UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (~~or cancelled~~) without certification. DMEA No. 1535

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

Left Side

✓ Certificate of Audit (Final).

Interim Audit(s).

Report of Review.

Termination Notice or Agreement.

✓ Recision Notice.

Assignment of Contract.

✓ Contract Amendments (latest on top).

✓ Contract with all exhibits and annexes.

✓ Owner's Consent to Lien.

✓ Subordination Agreement.

✓ Leases and assignments of leases.

✓ Application and attachments.

✓ Schedule of Collections.

✓ Operator's monthly reports and all attachments (latest on top).

Right Side

✓ Project summary.

✓ Work completed analysis.

All other material is filed in chronological order with correspondence including the following reports as checked:

✓ Final Field Team Report. (Tab)

Operator's Final Report.

✓ Interim Reports.

✓ On-site Exam Report(s). (Tab)

Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number _____

Operator's Monthly Reports in folder number _____

P.3. M. 11
Reviewer's Initials

7973

10/27/53 gla

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of

COLUMBIA MINING COMPANY, INC.
604 Placer Hotel Building
Helena, Montana

pertaining to Exploration Project Contract No. Idm-E169, Docket No. DMA-1535X, and Amendments Nos. 1, 2, 3, 4, and 5, for the period of January 1, 1952 to May 29, 1953, covering a project for the exploration of copper.

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

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

Total cost as billed by contractor		$16,267.28
Exceptions (see Audit Report for details)		
Prior to this audit	$ -0-	
During this audit	26.06	26.06
Total acceptable cost per audit		$16,241.22
Less net effect of waiver per Settlement Agreement of May 29, 1953		753.56
Net accepted cost		$15,487.66

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Seven Thousand Seven Hundred Forty Three and 83/100 Dollars

$7,743.83

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Robert M. Hull
Robert M. Hull
Auditor

August 31, 1953

Audit Certificate
August 31, 1953

AUDIT REPORT

I INTRODUTION

During the month of August 1953, an final audit (covering the period of January 1, 1952, through May 29, 1953) was made of the records and accounts pertaining to Exploration Project Contract No. Idm-E169, Docket No. DMA-1535X, including an unnumbered agreement dated November 6, 1951, and Amendments Nos. 1, 2, 3, 4, 5, and 6 with the

Columbia Mining Company, Inc.
604 Placer Hotel Building
Helena, Montana

covering a project for the exploration of copper.

The working operations of this exploration project covered the period of January 1, 1952, through July 25, 1952. From that date until May 29, 1953, negotiations were carried on between the DMEA Field Team, Region II, and the Operator, Mr. C. B. Mitchell, over the disposition of equipment and supplies purchased for the exploration project.

Prior to the actual audit of the accounts, considerable preparatory work was done by reviewing the DMEA Certifying Officer's records pertaining to the contract. Discussions were held with U. S. Bureau of Mines engineers, Mr. E. G. Erickson and Mr. D. R. Irving, who were assigned to the project.

II GENERAL INFORMATION ON RECORDS

The accounting records consist of a general ledger, in which were recorded all the transactions of the company. These were divided under the headings of Labor and Supervision, Contract Work, Supplies

and Miscellaneous. Payments were made by check signed by Mr. C. B. Mitchell as secretary of the Columbia Mining Company, Inc.

Subsidiary records available for audit consisted of (a) Federal and State payroll tax returns, (b) vendors' invoices, (c) Montana State Industrial Insurance reports, and (d) cancelled checks.

The Operator maintained a monthly work sheet made up in the same order as the Form MF-104. Filed with each work sheet were either the original or copies of various documents supporting the charges on the MF-104.

III SCOPE OF AUDIT AND FINDINGS

The audit was limited to ascertaining the accuracy, propriety and validity of the costs shown in the "Totals to Date" column of Form MF-104, "Operator's Monthly Report and Voucher," for the month of July 1952, but including the subsequent settlement on May 29, 1953, of the Government's equity in certain project equipment. Since a preliminary review of the records indicated a considerable amount of improper distribution of charges to the "Item of Cost" shown on the Form MF-104, a detailed audit and analysis of costs was necessary. The findings, after correction of cost distribution, follow:

Stage I

By the terms of Amendment No. 2 effective December 3, 1951, a tractor and dozer were rented to expose contact and prepare portal site at a total cost of $1,122.50. These costs are as follows:

January 1952	41 hours @ $12.00/hr.	$ 492.00
February 1952	14 hours @ $12.00/hr.	168.00
	37 hours @ $12.50/hr.	462.50
		$1,122.50

The first bulldozer, rented from Oscar Richem at $12.00 per hour, did not accomplish sufficient results after 55 hours work. A second machine, rented from Leroy C. Keil at $12.50 per hour, completed the work in 37 hours.

These charges were adequately supported by receipted invoices from the Operator. The total accepted charges for Stage I of the exploration project did not exceed the total amount of $1,122.50, which was allowable.

Stage II

(1) Independent Contracts

The Operator entered into a contract with Walter Riddock of Helena, Montana, on May 26, 1952, to do certain diamond drilling set forth as follows:

1 AX diamond drill hole - maximum length 300 ft. @ $4.75/foot	$1,425.00
Contingency fund to allow for cementing of hole if necessary - maximum allowable footage, 100 ft.	100.00
	$1,525.00

This contract was approved in writing by the Executive Officer, EMLA Field Team, Region II, on May 26, 1952.

By the terms of Amendment No. 6, the maximum length of the AX diamond drill hole was extended from 300 to 350 ft. @ $4.75/foot	$1,662.50*
Casing hole (if needed) @ $0.35/foot	122.50*
Cementing hole when necessary @ $1.00/foot	100.00*
Supervision, power, preparing diamond drill station, sampling, assaying, and contingencies	1,350.00*
	$3,235.00*

*Maximum allowable

The completion date for the diamond drill hole was specified as July 27, 1952.

The subcontractor performed the work as follows:

287 feet AX diamond drilling @ $4.75 per foot	$1,363.25
250 feet casing hole @ $0.35 per foot	87.50
84 feet cementing hole @ $1.00 per foot	84.00
	$1,534.75

The Operator did not exceed the allowable maximums for diamond drilling, casing, or cementing the hole. The project was terminated before completion of the work provided for in the contract and its amendments.

(2) Labor and Supervision

Analysis of the payrolls and employees' time records disclosed the following charges applicable to this item of cost:

	Claimed	Disallowed	Allowed
Labor (Miners)			
424½ hours @ $1.50/hr.	$ 636.75	$0.74	$ 636.01
58 " @ $2.25/hr. (overtime)	130.50		130.50
604 " @ $1.75/hr.	1,057.00		1,057.00
64 " @ $2.625/hr. (overtime)	168.00		168.00
Total labor	$1,992.25	$0.74	$1,991.51

The rates for labor were in accord with the contract. For the period January 1, 1952, to March 31, 1952, the rate was at $1.50 per hour. Due to a change in the rates in the mining district, the rate was increased to $1.75 per hour from April 1 to July 25, 1952.

There was a mathematical error of $0.74 in figuring the payroll, and a disallowance is made accordingly.

	Claimed	Disallowed	Allowed
Supervision (Engineer-Working Foreman)			
Leslie L. Houberg			
11 weeks @ $92.30/week	$1,015.30	$	$1,015.30
3 months @ $400.00/month	1,200.00		1,200.00
21 days*	323.00	0.02	322.98
Total Supervision	$2,538.30	$0.02	$2,538.28

*The Operator based the charge for 21 days at the rate of $15.38 a day using 26 working days a month.

The Supervision in the amount of $2,538.28 had been included in the Labor charges, however, the distribution was corrected. The salary of the engineer-working foreman was within the amount specified in the contract. The Operator overclaimed $0.02 on Supervision which was disallowed.

(3) Operating Materials and Supplies

A detailed audit was made of the items chargeable to this category of costs, and the following summarizes the findings resulting from the examination of vouchers, invoices and cancelled checks.

	Claimed	Allowed
Track	$ 591.15	$ 591.15
Timber	454.49	454.49
Explosives	850.20	850.20
Other:		
Pipe and fittings	592.24	592.24
Drill steel and bits	299.93	299.93
Fuel and lubricants	54.96	54.96
Miscellaneous	262.35	262.35
Power	443.61	443.61
	$3,548.93	$3,548.93

Under the terms of the Settlement Agreement dated May 29, 1953, the Government waived all its right, title, interest and equity in any and all remaining materials, supplies, or the contracts for the purchase of any of them.

(4) Operating Equipment

Rented

The Operator rented from the Miller Machinery Company, Missoula, Montana, on Invoice No. 5215, January 28, 1952, one 370 cu. ft. Ingersol-Rand compressor. This compressor was obtained on a rental agreement. A clause added to the document states that at any time during the life of the agreement the Operator may exercise the option of applying rental payments to purchase the compressor on the basis of 100 percent credit for first 4 months advance rental plus 80 percent of subsequent payments. The purchase price was specified as $4,058.00. Four months advance rental @ $400.00 per month, $1,600.00, was paid to cover the period from January 31, 1952, to May 31, 1952. Because of a delay in delivery the period covered by the advance payment was extended to include February 28, 1952, to June 30, 1952.

On March 1, 1952, the Operator informed the Miller Machinery Company that he intended to exercise the purchase option at some time during the specified life of the rental agreement.

There was also obtained from the Miller Machinery Company on Invoice No. 5217, February 20, 1952, one Eimco 12B rocker shovel. Four months advance rental at $300.00 a month, $1,200.00, was paid to cover the period from February 20 to June 20, 1952. The time was extended to cover the period from March 20 to July 20, 1952, because of a delay in delivery. This piece of equipment was obtained on a rental agreement similar in terms to that covering the compressor. The specified purchase price was $2,957.00. A letter of intent to purchase was signed on March 1, 1952.

The total paid the Miller Machinery Company on these two pieces of equipment was $2,800.00. The Operator notified the DMEA Field Team by letter on October 2, 1952, that "this company has notified the Miller Machinery Company of Missoula, Montana, it is unable to complete its contract to purchase a compressor and rocker-loader."

As the equipment was repossessed by the Miller Machinery Company and the purchase agreement was not exercised, there was no equity established.

Equipment purchased and charged to this project and the accepted costs were disclosed by this audit to be as follows:

	Costs claimed	Accepted Costs
Ford Pickup (used)	$ 780.25	$ 780.25
Vertical Air Receiver with pressure gauge & safety valve	215.00	215.00
Dullar Air Line Oiler	14.50	14.50
Worthington WPM-30 Drifter	695.00	695.00
Worthington WJ-45 Jackhammer	200.00	200.00
3½" by 7' Column, Arm and safety clamp	60.00	60.00
	$1,964.75	$1,964.75

The Ford Pickup was purchased from Capital Motors, Inc., of Helena, Montana. An initial payment was made of $400.00 and the balance was to be paid in equal installments of $76.05 a month. In addition to the initial payment, the Operator made five monthly payments making a total payment of $780.25.

The Government, in the settlement agreement of May 29, 1953, waived its right, title, interest and equity in all of the equipment.

Depreciation on equipment furnished by the Operator was allowable in accordance with Exhibit "A" and Amendment No. 1 of the contract. A

memorandum dated June 5, 1952, to the Fiscal Officer, from the Field Team further clarified the depreciation as to the fact that each mine car was allowable at the rate of $5.00 per month.

The Operator claimed depreciation only on the three mine cars at $15.00 per month for full time during March, April, May and June 1952 for a total of $60.00.

(5) Initial Rehabilitation and Repairs

This item is not applicable to this contract.

(6) New Buildings, Improvement, etc.

This item is not applicable to this contract.

(7) Miscellaneous

The findings of the audit as to costs chargeable to, and allowable under, this item are summarized as follows:

	Costs Claimed	Disallowed by Audit	Accepted Costs
Social Security	$ 67.96	$ .05	$ 67.91
Montana Accident Insurance	234.76	19.25	215.51
Unemployment Tax	129.90	--	129.90
Repairs to Equipment	138.04	--	138.04
Sampling and Analysis	15.00	6.00	9.00
Total	$585.66	$25.30	$560.36

Payroll taxes applicable to this project were determined to be, after verification by reference to the Company's records, as follows:

Federal Insurance Contributions Act (Social Security)	@ 1.5 percent
Montana Unemployment	@ 2.7 percent
Montana Industrial Accident Insurance	@ ~~$5.056~~ $5.60 per $100.00

The payroll taxes were found to be correct after a deduction of $0.05, which was caused by a mathematical error on the part of the Operator.

The Montana Industrial Accident Insurance charged to the project was based on a rate of ~~$0.056~~ $5.60 per one hundred dollars. This item was overstated by $19.25 and is therefore disallowed.

The repairs to equipment in the amount of $138.04 consisted of minor repairs to the compressor and the drifter used on the project.

The sampling and analysis costs consisted of 3 assays at $3.00 each made by Goodall Brothers, Assayers & Chemists of Helena, Montana. The Operator claimed twice the February 1952 invoice in the amount of $6.00. Therefore, the sum of $6.00 is disallowed and the proper charge is $9.00.

IV CONCLUSIONS

The audit has disclosed that all costs, as charged to this project with the exception of the disallowances under item (7) Miscellaneous of the preceding section of this report, are reasonable and proper under the terms of the contract.

The audit disclosed that the status as of May 29, 1953, of the "Allowable Maximums" under this contract was as follows:

Item	Allowable Maximum	Work Actually Performed Feet	Total Costs	Balance
Expose contact and prepare portal site	$1,122.50	--	$1,122.50	-0-
AX Diamond Drill hole 350 ft.@ $4.75/ ft.	1,662.50	287	1,363.25	$299.25
Casing hole (if needed @ $0.35/ft.)	122.50	250	87.50	35.00
Cementing hole when necessary @ $1.00/ft.	100.00	84	84.00	16.00

There were no other "allowable maximums" under this contract except for the rates of wages, which were discussed under item (2) of Section III of this report.

The adjustments between "Items of Cost", as shown on the July 1952 Form MF-104, the disallowances, and the accepted costs are summarized as follows:

	Totals to Date MF-104 July 1952	Distribution Corrected	Disallowed by Audit	Allowed by Audit
(1) Independent contracts				
Drilling	$ 1,447.25	$ 1,447.25	$0.00	$ 1,447.25
Casing Drill Hole	87.50	87.50		87.50
Bulldozing	1,122.50	1,122.50		1,122.50
(2) Labor and Supervision				
Labor	4,531.29	1,992.99	$0.74	1,992.25
Supervision		2,538.30	0.02	2,538.28
(3) Operating Mat'ls. and Supplies				
Timber	414.18	454.49		454.49
Explosives	850.20	850.20		850.20
Supplies	2,113.38	-0-		-0-
Pipe and Fittings		592.24		592.24
Drill Steel and Bits		299.93		299.93
Fuel and Lubricants		54.96		54.96
Trash		591.15		591.15
Other		262.35		262.35
Power	443.61	443.61		443.61
(4) Operating Equipment				
Rental	2,800.00	2,800.00		2,800.00
Purchase	1,964.75	2,084.15		2,084.15
Depreciation	60.00	60.00		60.00
(5) Miscellaneous				
Payroll taxes				
Montana Accident Insurance	234.76	234.76	19.25	215.51
Social Security	67.96	67.96	.05	67.91
Unemployment tax	129.90	129.90		129.90
Sampling and Analysis		15.00	6.00	9.00
Repairs to Equipment		138.04		138.04
Total	$16,267.28	$16,267.28	$26.06	$16,241.22

In order to bring this exploration contract to a close, the Government entered into a Settlement Agreement with the Columbia Mining Company, Inc., whereby the Government waives its right, title, interest, and equity in any and all materials, supplies, equipment, or contracts for the purchase of any of them. Any and all obligations of the Government to the Operator under or arising out of the Exploration Project Contract including the sum of $376.78 shall be and are hereby declared to be fully satisfied, the same as if paid in full by the Government.

The audit has been fully discussed with the Executive Officer of the DMEA Field Team, Region II

Robert M. Hull
Robert M. Hull
Auditor

August 31, 1953

GOVERNMENT'S COPY

NOTICE OF TERMINATION OF EXPLORATION PROJECT CONTRACT, UNDER THE TERMS OF THE CONTRACT, BEFORE THE COMPLETION OF THE WORK

To: Mr. C. B. Mitchell, Secretary
Columbia Mining Company, Inc.
604 Placer Hotel Building
Helena, Montana

Operator under Exploration Project Contract I-dm-E 169, Docket No. DMEA- 1535X, dated October 3, 1951.

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, under the terms of the above-mentioned contract, hereby terminated the contract on the following grounds: 1/

~~(a) You failed to provide your share of the money necessary to prosecute operations pursuant to the terms of the contract.~~

~~(b) In the opinion of the Government, you have failed to prosecute operations pursuant to the terms of the contract.~~

(c) In the opinion of the Government, operations up to the time of this notice have not indicated the porbability of making any worthwhile discovery and in the opinion of the Government further operations are not justified.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
BUREAU
4 1952

Upon receipt of this notice, as provided in said contract, you are required to dispose of any remaining materials, supplies, facilities, buildings, fixtures, equipment, or other items, in which the Government has an interest, for the joint account of yourself and the Government; and to render to the Government a full and final accounting of your operations under the contract and of your expenditures of money on account thereof.

Any work prosecuted or costs incurred by you after the receipt of this notice shall be for your sole account, except for (a) such necessary and reasonable costs and expenses as may be incurred in preserving and disposing of any facilities, buildings, fixtures,

1/ Strike out any grounds not applicable.

equipment, or other items, to the cost of which the Government has contributed and in which the Government has an equity, and (b) the costs of any reports, accounts, and winding-up and settlement actions provided for in the contract.

Dated this 25th day of July, 1952.

UNITED STATES OF AMERICA

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

GOVERNMENT'S COPY
DMEA-1535 (Copper)

AMENDMENT NO. 6

It is agreed this 14 day of July 1952, between the the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Columbia Mining Company, 604 Placer Hotel Building, Helena, Montana

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E169 of Oct. 3, 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be July 1, 1952.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2684 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "Allowable Maximum".

Executed in sextuplicate the day and year first above written.

Columbia Mining Co.
(Operator)
By C. B. Mitchell - Sec.

The United States of America
By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

JUL 23 1952

COLUMBIA MINING COMPANY
Docket No. DMA-1539X-Copper
Exploration Project Contract Idm-E169

Amendment No. 6

Exhibit "F"

In Exhibit "F", Amendment No. 4, delete:

"One diamond drill hole, not to exceed 300 feet in length, will be allowed under Stage II of the program. This hole is to crosscut the full thickness of the Park shale, and extend 10 feet into the underlying Meagher limestone."

add:

One diamond drill hole, not to exceed 350 feet in length, or to extend 10 feet into the underlying Meagher limestone, whichever comes first. The diamond drill hole is to be completed by July 27, 1952.

In Exhibit "F", Amendment No. 4, under Estimated Cost of Project, Stage II, delete:

1 AX diamond drill hole-maximum length 300 feet at $4.75 per foot	$1425.00
Contingency fund to allow for cementing of hole if necessary - maximum allowable footage, 100 feet: 100 feet at $1.00 per foot	100.00
Sampling and assaying	50.00
Total	$1575.00

add:

1 AX and/or EX diamond drill hole - maximum length 350 feet @ $4.75/ft.	$1662.50*
Casing hole (if needed) @ $0.35/ft.	122.50*
Cementing hole when necessary @ $1.00/ft.	100.00*
Supervision, power, preparing diamond drill station, sampling, assaying, and contingencies	1350.00*
Total cost	$3235.00*

* Maximum allowable

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

So. 157 Howard Street
Spokane 4, Washington

July 21, 1952

Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

RECEIVED
JUL 31 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Dear Sir:

This will justify Amendment No. 6 pertaining to DMEA Contract Idm-E169, Columbia Mining Company, Lewis & Clark County, Montana.

Amendment No. 4 of the subject contract allowed a diamond drill hole of a maximum length of 300 feet to cut the Park shale and test the supposedly mineralized contact of Park shale and underlying Meagher limestone. The distance of 300 feet was allowed as the Park shale in nearby areas is known to range in thickness from 250 to 275 feet, and the amended hole was intended to drill only through the Park shale and no more than 10 feet into the Meagher limestone.

As of July 1, 1952, the amended hole had been drilled 295 feet and was still in Park shale. The operator became concerned over the termination of the hole short of the target and requested another amendment to extend the hole far enough to explore the contact. He stated that the hole was caving, which necessitates casing the hole and changing from AX to EX core size. The Field Team realizing that nothing could be accomplished if the hole stopped short of the target, is in favor of the amendment; however, because of slowness in drilling accomplished thus far, is inserting a date by which drilling is to be completed, thus limiting the supervisory time and other allowable costs for the drilling project.

The high over-all cost of $9.24/ft. is allowed because the small amount of drilling involved is not attractive to diamond drill contractors, and power, station preparation, sampling, and core preservation costs will be borne by the operator and charged to contract, adding to the total cost.

By DMEA Field Team, Region II

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

M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures

cc: USBM, Spokane w/encl.
USBM, Albany w/encl.

(Amendment to Change Starting and Completion Dates)

RECEIVED
Government Copy
JUN 9 1952
U. S. G. S.
SPOKANE, WASH.

AMENDMENT NO. 5

It is agreed this 2 day of June 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Columbia Mining Company, 604 Placer Hotel Building, Helena, Montana.

each acting in consideration of the agreement to the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E169 of October 3, 1951 between the parties hereto be modified and amended to change the starting date from xxxxxxx (No. of day) to within xxxxxxxxx (No. of days) of the date of the contract and the completion period from 6 (No. of months) to 10 (No. of months) from the date of the contract. The effective date of this amendment shall be June 2, 1952.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2684 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "Allowable Maximum".

Executed in sextuplicate the day and year first above written.

Columbia Mining Company
(Operator)
By C. D. Mitchell - Sec.

The United States of America
By A. E. Weissenborn
A.E.Weissenborn, Exec. Officer
DMEA Field Team, Region II

RECEIVED
Government Copy
MAY 21 1952 DMEA-1535
U. S. G. S.
SPOKANE, WASH.
Copper

AMENDMENT NO. 4

It is agreed this 14 day of May 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Columbia Mining Company
604 Placer Hotel Building
Helena, Montana (Docket No. DMA-1535X)

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E169 of October 3, 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be October 3, 1951.

This amendment is made by authority granted the Executive Officer, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

Columbia Mining Company, Inc.
(Operator)

By C. B. Mitchell - Sec.

The United States of America

By A. E. Weissenborn

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

COLUMBIA MINING COMPANY
Docket No. DMA 1535X - Copper
Exploration Project Contract Idm-E169

AMENDMENT NO. 4

Exhibit "F"

In Exhibit "A" under Performance of Work, add: One diamond drill hole, not to exceed 300 feet in length, will be allowed under Stage II of the program. This hole is to crosscut the full thickness of the Park shale, and extend 10 feet into the underlying Meagher limestone. Specifications of the hole are as follows:

Collar location - DMA adit, 65 feet east of portal.

Size - AX

Length - 300 feet (maximum)

Direction - North

Inclination - (-) 60°

In Exhibit "A" under Estimated Cost of Project, Stage II, add:

1 AX diamond drill hole - maximum length 300 feet at $4.75 per foot	$1425.00
Contingency fund to allow for cementing of hole if necessary - maximum allowable footage, 100 feet: 100 feet at $1.00 per foot	100.00
Sampling and Assaying	50.00
Total	$1575.00

Wash
Copper

AMENDMENT NO. 3

It is agreed this 1st day of May 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Columbia Mining Company, 604 Placer Hotel Building, Helena, Montana (Docket No. DMA 1535X)

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E169 of October 3 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached therto, is made a part of this aggrement. The effective date of this amendment shall be October 3 1951.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be constued to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

Columbia Mining Company, Inc.
(Operator)

The United States of America

By C. B. Mitchell - Sec.

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

COLUMBIA MINING COMPANY
Docket No. DMA 1535X
Exploration Project Contract Idm-E169
(Copper)

AMENDMENT NO. 3

EXHIBIT "F"

Additions and modifications

To contract form, item 2, "Operator's property rights" add the following:

Patented lode mining claim "96," Survey No. 4874, in sec. 36, T. 10 N., R. 4 W., M.P.M. Certificate of title recorded in Book 140 at page 927, Lewis and Clark County, State of Montana.

Inclusion of the above-described patented mining claim in the exploration project contract is considered advisable to fully protect the interests of the Government.

Government Copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAR 28 1952

Dmea 1535
Copper

AMENDMENT NO. 2

It is agreed this 17th day of March 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Columbia Mining Company, Helena, Montana

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E169 of October 3 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached therto, is made a part of this aggrement. The effective date of this amendment shall be December 3 1951.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be constued to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

COLUMBIA MINING COMPANY
(Operator)

By C. B. Mitchell - Sec.

The United States of America

By A. E. Weissenborn

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

COLUMBIA MINING COMPANY
Exploration Project Contract Idm-E169

Amendment No. 2

EXHIBIT "F"

Changes and modifications

In Exhibit "A" under Estimated Cost of Project, delete entire paragraph under Stage I and substitute the following:

"Tractor and dozer blade may be rented to expose contact and prepare portal site. Total cost* $1,122.50

*Total cost includes rental of equipment, supplies, maintenance, and operator.

(It is necessary to increase total cost of dozing originally estimated at $800.00 to the present figure of $1,122.50 because more material had to be excavated than was originally estimated.)

Book

M/ Chambers

Dmea 1535
Copper

AMENDMENT NO. 1

It is agreed this 8th day of February 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Columbia Mining Co., Inc., 604 Placer Hotel Building, Helena, Mont.

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E169 of October 3 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached therto, is made a part of this aggrement. The effective date of this amendment shall be October 3 1951.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be constued to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

COLUMBIA MINING COMPANY
(Operator)

By C. B. Mitchell - Sec.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

FEB 1 . 1952

The United States of America

By A. E. Weissenborn

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

Reviewed by Division
2/21

COLUMBIA MINING COMPANY
Exploration Project Contract Idm-E169

Amendment No. 1

EXHIBIT "F"

Changes and modifications

1. In Exhibit "A" of the contract, page 1, under Estimated Cost of the Project, Stage I, delete the entire paragraph and substitute the following:

Equipment to be purchased	$ 9,965.00
600 feet of drifting @ $22.5~~58~~ 37 per foot*	13,552.80
Total cost of Stage No. 2	$23,517.80

*Per foot cost includes labor, supervision, engineering, assaying, sampling, and all operating supplies, including timber, pipe, rail, hoses, drill steel, etc.

2. In Exhibit "A" of the contract, page 2, under Operating Equipment, To be purchased, delete the following items:

700 feet 3" diam. BI pipe (air line) plus fittings	$475.00
700 feet 1" diam. BI pipe (water line) " "	135.00
1 water pressure tank	80.00
100 feet air hose with fittings	80.00
100 feet water hose with fittings	60.00
2 electric transformers	100.00
800 detachable bits @ $0.40 each	320.00
Drill steel for drifter and jackhammer	80.00
Small tools	50.00

and add the item:

1 column and arm for drifter	60.00

Exploration Project Contract Idm-E169

Amendment No. 1

EXHIBIT "F" cont.

3. Change the allowable costs for various items of equipment to be purchased, as follows:

1 - air receiver	$ 215.00
1 - jackhammer	200.00
1 - 315 cfm compressor on rental-purchasis basis	4,060.00
1 - mucking machine on rental-purchase basis	3,500.00

Change the total amount allowable for purchase of equipment to $9,965.00 and add the following paragraph:

"If, at the termination of the Exploration Project Contract, the Operator elects to retain items of equipment in which a jointly-owned equity has been established under an installment-buying contract or rental-purchase agreement, such items shall be appraised by representatives of the DMEA Field Team and the Operator shall reimburse the Government for its share of the equity in proportion to its contribution to the cost thereof."

4. In Exhibit "A" of the contract, page 2, under Operating Equipment, To be furnished by operator, delete the entire paragraph and substitute the following:

Item	Value	Monthly allowance for depreciation
3 - 16 cu. ft. mine cars	$300.00	$5.00
1 - 2" diameter pump, 150 GPM, 150 ft. head (complete)	400.00	6.67

5. In Exhibit "A" of the contract, page 3, under Labor and Supervision, add the following sentence:

"Labor for the drifting described above may be paid at unit contract rates not to exceed $12.00 per foot."

Government Copy
Copper

APPROVAL

Contract dated Oct. 3, 19 51, between

Columbia Mining Company, Inc., a corporation, 604 Placer Hotel Bldg., Helena, Montana

and Walter Riddock, Helena, Montana

for carrying out certain specified work under the provisions of Exploration Project Contract Idm-E169 between the United States of American and Columbia Mining Company, Inc., a corporation, 604 Placer Building, Helena, Montana

is hereby approved.

This approval shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "Allowable Maximum".

Dated May 26, 19 52.

The United States of America

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 20 1952

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

June 16, 1952

Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: DMEA 1535X, Copper
Contract No. Idm-E169
Columbia Mining Company

Dear Sir:

Enclosed are three copies of an agreement between the subject company and Mr. Walter Riddock for the drilling of one diamond drill hole.

Sincerely yours,

KHGray

Kathryn Gray
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

RECEIVED
MAY 28 1952
U. S. G. S.
SPOKANE, WASH.

AGREEMENT.

To:

Columbia Mining Company, Inc.,
Helena, Montana.

I hereby agree to drill one diamond drill hole and extract therefrom a core size AX, on your Copper Cliff Claim, Helena, Montana, under your contract with DMEA Project 1535x, Contract No. Idm-E 169, in accordance with the terms and specificications set forth in Amendment No. 4 to said contract, to-wit:

Exhibit "F"

Collar Location, DMA adit, 65 feet east of portal

Length - 300 feet (Maximum)

Direction - North

Inclination - (-) 60°

1 Ax diamond drill hole - maximum length 300 feet at $4.75 per foot. $1425.00

Contingency fund to allow for cementing of hole if necessary - maximum allowable footage 100 Ft. 100.00

Signed at Helena, Montana,

May 26th, 1952.

WITNESSED:

C. B. Mitchell

SIGNED Walter Biddock

Wash
Government Copy
DMEA 1535
Copper

APPROVAL

As required under the provisions of Exploration Project Contract Idm-E169 between the United States of America and the Columbia Mining Company, Inc., 604 Placer Hotel Building, Helena, Montana, approval is hereby granted as to location of tunnel portal site and direction. This tunnel is to be driven under Stage No. 2 of the exploration project.

The tunnel portal is to be located 241 feet due east of the Columbia Mining Company placer shaft in Last Chance Gulch; this tunnel is to be driven in an easterly direction following the contact between the Park shale and the Pilgrim dolomite.

This approval shall not be construed to increase the estimated total cost of the project, the aggregate total amount that the government may pay, or the percentage of the costs that the government may pay, under the provisions of Article 13 of the contract form.

Dated February 25, 1952.

THE UNITED STATES OF AMERICA

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

APPROVAL

NOV 23 1951

November 6, 1951

Under authority granted by Order No. 2653 of the Acting Secretary of the Interior, approval is hereby given the Columbia Mining Company, Inc., to extend the starting date on which the Exploration Project Contract is to commence to within 60 days from October 3, 1951, the date of said contract.

This approval shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Thor H. Kiilsgaard
for A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

for M. E. Volin
Member, DMA
Field Team, Region II

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 9 1951

MF-200
(June 1951)

Docket No. DMA 1535X
Commodity Copper-Silver
Idm-E169

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

RECEIVED NOV 23 1951 D.M.A.O.

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 3rd day of October, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Columbia Mining Company, Inc., a corporation
604 Placer Hotel Building
Helena, Montana

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Montana, County of Lewis and Clark described as follows: [3]
Copper Cliff Lode Mining Claim--Located in Sec. 36, T. 10 N., R. 4W., Meridian of Montana--Recorded in Records of Lewis and Clark County, Montana, in Book 24 Lode Location--at Page 315.

with respect to which the Operator represents and undertakes: [4]

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

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within 30 days from the date of this contract shall commence work on a project of exploration for [5] copper; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] 6 months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $12,158.90, which is 50 percent of the agreed estimated total cost of this project, $24,317.80.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-~~half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of~~ ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

Columbia Mining Company, Inc.
(Operator)

By C. B. Mitchell
Sec.- Treasurer

THE UNITED STATES OF AMERICA

By C. Mutendorf
Director, Production Expansion Division
Defense Minerals Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

MF-202

Columb[illegible]ining Company, Inc.
By C.D.M. Copy #1

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Lewis and Clark, State of Montana, described in a certain Exploration Project Contract dated October 3, 1951, between Columbia Mining Company, Inc. of Helena, Montana, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated April 22, 1948, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 28th day of May, 1951.

Edward C. Miles

U. S. GOVERNMENT PRINTING OFFICE 940768

EXHIBIT A

Performance of Work

This project involves the exploration of a copper deposit known as the Copper Cliff property located in the County of Lewis and Clark, Helena Mining District. Copper mineralization has been found in a 300 foot long tunnel near the crest of a ledge on the Copper Cliff Lode claim. This mineralization occurs along a series of transverse fractures leading away from the contact of the Pilgrim dolomite and Park shale. The main ore bearing zone on this property occurs at the contact of the Pilgrim dolomite and Park shale. Inaccessible workings about 200 feet below the tunnel (near the crest of the ridge) is reported to have encountered strong copper mineralization, from which ore shipments were made. This exploration work will be done to explore for the downward and lateral extension of this mineralization and along the contact of the Pilgrim dolomite and Park shale, (see attached maps). Because of the indicated thick mantle of overburden, this project is to be done in two stages: Stage No. 1 will consist of cleaning off (by tractor with dozer blade) this mantle of overburden so that the most favorable tunnel portal site can be determined. Stage No. 2 will consist of driving a 600 foot long tunnel (7.5 x 6 feet in cross section size) to explore along the vein and the contact of the Pilgrim dolomite and Park shale for the extension of the copper mineralization found above. The tunnel portal site and direction this tunnel is to be driven, is to have the prior written Government approval. Stage No. 1 to be completed within one month and Stage No. 2 to be completed within four months.

Estimated Cost of Project

Stage No. 1

Tractor with dozer blade rental @ $12.00/hr., 64 hrs.	$768.00
Tractor transportation to and from job	32.00
Total Cost Stage No. 1	$800.00

Stage No. 2

Equipment to be purchased	$ 9,360.00
Labor @ $12.00/foot of tunnel - 600 feet	7,200.00
Supervision 5 months @ $400.00/month	2,000.00
Owners equipment allowed monthly rental, 6 mos. @ $41.80 per month	250.80
Miscellaneous expense - tunnel timbers, sample analysis, explosives and other miscellaneous supplies	4,707.00
Total Cost of Stage No. 2	$23,517.80
Total Cost of Project	$24,317.80

Fixtures and Improvements

None

Operating Equipment

To be purchased:

700 feet, 3" diam BI pipe (air line) plus fittings	$ 475.00
700 feet, 1" diam BI pipe (water line) plus fittings	135.00
1 Air receiver	100.00
1 Water pressure tank	80.00
100 feet of air hose with fittings	80.00
100 feet of water hose with fittings	60.00
1-Air line oiler	30.00
2-Electric transformers, connections, fittings, etc.	100.00
1 - 3" or 3½" drifter rock drill (wet head)	700.00
1-Jackhammer rock drill (used)	150.00
800 Detachable bits @ $0.40 each	320.00
Drill steel for drifter and jackhammer	80.00
1/ 1 Pickup truck ½ tons (used)	1,200.00
Small tools	50.00
1 - 315 cfm electric-driven compressor on rental-purchase basis	3,000.00
1/ 1 Mucking machine on rental-purchase basis	2,800.00
Total equipment purchase cost	$9,360.00

1/ To be allowed if approved by Government Engineering Field Team.

To be furnished by operator:

	Fair Market Value
3 - 16 cu.ft. mine cars @ $300.00 each	$ 900.00
900 feet mine track 20 pound rail with ties, fish plates, spikes, etc. @ $1.12 per foot	1,008.00
400 feet 2" diam BI pipe @ $0.31/ft. with connections	150.00
1-Water tank 100 gallon capacity	50.00
1 - 2" diam pump for water, approximate size 150 G.P.M. capacity, 150 ft. head with connections and electric motor drive	400.00
Total equipment value	$2,508.00

$2,508 depreciated over a period of 60 months (5 years)

$\frac{2508}{60 \text{ mos.}}$ = $41.80 monthly rental allowed.

To be rented:

1/ 1 Tractor with dozer blade @ $12.00/hr., 64 hrs.	$768.00
Tractor transportation to and from site	32.00
Total rental cost	$800.00

1/ Cost per hour includes cost of operator, all supplies and repairs -- rate is for actual operating time.

Labor and Supervision

1/ 1 Engineer-working foreman @ $400/mo.
4 Miners @ $12.00/8 hrs. day

1/ Engineer foreman will direct the work, do the necessary mapping, sampling, surveying, and prepare all reports.

Rehabilitation and Repairs

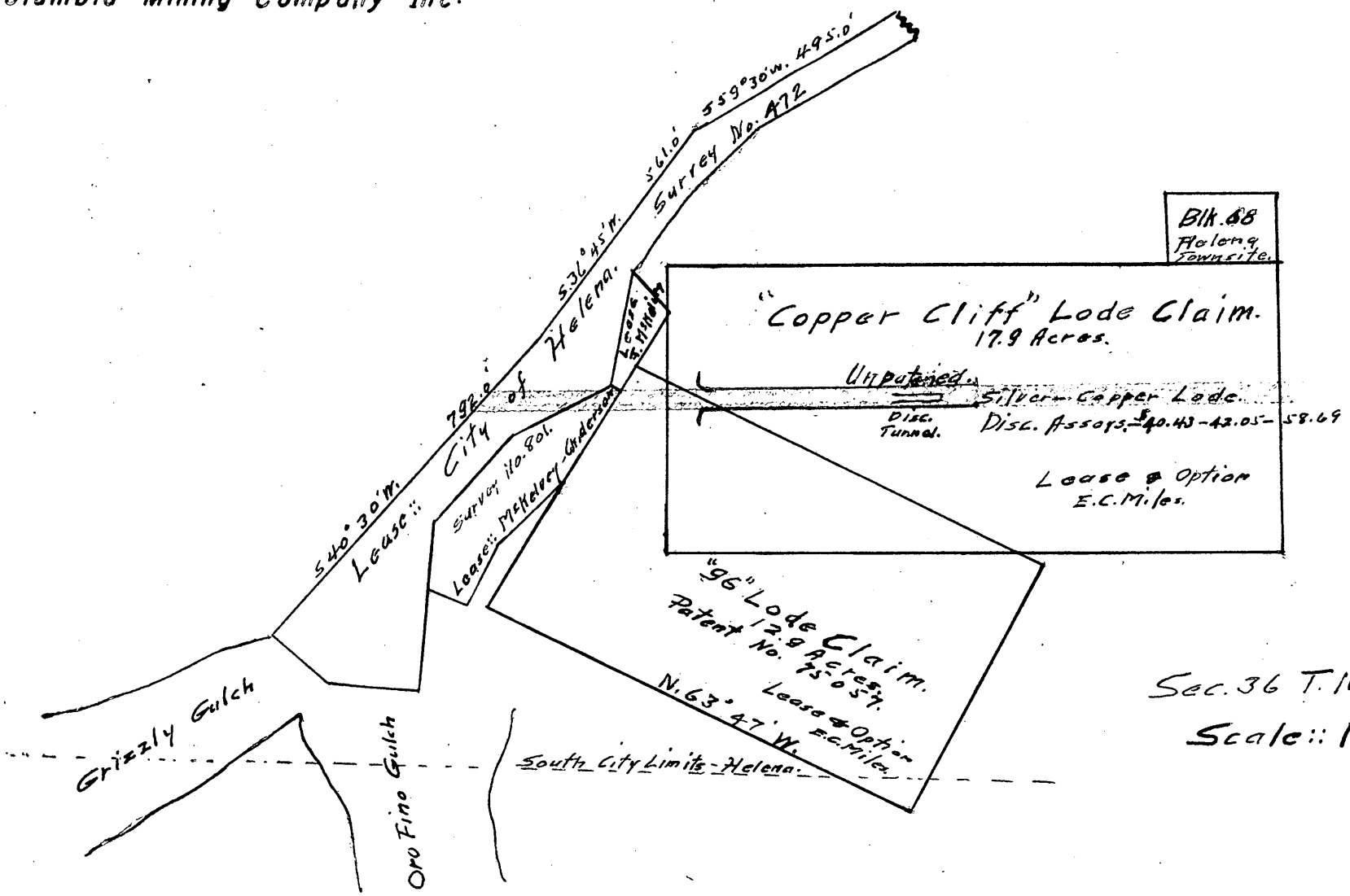
None

Last Chance Gulch

Helena - Mont.

Placer and Lode Claims

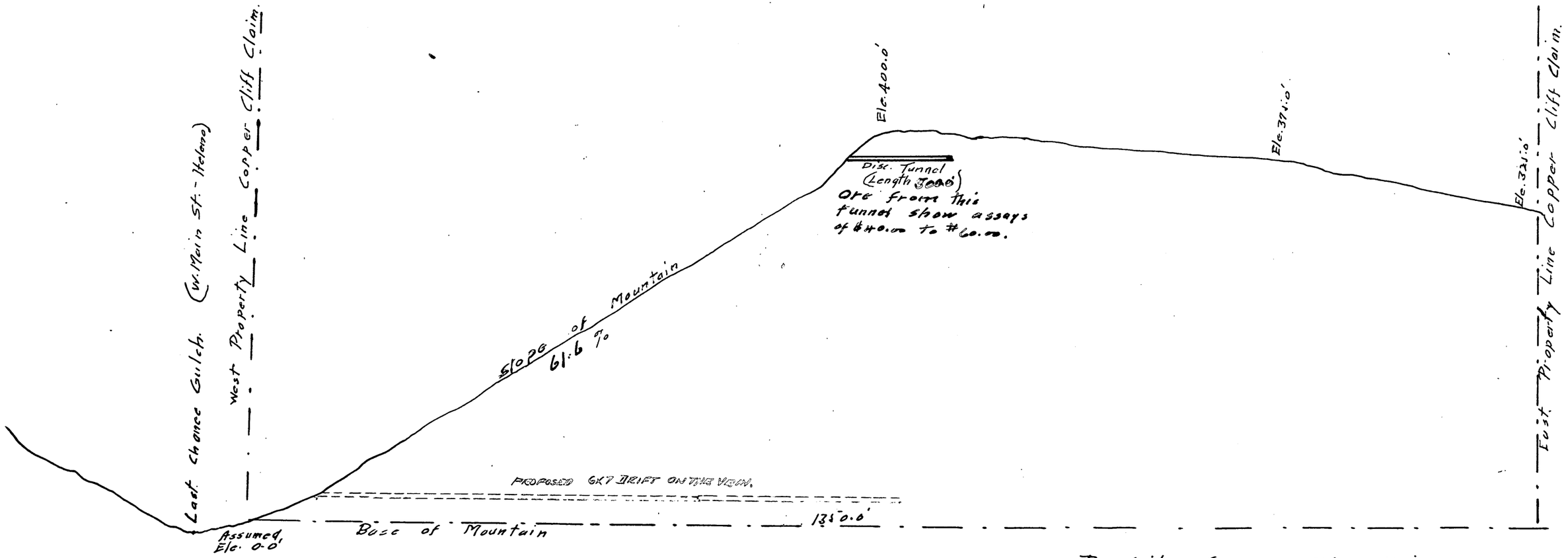
Columbia Mining Company Inc.



Sec. 36 T. 10 N., R. 4 W.

Scale:: 1" = 330'

Exhibit A.



Profile Copper Cliff Vein.
Scale :: 1" = 100.0'
Columbia Mining Company - Inc.
Helena - Mont. C.B.M.

COLUMBIA MINING COMPANY, INC.
604 PLACER HOTEL BUILDING
HELENA, MONTANA

March 1, 1952

Miller Machinery Company
P. O. Box 1496
Missoula, Montana

Gentlemen:

In accordance with purchase option provisions set forth in rental agreement dated February 7, 1952, between Miller Machinery Company, Lessor, and Columbia Mining Company, Inc., Lessee, covering rental of 370 Cu.Ft. I.R. Compressor, this is to give notice that Lessee intends to exercise said purchase option at some date during specified life of rental.

Very truly yours,

COLUMBIA MINING COMPANY, INC.

C. B. Mitchell, Secretary

COLUMBIA MINING COMPANY, INC.
604 PLACER HOTEL BUILDING
HELENA, MONTANA

March 1, 1952

Miller Machinery Company
P. O. Box 1496
Missoula, Montana

Gentlemen:

In accordance with purchase option provisions set forth in rental agreement dated February 20, 1952, between Miller Machinery Company, Lessor, and Columbia Mining Company, Inc., Lessee, covering rental of Eimco 12B RockerShovel, this is to give notice that Lessee intends to exercise said purchase option at some date during specified life of rental.

Very truly yours,

COLUMBIA MINING COMPANY, INC.

C. B. Mitchell, Secretary

MILLER MACHINERY COMPANY
Highway 93 South
P. O. Box 1496 Phone 2207
MISSOULA, MONTANA

RENTAL AGREEMENT

The MILLER MACHINERY COMPANY, hereinafter designated as LESSOR, rents and leases to COLUMBIA MINING CO., INC. hereinafter described as LESSEE, the following described personal property, to be used in Lewis & Clark County, State of Montana

1 - 370 Cu. Ft. (piston displacement) 2 Stage Air Cooled I.R. Compressor #370A189 d.c. to 75 H.P., 900 RPM 3/60/440 U. S. Motor, with A.B. Starting Compensator and 200 Amp. Safety Switch

Rental to start January 28, 1952

Transportation charges to be paid both ways by LESSEE.

LESSEE agrees to pay LESSOR as rental for the use of the above described property, the sum of $ 400.00 per month payable monthly in advance.

Said rent is to begin on the day the said property is delivered to the LESSEE, and is to end on the day that said property is returned by LESSEE to LESSOR, at Missoula, Montana

Said property is hereby leased for a term of 4 months minimum in advance and if LESSEE retains said property after the expiration of said terms, such retention shall be construed as a continuance of this lease, at the same rental, and under the same terms, until said property is so returned to the LESSOR, at the place above specified. At any time after the expiration of said original term, upon THREE (3) days written notice to be given by LESSOR to LESSEE, LESSEE agrees to return said property to LESSOR at said place.

It is expressly agreed and understood between the LESSOR and the LESSEE that all terms and conditions set forth on the reverse side of the agreement form a part of, and are hereby made part of, this contract.

The full agreement between LESSOR and LESSEE is contained herein, and time is made of the essence of this Agreement.

IN WITNESS WHEREOF the LESSOR and LESSEE have hereunto set their hands this 7th day of February, 1952 at Missoula, Montana

COLUMBIA MINING CO., INC.

By C. B. Mitchell
Lessee

MILLER MACHINERY COMPANY

By G. V. Scott
Lessor

This agreement is not to be construed as a sale contract, or a conditional sale contract. The intent of this agreement is that LESSOR is hereby renting, and/or leasing said property only. It is understood and agreed that said property shall remain personal property at all times, notwithstanding the manner of its annexation to realty.

In the event that LESSEE fails to perform anything herein required and/or fails to pay any sum when the same shall be due, and/or if an attachment is levied against said property, and/or attempted, by a creditor of LESSEE, the LESSOR may, at its option, and without notice, enter the premises in which said personal property, or any part thereof, is located, and without hindrance directly or indirectly on the part of LESSEE, take possession of said property, and the LESSEE hereby agrees to pay all expenses, including a reasonable fee for Attorney, that may be incurred by LESSOR in enforcing this agreement, and/or in collecting the rent provided herein, and/or in repossessing property.

The LESSEE hereby assumes all risks of fire or other casualty, and agrees to indemnify LESSOR for all damage or loss to said property from fire or other casualty.

LESSEE agrees to keep said property in the same condition as when received. The LESSEE agrees to keep said property in repair, at LESSEE'S expense. The receipt of said property, in good order and repair, is hereby acknowledged by LESSEE. It is expressly understood and agreed that LESSOR shall not be liable for damages of any kind whatsoever, whether to person and/or property, and/or for loss of time, and/or any other loss, arising from the use of, or in any way connected with, said property or any part thereof, from whatever cause arising LESSEE agrees to hold LESSOR free from all such damages. The LESSEE agrees to pay or reimburse the LESSOR, on return of the said property to LESSOR, for all charges incidental to all breakages, shortages, or damage, other than ordinary wear, to said property, during the term hereof.

LESSEE agrees to keep said property, during the full period LESSEE is renting same from LESSOR, in LESSEE'S custody and at the place specified herein, and not to remove and/or sublease or re-rent same without the LESSOR'S consent in writing first obtained.

LESSEE further agrees to use said property for only one shift of eight (8) hours per day of twenty-four (24) hours. If LESSEE desires to use said property for more than eight (8) hours in any one twenty-four (24) hour day, then such additional time is to be paid for by LESSEE on a pro-rata basis at the same rate as herein provided.

IT IS FURTHER AGREED that the LESSEE may at any time during the life of this agreement and while he is not in default hereunder have the option to purchase all the property described in this rental agreement for the sum of $4058.00 (four thousand fifty eight dollars) provided LESSEE gives the LESSOR written notice of his intention to exercise this option. If LESSEE so purchases said property he shall be given credit upon the purchase price for the full amount of the initial rental payment paid in advance, and for 80% of each subsequent month's rental theretofore paid under this agreement.

MF-200
(June 1951)

Docket No. DMA 1535
Commodity Copper-Silver
Idea E

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Void
copy mutilated
filed.

EXPLORATION PROJECT CONTRACT[1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and[2]
Columbia Mining Company, Inc., a Corporation
604 Placer Hotel Bldg.
Helena, Montana

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Montana, County of Lewis and Clark described as follows:[3]
Copper Cliff Lode Mining Claim--Located in Sec. 36, T. 10 N., R. 4w., Meridian of Montana--Recorded in Records of Lewis and Clark County, Montana, in Book 24 Lode Location--at Page 315

with respect to which the Operator represents and undertakes:[4]

(*a*) ~~That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the~~ following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:
~~10% Royalty to E. C. Miles, 22 North Main Street, Helena, Montana~~

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within ~~10~~ 30 days from the date of this contract shall commence work on a project of exploration for[5] Copper; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of[6] 6 months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50% percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $ ~~12,497.00~~ 12,158.90 which is 50% percent of the agreed estimated total cost of this project, $ ~~24,994.00~~ 24,319.80 12,158.90

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Columbia Mining Company, Inc.
(Operator)

By _____
Sec - Treasurer

By _____
Director Production Expansion
Division DMA.

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

Adm. E 169

GOVERNMENT COPY

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Montana, County of Lewis and Clark, which is the subject of a proposed Exploration Project Contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government", and 1/ Columbia Mining Company, Inc. of Helena, Montana. (Easement for right of way through Lode "96" Survey 4874, Sec. 36, T. 10 N., R. 4 W., M.P.M. Certificate of title recorded In Recorded of Lewis and Clark County, State of Montana, in Book 140 at Page 927)

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said Contract which are set forth on the reverse side hereof, the Government will acquire certain rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

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

1. The Government's equity in and right to remove facilities, buildings, fixtures, and equipment, as provided in the Contract, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned.

2. The Government's percentage royalty on net smelter returns or other net proceeds realized from ore, concentrates, or metal produced within ten (10) years from the date of the Contract, and the Government's lien for the payment of said percentage royalty shall attach to the mineral deposit and the production therefrom, in the amount of the Government's contribution, not in excess of 2/ $ 12,158.90, forth in said Contract.

ommit no act nor assert any claim the lien, claim, or rights of the e said Contract. This agreement utors, administrators, successors,

day of April, 1952.

C Miles

s it will appear in the Exploration

Government's contribution.

STATE OF CALIFORNIA
COUNTY OF Los Angeles } SS.

On April 28TH 1952 before me, the undersigned, a Notary Public in and for said County and State, personally appeared E. C. MILES

known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

WITNESS my hand and Official Seal,

ROBERT L. FISCHER
NOTARY PUBLIC in and for said County
of Los Angeles, State of California
Notary Public in and for Said County and State.
My Commission Expires April 12, 1956

523

RELEVANT CONTRACT PROVISIONS

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

Repayment by Operator. If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

> Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.
>
> Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

STATE OF MONTANA)
ss
County of Lewis and Clark)

C. B. MITCHELL, being first duly sworn deposes and says: That he is the same person named as trustee in a Declaration of Trust dated the 21st day of September, 1949, recorded in Book 346 at pages 95, 96 and 97 of the records of Lewis and Clark County, Montana; and the same C. B. MITCHELL who signed an assignment as trustee and as an individual, dated the 18th day of November, 1949, and recorded in Book 46 at page 525 of the records of Lewis and Clark County, Montana.

That the foregoing assignment is a true and correct copy, and the assignment from C. B. MITCHELL, as trustee, and others to Columbia Mining Company, Inc., a Montana corporation.

C. B. Mitchell

Subscribed and sworn to before me this 30th day of October, 1951.

Paul R. Keller
Notary Public in and for the State of Montana. Residing at Helena, Montana. My commission expires October 9, 1953.

DEPARTMENT OF THE INTERIOR
Bureau Mineral Management
RECEIVED
NOV 9 1951

A S S I G N M E N T

KNOW ALL MEN BY THESE PRESENTS, that I, C. B. Mitchell, of Helena, Montana, the trustee in a declaration of trust dated the 21st day of September, 1949, recorded in Book 346, Pages 95, 96 and 97 of the Records of Lewis and Clark County, Montana, do hereby sell, assign and transfer over and unto the Columbia Mining Company, Inc., a Montana corporation, for and in consideration of the sum of One Dollar ($1.00) and other good and valuable considerations all ofmy right, title and interest in and to the hereinafter described leases and agreements.

THAT WHEREAS in said trust agreement, dated the 21st day of September, 1949, Jesse Malone and Nora Malone, of Agawam, Montana; C. B. Mitchell, of Helena, Montana; Arnold C. Hanusa, of Choteau, Montana; John L. Dunckel, of Choteau, Montana; Charles W. Boussard, of Choteau, Montana; H. M. Mangis, of Marysville, Washington; Inez Mangis, of Marysville; Washington; Charles T. Valentine, of Seattle, Washington; E. W. O'Loughlin and Nellie G. O'Loughlin, of Indianapolis, Indiana, were named as beneficiaries of said trust and their interests were set forth therein. They do likewise join in this bill of sale and by these presents and for and in consideration of the sum of One Dollar ($1.00) passing from the Columbia Mining Company, Inc., a corporation, do hereby sell, assign, transfer and set over all of their right, title, and interest in and to the hereinafter described property, to-wit:

All right, title and interest in and to a certain contract dated the 22nd day of April, 1948, by and between Edward C. Miles, of Helena, Montana, and C. B. Mitchell, of Helena, Montana, covering the following described property situate, lying and being in the City of Helena, County of Lewis and Clark, State of Montana, to-wit:

> Block Sixty-eight (68) of the original Townsite of the City of Helena; 96 Lode, Survey No. 4874, Patent No. 32702in Section Thirty-Six (36), Township Ten (10) North, Range Four (4) West; Copper Cliff Lode Amended Certificate of Location of which is dated the 19th day of July, 1924, recorded in Book 24 of Lode Locations at Page 315, of the records of Lewis and Clark County, Montana

Allright, titla and interest in and to a certain agreement dated the 15th day of May, 1949, by and between the City of Helena, Montana, a municipal corporation, party of the first part, and C. B. Mitchell, of Helena, Montana, party of the second part, which agreement is recorded in the office of the County Clerk and Recorder of Lewis and Clark County, Montana, coering the Placer Patent Survey No. 472 for more particular description of which reference is hereby made to said agreement.

All right, title and interest in and to a certain agreement dated the 6th day of October, 1947, by and between Thomas A. McKelvey and Nora B. McKelvey, his wife, and Bryant B. Anderson, all of Helena, Montana, parties of the first part, and Jacob Paulsen of Helena, Montana, party of the second part, which contract has been duly and regularly assigned unto the party of the first part herin, a certain piece of land therein described by metes and bounds a more particular description of which is found in said lease agreement recorded in Book 44 at Page 413 of the Records of Lewis and Clark County, to which reference is hereby specifically made; together with all personal property on said premises and inventory of which is hereto attached.

That certain lease and agreement dated the 7th day of April, 1948, by and between James McKelvey, a widower, of Helena, Montana, and C. B. Mitchell, of Helena, Montana, covering certain property in said agreement described which is recorded in Book 44 of Leases at Page 419 to which instrument referance is hereby made for a more particular description of the property therein described.

TO HAVE AND TO HOLD all of the property in said leases hereinbove described together with all of the obligations therein agreed by the first parties herein to be kept and performed and the said Columbia Mining Company, Inc., shall have all of the right, privileges and interests of the said assignors herein together with all of the obligations under said contracts hereinabove described.

IN WITNESS WHEREOF we have hereunto subscribed our names this 18th day of November, 1949.

C. B. Mitchell
Trustee.

C. B. Mitchell

E. W. O'Loughlin

Nellie G. O'Loughlin

Jesse Malone

Nora Malone

Arnold C. Hanusa

Charles W. Boussard

John L. Dunckel

H. M. Mangis

Inez Mangis

Charles T. Valentine

STATE OF MONTANA)
) SS
County of Lewis and Clark)

On this 10th day of November, 1949, before me, Paul T. Keller, a Notary Public for the State of Montana, personally appeared C. B. Mitchell, E. W. O'Loughlin and Nellie G. O'Loughlin, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they esecuted the same.

In witness whereof I have hereunto subscribed my name and affixed my official seal the day and year in this certificate first hereinabove written.

Seal.

Paul Keller
Notary Public for the State of Montana, residing at Helena. My commission expires October 9, 1950.

STATE OF MONTANA)
: ss.
County of Teton)

On this 14th day of November, 1949, before Leo H. Murphy, a Notary Public for the State of Montana, personally appeared Jesse Malone, Nora Malone, John L. Dunckel, Charles Wl Boussard, and Arnold C. Hanusa, Known to me to be the persons whose names are subscribed to the with instrument and acknowledged to me that they executed the same.

In witness whereof I have hereunto subscribed my name and affixed my official seal the day and year in this certificate first above written.

Seal.

Leo H. Murphy
Notary Public for the State of Montana. Residing at Choteau, my commission expires April 29, 1952.

STATE OF WASHINGTON)
: ss.
County of King)

On this 25th day of November, 1949, before me, Yvonne Monk, a Notary Public for the State of Washington, personally appeared Charles T. Valentine, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

In witness whereof I have hereunto subscribed my name and affixed my official seal the day and year in this certificate first herein above written.

Seal.

Yvonne Monk
Notary Public for the State of Washington. Residing at Seattle, My commission expires June 11th, 1951.

STATE OF WASHINGTON)
: ss.
County of Snohomish)

On this 21st day of November, 1949, before me W. A. Gissberg, a Notary Public for the State of Washington, personally appeared H. M. Mangis and Inez Mangis, known to be to be the persons whose names are subscribed to the within instrument and acknowldged to me that they executed the same.

In witness whereof I have hereunto subscribed my name and affixed my official seal the day and year in this certificate first hereinabove written.

Seal.

W. A. Gissberg
Notary Public for the State of Washington. Residing at Marysville, Washington. My commission expires June 1953.

I hereby certify that the within instrument was filed in my office on the 29th day of November A.D. 1949 at 30 minutes past two o'clock P.M. and recorded on Page 95,96,and 97, Book 346 of Records of Lewis and Clark County, State of Montana.

J. A. Sullivan
County Recorder

J.A.Fisehl, Deputy

MF-103
(1951)

U. [redacted]EPARTMENT OF THE INTERI[redacted]
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA 1535-X

Date received 6-4-51

Participation

Columbia Mining Company, Inc.
604 Placer Hotel Bldg.
Helena, Montana

Name and address of applicant

Date May 28, 1951

FILL IN THIS BLOCK

Date of application May 28, 1951

Estimated cost $25,294.00

Mineral or metal Copper and Silver

Percentage of Government participation 50 %

Location of mine Portion of Sec. 36, T. 10 N., R. 4W.
Meridian of Montana, Helena, Montana

Date of filing MF-100 Not Filed

DMA Docket Number, if available 1535-X

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation? Corporation
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. See attached sheet
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project. See attached sheet
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

(*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons. State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History: See letter of E. C. Miles

(*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.

(*b*) State briefly the known history and production of adjoining and neighboring properties. Not known

(*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:

(*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)

(*a*) Describe the ore or mineral deposits briefly.

(*b*) Submit available maps and assay data.

(*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:

(*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.

(*b*) Supervisors, by numbers and positions, with salaries of each.

(*c*) Cost of necessary repairs to existing facilities, structures, and buildings.

(*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.

(*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.

(*f*) Cost of rental for equipment which the operator proposes to rent.

(*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.

(*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.

(*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

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

Columbia Mining Company, Inc. (Name of company) By C. D. Mitchell (Signature of authorized official)

May 28, 1951 (Date) Sec.-Treas. (Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

1535x

Sheet One
of

ANSWERS TO QUESTIONS ON FORM MF-103.

No. 3. Applicant is corporation, State of Montana.

Officers: President, Jesse Malone, Agawam, Mont.,
Vice Pres. E. W. O'Loughlin, 1004 Madison St., Helena, Mont.
Sec-Treas. C. B. Mitchell, 604 Placer Hotel Bldg., Helena, Mont.
Directors, Arnold C. Hanusa, John L. Dunckel, Charles W. Boussard, all of Choteau, Mont.

Five of the largest stockholders are Jesse Malone, C. B. Mitchell, E. W. O'Loughlin, Arnold C. Hanusa, John L. Dunckel.

No. 4 The applicant is a new corporation formed with the intention of mining their principal holding, a copper deposit. Prior, the incorporating members of this corporation were operating a placer property, and were formed into a Trusteeship. Their manager, and the manager of the present corporation, is C. B. Mitchell, whose experience in mining commenced in 1928, and who has worked almost continuously for mining operations in both lode and placer since that time.

No. 5. The corporation owns the property upon which their mining equipment, buildings, and placer washing plant are located. The Lode property they propose to develope is adjacent to this property, and is held by the company by Lease and Option to Purchase.

No. 6. There are no liens or claims against any of this property.

No.10. Description of property covered in documents attached hereto, and of work done on it, in letter by E. C. Miles, legal owner of Copper Cliff claim, the immediate property intended to be explored and developed.

No.11. The name of the claim has been Copper Cliff since 1905.

No.12. The Copper Cliff is located within the limits of the City of Helena, Montana, two miles from rail shipping point, ~~xxxxxxxxxxxxxxxxxxxxxx~~ one-half block of paved street, leading to Great Northern Railway and Northern Pacific Railway freight yards in the City of Helena. Ore will go to the Washoe Sampler plant of the Anaconda Copper Company at Butte, Mont., a distance of 64 miles.

No.13. A steady supply of water, approximating an average of 600 gallons per minute can be supplied for mining purposes from the pumps in the shaft on the company's placer property, located 200 feet from the anticipated opening into the Copper Cliff Lode. The company installations are also connected to the City of Helena Water System. Electric power is used in present plant and is available for any additional use. Rate is low, and the utility is owned by the Montana Power Company.

Sheet Two
of

ANSWERS TO QUESTIONS ON FORM MF-103.

No. 14. Installations now on property consist of placer gravel washing plant, shaft and head-frame, two ton electric hoist and building and additional small buildings used for storage and dry-room, located on company's Drift Placer operations on the adjoining claim, and are available and sufficient for all needs for this exploration.

No. 15. Ore will be shipped direct by two mile truck-haul, thence by rail to smelter, approximately 64 miles.

No. 16. See attached maps and letter of E. C. Miles, and geological report of Charles M. Massey.

No. 17. Mine is not in production.

No. 18. From the base of the mountain to the top, where present tunnel and out croppings expose the existence of the lode, the rise in elevation is 410 feet. No estimate of tonnage can be made from first-hand knowledge of the applicant, but acting on the assumption that E. C. Miles, present owner, has correctly stated the width of the vein crossed near the summit by the previous owner, and the known width of 40 feet at the bottom of Last Chance Gulch, it is logical to expect a minimum of approximately 615,000 tons of ore above the level of an entry tunnel located in Last Chance Gulch, said estimate computed on an average width of 20 feet of ore matter, the length of the claim as its boundary lines indicate, and the mean average elevations as shown by the accompanying profile map, and estimating that approximately 100 feet of this elevation would not be of sufficient value to be mined. In addition, a shaft sunk 50 feet below such a side-hill tunnel entry will reach the top of the ore at the level it crosses Last Chance Gulch. The ore deposit, as it crosses the gulch, is known to be, by virtue of a tunnel driven through it by the original Helena Water Company, 40 feet from wall to wall. This tunnel was driven by that water company to accommodate one of their water mains.

No. 20. The predominate minerals to be produced will be copper and silver, with a small amount of gold.

No. 21. Entry into the copper lode will be practical through a tunnel driven on the vein; the portal of said tunnel to be in Last Chance Gulch, and above the floor of the Gulch sufficient to allow the installation of an ore bunkers.
Entry could be made through the present placer shaft by lowering said shaft 30 feet, plus a cross cut of 145 feet, to the copper lode, but the side-hill entry appears to have better advantages, principally the elimination of hoisting ore to the surface during the early operations, and the elimination of pumping water.

Sheet Three
of

ANSWERS TO QUESTIONS ON FORM MF-103.

No. 21. (cont.) Contact should be made with shipping ore within 100 feet from the portal of a side-hill tunnel. The overburden here has not been tested for depth. Three months should be all the time needed to reach the ore, and three additional months to reach the end of the practical explorations. It is proposed to drift a total of approximately 600 feet from the portal to a point just past the end of the old adit shown on the attached longitudinal section.

No. 22. See accompanying geological report by Charles M. Massey and letter by E. C. Miles.

No. 23. (Estimate of labor and operational costs based on six months' work.)

(a)	4 Miners and Trammers @ $48.00 Per Shift (work will be done by contract for labor only at $12.00 per foot.)	$7200.00
(b)	1 Supervisor @ $400.00 per month	2400.00
(e)	600 feet 2" air line	360.00
	600 feet 1" and 3/4" water line	180.00
	1 air receiver tank	100.00
	1 water pressure tank	80.00
	100 feet hi-pressure air hose	80.00
	100 feet hi-pressure water hose	60.00
	2 transformers (purchase required by Power Co.)	300.00
	assorted connections and fittings	100.00
	1 drilling machine (wet)	700.00
	1 Jack hammer (used)	150.00
	1000 drill bits	400.00
	1 line oiler	30.00
	assorted shop and pipe tools	50.00
	1 pickup 1/2 ton truck	1200.00
	1 electric compressor on rental purchase basis 315 cu. ft. cap.	3000.00
	1 mucking machine, on rental purchase basis	2800.00
(f)	1 dozer (for use opening portal)	800.00
(g)	mine cars, track, air line, pumps, etc.	600.00
(h)	mine timbers	400.00
(i)	power and water	660.00
	Industrial Accident Insurance, Social Security Tax, Unemployment Tax	1104.00
	Removal of pumps, mine rail, air and water pipe from old drift placer workings	500.00
	Powder-Drill sharpening, incidental	2040.00

Sheet Four
of

ANSWERS TO QUESTIONS ON FORM MF-103.

No. 24. Work will be begun within 10 days of approval of the contract. Construction of the portal will require about one month and the entire project can be completed in about six months, at a cost of $25,294.00

Question No. 8.

FINANCIAL STATEMENT.

ASSETS;

Real Estate	$ 6,000.00
Buildings	2,000.00
Equipment and Tools	3,490.00
Cash on Hand	378.00
	$11,868.00

LIABILITIES:

Current Bills	$ 618.00
Balance due on Equipment	623.00
	$1,241.00

Leases on Placer from City of Helena and James McKelvey, comprising approximately twelve (12) acres of Last Chance Gulch, Helena, Mont.

Lease and Option to Purchase of two lode claims, the Copper Cliff and Lode 96, from E. C. Miles, Helena, Montana.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 4 - 1951
LANDON F. STROBEL
Executive Secretary

Question No. 7.

Columbia Mining Company, Inc.
By C. B. M. Copy #2

AGREEMENT.

(Recorded in Book 44 Page 423)
(Lewis and Clark County)
(State of Montana)

THIS CONTRACT, made and entered into this 22nd day of April. 1948 by and between Edward C. Miles, a single man, of Helena, Montand, party of the first part and C. B. Mitchell of Helena, Montana, party of the second part, WITNESSETH:

That for and in consideration of the payment to him by the party of the second part of the sum of One Dollar ($1.00) receipt of which is hereby acknowledged, and the further consideration of certain agreements to perform, the said party of the first part leases to the said party of the second part, his heirs and assigns, the following described property situated in the County of Lewis and Clark , State of Montana, to-wit: Block 68 of the Townsite of the City of Helena; 96 Lode Lurvey No. 4874, Patent No. 32702 in Section 36 Township 10 North Range 4 West; Copper Cliff Lode Amended Certificate of Location of which dated July 19, 1924, is recorded in Book 24 of Lode Locations at page 315 to which reference is hereby made for a more particular description thereof including all placer ground on said property. It is understood and agreed that the party of the first part owns only 93.75% of the mineral rights of the said 96 Lode, the balance of said mineral rights having been reserved by the County of Lewis and Clark and in the event a court should hold that the said County had no legal right to reserve said mineral rights, this lease shall cover all of the mineral rights of said 96 Lode, with the right to enter upon and take possession of the said property to the exclusion of all others during the life of this contract, and to do mining, milling and general development work; to extract ores from the property and to market the same without interference of any party or parties whomsoever, for a term covering the period between the date hereof to and including April 22, 1958, with the option in the party of the second part to renew the said agreement subject to the terms and conditions of this agreement for an additional period of ten years and no longer; provided that in the event the party of the second part wishes to exercise his option to renew this contract for a period of ten years after the expiration hereof, he shall within sixty (60) days of the expiration hereof give notice to the party of the first part that he desires to renew this agreement upon the same terms for an additional period of ten years, but this option to renew shall not be contained in the new agreement.

It is understood and agreed that the party of the secon part is working a group of adjoining claims and the above described property shall be considered as part of the group and when the exploration, testing and development work on adjoining property reveals definite information as to the adivisability of mining said above described property the said second party or his assigns shall mine said property but only in conjunction with other properties which the party of the second part has under lease; in other words said property shall be considered as one of a group of properties which shall be worked from a common source and as long as the second party or his assigns are working on any one of said group of claims this lease shall within the term of this lease remain in full force and effect; it is understood that the working on said claim will be intermittent and not continuous. It is also understood that the royalty payments shall be handled according to the terms of the contract on each claim at the time each claim is mined or worked and will not be divided among the owners of all the claims in the group, subject however to the following conditions and terms, to-wit:

The party of the second part, or his assigns, will responsible for the payment of every expense incurred of whatsoever nature, in full, by the operations under this contract or their assigns, on the said property and will keep the workmen'covered by workmen's compensation at all times and will post notices on the said property

Colu[illegible] Mining Company, Inc.
By C.B.M.

to the effect that the party of the first part shall not be held liable for the payment of any indebtedness or claim whatever incurred through the operations of the party of the second part or his assigns.

The party of the second part agrees that all mining shall be done in a good mining fashion, wnd with due regard for the preservation and continuance of the property as a workable mine.

The party of the first part agrees hereby to sell to the party of the second part all his interest in said property for the sum of Fifty Thousand dollars ($50,000.00), to be paid on or before April 22, 1958, or in the event of exercising said option April 22, 1968, royalties to be applied on the purchase price.

As shipments of ores, concentrates or bullion are made from the property, marketed, and returns received for same, a royalty or percentage shall be paid the owner of said property, his heirs or assigns, at the rate of 10% on the gross returns from the sale of said bullion, ore and/or concentrates, minus shipping costs and smelter or mint treating charges only deducted; and all returns and payments shall be made and delivered direct to the First National Bank and Trust Company, of Helena, Montana, to be placed in said bank to the credit of the party of the first part, save and except on the 96 Lode on which the land owners royalty shall be 6¼% to the County of Lewis and Clark and 3 3/4% royalty to the party of the first part until a court shall decide otherwise, the said 10% royalty above referred to meaning 10% of the 100% of all minerals in the said property. Duplicate return statements must be furnished the said bank immediately when returns are received. The party of the second part shall pay all production taxes. The royalty due the party of the first part shall be paid to said bank direct by the smelter and /or purchaser of said ore, bullion or concentrates.

Contemporaneously with the execution of this agreement the party of the first part shall place in escrow with the said bank as depositary thereof deed conveying all of the interest of the sellers of in and to said property and this agreement shall be instructions to said bank as to the disposition of said deed in escrow. In case the party of the second part shall pay the purchase price in full then and in such case the said depositary shall deliver said deed to the party of the second part but that in case the party of the second part shall be in default after notice, as herein setforth and a copy thereof is delivered to said depositary, then and in such case the said depositary shall hold the deed and redeliver same as instructed by the seller, or legal representative of the seller. It is understood that said depositary shall not in any way be responsible for damages or otherwise in case said deed shall be after the instructions of the seller delivered back to the seller.

It is mutually understood and agreed that all workings of the property shall at all times be open to the inspection of the party of the firstpart or their representatives.

All ore severed and left in the mine, stopes, on the dumps, or in the mill, and all tailings left from the operation of milling ore from the property, at any termination of this agreement shall be the property of the seller.

This agreement may be assigned but the party of the first part shall not be obligated to cause notice to be served on anyone interested in the property as such assignee, sublessee, unless the party of the first part has first been notified in writing of the

Columbia [illegible]ing Company, Inc.
By C.B.M.

name of such assignee or sublessee and his address. After any such name and address have been furnished the party of the first part, then first party shall be obligated to give notice only to such assignee or sublessee, personally or to anyone in charge of the property or by mail as hereinafter setforth.

Time is of the essence of this contract, and failure at any time on the part of the party of the second part, or his assigns, to fulfill any one of the conditions of this contract may be considered sufficient cause for the party of the first part to declare all the rights and privileges of the party of the sevond part, or his assigns, under this contract to have been forfeited; such forfeiture shall be declared by the party of the first part, his agent, legal representative or attorney delivering to the party of the second part, or to his assigns, notice in writing stating the reason or reasons for declaring such forfeiture; and, in event of the default continuing for thirty (30) days from the date of delivery of the Notice of Forfeiture to the party of the second part, or his assigns, then and only in that event, shall forfeiture take force and effect save and except that in the event the party of the second part has started to correct said default within said thirty (30) day period and a longer time to correct said default is required to complete it than said thirty (30) day period, a reasonable extension of said thirty (30) day period shall be allowed so that the party of the second part may correct said default; in which case the party of the second part for himself and for his assigns hereby agree that possession of the properties shall be promptly and peaceably surrendered to the party of the first part or his representatives and that all payments made on the property shall be forfeited to the party of the first part, or to his assigns, as reasonable rental for the time the party of the second part, or his assigns, have held the property under this contract, and as fully liquidated damages.

Notice shall be considered delivered by the party of the first part by depositing same in a United State Post Office addressed to the party of the second part at the address set forth in the beginning of this contract, postage prepaid unless the party of the second part is in possession of the property, at which time personal service may be made in lieu of mailing to anyone in charge of the property and in case personal delivery is made of such notice to the party of the second part or any assignee or sublessee then said notice shall be complete to the party of the second part and anyone claiming through or under him.

The party of the second part shall have the right to remove any and all machinery, equipment and tools, track and air pipe placed on or in the property by the party of the second part within sixty (60) days after the termination of this agreement. Otherwise, all machinery, equipment, and/or tools, track and air pipe will belong to the lessor. All buildings placed on the property shall belong to the lessor. This agreement and the terms thereof are subject to weather conditions which would make operations unreasonable and impossible. In case weather conditions would make it impossible or unreasonable to remove machinery within the said sixty (60) days, then the period of time will commence when weather conditions are permissible.

Each and every paragraph of this conyract shall extend to and bind the heirs, executors, administrators, and assigns of all parties hereto.

IN WITNESS WHEREOF, the parties have hereunto executed this instrument on the date herein first above written.

Edward C. Miles,
Party of the First Part.

C. B. Mitchell
Party of the Second Part.

Columbia Mining Company, Inc.
By C.B.M.

STATE OF MONTANA)
: ss
County of Lewis and Clark)

On this 24th day April in the year 1948 before me L.H.West, a Notary Public for the State of Montana, personally appeared Edward C. Miles, a single man, and C. B. Mitchell known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

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

L. H. West
Notary Public for the State of Montana residing at Helena, Montana.
My commission expires April 20th, 1951.

A S S I G M E N T.

Know all men by these presents, that I, C. B. Mitchell, of Helena, Montana, the trustee in a Declaration of Trust dated the 21st day of September, 1949, recorded in Book 34, Pages 95, 96, and 97 of the Records of Lewis and Clark County, Montana, do hereby sell, assign and transfer over and unto the Columbia Mining Company, Inc., a Montana Corporation, for and in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration all of my right, title, and interest in and to the hereinafter described leases and agreements.

Block Sixty-eight (68) of the original Townsite of the City of Helena; 96 Lode, Survey No. 4874, Patent No. 32702 in Sec. 36, T. 10 N., R. 4 W., Principal Meridian of Montana; Copper Cliff Lode Amended Certificate of Location of which is dated the 19th day of July, 1924, recorded in Book 24, of Lode Locations, at Page 315. of the Records of County Clerk and Recorder of Lewis and Clark County, Montana, said assignment being recorded in Book 46 at Page 525, in the office of said Recorder of Lewis and Clark County, Montana..

DIAMONDS HAMILTON WATCHES

S and M Jewelers

22 South Main Street

N. P. and G. N. Inspectors

Phone 1134-W

HELENA, MONTANA

BABE W. STONER
E. C. MILES

May 21st, 1951.

Columbia Mining Company, Inc.,
Helena, Montana,

Gentlemen:

Replying to your inquiry as to my knowledge of the history of the Copper Cliff Claim and its ore deposit, will state that I have some first hand information, and much other information which I acquired from M. L. Tompkins, of Helena, who owned the claim since 1904, until the time of his death in 1948. He had one heir, a daughter living in the State of Missouri, who inherited the Copper Cliff, along with certain placer claims owned by Mr. Tompkins elsewhere. I acquired the Copper Cliff from the daughter.

The discovery was at the apex of the hill on which the Copper Cliff is located. Considerable work was done here by Mr. Tompkins by hand methods. He drove a tunnel along a vein, from where it out-cropped, a distance of approximately three hundred feet. This tunnel is within twenty feet of the surface for practically its entire length, and the ore in it was derivative from a larger deposit at a lower depth, through a pipe, or chimney, that appeared in the back of the tunnel. All of the ore extracted from this tunnel was shipped, and it was extremely rich in values, the predominate metal being silver and copper, with some gold.

The chimney indicated to Mr. Tompkins the location of the main ore body, and caused him to enter with a cross-cut at right angles to his upper tunnel, on the north side of the mountain, and at a lower depth. The portal of the cross-cut is at approximately the side line of the claim, and about two hundred feet lower in elevation than the discovery, or upper, tunnel. This lower cross-cut was headed for the chimney in the upper tunnel, but at a distance of 180 feet it encountered a large body of ore of the same nature as that in the discovery tunnel. This ore was crossed by Mr. Tompkins, its width being approximately 30 feet. The cross-cut is in shale, and the ore contacts the shale on its north wall, and the lime formation on its south wall. The cross-cut does not extend to the chimney, lacking about 120 feet of arriving there. Mr. Tompkins did not live at the mine, and he sealed the portal of the cross-cut with a steel door set in concrete bulkheads, to prevent theft of high grade specimens and to keep the curious from inspecting his findings, during his absences. It is not accessible, due to cave-ins, and as much of it was on an incline it is logical to assume that much of the caved material slid to the bottom, and it does not appear practical or economical to reclaim it.

Mr. Tompkins did not make any extensive or practical effort to develope the property, confining its development to his own personal labor. Because of his inexperience in the business of operating a producing mine on a scale of any size, he had an aversion to contracting with any established mining company, and in consequence the property has not been opened or developed beyond the work described above. Mr. Tompkins made intermittent shipments of ore, all of which he mined himself by hand methods. The ore body is of extremely high grade, and was permeated with veins of almost pure copper. I cannot give you exact figures on Mr. Tompkins' smelter returns, for he kept no records, and such papers he may have had at the time of his death, are probably in the hands of his daughter. However, I do know, that as long as he was physically able to work, he made sufficient to provide his living expense and to acquire several lots with small houses on them in the city of Helena, from the proceeds of his shipments.

I knew Mr. Tompkins since 1925, and at the time of his death, he was about eighty-five years of age.

Very truly yours,

E C Miles

M

E. C. MILES.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 4 - 1951
LANDON F. STROBEL
Executive Secretary

COLUMBIA MINING COMPANY
APPLICATION FOR EXPLORATION AID

Exhibit A

Project and Time

It is proposed to drive an adit 600 ft. on the vein the entrance of which will be 30 ft. above the floor of Last Chance Gulch and whose dimensions will be 6' X 7'. Estimated time - 6 months.

Estimated Costs

Labor	$7,200.00
Supervisor	2,400.00
Equipment	9,690.00
Rental of Equipment	800.00
Rental of Owner's Equipment	600.00
Miscellaneous	4,304.00
	$ 24,994.00

COLUMBIA MINING COMPANY
APPLICATION FOR EXPLORATION AID

Exhibit B

No additional repairs to facilities, buildings, installations, or fixtures.

COLUMBIA MINING COMPANY
APPLICATION FOR EXPLORATION AID

Exhibit C

Operating Equipment

To be Rented.

1 Bulldozer	$	800.00

To be Purchased.

600 ft. 2" Airline	360.00
600 ft. 1" & 3/4"Water Line	180.00
1 Airline receiver tank	100.00
1 Water pressure tank	80.00
100 ft. Hi-pressure air hose	80.00
100 ft. Hi-pressure water hose	60.00
2 Transformers (Purchased by Power Company) assorter connections and fittings	100.00
1 Drill Machine (wet)	700.00
1 Jack hammer (used)	150.00
1,000 Drill bits	400.00
1 Line oiler	30.00
Assorted shop pipe tools	50.00
1 Pick-up 1/2 ton truck (used)	1,200.00
1 Electric compressor (on rental purchase basis 315 CF capacity)	3,000.00
1 Mucking machine (on rental purchase basis)	2,800.00
Mine timber	400.00

To be furnished by operator

Mine cars, track, air line, pumps, etc.	600.00

COLUMBIA MINING COMPANY
APPLICATION FOR EXPLORATION AID

Exhibit D

Labor

4 Miners and Trammers @ $48.00 per shift (Work will be done by contractor for labor only at $12.00 per foot)	$7,200.00

Supervision

1 Supervisor @ $400.00 per month	$2,400.00

COLUMBIA MINING COMPANY
APPLICATION FOR EXPLORATION AID

Exhibit E

Miscellaneous

Power and water	$ 660.00
Industrial Accident Insurance, Social Security Tax, Unemployment Tax	1,104.00
Removal of pumps, mine rail, air and water pipe from old drift placer workings	500.00
Powder-Drill sharpening, incidental	2,040.00

EXHIBIT A

Performance of Work

This project involves the exploration of a copper deposit known as The Copper Cliff property located in the County of Lewis and Clark, Helena Mining District. Copper mineralization has been found in a 300-foot long tunnel near the crest of a ledge on the Copper Cliff Lode claim. This mineralization occurs along a series of transverse fractures leading away from the contact of the Pilgrim dolomite and Park shale. The main ore bearing zone on this property occurs at the contact of the Pilgrim dolomite and Park shale. Inaccessable workings about 200 feet below the tunnel (near the crest of the ridge) is reported to have encountered strong copper mineralization, from which ore shipments were made. This exploration work will be done to explore for the downward and lateral extension of this mineralization and along the contact of the Pilgrim dolomite and Park shale, (see attached maps.). Because of the indicated thick mantle of overburden, this project is to be done in two stages: Stage No. 1 will consist of cleaning off(by tractor with dozer blade) this mantle of overburden so that the most favorable tunnel portal site can be determined. Stage No. 2 will consist of driving a 600-foot long tunnel (7.5 x 6 feet in cross section size) to explore along the vein and the contact of the Pilgrim dolomite and Park shale for the extension of the copper mineralization found above. The tunnel portal site and direction this tunnel is to be driven, is to have the prior written Government approval. Stage No. 1 to be completed within one month and Stage No. 2 to be completed within four months.

Estimated Cost of Project

Stage No. 1

Tractor with dozer blade rental @ $12.00/hr., 64 hrs.	$768.00
Tractor transportation to and from job	32.00
Total cost Stage No. 1	$800.00

Stage No. 2

Equipment to be purchased	$ 9,360.00

Labor @ $12.00/foot of TUNNEL - 600 feet		$ 7,200.00
Supervision 5 months @ $400.00/mo.		2,000.00
Owners equipment allowed monthly rental, 6 mos. @ $41.80/mo.		250.80
Miscellaneous expense-tunnel timbers, sample analysis, explosives and other miscellaneous supplies		4,707.00
Total cost of Stage No. 2	23517.80	~~$23,514.80~~
Total cost of Project	24317.80	~~$24,314.80~~

Fixtures and Improvements

None

Operating Equipment

To be purchased:

	700 feet, 3" diam BI pipe (air line) plus fittings	$ 475.00
	700 feet, 1" diam BI pipe (water line) plus fittings	135.00
	1 Air receiver	100.00
	1 Water pressure tank	80.00
	100 feet of air hose with fittings	80.00
	1000feet of water hose with fittings	60.00
	1-air line oiler	30.00
	2-Electric transformers,connections, fittings, etc.	100.00
	1-3" or 3½" drifter rock drill (wet head)	700.00
	1-Jackhammer rock drill (used)	150.00
	800 detachable bits @ $0.40 each	320.00
	Drill steel for drifters and jackhammer	80.00
1/	1 Pickup truck ½ tons(used)	1,200.00
	Small tools	50.00
	1 - 315 cfm electric-driven compressor on rental purchase basis	3,000.00
	1 Mucking machine on rental purchase basis	2,800.00
	Total equipment purchase cost	$9,360.00

1/ To be allowed if approved by Government Engineering Field Team.

To be furnished by operator:		Fair Market Value
	3 - 16 cu. ft. mine cars @ $300.00 each	$ 900.00
	900 feet mine track 20 pound rail with ties, fish plates, ~~bars,~~ ~~and~~ spikes, etc. @ $1.12/ft.	1,008.00
	400 feet 2" diam. BI pipe with connections @ $0.31/ft.	150.00
	1-Water tank 100 gallon capacity	50.00
	1 - 2" diam pump for water, approximate size 150 G.P.M. capacity 150 ft. head with connections and electric motor drive.	400.00
	Total equipment value	$2,508.00

$2,508 depreciated over a period of 60 months (5 years)

$\frac{2508}{60 \text{ mos.}}$ = $41.80 monthly rental allowed.

To be rented:

1/	1 Tractor with dozer blade @ $12.00/hr, 64 hrs.	$768.00

Tractor transportation to and from site	$ 32.00
Total rental cost	$800.00

1/ Cost/hour includes cost of operator, all supplies and repairs-rate is for actual operating time.

Labor and Supervision

1/ 1 Engineer-working foreman @ $400/mo.
4 Miners @ $12.00/8 hrs. day

1/ Engineer foreman will direct the work, do the necessary mapping, sampling, surveying, and prepare all reports.

Rehabilitation and Repairs

None

G E O L O G I C A L R E P O R T

COPPER CLIFF MINING CLAIMS

HELENA MINING DISTRICT

COLUMBIA MINING COMPANY, INC.
HELENA, MONTANA

By
Charles H. Massey,
Consulting Geologist,
Billings, Montana,
Aug. 2, 1950.

GEOLOGICAL REPORT

COPPER CLIFF MINING CLAIMS

HELENA MINING DISTRICT

Helena, Mont.
Aug. 2, 1950

Columbia Mining Company, Inc.,
Helena, Montana.

Gentlemen:

Pursuant to your instructions, I herewith submit my report on your Helena Copper Cliff Mining Claims:

LOCATION

These properties are adjacent, on the south, to the city of Helena, Montana, at the head of Last Chance Gulch, and a little below the confluence of Grizzly and Orofino Gulches, in Section 36, Township 10 North, Range 4 West, M.P.M., in the Helena Mining District.

SCOPE OF THIS REPORT

After spending a week tracing out formations, faults, the metallic lodes of silver and copper ore, for which these two claims were taken, and tracing of contacts, together with some time spent studying the Helena Mining District in general, my conclusions follow:

The copper and silver lodes herewith considered, cross one of the claims lengthwise, and cross a portion of the other claim, giving ample area and potential tonnage for a major mining project.

This assumption is based upon evaluation of the exposures found and examined and measured that carry the highly mineralized lode veins of copper and silver, from which samples had previously been obtained.

COPPER CLIFF MINING CLAIMS

Mr. C. B. Mitchell, a mining Engineer and mine operator, accompanied the writer, at an earlier date, in collecting representative samples, and together we took them to the assay office and had them assayed. The returns from these assays compare very favorably with other rich mining districts of like character around the rim, or edge of the Boulder Batholith.

GEOLOGY

The geology of the Helena Mining District is typical of most of the mining districts due to the Boulder Batholith; to mention only a few -- the Lincoln, Marysville, Winston, Elliston, Rimini, Wickes, Boulder-Basin, and Elkhorn Districts.

These districts differ more in degree than they do in character, since all of them are a result of enrichment precipitated and deposited from the metallic juices and gases that escaped from the Boulder Batholith.

The profuse faulting around the rim, or edge of the batholith formed net-works through which the escaping gases and circulating hot mineralized waters cooled, and precipitated their minerals.

The intrusive contacts of rhyolite and other magma that broke through the overlying Paleozoic and Mesozoic rocks, consist of limes, quartzites, shales and other sedimentary formations, which make ideal repositories for the metals we now find.

Undoubtedly, a great lapse of time ensued before the batholith cooled. In the process of the magma mass crystallizing, and its segregation, and consequent contraction, the escaping gases and liquids were forced out of the uplifted batholith.

COPPER CLIFF MINING CLAIMS

The stresses and strains radiating out into the overlying and surrounding formations, while the batholith was in the process of formation, produced many fault zones, dikes, sills, laccoliths, bendings and warpings of the formations surrounding the batholith, which zones are now the present mining districts.

The circulating hot waters and gases carried the necessary chemical reagents that dissolved channel-ways in the rocks, and at the same time precipitated and deposited silica, etc., and metallics. However, several periods of mineralization are evident, indicating active, and inactive geological periods, which partially explain some of the divergent ways, and kinds of mineralization.

It is not the purpose of this preliminary report to elucidate upon the technicalities of ore deposition, since there are many and devious explanations of causes and effects. This will be gone into more fully by the writer in his general report, now in the process of preparation, to be submitted at a later date.

In considering any mining district adjacent to, or on the Boulder Batholith, or having resulted from it, one must of necessity make his deductions with relation to the other districts of like character, correlate his findings, and predicate his conclusions upon the general pattern from the known to the unknown, and where a principle prevails with a given known result, a like condition can be expected to produce a like result, all other things being equal.

Therefore, it is logical to assume from the surface indications of the Copper Cliff Claims that they follow the general pattern of the other mining districts of the Boulder Batholith, and that mineralization will have occured in

in like manner. This being our conclusion, we shall then have to assume that the ore, with its copper and silver content, can be expected to increase both in quality and quantity with depth. For the copper and silver lodes now exposed at the surface on Copper Cliff give every indication of having come from a deep-seated source-rock, and that the source-rock, of this location, can hardly be any other than the Boulder Batholith.

The Boulder Batholith, an area well known to most mining men, is roughly 40 miles in width and 70 miles in length. Its southern extremity is the Highland Mountains south of Butte; it extends north to Helena; and its eastern outline is marked by the East Ridge, the backbone of the continental divide; the western outline is in the edge of the Deer Lodge Valley. Within this area is the highly mineralized zone comprising the locale of the principal mines of Montana.

It will be noted on the map herewith attached, the location of these claims is practically in the center of the Helena Mining District, and in conformity with the horizons of the other mining districts, above mentioned, and of like character and geological parallels; and should produce results comparable to any other mines on, and around the batholith.

Respectfully submitted,

Charles M. Massey

Charles M. Massey,
Consulting Geologist,
Billings, Montana.

DEPARTMENT OF THE INTERIOR
Bureau Mines Administration
RECEIVED
JUN 4 - 1951
LAURA F. STUDEL
Executive Secretary

Government Copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

SETTLEMENT AGREEMENT

This Agreement, made and entered into this 29th day of May, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Columbia Mining Company, Inc., a corporation, hereinafter called the "Operator," relates to and is in settlement of that certain contract dated October 3, 1951, Docket No. DMA-1535X, Contract Idm-E169, between the same parties, hereinafter called the "Exploration Contract," and

WITNESSETH THAT:

WHEREAS, certain items of equipment were purchased under installment or rental-purchase contracts to the cost of which the Government contributed, but the Government's equity in which at the time of termination of the Exploration Contract was of no value; and

WHEREAS, cash purchases (as distinguished from installment and rental-purchase agreements) under the Exploration Contract to the cost of which the Government contributed were limited to certain items of materials and supplies; and

WHEREAS, at the date of the termination of said contract by the Government, July 25, 1952, there was and still is due the Operator from the Government, on account of the Government's contribution to the costs then accrued, the sum of $389.84;

NOW THEREFORE, it is agreed as follows:

1. The Government hereby waives all its right, title, interest, and equity in any and all materials, supplies, equipment, or contracts for the purchase of any of them.

2. Any and all obligations of the Government to the Operator under or arising out of the Exploration Project Contract, including said sum of $389.84, shall be and are hereby declared to be fully satisfied, the same as if paid in full by the Government.

3. The said Exploration Contract, and all rights and obligations of the parties thereunder, shall be and are hereby fully settled, liquidated, satisfied, and terminated.

IN WITNESS WHEREOF, the parties have executed this Settlement Agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mitchendorf
Administrator, Defense
Minerals Exploration
Administration

COLUMBIA MINING COMPANY, Inc.

By L. B. Mitchell - Sec. Treasurer.

By _____

Wash.

UNITED STATES

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1952 Docket No. DMEA 26552 Contract No. [illegible]

Operator's Name Columbia Mining Company, Inc. Mine or Project Hogsear

Address 504 Liccer Hotel Bldg., Helena, Mont.

Contract Amount $ 24,317.80 Government Participation: 50 % Amount, $ 12,158.90

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts:						
Drilling	199.50	1247.75	1447.25	199.50	1247.75	1447.25
Bulldozing		1122.50	1122.50		1122.50	1122.50
Crosscutting						
Drifting						
Casing Drill Hole	87.50	none	87.50	87.50		87.50
(2) Labor and Supervision:						
Labor	323.00	4208.29	4531.29		4208.29	1992.25
Supervision				2538.28		2538.28
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		414.18	414.18	40.31	414.18	454.49
Explosives		850.20	850.20	-0-	850.20	850.20
Other Supplies		2113.38	2113.38		2113.38	617.24
Track				578.15	-0-	591.15
Power	75.83	367.78	443.61	75.83	367.78	443.61
Pipe + Fittings				592.24		592.24
(4) Operating Equipment:						
Rental		2800.00	2800.00	-0-	2800.00	2800.00
Purchase		1964.75	1964.75	119.40	1964.75	2084.15
Depreciation		60.00	60.00	-0-	60.00	60.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment				138.04		138.04
Sampling and Analysis				9.00		9.00
Payroll Taxes Accident	25.34	208.92	234.76	6.59	208.92	215.51
Liability Insurance				-0-	-0-	
Unemployment Tax		129.90	129.90	-0-	129.90	129.90
Social Security	67.96		67.96	67.91	-0-	67.91
(8) Contingencies (specify)						
Totals	779.63	5482.65	16267.28	753.57	15487.65	16,241.22

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

Date 8-14-52 Name Columbia Mining Company, Inc

For C. B. Whitehead Its Secretary

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

NOTE.—Title 18, U. S. Code, Section 101, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

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

$ No payment made. See credit report. Contact 8/31/53

Authorized Disbursing Officer

Date 9/2/53

Title

Settlement agreement cancelled (can't due operator.

Operator did not send enough copies of MT-104 & MT-104A.

Signed by E. A. Erickson M. Eng. 9/21/53
& P. E. Howard M. Eng. 9/21/53

Form M[illegible]
(Apr[illegible])

[illegible] expires

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1952 Docket No. DMEA 1536x Contract No. [illegible]
Operator's Name Columbia Mining Company, Inc. Minerals [illegible]
Address 906 Flower Hotel Bldg., Helena, Mont.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.	none	none	10,405.44	241	43.00	600	22.587
Crosscutting								22,588
Raising								
Shafts								
Winzes					287			
Drilling: Core	Ft.	824.17	42	1,871.92	307	6.022	300	4.75
Coring	Ft.	37.50	250	37.50	250	.15	300	.35
Auger				1,959.42				
Stripping Dozing		none	none	1,122.50	1,122.50			1,122.50
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								

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

Date [illegible] Operator [illegible]

By [illegible] Title President

Remarks: Joint venture for [illegible] accounting

Site

NOTE—Title 18, U.S. Code (Criminal Code), section 1001, provides a criminal offense to make or cause to be made any false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. DMA-380

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

Voucher prepared at Albany, Oregon 9/18/52
(Give place and date)

PAID BY

(For use of Paying Office)

THE UNITED STATES, Dr., Payee's Account No. Idm-I 169

To Columbia Mining Company, Inc.,
(Payee)

604 Placer Hotel Bldg., Helena, Montana
(Address) (City) (State)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms net	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	June 1952	As per attached certified form MF-104 dated July 26, 1952				995	50
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	995	50

(Payee must NOT use this space)

Differences .....

Account verified; correct for 995 50

(Signature or initials) .....

Contract No. Idm-I 169 Date Req. No. Date Invoice Rec'd.

995.50

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	995.50	995.50

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

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

16—2290

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

16—22900a-2

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. DMA-298

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

Voucher prepared at Albany, Oregon 7/11/52
(Give place and date)

PAID BY

(For use of Paying Office)

THE UNITED STATES, Dr., Payee's Account No. Idm-E 169

To Columbia Mining Company, Inc.
(Payee)

604 Placer Hotel Bldg., Helena, Montana
(Address) (City) (State)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Term net	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	May 1952	As per attached certified from MF-104 dated June 14, 1952				336	48
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	336	48

(Payee must NOT use this space)

Differences .....

Account verified; correct for 336 48

(Signature or initials) .....

Contract No. Idm-E 169 Date Req. No. Date Invoice Rec'd.

336.48

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	336.48	336.48

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

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

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

16—22900a-2

Form [illegible]04 (Rev.) (1952)

Wash

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1952 Docket No. DMEA 1535V Contract No. Idm-E169

Operator's Name Columbia Mining Company, Inc. Minerals Copper

Address 604 Placer Hotel Bldg. Helena-Mont.

Contract Amount, $24,317.80 Government Participation: 50 % Amount, $12,158.90

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent ~~Short Form~~ Contracts:						
Drilling	1247.75	none	1247.75	Do	Do	Do
Bulldozing	✓	1122.50	1122.50	✓	✓	✓
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	400.00	3808.29	4208.29	✓	✓	✓
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	✓	414.18	414.18	✓	✓	✓
Explosives	✓	850.20	850.20	✓	✓	✓
~~Pipe~~ Supplies	✓	2108.38	2108.38	✓	✓	✓
Track						
Power	128.08	239.20	367.28	✓	✓	✓
(4) Operating Equipment:						
Rental	✓	2800.00	2800.00	✓	✓	✓
Purchase	76.05	1888.70	1964.75	✓	✓	✓
Depreciation (3 Mine Cars)	15.00	45.00	60.00	✓	✓	✓
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes (Accident)	41.65	167.27	208.92	✓	✓	✓
Liability Insurance						
Unemployment Compensation	82.48	47.42	129.90	✓	✓	✓
(8) Contingencies (specify):						
				91		82
TOTALS	1991.01	13,491.64	15,482.65	~~19~~ 1901	13491.64	~~1546~~ 15483.82

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

Date 7-26-52 *Payee Columbia Mining Company, Inc.

Per C. B. Mitchell Title Secretary

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

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

(Instructions on reverse)

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

$ 995.50

Signature [illegible]
(Authorized Certifying Officer)

Date 9/17/52 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-169 in accordance with the terms of the contract.

Signature D.L. Irving Title Mining Engr. Date 8/5/52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Thomas E. Howard Title Mining Engr Date 8-5-52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form [illegible]64A
(Apr[illegible]2)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1952 Docket No. DMEA 153 5 X Contract No. Idm-E169
Operator's Name Columbia Mining Company, Inc. Minerals Copper
Address 604 Placer Hotel Bldg. Helena, Mont.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Ft.	none	none	10485.44	241	43.50	600	22.587
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Ft.	1247.75	245	1247.75	245	5.092	300	4.75
Churn								
Auger								
Stripping Dozing Portal	$	none	none	1122.50	1122.50	1122.50	1122.50	1122.50
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

Date 7-24-52 Operator Columbia Mining Company, Inc.

Per C. B. Mitchell Title Secretary

REMARKS: Unit Costs for Drilling include Cementing.

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

(Instructions on reverse)

(For Government use only)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 23 1952

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

COLUMBIA MINING COMPANY, INC.
604 PLACER HOTEL BUILDING
HELENA, MONTANA

July 26th, 1952.

DMEA Field Team, Region II.
Spokane, Washington.

Gentlemen:

Drilling of the AX diamond drill hole got under way about June 2nd, and proceeded through Park shale for approximately 100 feet, without much ravelling, but at that point, considerable ravelling occurred. Cementing commenced at intermittent locations until at a depth of 220 feet a total of 84 feet of cementing had been placed.

It is the opinion of this writer that the size of the drill rods used had something to do with this ravelling. The contractor substituted B rods, for the A rods, continuing to drill an AX hole. It was apparent that the increased vibration of the rods because of the increased space between the walls of the hole and the revolving rods aggravated the tendency to ravel, although this does not mean that cementing was not necessary or could be eliminated entirely.

At a depth of 198 feet a water course was encountered, which the driller was unable to seal, with cement, and from there on, no water return was had, with the consequent loss of the sludge samples. Drilling was continued, however, with water being pumped through the rods, the return of which was apparently interrupted by the water course. In the light of later developments, this water course is located at the contact between the Meagher lime and Park shale.

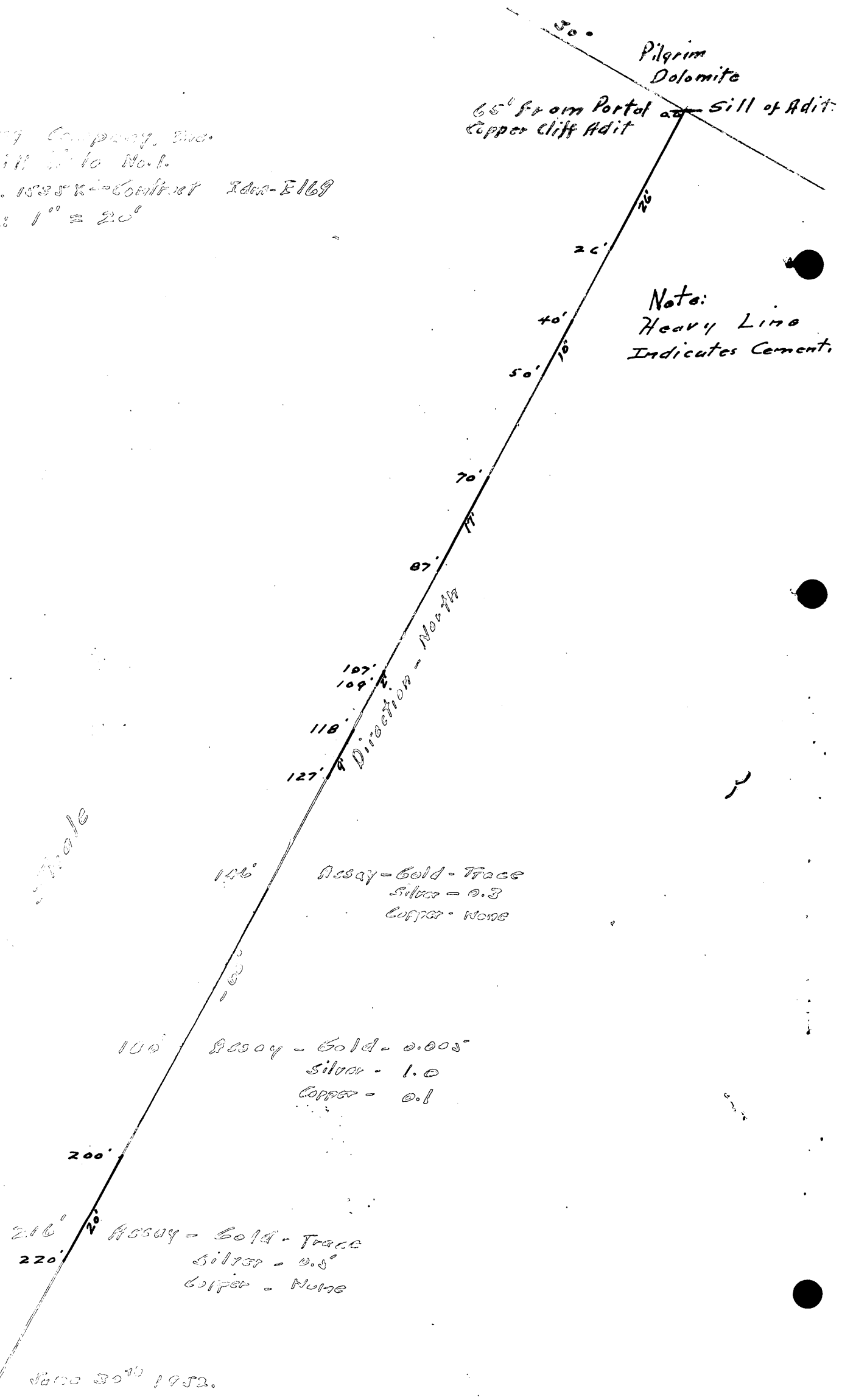
From a depth of 135 feet to 198 feet the formation of rock contained both shale and Meagher lime. Below the depth of 198 feet all of the core reacted to acid test for lime.

Yours very truly,
Columbia Mining Company, Inc.

By C. B. Mitchell Sec.

m

Columbia Mining Company, Inc.
Diamond Drill Hole No. 1.
DDH Report No. 1535X-Contract Idaho-E169
Scale :: 1" = 20'



Depth 215' Nov 30th 1952.

F-104 (Rev.
1 1952)

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

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

Wash

Month of May, 1952 Docket No. DMEA 1535X Contract No. Idm-E169
Operator's Name Columbia Mining Company, Inc. Minerals Copper
Address 604 Placer Hotel Bldg.-Helena-Mont.
Contract Amount, $24,317.80 Government Participation: 50% Amount, $12,158.90

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
Independent						
(1) ~~Independent~~ ~~Short Term~~ Contracts:						
Drilling						
Bulldozing	✓	1122.50	1122.50			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	498.00	3310.29	3808.29			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	✓	414.18	414.18			
Explosives	✓	850.20	850.20			
~~Pipe~~ Supplies	✓	2113.38	2113.38		2,108.38	
~~Track~~						
Power	56.03	183.67	239.70			
(4) Operating Equipment:						
Rental	✓	2800.00	2800.00			
Purchase	76.05	1812.65	1888.70			
Depreciation (3 Mine Cars)	15.00	30.00	45.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes (Accident	27.89	139.38	167.27			
Liability Insurance						
Unemployment Compensation	✓	47.42	47.42			
(8) Contingencies (specify):						
TOTALS	672.97	12,823.67	13,496.64	672.97	12,818.67	13,491.64

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

Date 6-14-52 *Pay Columbia Mining Company, Inc.

Per C. B. Mitchell Title Secretary

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

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

(Instructions on reverse)

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

$ 336.48

Signature WR
(Authorized Certifying Officer)

Date 7/11/52 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-169 in accordance with the terms of the contract.

Signature Eric D. Erickson Title Engr. Date 7-9-52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Glenn A. Reed Title Mng. Engr. Date 7/9

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

F-104A
(1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1952 Docket No. DMEA 153 5-X Contract No. Idm-E169
Operator's Name Columbia Mining Company, Inc. Minerals Copper
Address 604 Placer Hotel Bldg. Helena-Mont.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	F.t.	596.92	15	10,485.44 ⊗	241	43.50	600	22.587
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping & Dozing Portal	#	None	None	1,122.50	1,122.50	1,122.50	1,122.50	1,122.50
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		596.92		11,607.94				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		76.05		1,888.70				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		672.97		13,496.64				

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

Date 6-14-52 Operator Columbia Mining Company, Inc.

Per C. B. Mitchell Title Secretary

REMARKS: 953.90 of 596.92 was spent preparing for steel down and diamond drilling
⊗ Includes inventory of supplies.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

Department of the Interior
Defense Materials Administration
JUL 15 1952

Contract Idm - E169

COLUMBIA MINING COMPANY, INC.
604 PLACER HOTEL BUILDING
HELENA, MONTANA

June 1st, 1952.

DMEA Field Team,
Region II.

Gentlemen:

Advancement of the adit on the Copper Cliff Claim ceased on May 3rd, pending the outcome of negotiations relative to a diamond drilling program.

A contract was let to Walter Riddock, of Helena, Montana. His apparatus was installed in the last week of May, for the purpose of drilling an Ax diamond drill hole to a depth of 300 feet, cross sectioning the Park Shale to the North, of the Park Shale and Pilgrim Dolomite contact.

Some difficulty was encountered in collaring the hole because of the failure of cement to set up. By experimenting with different mixtures, the drillers finally succeeded in obtaining a solid collar.

The equipment is in good condition, and the operators appear to know their business. A small amount of ravellig occurred in the first few feet, but nothing of a serious nature.

Yours very truly,
Columbia Mining Company, Inc.

m

BY C. D. Mitchell Sec.

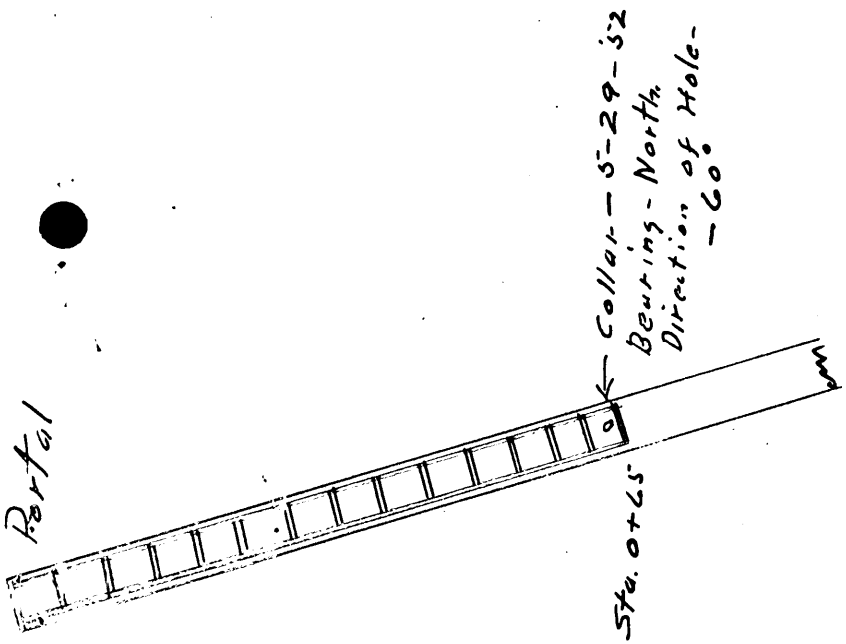
Contract Idm-E 169

Columbia Mining Company, Inc.

Scale :: 1" = 20'

Copper Cliff Adit

Location of
Diamond Drill Hole No. 1.



MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 169

Name of Operator Columbia Mining Company, Inc.
Docket No. DMA 1535X
Total Contract Amount $ 24,317.80
Government Participation: 50 % Amount, $ 12,158.90
Distribution of Expenditures for Month of April - 1952

163994

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

JUN 20 1952

CERTIFICATION

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

Columbia Mining Company, Inc.
(Name of Company)

By C. B. Mitchell
(Signature of Authorized Official)

5-12-1952
(Date)

Sec.-Treas.
(Title)

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

16--64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]	76.05	1736.60	1812.65			
(b) Rented[2]		2800.00	2800.00			
(c) Furnished by operator 3 Mine Cars	15.00	15.00	30.00			
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

16—64068-3

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	1527.00	1783.29	3310.29			
5. Supervision						
6. Supplies						
(a) Timber	24.00	390.18	414.18			
(b) Explosives	347.35	502.85	850.20			
(c) Repair Parts & Supplies	962.72	1150.66	2113.38			
(d) Other						
7. Power	140.97	42.70	183.67			
8. Transportation						
9. Insurance						
(a) ~~Fire~~ Industrial Accident	139.38	none	139.38			
(b) Public Liability						
(c) Workmen's Compensation	47.42	none	47.42			
10. Contract Work						
11. Other (specify) Dozer Hire		1122.50	1122.50			
Total	3279.89	9543.78	12823.67			
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date	✓	✓	✓			

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by W. R. Lee
Entered by
Approved by Eric G. Erickson
Amount approved for payment $ 1639.90
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF .....

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	1527.00	76.05	1334.07	342.77	3279.89	Ft.	187	54	241	600
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1527.00	76.05	1334.07	342.77	3279.89	Ft.	187	54	241	600

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

COLUMBIA MINING COMPANY, INC.
604 PLACER HOTEL BUILDING
HELENA, MONTANA

May 12th, 1952.

BMM Field Team - Region II,
Spokane, Washington,

Gentlemen:

The adit on the Copper Cliff Claim, BMM Project No. 1535n, Contract No. 16n-3166, now extends 201 feet from the portal. In following the contact between the Park Shale and the Pilgrim dolomite, it has achieved at that point a total of 50 degrees turn to the left.

The contact has not widened, and no ore has appeared of commercial value. There is a copper mineralization showing in favorable bedding in the dolomite, along with fractional ounces of silver and traces of gold.

Pending the exploration of the Park Shale by diamond drilling, as now agreed upon between the BMM and this company, no advancement is being made of the adit.

The company has entered into a contract with W.J.Maddock of Helena, Montana, to drill said hole and extract a core to conform with specifications stipulated in the Amendment No. 4 to Contract 16n-3166.

Yours very truly,
Columbia Mining Company, Inc.,

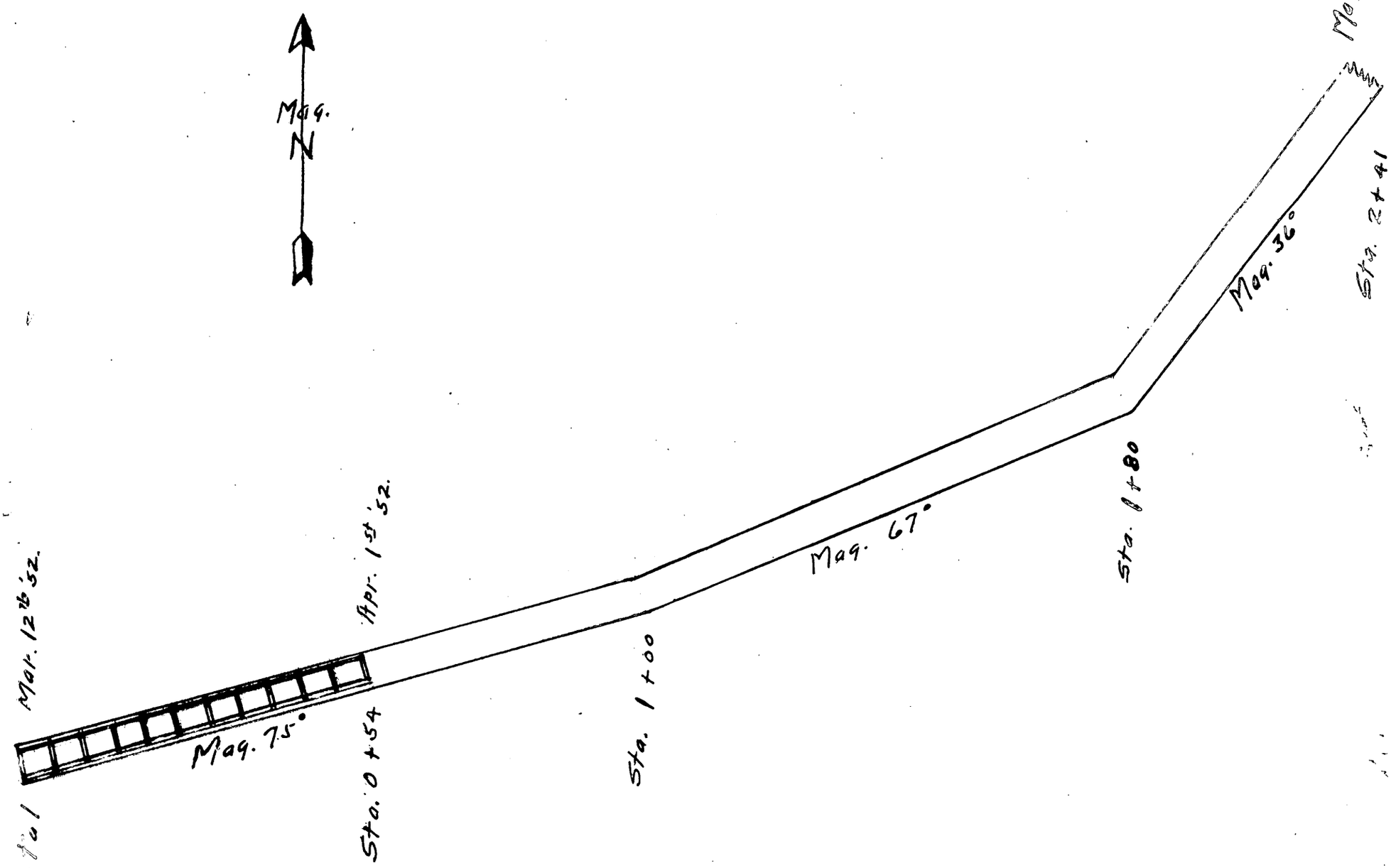
By C. B. Mitchell Sec.

Contract 1000-E 169

Columbia Mining Company, Inc.

Copper Cliff Adit.

Scale:: 1" = 20'



MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 169

Name of Operator Columbia Mining Company, Inc.
Docket No. DMA 1535-X
Total Contract Amount $ 24,317.80
Government Participation: 50 % Amount, $ 12,158.90
Distribution of Expenditures for Month of March - 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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

Columbia Mining Company, Inc.
(Name of Company)

By C. B. Mitchell
(Signature of Authorized Official)

4-15-52
(Date)

Sec-Treas.
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]	201.05	+ 1660.55	1861.40	+ 76.85		
(b) Rented[2]		2800.00	2800.00			
(c) Furnished by operator Mine Car 20 Cu. ft.	15.00 ✓	none	15.00			
3. Rehabilitation and Repairs:						
(a) Facilities Repairs on Mine Cars ½ Ton Trucks Air Receiver	118.92	X none	118.92	0	+ 0 6(C)	
(b) Buildings						
(c) Installations	373.04	none	373.04	0		

16—64068-3

Cont. Idm-E169

COLUMBIA MINING COMPANY, INC.
604 PLACER HOTEL BUILDING
HELENA, MONTANA
April 15th, 1952

U S Bureau of Mines,
DMMA Division, Region II,
Spokane, Washington:

As of April 1st, the adit on the Copper Cliff was 57 feet; as of this date the adit is at 156 feet.

Timbering ceased at 55 feet.

We are following the contact between the shale and dolomite, but in order to stay on it, the tunnel has to keep bearing to the left. The present bearing is magnetic 60°.

At 151 feet a small gold and silver lead was crossed, dipping approximately 10 degrees west of North. It is 18 inches in width. Assays on this lead were sent in today, but have not received the returns as yet.

All assays to date show a small amount of gold, silver, and traces of copper. All of these are increasing, as advance is made, but to date are not of commercial value. Each advance, round by round, shows increased mineralization, and lead matter.

On April 4th, we commenced double shifting, and are using steel up to seven feet. Each round pulls on the average between six and six and one half feet.

The dolomite is hard, and requires more powder now than it did to commence with, nearer the portal. The shale tends to overbreak, and the adit is wider than is necessary, but is being pulled in.

The equipment is functioning properly, and we have had no trouble getting rail and pipe supplies for our needs.

Yours very truly,
Columbia Mining Company, Inc

By C B Mitchell Sec.

D

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	1101.19 ✓	682.10	1783.29			
5. Supervision						
6. Supplies						
(a) Timber	315.93 ✓	74.25	390.18			
(b) Explosives	326.25 ✓	176.60	502.85			
(c) Repair Parts & Supplies	653.03 ✗	378.71	1031.74	771.95		
(d) Other						
7. Power	42.70 ✓	none	42.70			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation						
10. Contract Work		1122.50				
11. Other (specify)						
Total	3147.11	~~5772.01~~	8919.12			
Deletions						
Adjusted totals						
Totals previously reported		5772.01				
Totals to date		6894.71	8919.12	2694.91	6894.71	9543.79

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by W R Lee
Entered by
Approved by Eric G. Erickson
Amount approved for payment $1324.53
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF .....

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	1101.19	201.05	1295.21	549.66	3147.11	Feet	54	none	54	600
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1101.19	201.05	1295.21	549.66	3147.11	Feet	54	none	54	600

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 169

Name of Operator Columbia Mining Company, Inc.
Docket No. DMA 1535X
Total Contract Amount $ 24,317.80
Government Participation: 50 % Amount, $ 12,158.90
Distribution of Expenditures for Month of February 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

APR 2 - 1952

CERTIFICATION

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

Columbia Mining Company, Inc. (Name of Company)

By C. D. Mitchell (Signature of Authorized Official)

March 14th 1952 (Date)

Secretary (Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]	76.05	1584.50	1660.55			
(b) Rented[2] Elmco Loader	1200.00	1600.00	2800.00			
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	369.20	312.90	682.10			
5. Supervision						
6. Supplies						
(a) Timber	74.25	none	74.25			
(b) Explosives	176.60	none	176.60			
(c) Repair Parts & Supplies	255.21	123.50	378.71			
(d) Other						
7. Power						
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation						
10. Contract Work						
11. Other (specify)	630.50	492.00	1122.50			
Dozer work on overburden to expose shale and dolomite contact at Portal						
Total	2281.81	4112.90	6894.71			
Deletions						
Adjusted totals						
Totals previously reported		4112.90				
Totals to date			6894.71			

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Eric G. Ericsson
Amount approved for payment
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF _____

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	369.20	1276.05	506.06		2151.31	Foot	none	none	none	6 000
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden Dozer		630.50			630.50	hrs.	14 @ 12.00 27 @ 12.50	41	92	
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	369.20	1906.55	506.06		2781.81					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

Cont. Idm E169

COLUMBIA MINING COMPANY, INC.
604 PLACER HOTEL BUILDING
HELENA, MONTANA

March 1st, 1952.

Defense Minerals Administration.

Gentlemen:

The removal of the overburden at the portal of the adit on the Copper Cliff Claim has been completed.

The contact between the shale and the Pilgrim dolomite has been exposed, which shows a dip to the south and west of approximately 45 degrees. Mineralization appeared at a point higher than the depth to which the overburden was removed, showing copper, silver, gold. This mineralization at that point was five feet in width. The assay of this showed: gold,0.005; silver, 0.5; copper, trace.

The portal of the adit has been located at 65 feet above the level of the bottom of the Last Chance Gulch, on company property, at the point designated on the accompanying sketch. The face of the portal entry was blasted to square it up for the entry timber sets, and showed both the shale and dolomite to be in place. The bearing of the adit will be approximately due east, at that point. Once under the ground, it will probably be turned a few degrees to the north, as exposure of the contact higher on the mountain indicates.

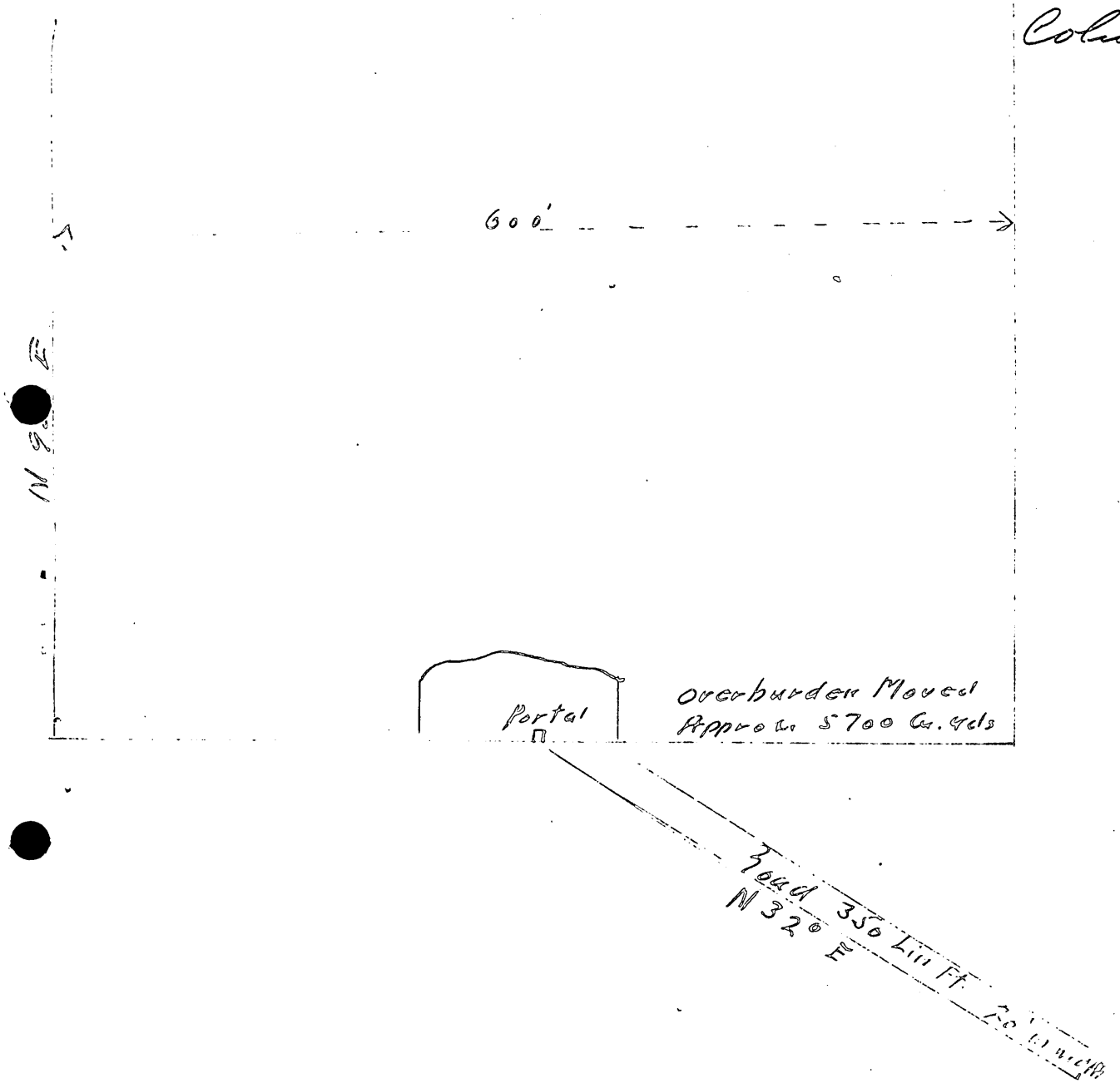
The elevation of the portal with reference to the elevation of the mountain summit will establish a back of 350 feet above the adit level. The total of cubic yards moved to establish a landing area, exposure of the shale and dolomite contact, and the connecting road from the canyon bottom to the portal is approximately 5700.

All mining machinery necessary for the prosecution of this work has been installed and is in use.

Yours truly,
Columbia Mining Company, Inc.
By C. B. Mitchell Pres.

Columbia Mining Co.

Cont. IDM-E.169



Cont. No. IDM-E.169

OMR Docket No. 1535 R

Copper Cliff Mine

Columbia Mining Company Inc.

Helena - Montana.

Scale: 1" = 100'

Feb. 29th 1952.

(1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 169
Noted 3-6-52 JJK.

Name of Operator Columbia Mining Company, Inc.
Docket No. DMA 1535X
Total Contract Amount $ 24,317.00
Government Participation: 50 % Amount, $ 12,158.50
Distribution of Expenditures for Month of January, 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
FEB 25 8 48 PM '52

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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

Columbia Mining Company, Inc. (Name of Company)

By C. B. Mitchell (Signature of Authorized Official)

February 6, 1952 (Date)

Secretary (Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]	$1584.50	None	$1584.50			
(b) Rented[2]	1600.00	None	1600.00			
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

Adm - E 169

February 8, 1952

Defense Minerals Administration

Gentlemen:

The work performed during the month of January, 1952, on the Columbia Mining Company, Inc., Project - Docket No. 1535X, and shown on accompanyint sketches, consisted of roughing out approximately 300 lineal feet of roadway for access to the portal site; and the removal of a talus slide at the site. Some difficulty was encountered because of frozen ground, but not of a very serious nature.

More overburden than was originally estimated has appeared at the portal site, increasing the cubic yardage to a total of 2000 cubic yards -- an increase of 1000 cubic yards. The road work totaled 850 cubic yards. All of this work has been done by dozer.

Because of extreme cold weather, this project has been delayed more than a month, but is well under way at present, the equipment for the drift work now being installed and dozer work nearly completed.

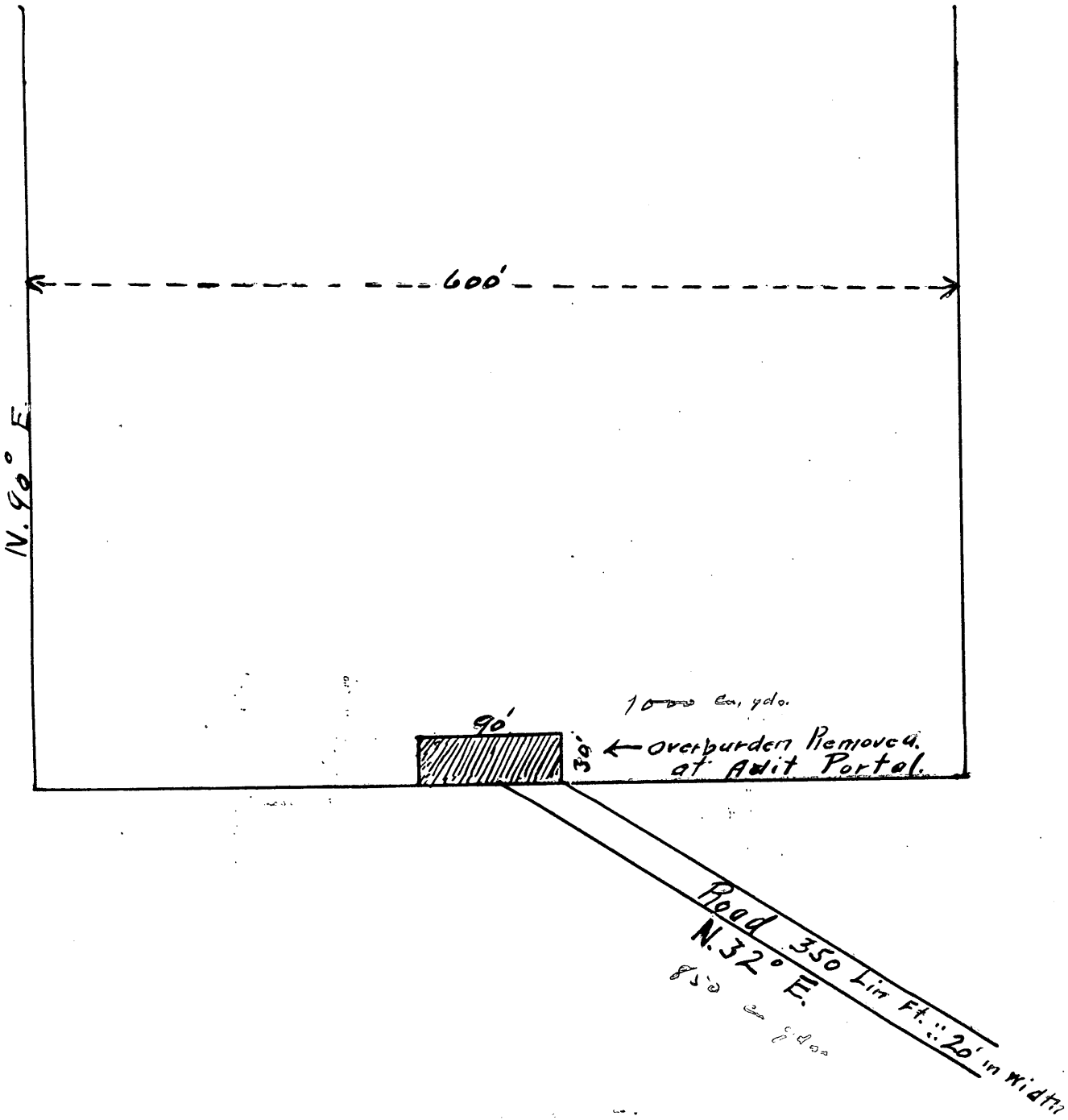
Yours respectfully,

COLUMBIA MINING COMPANY, INC.

By C. B. Mitchell
C. B. Mitchell
Secretary

CBM:bm

Volume - E 169



DMA Docket No. 1535X

Copper Cliff Mine

Columbia Mining Company - Inc.

Helena - Montana.

Scale :: 1" = 100'

January 31st 1952.

MONTH[illegible] SUMMARY COST STATEMENT—C[illegible]inued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	312.90	None	312.90			
5. Supervision						
6. Supplies						
(a) Timber						
(b) Explosives						
(c) Repair Parts						
(d) Other Air Pipe & Hose	273.50	None	273.50			
7. Power						
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation						
10. Contract Work						
11. Other (specify)	492.00	None	492.00			
Dozer work Road-Overburden at Portal of Adit						
Total	4262.90	None	4262.90			
Deletions						
Adjusted totals						
Totals previously reported	None	none				
Totals to date	4262.90	none	4262.90			

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Thomas E. Howard
Amount approved for payment
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF January 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	312.90	3184.50	273.50		3770.90	Foot	none	none	none	600
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden	~~312.90~~	492.00			492.00	Foot	41	none	41	64
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	312.90	3676.50 ~~492.00~~	273.50		4262.90					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

Form 7
(2-56)

OFFICIAL FILE COPY

Date	Surname	Code

PROJECT SUMMARY REPORT

By: J. W. Alt July 29, 1958

1. Docket No. DMEA-1535X (Copper)
Contract No. Idm-E169
Property: Copper Cliff Claims
Lewis and Clark County, Montana

Operator: Columbia Mining Company, Incorporated
604 Placer Hotel Building
Helena, Montana

Operator's Property Rights: Lessee.
Agreement dated April 22, 1948.
Agreement dated September 21, 1949.
Landlord's Subordination Agreement dated May 28, 1951.

2. Contract dated October 3, 1951. To complete - 6 months.

Work Authorized

The work will consist of driving a 600 foot long tunnel to explore along the vein and the contact of the Pilgrim dolomite and Park shale for the extension of mineralization found on the surface.

Estimated Cost of the Project

STAGE I

Rental of tractor with dozer blade and transportation of same to and from job Total Cost $ 800.00

8623

STAGE II

Equipment to be purchased	$ 9,360.00
Labor @ $12/ft. of tunnel - 600 feet	7,200.00
Supervision, 5 months @ $400/month	2,000.00
Use of Operator's equipment 6 months @ $41.80/mo.	250.00
Miscellaneous expense	4,707.00
Total Cost of Stage II	$23,517.80
Total Cost of Project	$24,317.80
Government Participation @ 50%	$12,158.90

Amendments

No. 1 Effective October 3, 1951.

Changes made in Estimated Cost of the Project, Stage I.
Changes made in Equipment to be Purchased and Equipment to be furnished by Operator.
Allows labor to be paid for drifting @ $12/ft.

No. 2 Effective December 3, 1951.

Increases rental cost of tractor and dozer blade.

No. 3 Effective October 3, 1951.

Adds one more claim to be included in land of the contract.

No. 4 Effective October 3, 1951.

Under Stage II, allows for the drilling of one diamond drill hole, not to exceed 300 feet in length.

No. 5 Effective June 2, 1952.

Extends completion time from 6 months to 12 months.

No. 6 Effective July 1, 1952.

Change in diamond drilling of Amendment No. 4.

Work Completed

Drifting and crosscutting 248 feet	$11,075.15
Diamond drilling 287 feet	1,959.42
Surface excavation	1,122.50
Operating equipment purchased	1,330.59
Total Cost of the Project	$15,487.66

Work under the terms of the contract was started on January 1, 1952, and was terminated before completion on July 25, 1952.

3. Report of Review: Dated August 31, 1953.

Total cost as billed by Contractor	$16,267.28
Exceptions	26.06
Total Acceptable Cost Per Audit	$16,241.22
Less: Net effect of waiver per Settlement Agreement of May 29, 1953	733.56
Total Accepted Cost	$15,487.66
Government Participation @ 50%	$ 7,743.83

Operator's final report - no final report received.
Field Team final report dated January 2, 1953.

4. Certification date: No certification made as there was not a discovery of ore.

5. Comments

The Operator had some trouble financing the purchase of equipment, hence was slow starting with a consequential high initial unit cost. During the course of the work, the supervision and efficiency of operations was fair.

A bulldozer cut was excavated across the upper part of the Park shale and the lower part of the Pilgrim dolomite near the bottom of the steep south slope Last Chance Gulch. From this cut an adit was driven eastward for 248 feet along the shale-dolomite contact. No rock alteration or metallic mineralization was detected either in the surface cut or in the adit. Consequently, Field Team geologist carefully examined the surface for evidence of mineralization along the supposed favorable contact. Finding none they

recommended that the drift be discontinued. The meager surface evidence and the work already done underground did not suggest that the target was not of magnitude to justify any additional drifting. It was agreed, however, that one diamond drill hole, not to exceed 300 feet in length would be authorized to crosscut the Park shale in order to probe for a mineralized shear reported by the Operator but unsupported by any visible evidence. This hole was drilled 287 feet deep. The only evidence of mineralization penetrated was sparce calcite and pyrite along a few scattered tight fractures and therefore, it was recommended that the project be terminated before completion of the work provided for in the contract.

Further Government participation in exploration on this property is not warranted.

J. W. Alt

J. W. Alt

JWAlt/ss 7/25/58
Copy to: Docket
Chron.

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 11/9/53

REFERRED TO:
1. Mr Mittendorf
2.
3.
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	..... Referring to .....
..... Conference	..... Reply for signature of .....
..... Consideration	..... Rewriting
..... Filing	..... Signature
..... Instructions	..... Suggestions
..... Investigation	..... Your information
..... Initials	
..... Mailing	
..... Previous correspondence	

REMARKS: In view of settlement agreement of May 29, 1953, closing letter does not appear necessary

Check (X) before the items needing attention.

Talbert
Initials of sender.

GPO 16—63815-1

Noted — OK Cohen

~~Stephen~~
Stephens
~~Hubbard~~

How about last ¶
Ellis memo? Pg 6

Is this in accordance
policy?

Note OK
C. O. Mitchell

Probably Ellis is informing
the policy of not sending "blowing"
letters on projects terminated
because of impossibility of awarding a
discovery. In view of the letter to
operators of 10/19/53, a "blowing"
letter appears unnecessary.
Transmittal letter of 7/25/53
implies that such a policy
of discovery would be made

FILE COPY
SURNAME:

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

F. L. Clasine
Ellis

Mrs Ault October 29, 1953
Mr. Ellis agrees that this memo can be considered a Project Summary Report.
F M Murphy
bm.

Memorandum

To: Administrator

From: Ernest Wm. Ellis, Chief
Rare & Miscellaneous Metals Division

Subject: Closing Review of Locket No. IMFA-1535 (Copper)
Contract No. Idm-1169
Property: Copper Cliff Claims
Lewis & Clark County, Montana

Operator: Columbia Mining Company, Inc.,
604 Placer Hotel Building
Helena, Montana

Amount approved in contract:	$ 24,317.80
Total Acceptable cost:	$ 16,241.22
Less net effect of waiver per Settlement Agreement	$ 753.56
Net accepted cost:	$ 15,487.66
Government's share @ 50%	$ 7,743.83

Project work started: January 1, 1952
Stopped: Terminated before completion on July 25, 1952.

Locket Summary:

May 28, 1951 Application date; amount $25,294.00.

May 31, 1951 Application transmitted to Washington by Executive Officer, Region II. Five copies of an exploration project contract also enclosed.

June 4, 1951 Application received in Washington.

June 20, 1951 Application acknowledged.

June 22, 1951 Executive Officer, Region II, letter to Washington Office, enclosing Applicant's letter dated June 8, 1951, and data supplementing original MT-103 application.

June 26, 1951 Memorandum from Field Team, Region II, quoting extracts from a telephone conversation with Mr. Edward Ruppel, U.S. Geological Survey representative, who visited the subject property on June 23.

Aug. 10, 1951	Memorandum from Executive Officer, Region II, submitting additional information which was submitted to Mr. Edward Ruppel of the Geological Survey.
Sept. 17, 1951	Memorandum from Director, Supply Division, DMA, to Director, Production Expansion Division, transmitting contract with exhibits, recommending approval.
Oct. 1, 1951	Memorandum from General Counsel to Director, Production Expansion Division, approving contract.
Oct. 3, 1951	Contract dated and assigned number Idm-E169.
Oct. 12, 1951	Letter to Executive Officer, Region II, transmitting Contract No. Idm-E169 for Operator's signature.
Nov. 6, 1951	Letter by Field Team, Region II, forwarding original and three copies of contract Idm-E169, signed by the Operator, together with an approval by the Field Team allowing an additional 30 days to commence the exploration work.
Feb. 8, 1952	Amendment No. 1.
Mar. 17, 1952	Amendment No. 2.
May 1, 1952	Amendment No. 3.
May 26, 1952	Executive Officer, Region II, memorandum to Operating Committee, transmitting Amendment No. 4. This amendment was drawn to permit drilling a hole across the full thickness of the Park Shale in which, according to old reports, occurred a strong shear zone mineralized with copper. The exploration to this date, consisted of 250 feet of drifting on a potentially favorable shale-limestone contact, failed to reveal any mineralization. It was stated that if the authorized hole did not intersect a mineralized structure, the exploration program should be terminated.
June 2, 1952	Amendment No. 5, extending completion date of contract from 6 months to 10 months (or until August 3, 1952).
July 21, 1952	Letter to Operating Committee from Field Team, Region II, justifying and enclosing Amendment No. 6, dated July 14, 1952.

July 25, 1952	Date of memorandum from Mr. M. R. Klepper, Geologist, USGS, to Executive Officer, Region II, reporting on visit to subject property on July 24. He stated that the hole authorized in Amendment No. 4 to subject contract had been drilled to a depth of 287 feet. This hole had cross-cut the full thickness of the Park shale and penetrated more than 10 feet into the underlying mottled ("blue and gold") Meagher limestone. No copper-bearing structure or other evidence of metallic mineralization was encountered. In his opinion all reasonable exploration possibilities had been exhausted; consequently, termination immediately of the exploration contract was recommended.
July 31, 1952	Region II memorandum to Washington Office, enclosing "Notice of Termination of Exploration Project Contract, Under the Terms of the Contract, Before The Completion of the Work", dated July 25, 1952, which notice was forwarded to the Operator by registered mail.
Aug. 14, 1952	Letter by Chief, Contract Administration and Audit Division, to DMEA Auditor, Region II, requesting clearance to release the balance of the allotted funds ($6,745.80) on this contract.
Sept. 3, 1952	Letter from Thor H. Kiilsgaard, on behalf of Executive Officer, Region II, to Chief, Contract Administration and Audit Division, setting forth changes in the contract permitted by the various amendments.
Dec. 11, 1952	Memorandum from Chief Counsel to the Administrator, reviewing provisions of the various amendments to the contract and points which should be brought to the attention of the auditors in advance of the final auditing of the account.
Dec. 18, 1952	Copy of Chief Counsel's memorandum, dated December 11, 1952, forwarded to Executive Officer, Region II.
Dec. 19, 1952	Copy of Chief Counsel's memorandum, dated December 11, 1952, forwarded to DMEA Auditor, Region II.
Dec. 31, 1952	Letter by Operating Committee to Executive Officer, Region II, with respect to the disposition of 13 items of property in which the Government claims an equity.
Jan. 26, 1953	Received Final report of DMEA Field Team, Region II, prepared by Mr. M. R. Klepper, Geologist, USGS, and H. T. Reno, Mining Engineer, USBM, transmitted with

Executive Officer, Region II, memorandum dated January 21, 1953.

Executive Officer's memorandum stated that an audit of the account had been made, but a final audit report could not be prepared, nor a final settlement made, until the Operator submits a final report and has disposed of the equipment in which the Government has an interest. Operator was advised of this, and no response had been received to letters from the DMEA Regional Office. Executive Officer suggested that legal action be taken by the Washington DMEA Office if the Operator did not take steps to properly dispose of the equipment.

Feb. 16, 1953 Letter from Operating Committee to Executive Officer, Region II, requesting certain information concerning disposal of equipment owned jointly by the Operator and the Government.

April 8, 1953 Letter from DMEA Field Team, Region II, responding to inquiry of February 16, 1953, from the Operating Committee.

Apr. 30, 1953 Letter from Operating Committee to Executive Officer, Region II, inquiring whether or not there are any additional facts about which the Washington Office should be informed since their letter of April 8, 1953.

June 1, 1953 Letter to Executive Officer, Region II, that upon further study of the subject contract and docket, a Settlement Agreement, already executed by the Administrator, was enclosed for the approval of the Executive Officer and signature of the Operator.

July 6, 1953 Letter by Executive Officer, Region II, forwarding Settlement Agreement for the signature of the Operator, addressed to 604 Placer Hotel Bldg., Helena, Montana.

Aug. 10, 1953 Follow-up letter by Executive Officer, Region II, to Operator at 701 E. 2nd Avenue, Ellensburg, Washington, calling attention to the Settlement Agreement which was mailed by registered mail, return receipt, and signed for by Mr. Fred Hansen at the Helena, Montana, address, on July 30, 1953. Operator advised that if no reply is received within 15 days, the matter would be turned over to the Legal Department.

Aug. 20, 1953 Letter by Executive Officer, Region II, to Operating Committee, advising that Mr. C. B. Mitchell, the Operator of the Columbia Mining Company, was in the office that date and signed the copies of the Settlement Agreement originally forwarded to Helena, Montana.

The Agreement was forwarded to the Washington Office.

Sept. 3, 1953 All copies of the Settlement Agreement, signed by the Administrator for the Government, returned to the Executive Officer, Region II, to have the Operator add "Treas." after the word "Sec." following his signature on the Agreement, inasmuch as he signed the contract as "Sec.-Treasurer". Region II Executive Officer requested to make distribution of the Agreement copies after this detail was taken care of.

Sept. 30, 1953 Executive Officer, Region II, letter returning original and five copies of Settlement Agreement, signed by Operator's representative as Sec.-Treas.

Oct. 12, 1953 Letter to Executive Officer, forwarding "Operator's Copy", "Field Team Copy" and "Finance Office Copy" of Settlement Agreement for distribution.

Oct. 27, 1953 Division copy of Audit Certificate, dated August 31, 1953, received.

Resume of Work:

This contract specified a 600-ft. adit to explore the contact between the Pilgrim dolomite and the underlying Park shale for the downward extension of mineralization found on the surface, especially at its intersection with joints that are mineralized in the dolomite.

A bulldozer cut was excavated across the upper part of the Park shale and the lower part of the Pilgrim dolomite near the bottom of the steep south slope of Last Chance Gulch. From this cut a 7 x 8 ft. adit was driven eastward for 248 feet along the shale-dolomite contact. No rock alteration or metallic mineralization was detected either in the surface cut or in the adit. Consequently, Field Team geologist carefully examined the surface for evidence of mineralization along the supposed favorable contact. Finding none, the Field Team recommended that the drift be discontinued, for in order to arrive at the supposed most favorable intersection, an additional 600-700 feet of drifting and 50 to 150 feet of raising would be required. The meager surface evidence and the work already done underground did not suggest that the target was of the order of magnitude to justify this amount of work. It was agreed, however, that one diamond drill hole, not to exceed 300 feet in length, would be authorized to crosscut the Park shale in order to probe for a mineralized shear reported by the Operator, but unsupported by any visible evidence. This hole was drilled to size 287 feet deep. The only evidence of mineralization penetrated was sparse calcite and pyrite along a few scattered tight fractures and, therefore, it was recommended that the project be terminated before completion of the work provided for in the contract.

The Operator had some trouble financing the purchase of equipment, hence was slow starting with a consequent high initial unit cost. During the course of the work, the supervision and efficiency of operations was fair.

Unit Costs:

Diamond drilling @ $ 9.24/ft.
Tractor Rental @ $ 12.00/hr.
Drifting 7 x 8 in cross section @ $ 43.50/ft.

Project Cost: (Per final audit review, dated August 31, 1953):

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

Total cost as billed by contractor		$ 16,267.28
Exceptions (see Audit Report for details)		
Prior to Audit	$ -0-	
During Audit	$ 26.06	$ 26.06
Total acceptable cost per audit		$ 16,241.22
Less net effect of waiver per Settlement Agreement of May 29, 1953		$ 753.56
Net accepted cost		$ 15,487.66

Comments and Recommendations:

Field Team reports no metallic mineralization was found by the exploration and further Government participation in the exploration of this property is not warranted. The Rare and Miscellaneous Metals Division concurs in the conclusion and recommendations of the Field Team.

As the work on this project was terminated in July 1952, no "completion" letter is being written.

Ernest Wm. Ellis, Chief
Rare & Misc. Metals Division

FLKnouse/gla/db
10-29-53
cc to: Adm. Reading File
Docket
Mr. Ellis
Mr. Knouse

☐ Audited

☐ Certified

ANALYSIS SHEET – DMEA PROJECT

Analysis as of Dec. 3 1954
Incl. Voucher for July 1952

☑ Actual Cost

☐ Agreed Unit Costs

Name Columbia Mining Company, Inc., a corporation

Docket No. DMA-1585X

State Montana

Commodity Copper

Idm-E No. 169

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	(*) 443	$ 9,995.30	248	$ 11,075.15	11,075.15
Raising					
Shafts					
Winzes					
Drilling (Specify) Diamond	350	3,235.00	287	1,959.42	1,959.42
Surface Excavation		1,122.50		1,122.50	1,122.50
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased		9,965.00		2,084.15	1,330.59 (**)
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		$ 24,317.80		16,241.22	$ 15,487.66

(*) The original contract called for 600 ft. of drifting. The figure 443 ft. reflects the amendment changes. These amendments called for extra surface excavation & diamond drilling which in turn required more money for these purposes without increasing the overall amount of the contract.

(**) Reflects settlement agreement.

Prepared by [illegible]

February 11, 1955

Memorandum

To: Jay L. Chambers, Chief
Contract Adm. & Audit Division

From: Ernest Wm. Ellis, Chief
Rare & Miscellaneous Metals Division

Subject: Completed contracts - no discovery made

We have checked the attached list of contracts prepared by Mrs. Alley of your Division. It is not our intention to write "completion" letters to the operators on these particular contracts, although in each instance the exploration work was unsuccessful, for the reason that the work was completed sometime prior to the adoption of the procedure to prepare final letters to the operators.

/s/ Ernest Wm. Ellis

1-26-55

Rare and Miscellaneous Metals

Completed contracts on which certification or a closing letter of no discovery has not been issued.

Docket No.	Contract No.	Operator
1131	104	Sierra Copper Company
1324	108	Ashley J. Gold and Joe Gold
1514	112	Maravillas Minerals Company
1348	123	Elkhorn Mining Company
979	132	G. O. P. Antimony
1215	142	Compton I. White
1660	148	Oscar Svensson
1535	169	Columbia Mining Company
2013	215	Amador Mining Company
527	232	Yucca Mining & Milling Co.
1429	269	J. Walter Duncan, Jr.
1232	276	Alaska Copper Corporation

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

October 16, 1953

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

Re: Docket No. DMA-1535X (Copper)
Contract No. Idm-E169 (Terminated)
Settlement Agreement
Columbia Mining Company, Inc.
Lewis & Clark County, Montana

Dear Mr. Selfridge:

Reference is made to your letter of October 12, 1953, enclosing the "Operator's Copy," "Field Team Copy," and "Finance Office Copy" of the referenced Settlement Sheet. Also enclosed were the "Government Copy," "Docket Copy," and the "Division Copy" which we are enclosing herewith.

Distribution of this Settlement Agreement is being made in the usual manner.

Sincerely yours,

A. E. Weissenborn

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

Enclosures

cc: Finance Officer w/encl.
USBM (2)

10-19

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

October 16, 1953

Mr. C. B. Mitchell
701 E. 2nd Avenue
Ellensburg, Washington

Re: Docket No. DMA-1535X (Copper)
Contract No. Idm-2169 (Terminated)
Settlement Agreement
Columbia Mining Company, Inc.
Lewis & Clark County, Montana

Dear Mr. Mitchell:

Enclosed herewith is your copy of the Settlement Agreement between the United States of America and the Columbia Mining Company.

Sincerely yours,

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

Enclosure

cc: DMEA (2)
USBM(2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~
1201 N. Division Street
Spokane 2, Washington
October 12, 1953

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

Subject: Columbia Mining Company, Inc.
Docket No. DMEA 1535X
Contract Idm-E169

Dear Mr. Chambers:

Reference is made to your letter of October 8, 1953 in regard to the Audit Report for the subject project. The changes have been made on the foot of Page 8 as well as the top of Page 9, and the word "final" has been inserted in the first line of the Introduction on Page I. The audit certificate has been revised. On Page 11 of the Audit Report, which has been rewritten, the proper figure should be $376.78, thereby changing the figure on the Certificate for the net effect of waiver per Settlement Agreement.

It appears that the net accepted cost as indicated in your letter should have been $15,487.60 rather than $15,587.60. The revised "Net Accepted Cost" is $15,487.66, with the Government's contribution being $7,743.83.

The records in this office indicate that the Settlement Agreement was dated May 29, 1953 rather than May 19, 1953; therefore, I have used the date of May 29th. Our records also indicate the contract number is Idm-E169 rather than Idm-E168.

There are enclosed 3 copies of the replacement audit certificate and 2 copies of Page 11 of the report.

Sincerely yours,

Robert M. Hull

Robert M. Hull
Auditor

Enclosures

FILE COPY
SURNAME:

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

OCT 12 1953

Mr. A. [illegible] Weinenkam
[illegible] Officer
[illegible] Field Team, Region [illegible]
[illegible] Second Street
[illegible], Washington

Re: [illegible] No. [illegible]-125 (Copper)
Contract No. [illegible]-10 (Terminated)
Settlement Agreement
[illegible] Mining Company, Inc.,
[illegible] Clark County, Montana

Dear Mr. [illegible]:

[illegible], in your letter of September 30, 1953, enclosed are the "Operator's Copy", "Field Team Copy", and "Finance Office Copy" of the Settlement Agreement pertaining to the subject contract, signed by the Operator's representative and the Administrator.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures 3

:

J. H. Hedges

Chief, [illegible]

A. R. Kinkel, Jr.

Chief, [illegible]

MEEllis/gla/db
10-8-53
cc to: Adm. Reading File
Operating Committee
Docket
Memos: J.H.Johnson, Rm. 3621
A.R.Kinkel, Rm. M-242A, GSA
Ellis

FILE COPY
SURNAME:
800

Talbot
Chambers

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

OCT - 8 1953

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

Re: Columbia Mining Co., Inc.
Idm-E168, DMEA-1535X

Dear Mr. Hull:

Receipt is acknowledged of your letter of October 5, 1953, in regard to the Audit Report for the referenced project.

The pen and ink change from $.056 to $5.60 is required at the bottom of page 8 as well as at the top of page 9 of the Audit Report. Also, please insert the word "final" before the word "audit" on the first line under Introduction on page 1 of the Report.

A further review of this audit indicates that the Certificate should be revised to indicate the actual amount payable under the settlement agreement executed by the Operator and the Government. Please prepare a revised Audit Certificate with the final portion of the factual data reading as follows:

Total Acceptable Cost per audit	$16,241.22
Less: Net effect of waiver per settlement agreement of May 19, 1953	753.62
Net Accepted Cost	$15,587.60

The amount certified for payment accordingly should be changed to $7,743.80.

After the pen and ink corrections in the Audit Report have been effected and the replacement Certificate has been prepared (and three copies forwarded to this Division) normal distribution may be effected.

Sincerely yours,

SIGNED

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/ama
October 8, 1953
Copy to: Docket
Admr. Reading File
Mr. Chambers

R.C.B.
10-8-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
October 5, 1953

AIR MAIL

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

Dear Mr. Chambers:

Reference is made to your letter and telegram of September 21, 1953.

In my letter of September 15, 1953, the first paragraph "The changes on Audit Report of Contract No. Idm-E169, Docket No. DMEA-1535X, Columbia Mining Company, Inc., have been made"., refers to the question raised in next to the last paragraph of your letter of September 10, 1953 concerning the Montana Accident Insurance rate. Your assumption was correct that the rate was $5.60 per $100.00.

As the two Bradley properties pertaining to Contracts Idm-E173 and Idm-E41 are widely separated, I did not consider auditing them at the same time. I will rearrange the schedule to make the audit of these two contracts as close together as possible.

I returned to Spokane on Friday evening the 2nd of October, and as yet have not had an opportunity to discuss with the Field Team what is now considered a backlog of contracts which need to be audited. As soon as possible I will submit a statement on this subject for your consideration.

Sincerely yours,

Robert M. Hull

Robert M. Hull
Auditor

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

So. 157 Howard Street
Spokane 4, Washington

October 1, 1953

Columbia Mining Company, Inc.
604 Placer Hotel Building
Helena, Montana

Re: Docket No. DMEA-1535 (copper)
Columbia Mining property
Lewis & Clark County, Montana
Contract Idm-E169 (Terminated)

Gentlemen:

Enclosed for your files is a copy of an Audit Certificate and an interim Audit Report concerning your Exploration Project Contract Idm-E169.

Sincerely yours,

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

Enclosure

cc: DMEA (2)
USBM (2)
R. M. Hull

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

September 30, 1953

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

Re: Docket No. DMA-1535X (Copper)
Contract Idm-E169 (terminated)
Settlement Agreement
Columbia Mining Company, Inc.
Lewis & Clark County, Montana

Dear Mr. Selfridge:

Reference is made to our letter of August 20, 1953, forwarding to your office the Settlement Agreement pertaining to the subject contract for signature by Mr. Mittendorf. On September 8, 1953, we received a letter from the Operating Committee returning the agreement to us, unsigned, stating that the Legal Division has requested that Mr. Mitchell add "Treas." after the word "Sec." following his signature on the agreement, inasmuch as he signed the contract as "Sec.-Treasurer". The Operator has complied with this request.

We are again returning the original and five copies of the Settlement Agreement to you for signature by the Administrator, and would appreciate your returning to us the appropriate copies so that we can make the usual distribution.

Sincerely yours,

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

Enclosure

cc: USBM (2)
Weeks

FILE COPY
SURNAME:

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

SEP 21 1953

1535

Mr. Robert M. Hall
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Dear Mr. Hall:

Reference is made to your letter of September 15, 1953, in response to my letter of September 10, 1953.

I probably did not make my observation very clear in regard to the statement at the end of your audit report. I have no objections to the statement that the audit had been fully discussed with the Executive Officer of the DMEA Field Team, Region II. As a matter of fact this is desirable. I objected to the remainder of that sentence which reads, "and is issued with his concurrence." It is necessary and desirable to discuss the audit report with the Field Team and is desirable to so state in the audit report itself. It is very undesirable, however, to make any statement which might be interpreted that an audit report must have the concurrence of the Field Team before it is issued.

In regard to Contract No. Idm-K169, Columbia Mining Company, you did not answer the question raised in next to the last paragraph in regard to the Montana Industrial Accident Insurance rate.

It looks like you have mapped out a sizeable audit program for your next trip. I am pleased with the progress of the audit reports in Region II. I would like to have, however, a statement from you, after your consultation with the Field Team, as to what you now consider a backlog of contracts which need to be audited.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
September 18, 1953

Copy to: Mails & Files
Admr. Reading File
Mr. Chambers

R.C.H.
9-21-53

XXXXXXXXXXXXXXXXXX
1201 N. Division Street
Spokane 2, Washington
September 15, 1953

AIR MAIL

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

Dear Mr. Chambers:

Reference is made to your letter of September 10, 1953. The changes on Audit Report of Contract No. Idm-E169, Docket No. DMEA-1535X, Columbia Mining Company, Inc., have been made.

In the future the statement "The audit has been fully discussed with the Executive Officer of the DMEA Field Team, Region II," will appear only in the letter of transmittal.

With reference to your telegram of September 14, 1953, it was not my intention to distribute the reports on contracts No. Idm-E209, Docket No. DMEA-1981, Combination Development Company; Idm-E350, Docket No. DMEA-2264, Cosumnes Gold Dredging Company, and Idm-E351, Docket No. DMEA-2265, Cosumnes Gold Dredging Company, until such time as the final settlement with the Government is made. However, such a long time has already elapsed since the completion of the work and the present prospect of an early settlement appears doubtful, I thought it advisable to submit the reports for your information. No further action will be taken until such time as a final agreement between the Operator and the Government has been reached.

I am leaving the first of the coming week for the Butte, Montana area to work on the following projects as suggested by the Field Team:

D. A. McNabb, Contract Idm-E238, Docket No. DMEA-2225
White Pine Lead Company, Contract Idm-E273, Docket No. DMA-2034
Elkhorn Consolidated, Inc., Contract Idm-E268, Docket No. DMEA-2183
Elkhorn Mining Company, Contract Idm-E144, Docket No. DMA-1186X
William R. McClure and Chas. D. McClure, Contract Idm-E114, Docket No. DMA-315X.

Sincerely yours,

Robert M. Hull
Auditor

SEP 1 0 1953

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

Dear Mr. Hull:

Reference is made to your letter of September 4, 1953, enclosing Audit Reports for Exploration Project Contracts Idm-E209, John W. Cole, and Idm-E169, Columbia Mining Company, Inc.

In the last sentence of each of your Audit Reports you make the following statement: "The audit has been fully discussed with the Executive Officer of the DMEA Field Team, Region II, and is issued with his concurrence." As a policy matter we want you to discuss the audit reports with the Field Team but such audit reports should be issued if it is the auditor's findings whether or not the Executive Officer should concur in it. The statement which you use may lead the General Accounting Office to believe that an audit report made by this Division is not issued without the concurrence of the Executive Officer. I think it would be much better for you to put this statement or one similar to it in your transmittal letter rather than in the report itself.

Your attention is called to page 8 of your report on Idm-E169. You state the Montana Industrial Accident Insurance by using the decimal mark to indicate percentage while the Federal Insurance Contributions Act and the Montana Unemployment taxes are stated with the word "percent" written after them. Both statements are correct but I would prefer to have them made in a similar manner.

At the top of page 9 of this Audit Report you erroneously state the Montana Industrial Accident Insurance at 5 cents and 6 mills per $100.00. This is done by using the dollar sign in front of the first zero. I assume the rate to be $5.60 per $100.00. If this is true please change your copies with pen and ink and initial and I shall change the copies in my office likewise.

Both reports are approved for distribution provided my surmise for the report on Idm-E169 is correct.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/ama
September 9, 1953
Copy to: Mails & Files
Admr. Reading File
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
September 4, 1953

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

Dear Mr. Chambers:

Submitted herewith are two copies of the Audit Report and three copies of the Audit Certificate covering Exploration Project Contract IDM-E169, Docket No. DMA-1535X, Columbia Mining Company, Inc.

Very truly yours,

Robert M. Hull
Auditor

Enclosures
cc: DMEA(2)

FILE COPY 700
SURNAME:

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

F.L. Knouse
Ellis
Chapman
Selfridge

SEP 3 1953

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

Re: Docket No. DMA-1535X (Copper)
Contract No. Idm-8169 (terminated)
Settlement Agreement
Columbia Mining Company, Inc.
Lewis & Clark County, Montana

Dear Mr. Weissenborn:

With reference to your letter of August 20, 1953, we are returning the original and five copies of the captioned Settlement Agreement, dated May 29, 1953, signed by the Government.

All of the copies of this Agreement are returned to you for the reason the Legal Division has requested that Mr. Mitchell add "Treas." after the word "Sec." following his signature on the Agreement, inasmuch as he signed the contract as "Sec.-Treasurer". When this detail has been taken care of, please make the usual distribution.

Sincerely yours,

Ernest Wm. Ellis
857

ACTING

Chairman, Operating Committee

Enclosures 6

GLAult/FLKnouse/gla
9-2-53
cc to: Adm. Reading File
Operating Committee
Docket
Messrs. C.H.Johnson, Rm. 3621
A.R.Kinkel, Jr., Rm.B-242A, GSA
Ellis
Knouse

APPROVED:

M. H. Kline
857
Member, Bureau of Mines

A. R. Kinkel, Jr.
857
Member, Geological Survey

R.C.B. 9-3-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 27 1953

RECEIVED
SEP 1 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

DOCKET COPY

August 20, 1953

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

Re: Docket DMEA-1535 (Copper)
Columbia Mining Company, Inc.
Lewis & Clark County, Montana
Contract Idm-E169 (terminated)

Dear Mr. Selfridge:

Under cover of your letter of June 1, 1953, you sent to us a settlement agreement to be signed by Mr. C. B. Mitchell, the Operator of the Columbia Mining Company. This agreement was sent to Mr. Mitchell at Helena, registered mail, return receipt requested. On July 30, we received a return receipt signed by a Mr. Fred Hanson but we received no further word from Mr. Mitchell. After some research I located another address for Mr. Mitchell in Ellensburg, Washington, and on August 10 I sent him a letter, a copy of which you have previously received, pointing out that we had never received a reply to our letter enclosing the settlement agreement. Shortly afterwards I received a phone call from Mr. Mitchell stating that he had never received the settlement agreement referred to in my first letter. He stated that he did not know the Fred Hanson who had signed the return receipt. The settlement agreement forms signed by Mr. Mittendorf are presumably still in Helena, but fortunately, we had retained an Ozalid "hold" copy and therefore rather than attempt to retrieve the original settlement agreement we copied the form exactly as it was in the original. Mr. Mitchell was in the office today and signed the settlement agreement copies which are enclosed herewith. They will now require Mr. Mittendorf's signature again but we thought that this would be simpler than trying to retrieve the original forms you sent to us.

Mr. Mitchell states that he is continuing the drifting at the Columbia Mining Company project. He has not hit any ore yet but has

high hopes that he will. He inquired as to the possibility of the DMEA coming back into the project. I informed him that I doubted that we would be interested unless he could show us more convincing evidence of the probable presence of an ore body than he had at present.

In any event, we are pleased that this matter has now been cleared up and this contract can be wiped off the books. We will appreciate receiving the appropriate copies back here signed by the Administrator, including the Operator's copy.

Sincerely yours,

A. E. Weissenborn

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

Enclosures

cc: USBM(2)
R. A. Weeks

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

August 10, 1953

Registered Mail
Return Receipt Requested

Mr. C. B. Mitchell
Columbia Mining Company, Inc.
701 E. 2nd Avenue
Ellensburg, Washington

Re: Docket No. DMEA 1535X
Columbia Mining Co., Inc.
Contract Idm-E69

Dear Mr. Mitchell:

Under date of July 6, 1953, we sent you via Registered Mail, Return Receipt Requested, a settlement agreement which would permit us to wind up the Columbia Mining Company DMEA contract in a satisfactory manner and on terms extremely advantageous to yourself.

Since that time we have not heard from you. Our files, however, contain a post office receipt showing that the letter in question was received in your name in Helena on July 30 by Mr. Fred Hansen. We can only presume that he has forwarded this to you and that you have received it by now.

We have been instructed by our Washington office that we cannot keep this settlement agreement open indefinitely. We will, however, hold the settlement agreement open for a period of fifteen days from the date you receive this letter. As this agreement is greatly to your advantage, it would be in your interest to return it to us before the end of the fifteen-day period.

If no answer is received from you within this time we shall assume that you are not interested in our proposed settlement agreement and shall be forced to turn this matter over to our legal department.

Very truly yours,

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

cc: USBM (2)
DMEA (2)

519

7/14/53 gla

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

July 6, 1953
Registered Mail
Return Receipt Requested

Mr. C. B. Mitchell, Secretary
Columbia Mining Company, Inc.
604 Placer Hotel Building
Helena, Montana

Re: Docket No. DMEA-1535X (Copper)
Columbia Mining Company, Inc.
Contract Idm-E169

Dear Mr. Mitchell:

We are anxious to clear our books on the contract which we have had with the Columbia Mining Company. After consideration of the matter and taking up the problem with Washington, it has been decided that the contract could be wound up with no further obligation on either side if you will sign and return to us all copies of the attached settlement agreement except the one marked "Operator's Copy" which you should retain for your own files.

We would appreciate it if you would give this matter your prompt attention so that the account may be finally settled.

Sincerely yours

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

Enclosure

cc: DMEA (2)
USBM (2)
Klepper

FILE COPY
SURNAME:

140

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

Hofflund
Kane
Ellis
Chamberlin
Selfridge
Hedges

JUN 1 1953

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

Re: Docket No. DMEA-1535X—Copper
Columbia Mining Company, Inc.
Contract Idm-E169

Dear Mr. Weissenborn:

After studying further the docket on the subject contract, we have decided to adopt the course of action suggested in your letter to the Chairman of the Operating Committee dated April 8, that the contract should be wound up and settled on the basis of the existing state of affairs, i.e., with no further obligations on either side. To this end, there is enclosed herewith a form of a Settlement Agreement already executed by the Administrator, and which, if you approve, should be forwarded by you to the Operator for its execution.

Should the Operator decline to enter into this Settlement Agreement, a notice should be sent to the Operator to the effect that the Government is winding up the contract and will make no further payments thereunder on account of the Operator's failure to account for equipment, materials and supplies. Such notice should be prepared here in the Washington office, and if the Settlement Agreement is not entered into, please notify us at your earliest convenience so the matter can be attended to here.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

Approved:

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

JLHofflund:ep 5-26-53

Mr. Hofflund
Mr. Kane
Chron.
Pending

Mr. Thayer
Mr. Hedges
Mr. Ellis

Copy to: Mails & Files
Admr. R. File
Oper. Comm.

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Jay L. Chambers, Chief,
Contract Administration and Audit Division, DMEA

DATE: May 1, 1953

FROM : R. J. Hindman, Certifying Officer, Region II

OFFICE OF THE DIRECTOR
Defense Minerals Administration
RECEIVED
MAY 5 1953

SUBJECT: Columbia Mining Company, contract Idm-E169.

Reference is made to your letter dated April 28, 1953, regarding the payments made to the above firm. Upon receiving your letter I checked the payment file of the Columbia Mining Company and found as follows:

On the April, 1952, MF-104 there was originally approved under Item 6 (c), $957.72. This made a deletion of $5.00, making an approved total for the month of $3,274.89. Apparently Mr. Lee, upon rechecking the submitted invoices, found that this deletion was in error and reinstated it. The actual approved total then was $3,279.89, with an actual payment to the Operator of $1,639.94. I believe you will find that your copies were never corrected. By changing the totals for this MF-104 and subsequent MF-104s, it then brings the approved total to date to $15,487.65. The amount actually paid the Operator to date is $7,743.80.

If there is any further question on this I will be only too happy to assist you.

R. J. Hindman

R. J. Hindman

FILE COPY
SURNAME:

140

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

APR 30 1953

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

Re: Docket No. DMEA-1535X (Copper)
Columbia Mining Company, Inc.
Copper Cliff Claims
Lewis & Clark County, Montana
Contract Idm-2169

Dear Mr. Weissenborn:

Reference is made to your letter of April 8, in the above-entitled matter, to the Chairman of the Operating Committee in which, in substance, you state that the Government has an equity in equipment purchased by the Operator which you estimate at $434.08, and that you are unaware of the whereabouts of some of this equipment. You further say that the Operator is insolvent but that he might be able to raise the money if pressed by legal action. However, you assert, "Recovery of such funds by legal action would undoubtedly cost more than the equity is worth," and you suggest that it would be sensible for the Government to waive its equity.

We are of the opinion that such action would establish a bad precedent. If an Operator fails or refuses to dispose of and account to the Government for its interest in jointly owned property, and there are no funds available to the Government from which the money can be deducted, it is the duty of the Government, in such a case, to report the facts to the General Accounting Office so that an account may be stated against the Operator. In a proper case, the matter will be forwarded to the Department of Justice which will exercise its judgment, taking into account the Operator's insolvency, as to whether or not suit should be brought.

This office will notify the General Accounting Office of the facts. Please advise us if there are any further facts about which this office should be informed, since the date of the above letter, or whether everything has been stated therein.

Sincerely yours,

Approved:

Chairman, Operating Committee

Member, Bureau of Mines

Member, Geological Survey

Copy to: Mr. Kane
Chron
Pending
Operating Committee
Mr. Hedges
Mr. Thayer
Mr. Ellis
Mr. Hofflund
Mails & Files
Adm. R. File
Mr. Mittendorf

FILE COPY
SURNAME:
800

Alley
Fabbri
Chambers

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

APR 28 1953

Mr. R. J. Hindman
Certifying Officer
Bureau of Mines
1207 North Division Street
Spokane 2, Washington

Dmea 1535

Dear Mr. Hindman:

Reference is made to your memorandum dated March 27, 1953, addressed to Mr. Robert M. Hull, in regard to the DMEA project report for Region II prepared by your office dated March 3, 1953.

Upon receipt of the above memorandum this office checked its record of monthly payments for the Columbia Mining Company, Idm-E169, which appears to be the only contract in which we are not in agreement. While the monthly payments made to the Columbia Mining Company are correct, we have found a $2.50 difference in the column headed "Approved Totals to Date", for the last MF-104 received (June, 1952) for which we can find no explanation. The amount of $15,482.65 is given in this column, half of which would be $7,741.30. However, the amount of $7,743.80 is shown on the sheet attached to your memorandum of March 27, 1953.

This office would appreciate further advice from you regarding this difference.

Sincerely yours,

SIGNED

Jay L. Chambers, Chief
Contract Administration
and Audit Division

4/28/53

AMAlley/ama
April 27, 1953

Copy to: Admr. Reading File
Mails and Files
Mr. Chambers

4/14/53 gla

DOCKET COPY

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

April 8, 1953

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 13 1953

Re: Docket No. DMEA-1535X (Copper)
Columbia Mining Company, Inc.
Copper Cliff Claims
Lewis & Clark County, Montana
Contract Idm-E169

Dear Mr. Selfridge:

Reference is made to your letter of February 16, 1953, in which you request information concerning disposal of equipment owned jointly by the Operator and the Government.

Two registered letters were sent to the Operator both of which concerned the disposal of jointly-owned equipment. The first of these was the termination notice, copies of which are in your files. The second was from the DMEA auditor, Mr. Bob Hull, copies of which are enclosed. The Field Team letter to the Operator, dated August 7, 1953, was not registered although we have good reason to believe this letter was properly received. Copies of this letter are believed to be in your files. In addition to these letters there have been several telephone conversations with Mr. Mitchell, representative of the Operator, as well as conversations between field examiners and Mr. Mitchell pertaining to disposal of equipment and final accounting due under contract terms.

Contract items in which the Government has an equity are listed in a memorandum from Mr. D. R. Irving, Mining Engineer, U S. Bureau of Mines, to Mr. M. E. Volin, Member, Field Team, dated July 27, 1952. These items are also listed in a Field Team letter to the Operator, dated August 7, 1952. Copies of both of these letters are presumably in your files.

Of the inventoried items referred to, the compressor and the mucking machine were obtained on a rental agreement in which the Operator had an option to purchase if he chose to do so. The Operator is reported to have notified the Miller Machinery Company, Missoula, Montana, from

whom the machines were rented, that he intended to purchase the machines; however, we have since been informed by Mr. Bob Hull, DMEA auditor, that the Operator has relinquished his option and that the machines have been reclaimed by the vendor. The purchase price of the two machines was:

370 cfm I.R. Compressor	$4,058.00
Eimco 12B Rocker Shovel	2,957.00
Total	$7,015.00

Rental on the machines amounted to $400 a month for the compressor and $300 a month for the mucking machine; the Government participated in four months rental. As the equity established during the 4-month rental period amounts to only 40 percent of the purchase price, and as the machines are reported to have been reclaimed by the vendor, it is recommended that the Government waive all interest in these machines.

The agreements by which the Operator obtained the compressor and mucking machine are not in our files but are presumably at Albany, Oregon, in the files of Mr. Rulon Lee, former DMEA Certifying Officer. We have written for copies of these agreements and will forward them to you upon receipt.

The Ford Pickup truck, in which the Government has an equity, was purchased on a monthly installment basis. Cost of the Pickup was $1,198.00, of which a cash payment of $400 was made at the time of purchase. The balance due was to be paid in 12 monthly installments of $76.05 each. The Government participated in five monthly payments extending from February to June inclusive. Investment is shown as follows:

1	1949 Ford Pickup (used)	$1,198.00	
	Cash paid		$400.00
	Monthly payment, $76.05 x 5		$380.25
	Total investment		$780.25

We have been unable to determine the whereabouts of the Pickup or whether the Operator continued the monthly payments beyond the termination date of the contract. In the July monthly report the Operator billed the Government for the monthly payment on the Pickup, but this payment has been withheld pending final settlement of the contract.

The Field Team's letter to the Operator, dated August 7, 1952, lists 13 items of equipment and supplies in which the Government has an equity. Excluding the Pickup, compressor, and mucking machine, the remaining items had an original cost valuation of $1,966.19. The equity in some of these items could probably be waived; however, at the time the inventory was made and the contract terminated the various items were in good condition and probably could have been disposed of in which case the Government should have received its pro-rated share of the sale price received. It is difficult to establish the disposal value of these

items; however, it is believed they should be worth 60 percent of the original cost. On such a basis the Government's equity might be calculated as follows:

$1,966.19 x 60% = $1,179.71 (disposal value)

$1,179.71 x 50% = $ 589.85 (Government's equity)

If the disposal value of the Ford Pickup were calculated in the same way the Government's equity would be:

$780.25 (total investment) x 60% = $468.15 (disposal value)

$468.15 x 50% = $234.07 (Government's equity)

	$589.85
	234.07
Total Government equity	$823.92

The balance due the Operator amounts to $389.84. If this amount is deleted from the total equity amount, there remains $434.08 due the Government as its pro-rated share of the jointly-owned items. It is most unfortunate that the June voucher was paid the Operator before the contract was terminated as this voucher involved enough money due to the Operator to more than cover the Government's equity in jointly-owned material. This voucher was originally withheld but during the moving of the files of the Certifying Officer from Albany to Spokane the voucher was inadvertently approved for payment.

It is believed the Operator is financially insolvent but that he might be able to raise $434.08 if pressed by legal action. Recovery of such funds by legal action would undoubtedly cost more than the equity is worth regardless of how the disposal value is calculated and therefore the Field Team would be willing to waive the entire equity. The decision on such a waiver, however, is believed to be beyond the authority of the Executive Officer and should probably be made by the Administrator.

The Field Team recommends waiver of the Operator's final report as it is obvious that such a report would be of little value. We already have a complete report by the field examiners that contains the pertinent technical information. A notice from the Operating Committee to the Operator pointing out that the Government would be willing to waive its remaining equity in equipment and supplies, after deduction of the $389.84 due the Operator, providing the Operator would submit a final accounting and would agree not to bill the Government for any more contract bills might be the easiest way to administer the contract so that it could be closed out. The alternative would be to inform the Operator that failure to submit a final accounting is considered a breach of contract which could justify legal action and could result in the Operator refunding the Government for its share of funds expended on the

project. Of the two ways, the more sensible would seem to be for the Government to waive its equity, for although, this way would admittedly be contrary to the principle of the contract and to the standards of contract closure we are trying to establish, it would nevertheless probably be preferable than attempting to recover the $434.08 by taking the Operator to court. It does not seem that the amount involved is worth the trouble and expense of a court action.

By DMEA Field Team, Region II

A. E. Weissenborn

A. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

M. E. Volin

M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosure

cc: USBM (2)
Weeks
Hull

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Robert M. Hull, DMEA Auditor

DATE: March 27, 1953

FROM : R. J. Hindman, Certifying Officer

SUBJECT: Jay L. Chambers letter to Robert M. Hull dated March 3, 1953, re DMEA project report for Region II

The corrections shown on the report returned by Mr. Chambers to you have been checked against our records. The enclosed tapes were run on the original MF-104s and the totals were found to be in agreement with the control ledger sheets that we keep on each contract.

The only contract in which we are not in agreement with the Contract and Audit Division is the Columbia Mining Company, contract Idm-E169. I have enclosed with the tapes the monthly payments that were actually made so they can verify their records.

The errors that appeared were apparently due to our haste in preparing the report. We did not have sufficient time to properly check the report for accuracy.

I believe the above will give Washington the information they desire.

R. J. Hindman

R. J. Hindman

cc:
AD
RMH

Mines Management
Idm-E1

Balances from MF-104s

160909
158923
195248
97675
155469
172630
153815
105331
1200000

Balance checks with Ledger

Alps Mining & Milling Co.
Idm-E17

495223
430355
381296
246017
115850
284203
230517
156343
106138
75000
2520942

Day Mines, Inc
Idm-E 31

916735
50064 9
840322
2024598
2171941
1058660
1153524
1068085
1120344
66060 5
702493
491950
520890
480225
13729427 5
625916
14355343

Black Warrior Mining Co.
Idm-E49

451053
157594
111861
49790
198374
46680
76,250
120000
1211614

Paymaster, Inc.
Idm-E59

550012
347626
1037362
105051
867496
282217
301188
279037
311553
209082
4290624

Theodore John, Donald & Effie Nasburg, & Ralph Hallenius, A Partnership.
Idm-E60

90878
118140
38420
49485
40500
28729
372158

Double Eagle Tungsten Co.
Idm-E 114

169743
155831
141821
46125

513520

Hope Silver-Lead Mines, Inc.
Idm-E 130

328926
164299
115701
182606
216717
236335
148751
236003
170662

1800000

G.O.P. Antimony Inc. Idm-E 132

193976
201618
66669
41593

503856

G.O.P. Antimony, Inc. Idm-E 258

198701
255563
211336
61555

727155

Sidney Mining Co.
Idm-E 367

102577
267460

370037

Columbia Mining Co.
Idm-E 169

205645
139090
132453
163994
33648
99550

774380

Payments made to Columbia Mining Co. Contract Idm-E169

January 1952	$2,056.45
Frebruary 1952	1,390.90
March 1952	1,324.53
April 1952	1,639.94
May 1952	336.48
June 1952	995.50
	$7,743.80

FILE COPY
SURNAME:

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

A E Kane
F L Knouse
Ellis
Chandler
Selfridge
Hedges
Lemmon

FEB - 1953

BW.

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

Re: Docket No. DMA-1535X (Copper)
Contract No. Idm-E169
Columbia Mining Company
Copper Cliff Claim
Lewis and Clark County, Montana

Dear Mr. Weissenborn:

F.C. 2/16/53

Reference is made to your letter dated January 21, in which you suggest that this office take further action against the Operator because of its failure to indicate what has been done with the equipment that was purchased.

Please forward to this office copies of the registered letters sent to the Operator and all other correspondence with it regarding the disposition of this equipment.

Kindly advise us also under what sort of agreement the compressor and the mucking machine were obtained by the Operator and forward copies thereof, if obtainable, and let us have your estimate of the present value of the equipment purchased.

Without consideration of the equipment, there appears to be a balance due the Operator of $389.84, and this sum will be withheld pending the final disposition of the equipment.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

J. H. Hedges

Member, Bureau of Mines

S. M. Lemmon

Member, Geological Survey

AEKane/FLKnouse/em/gla
2/12/53
cc to: Adm. Reading File
Operating Committee
L.P.Thayer J.H.Hedges
A.E.Kane J.L.Hofflund
E.W.Ellis F.L.Knouse
Docket
Legal chron pending

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

FILE COPY
SURNAME:

140

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

AKane
FHouse

FEB 1 1953

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

Re: Columbia Mining Company, Inc.
Docket No. DMA-1535X
Contract Idm-E169 (copper)

Dear Mr. Weissenborn:

Reference is made to your letter to me, dated January 26, in which you suggest that this office take further action against the Operator because of its failure to indicate what has been done with the equipment that was purchased.

Please forward to this office copies of the registered letters sent to the Operator and all other correspondence with it regarding the disposition of this equipment.

Kindly advise us also under what sort of agreement the compressor and the mucking machine were obtained by the Operator and forward copies thereof, if obtainable, and let us have your estimate of the present value of the equipment purchased.

Without consideration of the equipment, there appears to be a balance due the Operator of $389.84, and this sum will be withheld pending the final disposition of the equipment.

AEKane/em
2/10/53
Copy to: Mails and Files
Adm. R. File
Op. Comm.
E.W.Ellis
J.H.Hedges

Sincerely yours,

George C. Selfridge (GB)
Chairman, Operating Committee

Approved:

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

D. M. Lemmon (GB)
Member, Geological Survey

A.E.Kane pending
chron.
L.P.Thayer
J.L.Hofflund

FILE COPY
SURNAME:
800

Chambers

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

Memorandum February 9, 1953

To: Mr. A. E. Kane
Assistant General Counsel

From: Jay L. Chambers, Chief (Signed) J. L. Chambers B.W.
Contract Administration and Audit Division

Subject: Columbia Mining Company, Inc., Docket DMA-1535X,
Contract Idm-E169

J.C. 2/9/53

In regard to our telephone conversation this morning it appears that the total amount of work done on the above-cited project amounts to $16,262.28, and that the Government's share of this amount (50%) is $8,131.14. The Government has reimbursed the contractor $7,741.30, which leaves a balance of $389.84 due the contractor, omitting any consideration for the equipment.

In the Field Team's report dated January 2, 1953, the following inventory of equipment purchased for the project was given:

	Item	Orig. Cost
1	20" x 5' vertical air receiver with pressure gauge and safety valve	$ 215.00
1	Dullard Air Line Oiler	14.50
1	Worthington WPM-30 drifter #29437	695.00
1	Worthington WJ-45 jackhammer #36939	200.00
1	3½" x 7' Column, Arm and safety clamp	60.00
1	Used 1949 Ford Pick-up, Motor No. 98RC 269776	1,198.00
	Total	$2,382.50

Condition of the above equipment is good.

Since the total equipment listed by the Field Team omits the compressor and the mucking machine, which apparently were being purchased on a purchase-rental basis, it may be concluded that the contractor intended to forfeit his interest in these two pieces of equipment. If he does, it appears that the Government has no power to interfere.

The total inventory given above ($2,382.50) would probably net not more than $1000. The Government's participation of 50% would then net only $500. Since there is a reimbursement due the Company of practically $400, it does not appear that any legal action should be taken in this case; however, this is a matter for the General Counsel to decide.

JLChambers/wb
February 9, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers

FILE COPY
SURNAME:
700

F L Knouse
Ellis

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

February 3, 1953

MEMORANDUM

To: John L. Hofflund
Legal Division

From: Frederick L. Knouse
Rare and Misc. Metals Division

Subject: Docket No. DMEA-1535X (Copper)
Contract Idm-E169
Columbia Mining Company
Contract Termination and Equipment Disposal

Please take the necessary action to recover the Government's equity in the equipment referred to in the attached letter addressed to Mr. George Selfridge from Mr. A. N. Weissenborn dated January 21, 1953.

Frederick L. Knouse

FLKnouse/jem
cc to: Docket
Knouse
Ellis

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

January 21, 1953

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 26 1953

Re: Docket No. DMEA-1535X (copper)
Copper Cliff Claim
Columbia Mining Company
Lewis and Clark Co., Montana
Contract Idm-E169 (Terminated)

Dear Mr. Selfridge:

Enclosed is the final Field Team report of the Columbia Mining Company Copper Cliff Claim by H. T. Reno and M. R. Klepper. The contract was terminated by the Field Team on July 25, 1952 on the basis of the geological improbability of making a discovery. An audit of the account has been made, but a final audit report cannot be prepared nor can final settlement be made until the Operator has submitted a final report and has disposed of the equipment in which the Government has an interest. This equipment is listed in the Field Team report. The Operator has been advised of this, but no action has been taken that we know of. In fact, he has even refused to reply to our letters although we know that they must have been received as they were sent registered, and we have received a return receipt. We can only suggest that further action be through our Washington office and that Mr. C. B. Mitchell of the Columbia Mining Company be advised that legal action will ensue if he does not take steps to properly dispose of the equipment.

Sincerely yours

A. E. Weissenborn

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

Reviewed by
DMEA OPERATING COMMITTEE

1-30-53
(date)

Enclosure 1 (in quad.)
cc: USBM (2)
Hull
Certifying Officer

REPORT

Coe
1/26

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

January 2, 1953

Reviewed by
DMEA OPERATING COMMITTEE
1-30-53
(date)

MEMORANDUM

To: DMEA Field Team, Region II

From: M. R. Klepper, Geologist, U. S. Geological Survey and
H. T. Reno, Mining Engineer, U. S. Bureau of Mines

Subject: Final report. Docket No. DMEA-1535X (copper), Contract Idm-E169, Copper Cliff Claim, Lewis and Clark Co., Montana; Columbia Mining Co., Helena, Montana.

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Subject contract was granted October 3, 1951. Work was started January 1, 1952 and at the recommendation of the Field Team geologists was terminated before completion on July 25, 1952. Under the contract an adit was driven 240 feet along the contact between the Pilgrim dolomite and the underlying Park shale and an Ax hole was drilled across the full thickness of the Park shale and the upper part of the underlying Meaher limestone. No rock alteration or metallic mineralization was found.

It is the opinion of the Field Team geologist that further Government participation in exploration on this property is not warranted. Small replacement bodies of gold-copper ore do occur along some fractures and favorable beds adjacent thereto, but all showings suggest that no significant tonnage can be expected. If the Operator's optimism prompts him to undertake further exploration, his best opportunity for success would appear to be in sinking along the strongest showing in the dolomite near the crest of the hill. An alternative, but possibly less conclusive, method of exploration would be to drill one or two holes from the surface, each about 300 feet long, to test the supposed favorable intersection.

THE PROPERTY

The Copper Cliff claim is on the steep east slope of Last Chance Gulch (W. Main Street of Helena) several hundred feet north of the junction of Grizzly and Orofino (Oro Fino) Gulches and the south city limit of Helena. The claim, owned by E. C. Miles of Helena, is leased to Columbia Mining Co., Inc., 604 Placer Hotel Bldg., Helena, Montana.

GEOLOGY

The Copper Cliff claim and vicinity is underlain by Cambrian sedimentary rocks that trend east-west and dip 25°-30° south. On the claim the full thickness of the Park shale (205feet), and part of the overlying Pilgrim dolomite and the underlying Meagher limestone are exposed. These rocks are within the aureole of thermal metamorphism of the Boulder batholith whose north margin is about two miles south of the property; the carbonate rocks have been partly marbleized and the shale has been partly hardened to argillite.

Secondary copper minerals associated with more or less gold and silver occur at a number of places in the Pilgrim dolomite on and near the Copper Cliff claim. All of the known occurrences are small and appear to be localized along joints or other minor fractures and along favorable beds adjacent to mineralized fractures. The strongest showing, from which several thousand dollars worth of copper ore is said to have been mined (C. B. M itchell, Sec.-Treas., Columbia Mining Co.), is near the crest of the hill in the central part of the Copper Cliff claim (see map). At this place an adit and an open cut expose a mineralized fracture for a length of about 300 feet. In the open cut entry to the adit, near the west end of the exposure, two parallel fractures several feet apart are mineralized. Locally adjacent to one or both fractures small lenses of ore have replaced favorable beds of dolomite. The ore both along fractures and in favorable beds adjacent to them is typically only a few inches thick but locally swells to as much as 12 or 18 inches for lengths up to 10 feet.

DESCRIPTION OF THE PROJECT

A DMEA contract in the amount of $24,317.80 was granted to test the geologic possibility that the contact between the Pilgrim dolomite and the underlying Park shale might be a favorable horizon for the occurrence of copper ore, especially at its intersection with joints that are mineralized in the dolomite.

A bulldozer cut was excavated across the upper part of the Park shale and the lower part of the Pilgrim dolomite near the bottom of the steep south slope of Last Chance Gulch. From this cut a 7 x 8 ft. adit was driven eastward for 248 feet along the shale-dolomite contact. No rock alteration or metallic mineralization was detected either in the surface cut or in the adit. Consequently, Field Team geologist carefully examined the surface for evidence of mineralization along the supposed favorable contact. Finding none, they recommended that the drift be discontinued, for in order to arrive at the supposed most favorable intersection, an additional 600-700 feet of drifting and 50 to 150 feet of raising would be required. The meager surface evidence and the work already done underground did not suggest that the target was of the order of magnitude to justify this amount of work. It was agreed, however, that one diamond drill hole, not to exceed 300 feet in length, would be authorized to crosscut the Park shale in order to probe for a mineralized shear

reported by the Operator (C. B. Mitchell) but unsupported by any visible evidence. This hole was drilled Ax size 287 feet deep. The only evidence of mineralization penetrated was sparse calcite and pyrite along a few scattered tight fractures and therefore, it was recommended that the project be terminated before completion of the work provided for in the contract.

Working time

Working foreman	7½ months
Labor	146 shifts, 1509 man hrs. including 122 hours overtime.

Pay rates

Working foreman	$400 per month	
Labor	Jan. 1 to March 31	$1.50/hr.
	March 31 to July	$1.75/hr.
	Overtime paid at 1½ times regular rates	

Detail of Expenditures

Drilling	$ 1,447.25
Casing	87.50
Labor & Supervision	4,531.29
Timber	414.18
Supplies	2,108.38
Power	443.61
Workmen's Comp. Ins.	234.76
OAI & Unemploy. Tax	197.86
Total	$16,262.28

Government's share authorized	$12,158.90
Government's share of cost	8,131.14
Government's share unexpended	4,027.76
Value of production during operation	None

Final audit of this account has not yet been made.

Efficiency of Operation

The Operator had some trouble financing the purchase of equipment, hence was slow starting with a consequent high initial unit cost. During the course of the work, the supervision and efficiency of operations was fair.

Equipment purchased for project

Item	Orig. Cost
1 20" x 5' vertical air receiver with pressure gauge and safety valve	$ 215.00
1 Dullard Air Line Oiler	14.50
1 Worthington WFM-30 drifter #29437	695.00
1 Worthington WJ-45 jackhammer #36939	200.00
1 3½" x 7' Column, Arm and safety clamp	60.00
1 Used 1949 Ford Pick-up, Motor No. 98RC 269776	1,198.00

Condition of the above equipment is good.

To date the Operator has made no effort to dispose of the equipment listed above nor the supply inventory charged to the project. The Field Team has repeatedly insisted that the equipment and supplies be advertised for sale and sold to the highest bidder, but so far no action has resulted.

M. R. Klepper
Geologist

H. T. Reno
Mining Engineer

Enclosure
Dist: Orig. & 3-DMEA
USBM (2)
USGS (SRO)
Docket
Klepper

FILE COPY
SURNAME:

140

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

DEC 30 1952

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

Re: Columbia Mining Company
Docket No. DMA-1535X
Contract No. Idm-E169
(Copper-Silver)

Dear Mr. Weissenborn:

In telephone conversations between Mr. T. E. Howard of the Bureau of Mines and Mr. E. W. Ellis of DMEA on December 2 and 3, questions were raised with respect to the disposition of 13 items of property in which the Government claims an equity. The subject contract was terminated by a notice of termination dated July 25, and it is our understanding that the Operator fails and neglects to make proper disposition of property in which the Government has an equity.

The first 10 items were apparently purchased outright, and the Government's equity therein, if any, is to be realized and accounted for by the Operator as provided in DMEA Circular 10.

Item 11 refers to a pick-up truck which the inventory describes as "being purchased on a monthly installment basis." Items 12 and 13 refer to a compressor and a rocker shovel concerning which D. R. Irving, Mining Engineer, in a letter dated July 27 to the Field Team, states that "the Operator has never completed an agreement to transfer these items to a purchase-rental agreement. The status of these items is obscure, but it appears that no equity has been established." Without the contracts before us under which these items of equipment were procured, we can not determine exactly what their status is or what the rights of the parties are.

If the pick-up truck was being purchased on an uncompleted installment contract, the Operator may or may not have had the right to return the truck in lieu of completing the payments thereon. However, usually, the Operator would

be obligated to complete the payments. In such case, the Government would likewise be obligated to contribute to these payments (unless the Operator was willing to take over the purchase and complete the payments on his own account), and would have to realize upon its equity in the purchased truck.

With respect to the compressor and rocker shovel, the Operator probably is not obligated to purchase the equipment or pay any further rentals for it. Consequently, the Government should also waive its equity in the contracts for this equipment unless it would be profitable to complete their purchase and rely on their sale.

In Amendment No. 1 to the exploration contract, the following special provision respecting the disposition of property was inserted:

> "If, at the termination of the Exploration Project Contract, the Operator elects to retain items of equipment in which a jointly-owned equity has been established under an installment-buying contract or rental-purchase agreement, such items shall be appraised by representatives of the DMEA Field Team and the Operator shall reimburse the Government for its share of the equity in proportion to its contribution to the cost thereof."

and the Field Team's letter to the Operator dated August 7 (in which the inventory is set forth) contains the statement:

> "If you elect to retain items 12 and 13 /the compressor and rocker shovel/ for company use, the Government is entitled to reimbursement for its share in the equity established through advance or other rental payments; if you return them to the vendor, no equity is established for either Columbia Mining Co. or the Government."

The Government's equity does not depend upon whether or not the Operator elects to retain or return the equipment to the vendor; it depends on whether it would be profitable at the time of termination of the exploration contract to complete the purchase of the equipment under the procurement contract on which it is held, rather than

return it to the vendor. If at the time of termination of an exploration contract, the Government determines that the procurement contract under which a piece of equipment is held has no salvage value, the Government should waive its equity in that contract. Thereafter, the Operator may continue to pay out on the contract on his own account free from any claim from the Government. However, if by the terms of the procurement contract the Operator is obligated to complete the purchase of the equipment, he may do so, and the Government will have to contribute.

A revised DMEA Circular 10 will be issued shortly.

Sincerely yours,

Frank E. Johnson (JHE)

Chairman Operating Committee

Approved:

J. H. Hedges (JHE)

Member, Bureau of Mines

A. R. Kinkel, Jr. (JHE)

Member, Geological Survey

F.N. 12-30-52

AEKane/ema/12-19-52
cc: Mails & Files
Adm. R. File
Op. Comm.
J. H. Hedges
T. P. Thayer
E. W. Ellis
J. L. Hofflund
A. E. Kane
Chron.
Pending
J. L. Chambers

FILE COPY
SURNAME:

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

DEC 19 1952

Mr. Robert M. Hull
DMEA Auditor, Region II
1201 North Division Street
Spokane 2, Washington

Re: Docket No. DMA-1535X
Contract No. Idm-E169
Columbia Mining Co.

Dear Bob:

I am sending you a copy of a memorandum from the Chief Counsel to the Administrator in regard to the above-cited contract.

This analysis by the Chief Counsel may be of some assistance to you in auditing the project or in reviewing its activities in preparation of the audit.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration and
Audit Division

12-19-52

Enclosure

JLChambers/wb
December 19, 1952

Copy to: Mails & Files
Admr. Reading File
Mr. Chambers

FILE COPY
SURNAME:

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

BW.

DEC 18 1952

Mr. A. E. Weissenborn
Executive Officer, Region II
South 157 Howard Street
Spokane 8, Washington

Re: Columbia Mining Company
Docket No. DMA-1535X
Contract No. Idm-E169
(Copper-Silver)

Dear Mr. Weissenborn:

There is attached a copy of self-explanatory memorandum dated December 11, 1952, prepared by our Chief Counsel, concerning amendments to the subject contract.

Sincerely yours,

(signed) FRANK E. JOHNSON (JHB)

Chairman, Operating Committee

J.N. 12-18-52

APPROVED BY:

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

A. R. Kinkel, Jr. (JHB)
Member, Geological Survey

FEJohnson/bih
12/17/52
cc to: Docket
Admr. Reading File
Region II
Operating Committee
Messrs. A. R. Kinkel, Jr. GSA R-4234
J. H. Hedges - R4604
E. W. Ellis
F. E. Johnson

Enclosure

FILE COPY
SURNAME:

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

140

December 14, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 12 1952

Memorandum

To: The Administrator

From: Chief Counsel M.S. in R. v R.

Subject: Columbia Mining Company, Docket No. DMA-1535X
Contract No. Idm-E169 (Copper-Silver)

This contract has come to my attention on account of some telephone communications from the field concerning the disposition of property. Aside from the matter of disposition of property, I am concerned with the record on this contract, which I will set forth here for your consideration, and write a separate letter for the signature of the Operating Committee concerning the disposition of property.

The contract is dated October 3, 1951, in the amount of $24,317.80, of which the Government is to contribute one half or $12158.90. It has been amended seven times, the first amendment, unnumbered, merely increasing the time to commence.

Amendment No. 1. Section 1 of the first amendment recites that Stage I of Exhibit "A" is deleted and other matter there set forth is substituted. The reference to Stage I apparently is erroneous, as it is Stage II that seems to be deleted and substituted by the matter set forth in the amendment. No doubt the accounting officers have noticed or will notice this error. Old Stage II estimates the cost of 600 feet of drifting in terms of actual costs. New Stage II re-estimates the cost of this drifting at unit costs of $22.587 per foot including labor, supervision, and all other costs. However, the item in the original Exhibit "A" entitled "Labor and Supervision" is left in, and by Item 5 of Amendment No. 1 there is added this statement: "Labor for the drifting described above may be paid at unit contract rates not to exceed $12.00 per foot." Thus by Amendment No. 1, the drifting is estimated in terms of units of work including labor, but still there remains in the contract a separate allowance for labor at $12.00 per foot of drifting. I suppose that the auditors have noticed or will notice this discrepancy in settling the contract. Other items of Amendment No. 1 apparently add somewhat to the original estimated costs.

Amendment No. 2. This amendment deletes Stage I of Exhibit "A" and substitutes a new estimate. The original estimate was in terms of the hourly cost of renting a tractor, and the revised estimate is in terms of rental of a tractor without any reference to time or unit costs for time in a lump sum. The original estimated amount is increased several hundred dollars.

Amendment No. 3. Adds land.

Amendment No. 4. Adds drilling to additional costs.

Amendment No. 5. Increases the original time allowance.

Amendment No. 6. This amendment increases the added drilling provided for in Amendment No. 4 from 300 to 350 feet. The original 300 feet of drilling provided for in Amendment No. 4 was let on a subcontract to one Walter Riddock at $4.75 per foot with an additional contingency fund of $100.00 to allow for cementing, or a total subcontract price of $1,525.00. Amendment No. 6 increases this estimated amount to $3,235.00, a small part of which is accounted for by the added 50 feet of hole, and the rest is in an item entitled "Supervision, power, preparing diamond drill station, sampling, assaying, and contingencies . . . $1350.00*". This about doubles the estimated cost of this drilling which already had been contracted at $4.75 per foot.

It seems to this office that this contract in its present state may present some difficulties with respect to auditing, and that it might be well to call the attention of the auditors to it in advance. I am sending a copy of this memorandum to Mr. Chambers, and an extra copy is attached for your convenience.

J. L. Hofflund

JLHofflund/em
copy to: Mails & Files
J.L.Chambers
E.W.Ellis
J.L.Hofflund
chron.

J. L. Hofflund
Chief Counsel

FILE COPY
SURNAME:
800

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

Memorandum

December 5, 1952

To: Mr. J. L. Hofflund
Chief Counsel

W. S. in R. v. R.

From: Jay L. Chambers, Chief (Signed) J. L. Chambers
Contract Administration and Audit Division

Subject: Docket No. DMA-1535X, Contract No. Idm-E169
Columbia Mining Company

I wish to make the following points in regard to the attached proposed letter to Mr. Weissenborn in regard to the subject contract.

On Page 2, Group (A), Item (2) second sentence, should read as follows: "Without knowing in this office, the amount due on this equipment, but believing it to be considerably more (instead of less) etc." Mr. Ellis has agreed to this change.

On Page 3, Group (B), Item (1), I think this paragraph should read somewhat as follows:

> It is recommended that you again call the attention of the Operator to Item (3) of Amendment No. 1 and notify him that the Government will give him ____ days to decide what he proposes to do with the joint ownership equipment and specify that if a satisfactory arrangement for the disposal of such equipment is not made within the specified time, the Government will carry out the provisions of Item (3) of Amendment No. 1 and make a deduction from any monies now otherwise due the Operator and thereby terminate the contract.

Attachment

JLChambers/wb
December 5, 1952

Copy to: Docket
Admr. Reading File
Mr. Ellis
Mr. Chambers

DRAFT
12/4/52
EWEllis/gla

not used

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMA-1535X (Copper)
Contract No. Idm-E169 (Terminated)
Columbia Mining Company, Inc.
Copper Cliff claim
Helena, Montana

Dear Mr. Weissenborn:

Mr. T. E. Howard of the Bureau of Mines telephoned December 2 regarding action that should be taken in the disposition of equipment presently remaining at the above-captioned project which was terminated because the government refused further operations unjustified. We telephoned Mr. Howard again on December 3.

From these conversations it would appear that considerable difficulty is being experienced in persuading the Applicant to properly dispose of the remaining equipment. It is our understanding that payment on the Operator's June voucher, in the amount of $995.50, is being withheld.

The Field Team's August 7th inventory ~~as of August 7~~ lists 13 items. The first 10 items ~~represent~~ were purchased at a cost of $1,967.39, of which the Government's share is $983.70 on full & final. Items 11, 12 and 13 for the Ford pick-up, a 370 Cu. Ft. compressor and an Eimco shovel ~~total some $8,213.00, of which the Government's full share, if ~~paid out~~, would amount to $4,106.50. However, it is our understanding that this equipment was~~ were acquired ~~or~~ under a rental-purchase contract for $8213.00 which the Govt. contributes nominal $4,106.50 on which only partial payment has been made. ~~The status of this equipment with respect to continuing payments and so forth is, we understand, still not clear. Therefore,~~ proper disposition of all of the

equipment, it would appear, would fall under two main categories: (A) Items 11, 12 and 13, and (B) Items 1 to 10, inclusive. Both groups are shown in the August 7 inventory report. Taking these two questions in order, we find:

(A) Items 11, 12 and 13:

(1) If the payments on this equipment have not been maintained, the seller ~~will quite~~ has the right to its return, ~~naturally~~ replevin ~~same~~ and if he exercises this right, then the equity of both the Operator and the government ~~parties~~ will be lost ~~cease~~.

(2) If Operator elects to continue its ~~his~~ share of the monthly payments, ~~until the equipment is fully paid for then in order to protect its rights, the Government will likewise have to make monthly payments. Without knowing in this office~~, the amount due on this equipment is ~~but believing it to be~~ considerably ~~less~~ more than one-half of the total cost, ~~then, quite naturally~~, it would not pay the Government to continue paying its share ~~out~~ on the equipment, because it is believed that ~~since~~ one-half the resale value and would probably not equal the total of the Government's further contribution. However,

until the purchase is completed

~~(3) Should the Operator continue to pay the total amount of the monthly rental-purchase price to the completion of the purchase agreement,~~ then it is our opinion, since ~~the contract was terminated by~~ the Government ~~prior to the expenditure~~ does have some equity in the equipment, the Operator should be asked to purchase it otherwise and in the disposition.

deduct its reasonable value from any balance due the operator.

If the Operator refuses, then the Government may ~~consider it would be equitable if you do not [illegible] of the full amount of the funds allotted, the Government will have lost its equity.~~ the amount considered is sufficient ~~notwithstanding~~ its pursue legal remedies to protect the government's interest

(B) Items 1 to 10, inclusive:

(1) It is recommended that you make one more attempt to ascertain from the Applicant if he is willing to make the Government an offer for the Government's equity in this equipment, which ~~equity~~ at the present time appears to be worth $983.70.

(2) If the Applicant refuses to make an offer, either in writing or otherwise, then the only alternative left would be to retain the full amount of the Government's contribution to these 10 items ($983.70), and, in turn, remit to the Operator any balance claimed by the Operator, if properly checked, above that amount.

We trust you will again urge upon the Operator the necessity of the proper disposal of such equipment so that adjudication of the funds involved may be made and thus permit the remaining funds earmarked for the project to be released.

Sincerely yours,

Chairman, Operating Committee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
1201 N. Division St.
Spokane 2, Wash.
December 1, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
DEC 4 1952

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Columbia Mining Company, Inc.
c/o Mr. C. B. Mitchell
604 Placer Hotel Building
Helena, Montana

Subject: Contract Idm-E169
Docket No. DMEA 1535 (copper)

Dear Mr. Mitchell:

Reference is made to the audit on October 2, 1952 of the Columbia Mining Company, Inc., DMEA contract Idm-E169.

In order for us to complete the audit report and certificate required to close this contract, it is necessary that you furnish the DMEA Field Team a written statement of the action taken to liquidate the items of equipment in which a jointly owned equity has been established.

We will appreciate your taking the proper steps so that this contract may be closed as soon as possible. Please address your reply to the Executive Officer, DMEA Field Team, South 157 Howard Street, Spokane, Washington.

Sincerely yours,

Robert M. Hull
DMEA Auditor

cc: DMEA, Wash. (2)
USGS (2)
R. M. Hull
DF
AD
DMEA

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

So. 157 Howard Street
Spokane 4, Washington

September 3, 1952

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

Re: Contract E-169, Docket DMA-1535X
Columbia Mining Company, Inc.
Amendments No. 1 and No. 4

Dear Mr. Chambers:

Amendment No. 1, dated February 8, 1952, is designed to change a number of items within the contract. Under Stage I, the tractor rental and tractor transportation is deleted as these items are covered in that section of the contract dealing with equipment to be rented.

The amendment clarifies the contract by lumping all expenses pertaining to drifting to a unit cost per foot participation basis. This basis allows for more efficient administration of the contract by DMEA representatives by eliminating unnecessary accounting and auditing problems.

Under operating equipment to be purchased, a number of items were deleted as they are supply items and should be accounted for as such and not as operating equipment.

The purchase price of several items of operating equipment was increased over the amount specified in the contract owing to an increase in the market price of the equipment, and to the fact that the Operator originally intended to purchase used equipment at a lower price but could not find such items available when the contract became effective.

In that item of the contract dealing with equipment to be furnished by the Operator, the amendment revokes depreciation allowance for several items. The items so affected are supply items for which depreciation should not be allowed.

As the Operator intended to do the drift work by subcontract, Amendment No. 1 provides for a unit labor rate of $12 per foot.

All changes in the contract are to the interest and benefit of the Government.

Amendment No. 4, dated May 14, 1952, provides for the drilling of 1 300-foot diamond drill hole to crosscut the Park shale and extend 10 feet into the Meagher limestone.

Previous drifting under terms of the contract failed to find commercial ore. Therefore, rather than continue expensive and noneffective drilling, it was decided to diamond drill to the Meagher limestone contact. If favorable mineralization should be encountered in the drilling, the exploration program could be re-evaluated and the target changed; however, if results of the drilling are negligible, the exploration program should be terminated.

Sincerely,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: USBM, Spokane (2)
USBM, Albany

FILE COPY
SURNAME:
800

Chambers

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

Mr. Robert M. Hull
c/o Mr. A. E. Weissenborn
South 157 Howard Street
Spokane 8, Washington

AUG 14 1952

Re: Contract No. Idm-E169
Docket No. DMA-1535X
Columbia Mining Company, Inc.
and
Contract No. Idm-E240
Docket No. DMA-565X
Castle Lead & Zinc Company

Dear Bob:

If there are no more payments to be made to the contractors of the above cases, please give us clearance to release the balance of the allotted funds. Our cumulative expenditures on E169 are $6,745.80 and on E240, $8,769.83.

Sincerely yours,

(Signed) J. L. Chambers

J.N. 8-14-52

Jay L. Chambers, Chief
Contract Administration and
Audit Division

JLChambers/wb
August 14, 1952

Copy to: Mails & Files
Admr. Reading File
Mr. Chambers

M. E. Volin, Member, DMEA Field Team, Region II August 12, 1952

D. R. Irving, Mining Engineer, Mining Division, Region II

Interim Report, DMEA Docket No. 1535X (copper)
Columbia Mining Co., Inc., 604 Placer Hotel Bldg., Helena, Montana
Copper Cliff Mine, Helena, Montana, Contract Idm-E169

A routine inspection was made with Mr. C. B. Mitchell, Secretary, on July 22, 1952.

Diamond drilling was progressing with difficulty. Mr. Mitchell reported the hole had previously reached a depth of 287 feet, at which point the water failed to return. The driller then cemented the hole, lost his bit and a portion of his drill rod and had failed to carry his casing down with the hole. As a result, at the time of the inspection, the hole was down only 238 feet, the top of the lost drill rod was at about 242 feet, and the driller was trying to ream the hole with a bit on the end of his casing.

Mr. Mitchell was advised to have the driller call the sub-contractor for advice.

Mr. R. Klepper, geologist, USGS, terminated the contract on July 25, 1952. The hole had reached the objective (the Park shale-Meagher limestone contact) at about 200 feet, with no mineralization disclosed.

Analysis of a sample from the core at 185 feet showed:
Au - none; Ag - 0.1 percent; Cu, 0.1 percent.

An inventory of equipment and supply items was made on July 26, 1952, with the assistance of Mr. Mitchell and Mr. Hoberg, foreman.

D. R. Irving

cc: Wash (2)
USGS (2)
DRI

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
1201 North Division Street
Spokane 2, Washington

11

August 7, 1952

Columbia Mining Company
604 Placer Hotel Building
Helena, Montana

Attn: Mr. C. B. Mitchell, Secretary

Subject: Disposition of property, Government equity.
Docket No. 1535X (copper), Contract Idm-E169

Gentlemen:

In order that a final accounting of costs incurred under the terms of the contract can be made and final settlement expedited, it is suggested that you proceed immediately with disposition of the subject property as outlined in the "Memorandum to Operators under DMEA Exploration Project Contracts" regarding disposition of jointly-owned property issued by the Executive Officer, DMEA Field Team, Region II.

Property in which the Government has acquired an interest for contributions made during the life of the contract and in which the Government does not waive its interest, is listed below for your convenience:

Item	Description		Original Cost
1.	Drill steel and bits, consisting of:		
	Leyner Steel	2 — 1¼" x 2' rd. lg.	
		1 — 1¼" x 4' rd. lg.	
		2 — 1¼" x 6' rd. lg.	
	Jackhammer Steel	2 — 7/8" x 2' hex Timken Rod	
		2 — 7/8" x 4' hex Timken Rod	
	Detachable Bits	8 — 1-5/8" MCA-CS	$161.67

Item	Description	Original Cost
2.	360 feet, 16# Mine rail (used)	$120.00
3.	144 feet, 2" Black pipe (used)	57.60
4.	1173 board feet lumber 10 — 8" x 8" x 16' 10 — 3" x 8" x 16'	64.52
5.	Explosives 850 lbs. 1-1/8" x 8" - 30% Spec. Gel. Dynamite 400 No. 6 - Blasting Caps 2000 feet - B/M Fuse	243.60
6.	300 feet Vent Tube, used	150.00
7.	20" x 5' vertical air receiver, with pressure gauge and safety valve	215.00
8.	Worthington WPM-30 Drifter, #29437	695.00
9.	Worthington WJ-45 Jackhammer, #36939	200.00
10.	3½" x 7' Column, Arm, and Safety Clamp	60.00
11.	Used, 1949 Ford Pick-up	$1,198.00
12.	370 Cu. ft. (Piston displacement) 2 stage, air cooled, I. R. Compressor #370A189, direct connected to 75 h.p., 900 r.p.m., 3 phase, 60 cycle, 440 volt U.S. motor with H.B. starting compensator and 200 amp. safety switch.	$4,058.00
13.	Eimco 12B Rocker Shovel, 18" gauge, B deck; hook type coupler, to accommodate car 52" body length, 30" width, 24" depth, 57" overall length, 47" above rail	$2,957.00 8 2/3 10

Item 11, Ford Pick-up, is being purchased on a monthly installment basis.

If you elect to retain items 12 and 13 for company use, the Government is entitled to reimbursement for its share in the equity established through advance or other rental payments; if you return them to the vendor, no equity is established for either Columbia Mining Co. or the Government. A definite statement of intent regarding these items should be included in your final report.

Please note that paragraph 4 of the memorandum on disposition of property requests you to obtain approval of the executive officer in advance of the proposed disposition.

The June, 1952, voucher is being withheld from payment pending final settlement of the contract.

DMEA Field Team, Region II

G. C. Reed, for
M. E. Volin, Acting Exec. Officer

S. Warren Hobbs,
Acting Member

cc: Wash. - 2
USGS - 2
File (DMEA)
DF
Robt. C. Hull
EGE

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

So. 157 Howard Street
Spokane 4, Washington

July 31, 1952

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Columbia Mining Co., Inc.
Docket No. DMA-1535X
Contract Idm-E169
Lewis & Clark Co., Montana

Dear Mr. Johnson:

Enclosed are three copies of a notice of termination effective July 25, 1952 concerning the above-referenced contract. Also enclosed are three copies of a memorandum from M. R. Klepper dated July 25 recommending the termination after a discussion he had with Mr. C. B. Mitchell, Sec.-Treas. I concur in this recommendation, and the operator has received his notice of termination by registered mail.

Very truly yours,

S. Warren Hobbs

S. Warren Hobbs
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

cc: USBM, Spokane
USBM, Albany
M. R. Klepper

RECEIVED
AUG 6 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

M. E. Volin, Member, Field Team, Region II July 27, 1952

D. R. Irving, Mining Engineer

Inventory - Date of Contract Termination, Columbia Mining Co., Inc., Idm-E169, Docket No. 1535X (Copper)

Attached is a copy of physical inventory of items in which the Government has an equity at subject mine, made on July 26, in company of Mr. C. B. Mitchell, Secretary, and Les Hoberg, Foreman, Columbia Mining Co., Inc.

Mine rail and 2" and 1" pipe were not measured, but are estimates furnished by Mr. Hoberg. A check of invoices in the files of the company showed purchases of these items and payment by the Government after the operator submitted on Form MF-104 as follows:

Item	Mr. Hoberg's Estimate	Invoices
Mine rail	1020' - 16 lb.	(927' - 16 lb.) (30' - 12 lb.)
2" Pipe	524' - Black	264', Black
1" Pipe	440' - Black	(336', Black) (84', Galv.)

The rail and 1" pipe figures are close. Apparently in the case of 2" pipe an invoice was overlooked in Columbia Mining files, or only one copy was furnished by vendor and submitted with report, and a copy not retained for company files.

All other items were actually counted.

The exact manner of arriving at settlement figures on items in which the Government has an equity is a trifle confusing. A paragraph under Exhibit "F" of Amendment No. 1 reads as follows:

"If, at the termination of the Exploration Project Contract, the operator elects to retain items of equipment in which a jointly-owned equity has been established under an installment-buying contract or rental-purchase agreement, such items shall be appraised by representatives of the DMEA Field Team and the operator shall reimburse the Government for its share of the equity in proportion to its contribution to the cost thereof,"

Instructions in a memorandum from the "Executive Officer, DMEA Field Team, Region II" to "Operators under DMEA Exploration Project Contracts" on "Disposition of Property in which the Government has an interest" outline a different procedure.

I believe the latter is preferable, and have advised the operator to proceed in the manner outlined.

On page 1 of the attached inventory, items 1, 2 and 3 should be grouped, and had an estimated original cost of $161.67; items 4 and 5 had an estimated original cost of $368.35; items 6 and 7 had an estimated original cost of $308.00; item 8 had an original cost of $64.52; items 9, 10 and 11 had an original cost of $243.60; and item 12 had an original cost of $150.00.

On page 2, I interpret that the Government waives its interest in item 2 since the original cost did not exceed $50.00.

On page 3, used Ford Pick-up, value of this item can probably be best appraised by Capital Motors from whom car was purchased.

In the case of the compressor and loading machine, pages 4 and 5, the operator has never completed an agreement to transfer these items to a purchase-rental agreement. The status of these items is obscure, but it appears that no equity has been established. A total of $2800 has been expended in advance rental, with the Government contributing its share of 50%.

A review of the records may disclose items that have been omitted, but the above information was obtained from the records of Columbia Mining Co. Mr. Mitchell cooperated fully and assisted me in compiling the above list.

I recommend that after review a copy of the items in which the Government has an interest be forwarded to Columbia Mining Co. in order that they might proceed with disposal.

Mr. Mitchell has expressed the desire of the Company to retain the property. All equipment has been well cared for and is in good operating condition.

D. R. Irving

Enclosure

CC: 2-Wash.
2-USGS
D.R.Irving

Inventory - Supply Items - Columbia Mining Co., Inc. July 26, 1952
Edm-E169, Docket No. 1535X (Copper)

Item	Quantity	Size	Orig. Cost	Present Condition
1. Drill Steel, Leyner	2 1 2	1¼" x 2' rd. lg.) 1¼" x 4' " ") 1¼" x 6' " ")	$41.00(est.)	1 of each size unused - balance, fair
2. Drill Steel, Jackhammer (Timken rod)	2 2	7/8" x 2' hex) 7/8" x 4' ")	$17.00 (est.)	1 of each size unused 1 of each size good
3. Detachable bits	6 2	1-5/8 MCA-CS ditto (used)	$83.19 20.48	3 unused 5 used
4. Mine rail	1020'	16 pound	343.35 (est.)	All except 360 feet is installed, good used condition
5. Mine rail, switches	3	16 pound	25.00 (est.)	Installed--good used condition
6. Pipe, black iron	524'	2"	210.00 (est.)	All except 144 feet is installed--good used condition
7. Pipe, black iron	440'	1"	98.00 (est.)	Good used
8. Lumber, 1173 board feet	10 10	8" x 8" x 16') 3" x 8" x 16')	64.52	Unused
9. Powder, 30% Spec. Gel	850 lb.	1-1/8" x 8"	207.40	Good
10. Blasting Caps	400	No. 6	8.80	Good
11. B/M Fuse	2000ft.		27.40	Good
12. Vent Tube	300 ft.		150.00	Used--never installed
		Total	$1,296.14	

Inventory - Equipment Items - Columbia Mining Co., Inc. July 26, 1952

Item	Quantity	Date Purchased	Vendor	Inv. No.	Orig. Cost	Present Condition
1. 20" x 5' Vertical Air Receiver with pressure gauge & safety valve	1	1-28-52	Miller Machinery Co. Missoula, Mont.	5216	$215.00	Good
2. Drullard Air Line Oiler	1	1-28-52	do	5216	14.50	Good
3. Worthington WPM-30 Drifter #29437	1	1-28-52	do	5216	695.00	Good
4. Worthington WJ-45 Jackhammer #36939	1	1-28-52	do	5216	200.00	Good
5. 3½" x 7' Column, Arm and safety clamp	1	1-28-52	do	5216	60.00	Good
				Total	$1,184.50	

Car Invoice dated January 29, 1952, Capital Motors, Inc., Helena, Montana.

1 - (Used 1949 Ford Pick-up	$1,198.00
(Fire & Theft, $50 Deductible Collision insurance	
Cash paid	400.00
Balance due	$ 798.00

To be paid in 12 equal installments of $76.05 each.

February report	$76.05 paid	
March report	76.05 paid	
April report	76.05 paid	
May report	76.05 paid	
June report		$76.05 (not submitted yet)

7 payments have not yet come due.

Invoice #5215, January 28, 1952, Miller Machinery Company, Missoula, Montana.

1 - 370 Cu. ft. (piston displacement) 2 stage, air cooled, I. R. Compressor #370 A189, direct connected to 75 hp., 900 r.p.m., 3 phase, 60 cycle, 440 volt U. S. motor, with H. B. starting compensator and 200 amp safety switch.

4 months advance rental @ $400/month = $1600.00, was paid to cover the period from 1/31/52 to 5/31/52. Because of delay in delivery the period covered by advance rental was extended to include 2/28/52 to 6/30/52.

This Compressor was obtained on a rental agreement. A clause added to the document states that at any time during the life of the agreement the operator may exercise the option of applying rental payments to purchase the compressor on basis of 100 percent credit for first 4 months advance rental plus 80 percent of subsequent payments. Purchase price specified as $4,058.00.

A letter of intent was executed at a later date, wherein the operator stated he intended to exercise his option at some time during the life of the agreement.

Invoice #5217 - February 20, 1952, Miller Machinery Co., Missoula, Montana

1 - Eimco 12B Rocker Shovel, 18" gauge, B deck; hook type coupler, to accomodate car 52" body length, 30" width, 24" depth, 57" overall length, 47" above rail.

4 months advance rental @ $300/month = $1200.00 was paid to cover the period from February 20, 1952 to June 20, 1952. Operator states this

time was extended to cover period from March 20, 1952 to July 20, 1952, because of delay in delivery.

This loader was obtained on a rental agreement similar in terms to that covering the compressor. Purchase price specified as $2,957.00.

A letter of intent similar to that executed in regard to the compressor was signed by the operator at a later date.

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

So. 157 Howard Street
Spokane 4, Washington

July 25, 1952

Memorandum

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

From: M. R. Klepper, Geologist, U. S. Geological Survey

Subject: Recommendation to terminate Contract Idm-E169, Columbia Mining Co., Inc. (Docket DMA-1535X)

On July 24 I visited subject property in company with Mr. C. B. Mitchell, Sec-Treas. of Columbia Mining Co. and Dante Brambilla.

The hole authorized in Amendment No. 4 to subject contract has been drilled to a depth of 287 feet. This hole has cross-cut the full thickness of the Park shale and penetrated more than 10 feet into the underlying mottled ("blue and gold") Meagher limestone. No copper-bearing structure or other evidence of metallic mineralization was encountered.

In my opinion all reasonable exploration possibilities have been exhausted and I therefore recommend that subject contract be terminated immediately. I advised Mr. Mitchell verbally that the above recommendation would be made; he was already aware, from previous correspondence of which I have no copy, that Government participation would be terminated if this drill hole was unsuccessful.

M. R. Klepper
rmr

M. R. Klepper
Geologist

cc: USBM, Spokane (1)
USBM, Albany (1)
M. R. Klepper

M. E. Volin, Member, DMEA Field Team, Reg. II June 23, 1952

E. C. Erickson, Mining Engineer, Bureau of Mines

Routine inspection of the Columbia Mining Co.'s exploration project Contract Idm-E169, Lewis and Clark County, Mont., Docket No. 1535X (copper)

The project site was visited June 20, 1952. The diamond drill hole authorized by an amendment to the contract was collared 69 feet S. 77° E. of station No. 26. Direction of the hole is N. 31° W. and is inclined at a minus 60°. Driller has had to cement and in some cases re-cement sections of the hole. A total of 153 feet of hole has been drilled to date. Progress has been slow and a fair core recovery has been made. Some of the drilling trouble may be caused by only 60 feet of AX rod being used and the balance of "B" rod which appears to cause some whipping action.

The operator is furnishing the air for drilling; has a supervisor to sample, care for cores, and attend compressor.

The drift which was stopped is in a total of 243.3 feet from the portal set.

E. C. Erickson

Orig. to files
cc: USGS (2)
Wash (2)

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

June 19, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration
JUN 23 1952

Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: DMEA 1535, Copper
Contract Idm-E169
Columbia Mining Company

Dear Sir:

Enclosed are three copies of Amendment No. 5 to the subject contract. This amendment to increase the completion period is necessary in order that the project be successfully completed.

Sincerely yours,

K H Gray
Kathryn Gray
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

sds 6-24-52

M. E. Volin, Member, DMEA Field Team, Reg. II June 13, 1952

E. C. Erickson, Mining Engineer, Bureau of Mines

Inspection of Columbia Mining Co.'s exploration project, Contract Idm-8169, Docket No. DMEA 1535A (copper), Lewis and Clark County, Mont.

Inspection of the project was made May 6, 1952, with R. R. Klepper, USGS geologist. The 241 feet of drifting has been very discouraging. After examination of surface, pits, outcrops and geologic structures it was decided that the target did not justify continuing the drift in view of unsatisfactory ore indications disclosed to date.

An amendment to the contract was prepared to allow a maximum of 300 feet of diamond drilling to explore the shale bed. Continuation of any work under the contract will depend upon the outcome of the drilling project.

E. C. Erickson

Orig. to files
cc: USGS (2)
Wash. (2)

JUL 7 52

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

So. 157 Howard Street
Spokane 4, Washington

May 26, 1952

Memorandum

To: Operating Committee, DMEA

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

Subject: Transmittal of Amendment No. 4, Columbia Mining Company, Docket No. DMA-1535X.

The original and two copies of Amendment No. 4 to Contract Idm-E169 are transmitted herewith. This amendment was drafted to permit drilling a hole across the full thickness of the Park Shale in which, according to old reports, occurs a strong shear zone mineralized with copper. The exploration to date, consisting of 250 feet of drifting on a potentially favorable shale-limestone contact, has failed to reveal any mineralization.

If the authorized hole intersects a mineralized structure in the shale, the advisability of continuing work on this contract can be considered; if it does not intersect a mineralized structure, then all reasonable exploration possibilities on the property will have been exhausted, and the program, which would cost between $10,000 and $15,000 to complete according to the original plan, should be terminated.

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

cc: USDM

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 4, Washington

May 15, 1952

Memorandum

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

From: Montis R. Klepper and James J. Quinlan

Subject: Columbia Mining Co., DMEA Docket 1535X, (Copper) Exploration Project Contract Idm-E169

We recommend that the company be notified in writing immediately to discontinue drifting along the barren shale-dolomite contact and that an amendment be drafted to provide for a 300 foot diamond drill hole as described below.

On May 4, 1952 we made a routine inspection of subject exploration contract. The objective of this contract is to explore the contact between the Park shale and the Pilgrim dolomite which was believed to be a favorable site for occurrence of copper mineralization. The exploratory drift has been advanced a total of 240 feet along the contact and no hydrothermal alteration or metallic mineralization has been encountered. In fact, this is about as unaltered and unmineralized a contact as could be expected anywhere within the aureole of thermally metamorphosed rocks surrounding the Boulder batholith.

Inasmuch as the exploration done to date has exposed a completely "dry" contact and inasmuch as there is a complete lack of indication of ore in float along the concealed outcrop of the contact zone or on the dump of the one adit (now caved) that probably penetrates the contact, we recommend that drifting along the contact be discontinued, IMMEDIATELY. We further recommend that the contract be amended to provide for one diamond drill hole to crosscut the full thickness of the Park shale, in which, according to old reports, a strong mineralized shear zone occurs. This hole is to be drilled normal to the strike of the

bedding and to be inclined downward at 60°. A length of 300 feet should be adequate to completely crosscut the shale.

If a mineralized structure in the shale is intersected, the advisability of additional work can be considered. If the drill hole does not confirm the old reports, then all reasonable exploration possibilities on the property will have been exhausted, and the program, which would cost between $10,000 and $15,000 to complete according to the original plan, should be terminated.

Montis R. Klepper

James J. Quinlan

cc: USBM
DMEA ✓
USGS(SRO)

M. E. Volin, Member, DMEA Field Team, Region II May 8, 1952

E. G. Erickson, Mining Engineer, Mining Division, Region II

Routine Inspection, Contract Idm-E169, Docket No. 1535X (copper-silver)
Columbia Mining Company, Lewis and Clark County, Montana.

The project was inspected March 25, 1952 with Mr. Quinton of the U. S. Geological Survey's Spokane office. The bulldozing to expose contact had been completed and drifting on the contact was in progress. It was necessary to do more dozing than was originally estimated to expose contact and prepare portal site. The additional dozing was reasonable and necessary; therefore, an amendment was prepared to allow the additional cost.

Claim corners (iron pins) could not be located because of deep snow at time of visit, but since, the operator has tied portal to corners. This tie shows portal and 20 to 30 feet of drift is on a claim not covered in the contract. Operator claims he has claim in question under option, but to protect the government, an amendment is being prepared to include this claim in the contract. Operator has been asked to furnish owner's consent to lien. The March invoice is being held and will be forwarded for payment after consent to lien is received.

Actual cost of drifting is over the estimate to date which can be expected at start. The operator will have to perform the work very efficiently to come within the estimated cost. Operator plans to work two shifts using contract labor and thereby drive the drift at the lowest cost possible.

Initial survey station (measuring point) was set, Brunton survey of drift and portal site run, and inventory of equipment being purchased was taken.

E. G. Erickson

Orig. to files
cc: U.S.G.S.
2 Washington
EGE

OFFICE OF THE ADMINISTRATOR

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 28 1952

So. 157 Howard Street
Spokane 4, Washington

April 25, 1952

Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Copper

Re: Contract Idm-E-169
Columbia Mining Company

Dear Sir:

Enclosed are three copies of Amendment No. 2 to the subject contract. This amendment increases the total cost of dozing because more material had to be excavated than was originally estimated.

Sincerely yours,

Kathryn Gray

Kathryn Gray
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY - 2 1952

No. 157 Howard Street
Spokane 4, Washington

April 28, 1952

Memorandum

To: [illegible], Executive Officer, [illegible] Field Team, Boston 22.

From: J. J. [illegible], Geologist, [illegible].

Subject: Routine inspection report, Copper Cliff Exploration Project, Mn-167, Tolland, Hartford County, Connecticut.

A routine inspection of the Copper Cliff Exploration Project, Mn-167, was made March 28, 1952, in the company of John [illegible] and John [illegible], [illegible].

At the date of the routine inspection, the operator had completed 12 feet of drift after [illegible] of the entrance. Owing to the height, steepness, and structure of rock exposed in the face of the dump cut, it was necessary to start the portal timbers about 22 feet back from face of the dump cut. The sketch map accompanying this memorandum shows the portal location, dump cut, and particular geologic structures exposed by the work completed to date.

Mineralization completed to date has a varied little copper. The only copper metal was found in a quartzite lenses in a 1-foot massive bed consisting of tabular quartz, [illegible] of greenish color and [illegible] the [illegible]-rock content.

The stratigraphic section exposed by the drift is as follows:

Hanging wall	-	Phyllite-- dark gray phyllite with an occasional [illegible] of quartzite.
	3.0 ft.	Gray massive phyllite.
	1.0 ft.	Dark colored [illegible] phyllite, [illegible] [illegible] [illegible].
-	1.5 ft.	[illegible] quartzite [illegible] [illegible]-[illegible] [illegible].
Contact	4.0 ft.	Massive [illegible]-[illegible] [illegible] [illegible] of rock [illegible] [illegible]-[illegible] [illegible] [illegible].
-	2.5 ft.	[illegible], [illegible], [illegible] [illegible] [illegible] strikers.
Footwall	2.0 ft.	[illegible] to [illegible] drab colored [illegible], [illegible] [illegible].

4.0 ft.	Black shale with limy nodules.
10.0 ft.	Black shale.
6.0 ft.	Black, olive drab and gray shale, thin bedded (1/2-inch - 1-1/2-inch), calcite on fractures, limonitic stained.
-	Covered.

cc: USBM
DMEA ✓
Spokane Regional Office (USGS)

1535

MONTANA

LEWIS AND CLARK COUNTY

February 1, 1952

Columbia Mining Company, Inc., Idm-E169, Cu

50-50 of $24,317.80

6 months

The objective of this exploration is the extension of a mineralized zone along the contact of the Pilgrim dolomite and the Park shale, and a zone of fractures leading from this contact.

The work includes 64 hours of bulldozer work, and 600 feet of drifting.

Work was to have started January 21. No report has been received to date.

FILE COPY
SURNAME:

410

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

November 15, 1951

Memorandum

To: Reports and Records Section

From: Production Expansion Division

Subject: Docket No. DMA 1535X
Columbia Mining Company, Inc.
Exploration Project Contract Idm-E169

Enclosed is an original of a letter dated November 6, 1951, from the Executive Officer, DMA Field Team, Region II, transmitting a copy of the above-mentioned Exploration Project Contract, together with a copy of a lease assignment from Mr. C. D. Mitchell to the Columbia Mining Company, Inc., and a signed copy of an approval for an additional thirty days to commence the exploration program which the Field Team has allowed.

(signed) FRANK E. JOHNSON

Acting Director

Enclosures

FEKnouse/neb

cc to: Admr's Reading Files
Reports and Records
PED
Mr. Knouse
Docket

FILE COPY
SURNAME:

410

F L Knouse
F E Johnson

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

November 15, 1951

Memorandum

To: Chief, Finance Section

From: Production Expansion Division

Subject: Docket No. DMA 1535X
Columbia Mining Company, Inc.
Exploration Project Contract Idm-R169

Enclosed is a copy of the captioned Exploration Project Contract. The Field Team has allowed an additional thirty days to commence the exploration program. A signed copy of this approval is appended to the contract. Please forward to the Finance Officer, Region II.

(signed) FRANK E. JOHNSON

Acting Director

N.S.
R&R

Enclosure

FLKnouse/meb

cc to: Admr's Reading Files
Reports and Records
PED
Mr. Knouse
Docket

FILE COPY
SURNAME:

410

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

NOV 1 5 1951

Contract Service Section
General Accounting Office
Fourth Floor - New GAO Building
Washington 25, D. C.

Re: Docket No. DMA 1535X
Columbia Mining Company, Inc.
Exploration Project Contract Idm-M169

Gentlemen:

Enclosed for recording in your office is the original, signed copy of an Exploration Project Contract executed between the Operator named in the above reference and the Government of the United States.

The Field Team has allowed an additional thirty days to commence the exploration program. A signed copy of this approval is appended to the contract.

Sincerely yours,

11/21

(signed) FRANK E. JOHNSON

Acting Director
Production Expansion Division

Enclosure

FLKnouse/reb
11/15/51

cc to: Admr's Reading Files
Reports and Records
PED
Field Team, Reg. II,(2)
Mr. Knouse
Docket

OFFICE OF THE ADMINISTRATOR

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

DEPARTMENT OF THE INTERIOR
RECEIVED
NOV 9 1951
Defense Minerals Administration,
Production Expansion Division,

November 6, 1951

OFFICIAL FILE COPY

To	Initials	Date

Mr. C. O. Mittendorf, Director
Production and Expansion Division
Department of the Interior
Defense Minerals Administration
Washington 25, D. C.

Dear Mr. Mittendorf:

Re: DMA Docket 1535x, Columbia Mining Company, Inc.

Enclosed is the original and three signed copies of exploration project contract, docket no. DMA 1535x, contract Idm-E169, Columbia Mining Company, Inc., Lewis and Clark County, Montana. Also enclosed are two copies of a lease assignment from Mr. C. D. Mitchell to the Columbia Mining Company, Inc., as requested in your letter of October 12.

In reference to the items under operating equipment of the contract in question, the Field Team discussed with Mr. Mitchell the feasibility of obtaining the pickup truck and a mucking machine for the project. Mr. Mitchell was of the opinion that a mucking machine would save money in regard to labor costs and that both the mucking machine and the pickup truck could be evaluated at the close of the contract and that the Government could be refunded for their prorated investment in this equipment. The Field Team concurs with Mr. Mitchell and recommends that the subject items be included among other items to be purchased for the contract.

Owing to pressing personal business, Mr. Mitchell was not readily available to sign the contracts. Therefore most of the time allowed to commence work on the contract had elapsed before signature could be obtained. For this reason the Field Team has allowed Mr. Mitchell an additional 30 days to commence the exploration program. A copy of this approval is appended to the contract.

Thor H. Kiilsgaard
for A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

cc: USBM, Spokane

for M. E. Volin
Member, DMA
Field Team, Region II

Enclosures as indicated.

FILE COPY
SURNAME:

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

Vaughn
Bowen
Mahagen
Johnson

Memorandum:

SEP 1 7 1951

To: Director, Production Expansion Division

From: Director, Supply Division

Subject: Application for Exploration Aid of Columbia Mining Co., Inc. DMA-1535X Commodity-Copper. Government Participation $12,647.

Transmitted herewith are two sets of subject application, five Landlord's Subordination Agreement, six Exploration Project Contracts with Exhibits attached and two copies of Field Team Report with an attached letter.

This project is recommended for approval by the Defense Minerals Administration Field Team Region II. The Supply Division concurs in the recommendation, provided that upon completion of the proposed bulldozing work, and prior to making any expenditures for driving the adit, approval shall be obtained from DMA for going ahead with the adit on a specified course.

not stripped in R.R.

Tom Lyon

Tom Lyon, Director
Supply Division

Attachments

RVVaughn:ex
9/13/51
Copy to: Adm. Reading File
Field Team, Region II
Copper Branch
Files - DMA Docket

Draft RVWaugh..ez

September 5, 1951

COLUMBIA MINING COMPANY
APPLICATION FOR EXPLORATION A10

4 Copies

Exhibit A

Project and Time

It is proposed to drive an adit 600 ft. on the vein the entrance of which will be 30 ft. above the floor of Last Chance Gulch and where dimensions will be 6' X 7'. Estimated time - 6 months.

Estimated Costs

Labor	$ 7,200.00
Supervisor	2,400.00
Equipment	9,690.00
Rental of Equipment	800.00
Rental of Owner's Equipment	600.00
Miscellaneous	4,304.00
	$24,994.00

Exhibit B

No additional repairs to facilities, buildings, installations, or fixtures.

Exhibit C

Operating Equipment

To be Rented.

1 Bulldozer	$ 800.00

To be Purchased.

600 ft. 2" Airline	360.00
600 ft. 1" & 3/4" Water Line	180.00
1 Airline receiver tank	100.00
1 Water pressure tank	80.00
100 ft. ~~hot~~ Hi-pressure air hose	80.00

100 ft. ~~hot~~ Hi-pressure water hose	$ 60.00
2 Transformers (Purchased by Power Company)	
assorter connections and fittings	100.00
1 Drill machine (wet)	700.00
1 Jack hammer (used)	150.00
1000 Drill bits	400.00
1 Line oiler	30.00
Assorted shop pipe tools	50.00
1 Pick-up 1/2 ton truck (used)	1,200.00
1 Electric compressor on rental purchase basis 315 CF ~~Compack~~ Capacity	3,000.00
1 Mucking machine on rental purchase basis	2,800.00
Mine timber	400.00

To be furnished by operator

Mine cars, track, air line, pumps, etc.	600.00

Exhibit D

Labor

4 Miners and Tramers @ $48.00 per shift	7,200.00
(Work will be done by contractor for labor only at $12.00 per foot)	

Supervision

1 Supervisor @ $400.00 per month	2,400.00

Exhibit E

Miscellaneous

Power and water	660.00
Industrial Accident Insurance, social security tax, unemployment tax	1,104.00
Removal of pumps, mine rail, ~~and ore water~~ air and water pipe from old drift placer workings	500.00
Powder-Drill sharpening, incidental	2,040.00

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

August 10, 1951

AIR MAIL

Memorandum

To: J. B. Gowan, Acting Chief, Copper Branch

From: A. E. Weissenborn, Executive Officer, Region II, DMA

Subject: Columbia Mining Company, Copper Cliff claim
DMA Docket 1535X

In regard to our telephone conversation of August 7 concerning the Copper Cliff property, I wish to advise that Mr. Edward Ruppel of the Geological Survey has been contacted by phone, and conveyed to us the following information:

1. The main ore-bearing zone on the property occurs at the contact of the Pilgrim dolomite and Park shale, largely as a replacement deposit in the lower limits of the Pilgrim dolomite. The upper pit, as shown on the plan map, is not on this contact but on one of a series of small, mineralized transverse fractures leading away from the contact. These fractures are considered to be unimportant and not worthy of further development. Instead, primary attention should be directed toward the contact area, which is a more favorable site for commercial ore deposits. The dolomite-shale contact passes near the upper pit and extends down the side hill to where the proposed adit will portal. Inasmuch as the hillside is heavily mantled, the dolomite-shale contact could not be accurately placed at the time of the DMA visit. For this reason the applicant proposes to bulldoze the side hill, find the contact, and extend the proposed adit along this contact. Ruppel feels confident that such a bulldozed trench will expose mineralization on the contact, beneath the overburn, in which case it would be correct to say that mineralization extends along the contact from the upper pit to wherever the proposed adit will portal.

2. Regarding old workings, Ruppel says the upper adit is open but does not show too much mineralization and would not warrant rehabilitating. The inclined shaft is caved and would cost more to reopen than to sink a new one. A new adit driven on the contact would not only explore for possible ore bodies but would also develop considerable "backs" should commercial ore be found.

REPORT

3. Sinking on the ore would not be feasible. Location of such a shaft would be high on the hill in an inaccessible place and would require more equipment than the operator cares to put into action at this time. If the proposed bulldozed cut encounters mineralized contact of dolomite and shale, the proposed adit can be so located as to take advantage of nearby road thereby making operation more accessible. Drifting would also be cheaper than sinking.

As per your instructions, we telegraphed H. S. Steen of Steen-Yellow Jacket mine, (DMA Docket 869) for permission to change dates on contract and subordination agreement. We have received word "party gone, destination unknown." However, we are continuing to contact Steen and will advise of any success in our efforts.

If we may be of further service, please advise.

Very truly yours,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

6/5/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. 15358

Commodity COPPER

Total Amount $25,294.00

Govt. Participation $12,647.00

1. Name and Address of Applicant COLUMBIA MINING CO. INC. 604 PLACER HOTEL BLDG, HELENA, MONTANA

2. Location of Property PORTION OF SEC 36 T10N, R4W MERIDIAN OF MONTANA, LEWIS & CLARK COUNTY, HELENA, MONTANA

3. Mineral or metal COPPER Is it listed in Section 9 of MO-5? YES

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good ✓

b) Poor

c) None

d) Don't know—needs field examination

e) Is there an alternative and favorable project?
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? YES - LEASE
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? YES

Does the lease have sufficient time to run to cover a future productive period? YES

*question numbers are those of MF-103

7. Are subordination agreements necessary? YES

a) MF-201? _____

b) MF-202 ✓ ALL READY FILLED OUT

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower YES

b) Equipment and supplies YES
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* YES

d) Water (question 13)* YES

e) Power (question 13)* YES

Is a field check needed on any of these points? NO

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* YES

_____

Is a field check needed on this point? NO

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? YES

If not, are there sufficient data given so that you can describe the project? YES If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? YES

_____

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? YES

If not, what part of it is? _____

_____

_____

_____

Is this part a worthwhile exploration project? —

d) Are the cost estimates detailed? YES

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? YES If so, attach a draft.

e) Are the cost estimates reasonable? YES

f) Should more information be requested from applicant? No

g) Is a field examination necessary to complete Exhibit A? No

11. Exhibit B (question 23-d)*

a) Is it applicable? No

b) If so, are sufficient data furnished? — If so, attach a draft.

c) Is a field check needed? No

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? YES

b) Sufficient data? YES If so, attach a draft.

c) Are rents and charges reasonable? YES

d) Is a field check needed? No

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? YES

b) Is the schedule adequate for the work proposed? YES

c) Is the schedule excessive for the work proposed? No

d) Are the proposed wages and salaries reasonable? No

e) Is a field check needed? No

EXHIBIT A (21622)

Drive an adit the entrance of which will be 30 ft above the floor of Sweet Chance Gulch and whose dimensions will be 6'x7' 600 ft on the vein. Cutout should be made with chipping one with 100 ft from the portal of a side hill adit. The end of the adit will extend just past the end of the old adit shown.

LABOR	$9600.00
EQUIPMENT	9690.00
RENT - BULDOZER	800.00
RENTAL OF OWNER'S EQUIPMENT	600.00
MISC.	4304.00
	$24994.00

EXHIBIT C (e f g & h)

e. 600 FT 2" AIRLINE	360.00
600 FT 1" & 3/4" WATER LINE	180.00
1 AIR RECEIVER TANK	100.00
1 WATER PRESSURE TANK	80.00
100 FT HI-PRESSURE AIR HOSE	80.00
100 FT HI-PRESSURE WATER HOSE	60.00
2 TRANSFORMERS (PURCHASED BY POWER CO) ASSORTED CONNECTIONS AND FITTINGS	100.00
1 DRILL MACHINE (WET)	700.00
1 JACK HAMMER (USED)	150.00
1000 DRILL BITS	400.00
1 LINE OILER	30.00
ASSORTED SHOP & PIPE TOOLS	50.00
1 PICK-UP 1/2 TON TRUCK (USED)	1200.00
1 ELECTRIC COMPRESSOR ON RENTAL PURCHASE BASIS 315 CU. FT. CAP.	3000.00
1 MUCKING MACHINE, ON RENTAL PURCHASE BASIS	2500.00
	$9290.00
f. 1 BULLDOZER	$800.00
g. MINE CARS, TRACK, AIR LINE, PUMPS, ETC	$600.00
h. MINE TIMBERS	400.00

14. Exhibit E (question 23-c)*

a) Is it applicable? Yes

b) Sufficient data? Yes

c) Reasonable? Yes

d) Field check needed? No

15. In your judgment, can the proposed work be done in the proposed time? Yes

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question? ~~Check last item in questionnaire (Power Dam Sharpening) to see what it is.~~ His total amount does not coincide with his detailed costs.

Recommend that application be approved

Reviewed by: [illegible]

[illegible]

Date 29 June 51.

97692

dma-1535X

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

So. 157 Howard Street
Spokane 4, Washington

June 26, 1951

Memorandum

To: J. B. Gowan, Acting Chief, Copper Branch

From: Field Team, Region II

Subject: Columbia Mining Co., Copper Cliff Claim, Lewis and Clark County, Montana - RE: Letter from this office dated June 25 on property in question.

Through: Landon F. Strobel

On June 22 this office forwarded to Washington, D. C., a considerable amount of additional information regarding the Columbia Mining Company, Lewis and Clark County, Montana. We also advised that a DMA field man would visit the applicant's property on June 23, and that we would forward his report to your office as quickly as possible. The following are extracts from a telephone conversation with Mr. Edward Ruppel, U. S. Geological Survey representative, who visited the Copper Cliff claim of the Columbia Mining Company on June 23:

"The principal mineralized zone on the Copper Cliff claim, and the zone on which the applicant proposes exploration work, is apparently a mineralized section of the Pilgrim dolomite and its contact with the Park shale. The applicant states that a maximum of 30 feet of mineralized country rock (dolomite) was observed, probably at this horizon, in an original inclined shaft that is now caved. As a source of information the applicant includes the original owner of the property (indirectly), and two other sources including the miner who sank the shaft. In addition, the applicant states that engineers employed by the City of Helena recorded a mineralized zone about 20 feet thick at about the same stratigraphic horizon while drilling a tunnel for the Helena water supply system in Last Chance Gulch, about 1000 feet west of the inclined shaft.

"The only surface indication of the mineralized zone is a bleached, silicified and limonitized zone at the base of the pilgrim dolomite. The mineralized zone has probably been secondarily enriched in that it contains malachite, azurite, native copper, and reportedly native silver and minor amounts of gold.

"Original discovery work on the Copper Cliff claim was done in a mineralized and highly altered section in the lower part of the Pilgrim dolomite, and consists primarily of 300-foot adit driven on a N. 65° -85° W., striking mineralized zone. The ore consisted principally of malachite and azurite with some silver and gold, and from the appearance of the dumps was nearly all of shipping grade. The mineralized zone had a maximum thickness of about four feet and an average thickness of one to two feet."

Mr. Ruppel reports that the applicant's proposed exploration program is geologically sound, and that it could conceivably develop commercial ore bodies. On the basis of the field examination the field team recommends that the applicant in question be considered for an exploration loan.

Inasmuch as five signed copies of the Exploration Project Contract were previously submitted by the Columbia Mining Company, it is believed that sufficient data now exists in Washington to render a decision on the applicant. However, if further information is required, please advise.

By Field Team, Region II

A. E. Weissenborn

A. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

M. E. Volin

M. E. Volin, Member
(U. S. Bureau of Mines)

cc: L. F. Strobel

Rec. DMA 6/26/51

DMA-1535X

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

So. 157 Howard Street
Spokane 4, Washington

June 22, 1951

Mr. Landon F. Strobel
Executive Secretary
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Strobel:

Enclosed herewith is additional information submitted by the Columbia Mining Company regarding that Company's application for an exploration loan which was forwarded from this office May 31.

Please forward this information to the Copper Committee.

Yours sincerely,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

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

So. 157 Howard Street
Spokane 4, Washington

June 22, 1951

Mr. J. B. Gowen
Acting Chief, Copper Branch
Defense Minerals Administration
U. S. Department of the Interior
Washington 25, D. C.

Re: Columbia Mining Company
Copper Cliff Claim
Lewis and Clark County, Montana

Dear Mr. Gowen:

Enclosed herewith is additional information that should be added to data submitted by the Columbia Mining Company regarding that Company's application for an exploration loan, which was forwarded from this office May 31. The following is included:

1. 5 signed copies of Form MF-202
2. 4 copies of answers to accompany Form MF-103
3. 4 copies of Columbia Mining Company's financial statement.
4. 4 copies of leasing agreement on the Copper Cliff claim between owners and Columbia Mining Company
5. 4 copies of Geological Report on Copper Cliff Mining Claims by Charles M. Massey
6. 4 copies of claim map of Copper Cliff property
7. 4 copies of a Profile Map of Copper Cliff property
8. 4 copies of a letter from E. C. Miles concerning history of property
9. 1 copy of a letter from applicant to Executive Officer, DMA, Region II

Our records show that five signed copies of our Exploration Project Contract were enclosed with the original application forwarded from this office on May 31. Information submitted therewith, together

with data currently being forwarded, should be sufficient to enable the Copper Committee to render a decision on the property in question. No data from the original application was retained at this office, otherwise we could have prepared the exhibits which accompany the exploration contract, thereby saving the Washington office additional work.

The property has not been examined by a DMA field team; however, one of our men will visit the applicant on June 23. We will forward to you his account of the property as quickly as possible. It is doubtful whether too much of the property can be seen inasmuch as most of the mine workings are reported to be caved.

The chief applicant, Mr. C. B. Mitchell, visited this office some time ago. He appeared to be a well informed mine operator and was of the opinion that the Copper Cliff property warranted further exploration. The exploration program he proposed appeared to be logical and soundly conceived.

Yours very truly,

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

Enclosures as indicated.

cc: U. S. B. M., Spokane
U. S. B. M., Albany

FILE COPY
SURNAME:

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

June 20, 1951

Subject: DMA-1535X
Re: Exploration Loan
Copper Cliff Mine

Mr. C. B. Mitchell
Secretary - Treasurer
Columbia Mining Company, Inc.
604 Placer Hotel Building
Helena, Montana

My dear Mr. Mitchell:

Receipt is acknowledged of your application and attachments of June 4, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1535X and was referred to Mr. J. B. Gowen, Chief, Copper Branch on June 7, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1535X.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

LFSTROBEL:js
cc: Strobel-2
>Files
Gowen
Lyon

Mar 15 59

COLUMBIA MINING COMPANY, INC.
604 PLACER HOTEL BUILDING
HELENA, MONTANA

June 8th, 1951.

U.S.Department of the Interior,
DMA Region II,
So. 157 Howard Street,
Spokane, Wash.,

Attn: Mr. A. E. Weissenborn,
Executive Officer,

Enclosed herewith is the data to accompany our application for assistance on the exploration of our Copper Cliff claim at Helena.

I am mailing it to your office in the belief that you will be better able to forward it to Washington, D. C., with proper identification for it there.

Thanking you for your consideration of me while I was in your office, I remain,

Yours very truly,

C. B. Mitchell

C. B. Mitchell, Sec.,
Columbia Mining Company, Inc.

m

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 8, Washington

May 31, 1951

Mr. Landon F. Strobel
Executive Secretary
Defense Minerals Administration
Department of Interior
Washington 25, D. C.

Dear Mr. Strobel:

Enclosed is an application for an exploration project submitted by Mr. C. B. Mitchell, Secretary and Treasurer of the Columbia Mining Company, Inc., 604 Placer Hotel Building, Helena, Montana. Five signed copies of an exploration project contract are also enclosed.

One application is complete with exhibits. The exhibits required to complete the three attached applications are being made up and will be forwarded to your office. Five copies of owners subordination agreement will also be forwarded to be attached to exploration project contract.

The application is being forwarded at this time without being complete in all details in order that it may reach your office by the May 31 deadline.

Sincerely yours,

Elton A. Youngberg

Elton A. Youngberg
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

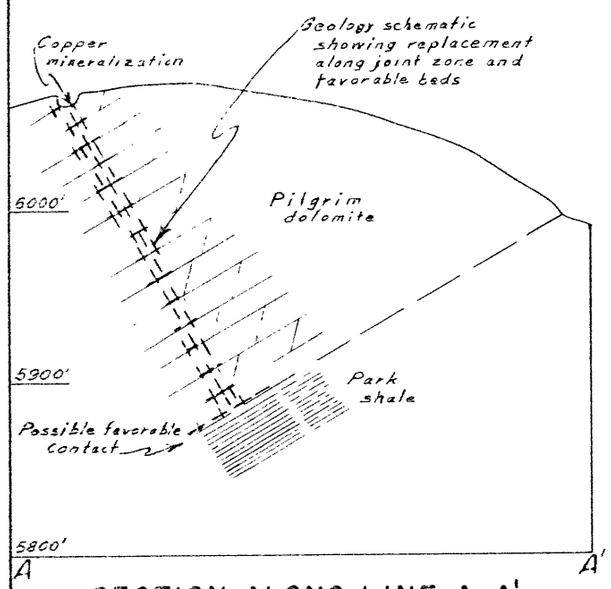
Enclosures

cc: U.S.B.M.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 4 - 1951
LANDON F. STROBEL
Executive Secretary

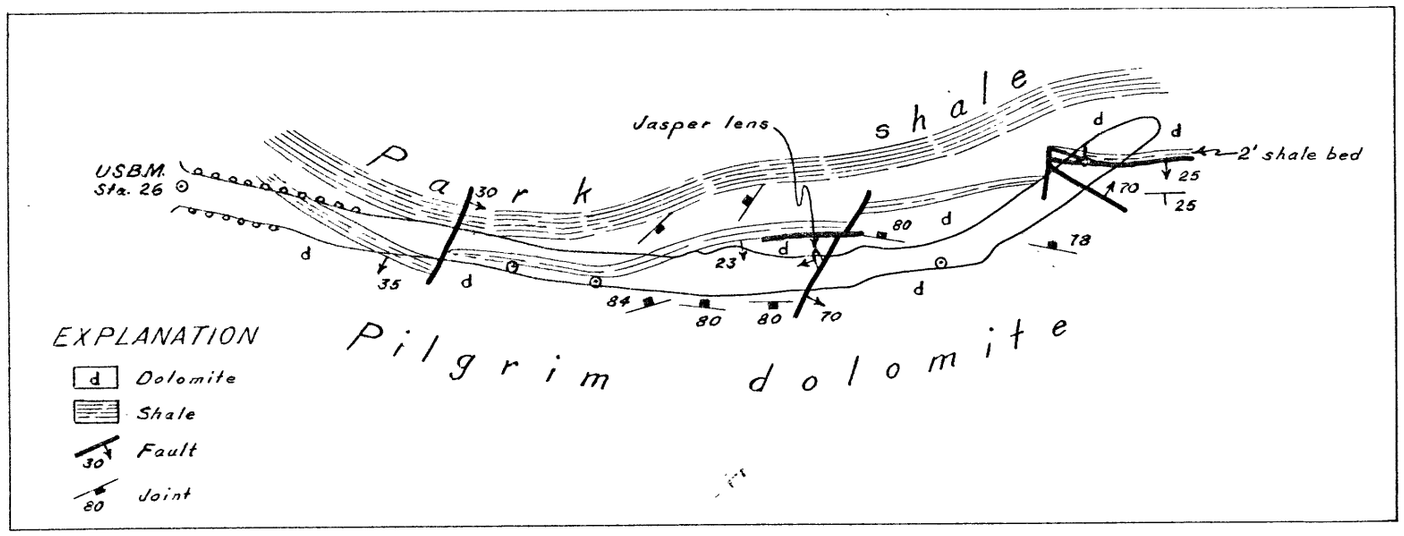
DEPARTMENT OF THE INTERIOR
UNITED STATES GEOLOGICAL SURVEY

DMEA DOCKET NO. 1535X



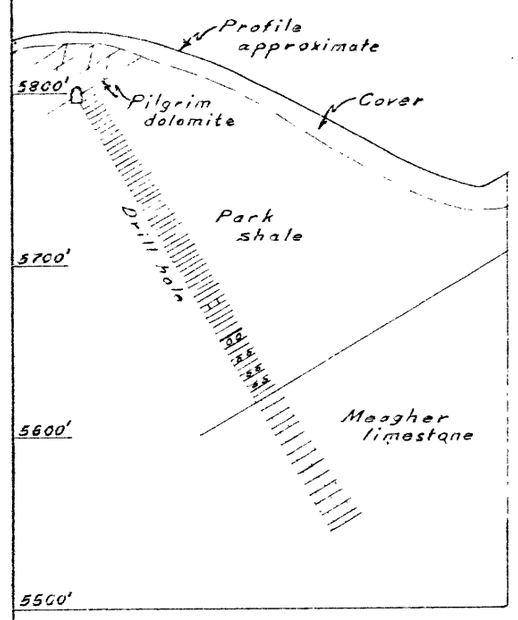
SECTION ALONG LINE A-A'

100 0 100 Feet



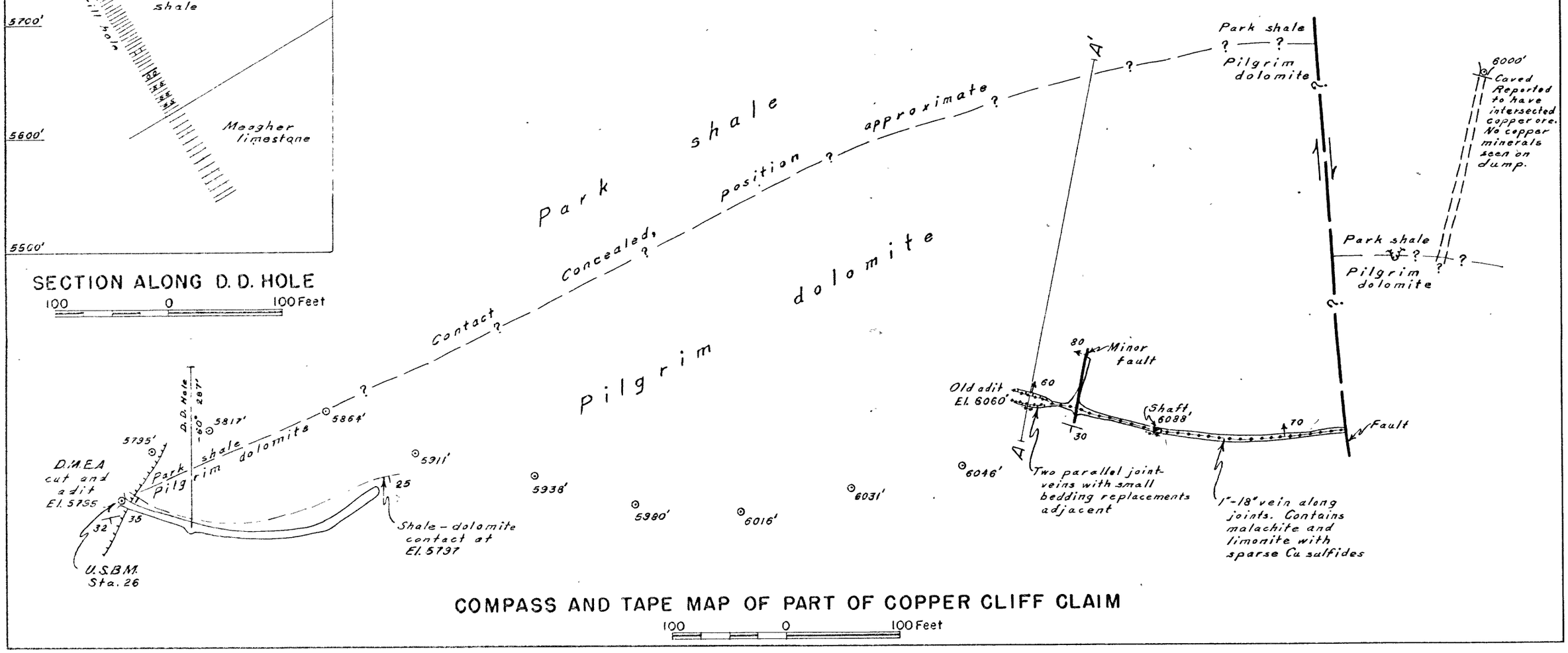
GEOLOGY OF D.M.E.A. ADIT

40 0 40 Feet



SECTION ALONG D. D. HOLE

100 0 100 Feet



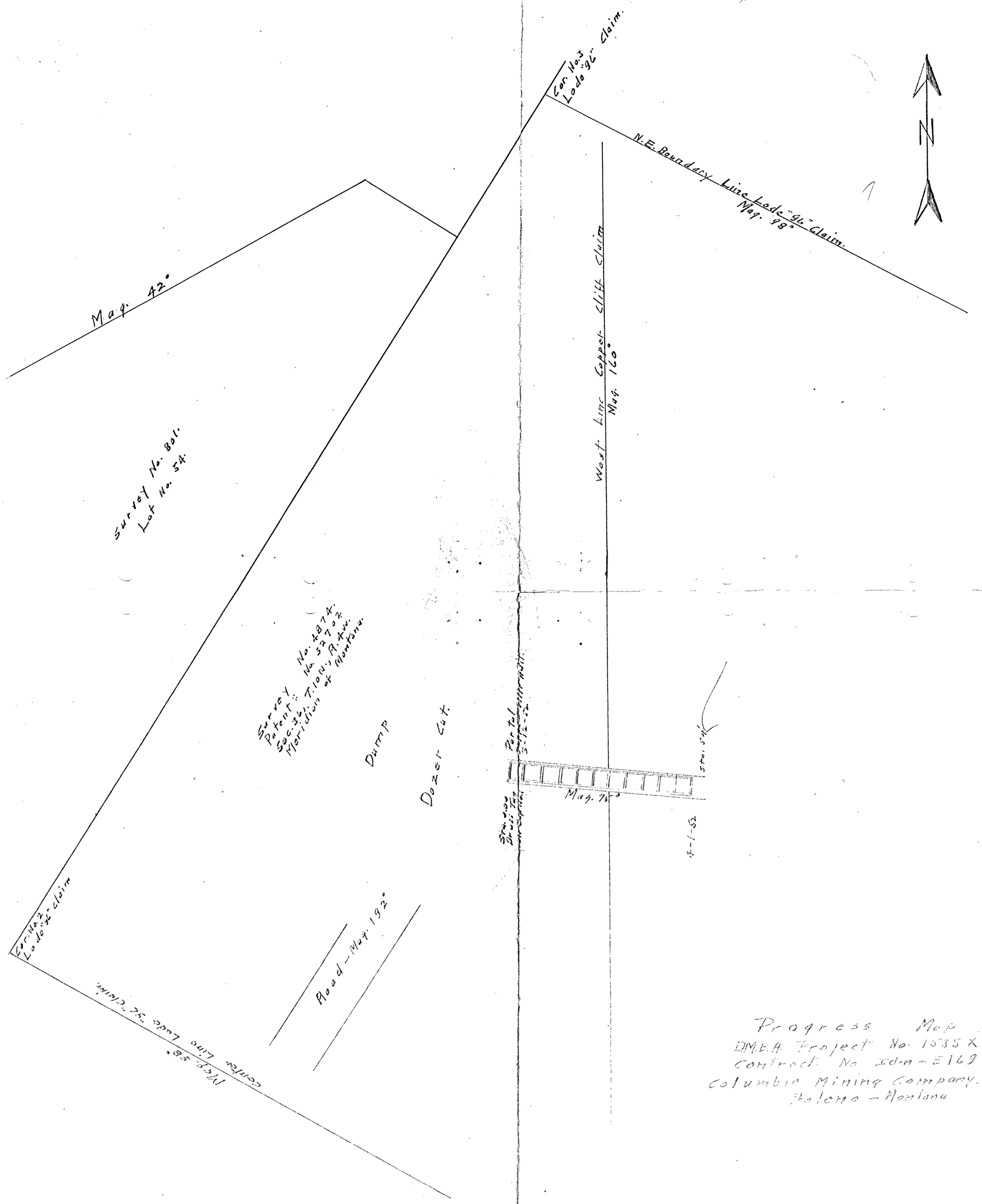
COMPASS AND TAPE MAP OF PART OF COPPER CLIFF CLAIM

100 0 100 Feet

GEOLOGIC MAPS AND SECTIONS

COPPER CLIFF CLAIM, HELENA, LEWIS AND CLARK COUNTY, MONTANA

Columbia Mining Company, Inc. Contract No. Idm-E169



Progress Map
D.M.E.A. Project No. 1535 X
Contract No. Idm-E169
Columbia Mining Company, Inc.
Helena — Montana