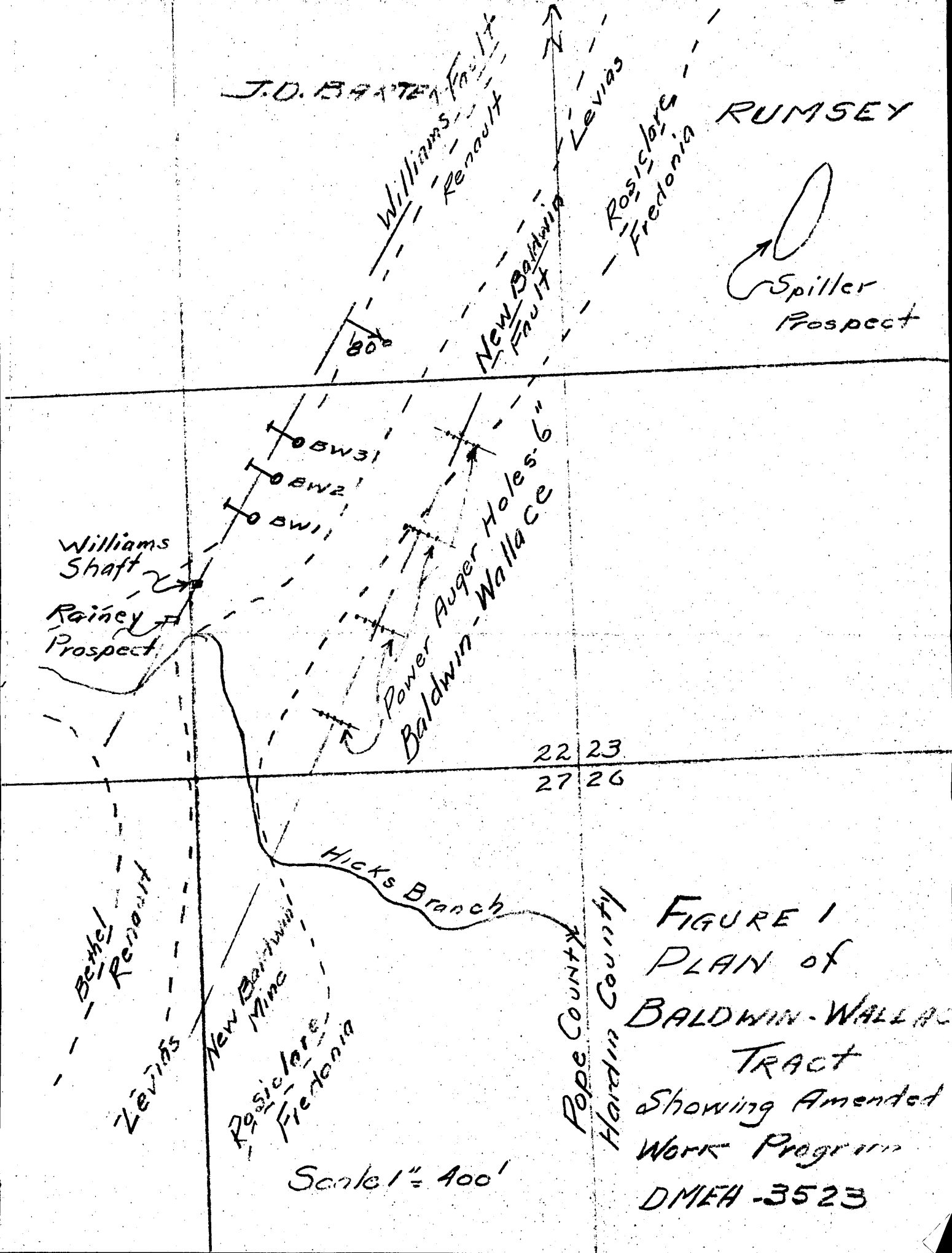

FIGURE 1
PLAN of
BALDWIN-WALLACE
TRACT
Showing Amended
Work Program
DMEA-3523

BUREAU OF MINES
224 New Customhouse
Denver 2, Colorado

OFFICIAL BUSINESS

DENVER
OCT 6
4-PM

6¢ 6¢
U.S. POSTAGE

AIR MAIL
The Blue Skyway
CONTINENTAL
CONQUISTADOR

Mr. C. O. Mittendorf
Administrator
Defense Minerals Exploration Administration
Department of the Interior
Interior Building
Washington 25, D. C.