UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated ☐ Cancelled ☒ Withdrawn ☐ DMEA No. 2381

This is the official contract file of a project closed without certification. It contains all official records of the project arranged in this manner:

Left Side

Certificate of Audit (Final).

Interim Audit(s).

Report of Review.

Closing Letter

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 _____

E.R.
Reviewer's Initials and Date

10390

GOVERNMENT'S COPY

RESCISSION OF EXPLORATION PROJECT CONTRACT BY
AGREEMENT BEFORE WORK IS BEGUN

It is agreed this 5th day of August, 1952, between the United States of America, acting through the Department of Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and John Guilio of Fuller, Jefferson County, Montana, hereinafter called the "Operator", parties to that certain Exploration Project Contract I-dm-E346, Docket No. DMEA-2301, dated June 17, 1952, That said contract shall be and is hereby rescinded, revoked, and cancelled as of the date of the contract, before any actions have been taken or costs incurred thereunder, without any obligation whatever, one party to the other, the same as if said contract had never been entered into.

Witness the following signatures as of the day and year first above written.

UNITED STATES OF AMERICA

Glenn C. Reed

By Glenn C. Reed,
For M. E. Volin, Acting Exec. Off.
Field Team, Region VI

John Guilio
(Operator)

By_____

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2301

COMMODITY Lead-Zinc

Idm-E346
Government's copy

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 17th day of June, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] John Giulio
Fuller, Jefferson County, Montana

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Montana, County of Jefferson, described as follows:[3] Silver Hill mine, consisting of the following claims: Will Parkinson Lode mining claim, Mineral Entry No. 2720, Survey No. 3765; That quartz and placer mining property designated as Mineral Entry No. 84, Mineral Survey No. 68; Twenty-two hundred (2200) linear feet of the Western Extension of the Rumley Lode and twenty-two hundred (2200) linear feet of North Pacific Lode, surveyed as part of Lot No. 37, Mineral Entry No. 84. Located in Sec. 36, T. 7 N., R. 5 W.

the Operator represents and undertakes:[4]

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

R.F.C. Loan - 1942

(*b*) ~~That the Operator is entitled to possession and entitled to possession, and the Owner's Consent to this is attached.~~
The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within 30 days from the date of this contract shall commence work on a project of exploration for[5] Lead-Zinc

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

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 50 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $10,300.00, which is 50 percent of $20,600.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

John Giulio
(Operator)

By John Giulio

By C D Mitchenor
Acting Administrator
Defense Minerals Exploration
Administration

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

_____ [CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
JOHN GIULIO
DOCKET NO. DMEA-2301

EXHIBIT "A"

Description of the Work

The proposed exploration project will be accomplished in two stages as outlined below:

Stage I

Preparation and unwatering shaft of Silver Hill mine to 65 level, including any necessary rehabilitation to existing surface plant; cleaning crosscut and laying track for approximately 165 feet; crosscutting approximately 60 feet around badly caved area, see attached map entitled "Part of Exhibit 'A', Docket No. DMEA 2301, John Giulio, Silver Hill Mine"; cleaning remainder of existing crosscut, approximately 40 feet; continuing crosscut a maximum distance of 120 feet to intersect vein, see aforenamed attached map; and drifting 300 feet on the vein, direction of this proposed drifting to be determined by the Operator and the Government. If, in the opinion of the Government, the results of Stage I warrant the continuation of the project, then Stage II shall be approved and undertaken.

Stage II

100 feet of raise, location of raise to be determined by the Operator and the Government.

Estimated Costs of the Project

Stage I

1. Preparation.

Rehabilitation of existing surface plant, unwatering shaft and workings, and setting pump below working level $ 600.00

Operator shall be paid for this work when completed to the satisfaction of the Government.

2. Rehabilitation.

Cleaning out muck, and replacing track and pipe in present crosscut - 200' @ $4/ft. including all costs. 800.00

3. Crosscutting.

Drive a crosscut approximately $3\frac{1}{2}$' x 6' (minimum cross section) an estimated 180 ft. @ $30/ft. including all costs $ 5,400.00

4. Drifting.

Drive an estimated 200 feet of untimbered drift @ $30/ft. and 100 feet of timbered drift @ $38/ft. with a minimum of $3\frac{1}{2}$'x 6' clear cross sections and including all costs.

200 feet @ $30 per foot	6,000.00	
100 feet @ $38 per foot	3,800.00	
Total estimated cost, Stage I		$16,600.00

If in the opinion of the Government, the results of the above work of Stage I warrant the continuation of the project, then Stage II shall be approved and undertaken.

Stage II

1. Raise.

Drive 100 feet of two-compartment raise @ $40 per foot including all costs. Rock section to be a minimum of 8 feet in length and 4 feet in width, timbered by stull, square set, or crib with lagging sufficient to insure safety and with landings and ladders in compliance with governing safety regulations.

100 feet @ $40/ft.	4,000.00	
Total estimated cost, Stage II		$ 4,000.00
Total for the project		$20,600.00
Government participation-50%		$10,300.00

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

No. 157 Howard Street
Spokane 4, Washington

July 7, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUL 10 1952

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

Re: Exploration Project Contract
Idb-3346.

Dear Sir:

Enclosed are the original and three copies of Contract Idb-3346, concerning the Silver Hill Mine, Jefferson County, Montana. One copy of the contract has been retained by the operator and one for the files of this office.

It will be noted that in Article 3 there has been inked in the number of days from the date of the contract at which work on the project is to begin. The number (30) of days was inked by the field representative of DMEA with the consent of the operator. We realize that this notation should have been typed in rather than handwritten and that if written, it should have been initialed by the writer. However, the writer is now in central Montana and there would be considerable trouble in contacting him. We are, therefore, returning the contract as is.

If the initials of the DMEA field representative are required, please return the contracts and we will forward them to Montana for initialing.

Sincerely yours,

Thor A. Hillsgaard
for: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

cc: JJB

Form MF-100
(May 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA FOR USE UNDER THE DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. DMEA-2301

Date received 12-26-51

Name and address of applicant

Date _____

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (5) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production _____

   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation		Life Insurance Carried for Benefit of Applicant	
				Common (e)	Preferred (f)	Amount (g)	Net Cash Surrender Value After Loans (h)
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$	$	$		
Preferred stock	$	$	$		

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)					
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

1. Minerals produced:
   (a) Lead Zinc & Silver
   (b) Gold

2. Name (a) Silver Hill Mine. A Quartz Mine, Gold Lead Silver and Zinc.
   mines Comet Mine
   (a) Nine hundred seventy six feet of shaft
   (b) Don't know.
   (c) Don't know.
   (d) Don't know.
   Silver Hill Mine shaft one hundred fifty six feet deep.
   About six hundred feet of crosscuts. Flooded pumping problem.

3. Don't know.

   (a) Five miles from Fuller Station on Great Northern.
   (b) Comet Mining district.
   (c) Township7N. Range 5 W. Section 36.
   (d) Jefferson County State of Montana.

4. (a) Not in operation
   (b) Not at present time Owner

5. Eight years
   Don't know

6. Applicant started his mining experiences at the age of 14 years, when he assisted his father who operated mines in this district as an individual. At times the crew employed by applicant's father, with whom he worked, amounted to as much as 35 men. The greatest number of men employed by the applicant in his individual endeavors has been 7.

7. (a) See COMET PRODUCTION
   (b) See COMET PRODUCTION
   (c) See 300 map

THE COMET IS ADJOINING THE SILVER HILL

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
Indicated (probable)					

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

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.

(Name of company)

By John Giulio
(Signature of authorized official)

Nov 18 1951
(Date)

Owner
(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.

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

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

Not To Be Filled in by Applicant

Docket No. DMEA-2201
Metal or Mineral
Date Received 12-26-51
Amount $
Participation (Government %)

Name and address of applicant

Date

If you have already filed MF-100, give date filed _____, type of assistance requested _____,

DMA Docket Number (if available) _____

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*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*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

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

   NOTE: (1) 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 (*c*) 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.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

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

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.

(Name of company)	By John Giulio (Signature of authorized official)
Nov. 18, 1951 (Date)	Owner (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.

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

1. (a) None

(b) Owner

(c) Silver Hill Mine, Comet Mining district Township 7 N. Range 5 W. Section 36.
Jefferson County State of Montana.

2. (a) Lead Zinc Silver & Gold.
(b) See map 65 ft. level & 300 level.

3. (a) The applicant propose to unwater shaft to the 65 ft. level, clean out two caves and extend crosscut a discent of seventy five feet to the North vein. Drifting one hundred fifty feet each way on vein total three hundred feet. Two raise's fifty feet each raise.

Unwater and cleaning out crosscut		500.00
Seventy five feet crosscut	@17.00 per ft.	1275.00
Three hundred feet drifting		5100.00
One hundred feet raise		1500.00
		8375.00

(b) Five to fifteen days,
To complete project seven months.

4. See map.

5. Hoist room hoist cage head frame and ore bin on the ground.

6. None.
7. (a) None.
(b) None.
(c) Yes. Ingersoll rand 20 h.p. motor pump 300 G. P. M.
10x12 air hoist with 600 ft. 1" cable
Small air compressor
4 mining cars rails pipe jackhammer cleveland
drifter drill steel
Blacksmith equipment 1. 4 ton International truck

8. Applicant will do the hoisting and blacksmithing
Miners wages $13.80 per shift

9. Power is on the ground furnished by The Montana Power Co.

10. (a) The equipment
(b) Don't know.

11. Applicant got a R. F. C. loan in 1942 on the South vein, shut down in 1944

Comet Production

	Lead lbs	Zinc lbs	Copper lbs	Gold Ozs	Silver Ozs
1939	1,279,233	1,817,990	34,016	4,413	340,134
1940	2,093,069	1,302,592	39,910	5,368	307,477
1941 (2½ mos)	352,484	110,370	3,327	843	18,110

The Comet was operated by leasers during 1923-1928-1930 with an approximate production of $300,000.00. The closing down of the Timber Butte Mill at Butte, Montana forced the relinquishing of the lease. The owners, Basin Montana Tunnel Company, began construction of their own mill on the premises in May 1934 and operation was started the following September. Except for a shut down of four months by reason of labor disputes at the smelter, the Comet Mine and Mill operated continuously to March 17, 1941 with a concentrate production of 12,915,464.33. A break-down of the product is shown above for the latter part of the period.

The Silver Mill Mine has always been considered a part of the Comet Mine in that it adjoins same, and the Basin Montana Tunnel Company who owned the Comet Mine and Mill had a lease and bond on the Silver Mill. During the period of operation of the Comet Mine (closed down March 17, 1941) a drift was run into the Silver Mill Claim from the 300 level of the Comet Mine and was on what was termed the North Ore Body of the Silver Mill. Approximately $200,000.00 worth ore was extracted from the Silver Mill from this level, which ores were of the approximate contents as shown by the accompanying assays. This drift extends more than 200 feet into the Silver Mill from the Comet end line. The ex-superintendent of the Basin Montana Tunnel Company who did this work informed the applicant that there was three feet of ore in the breast of the drift when same was discontinued.

Applicant purchased this property from the owners (Taft's College) July 3, 1941 after lease and bond had been relinquished by Basin Montana Tunnel Company, who had previously paid to Taft's College approximately $20,000.00.

The Silver Mill Mine, ten miles from Boulder, five miles from Fuller Station on the Great Northern Railroad.

GEOLOGICAL SURVEY

OFFICIAL BUSINESS

OFFICIAL FILE COPY DMEA RECEIVED FEB 27 1958		
DATE	INITIALS	CODE
2/27		220
2/28		500
		225

So. 157 Howard Street
Spokane 4, Washington

February 21, 1958

Mr. John Giulio
Box 73
Boulder, Montana

Re: Docket No. DMEA-2301
Silver Hill Mine
Jefferson County, Montana
Contract No. Idm-E346 (Rescinded)

Dear Mr. Giulio:

This is in reply to your letter of February 8, 1958, addressed to Mr. Glenn C. Reed. Mr. Reed is no longer with the U. S. Bureau of Mines.

Contract Idm-E346, Docket No. DMEA-2301, dated June 17, 1952, was rescinded August 5, 1952 before any of the work provided for was started. Because of the time that has elapsed since the contract was rescinded and because of certain changes you wish made in Exhibit "A", Description of the Work, you should submit a new application.

Enclosed are five application blanks (Form MF-103), which are to be filled out according to the instructions on the front of the forms. Information required with your application is listed on the back of the forms. We are also enclosing DMEA Order 1 Revised and a questions and answers booklet for your information.

Sincerely yours,

D. R. MacLaren
for: Wing G. Agnew
Acting Executive Officer
DMEA Field Team, Region I

Enclosures

cc: DMEA (3) w/3 copies of incoming
USBM (2)

RECEIVED
BUREAU OF MINES
FEB 11 1958
SPOKANE, WASH.

Duell

Feb 8, 1958

John Giulio
Box 73
Boulder, Montana

Glenn C. Reed.
1201 N. Division St.
Spokane 2, Wash.

Subject: Contract Idm-E346, Silver Hill Mine, Jefferson County, Montana, Transmittal of Rescission Agreement.

Dear Mr. Reed:

I would like to have this contract consolidated with some changes, 50 feet of drift on the dike and 50 feet through the Dike and a raise in the Vein for about 150 feet.

Please advise me if this can be done.

Yours Very truly,

John Giulio

John Giulio.

FILE COPY
SURNAME:

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

MAY - 4 1955

Mr. W. A. Chadwell
Chief, Liquidation Division
Office of Loan Administration & Liquidation
Reconstruction Finance Corporation
Washington 25, D. C.

Re: John Giulio
Boulder, Montana
DMEA Docket No. 2301
Contract No. Idm-E346
Your Docket No. B-ND-4197

Dear Mr. Chadwell:

This is with reference to your letter of April 28, 1955 concerning the subject DMEA contract and requesting information with respect to any indebtedness of Mr. Giulio to DMEA as the result of the exploration project contract.

Under date of June 17, 1952 DMEA entered into a contract with Mr. John Giulio in the total amount of $20,600, of which the Government was to contribute $10,300 toward the cost of the exploration work. This contract was rescinded under date of August 5, 1952 by mutual agreement, which stated "That said contract shall be and is hereby rescinded, revoked, and cancelled, as of the date of the contract, before any actions have been taken or cost incurred thereunder, without any obligation whatever, one party to the other, the same as if said contract had never been entered into".

In the circumstances, there is no royalty due the Government on production from the land described in the contract, and the 5% royalty payment referred to as being held by the American Smelting and Refining Company, East Helena, Montana should not be remitted to DMEA.

Sincerely yours,

FRANK E. JOHNSON
(B.J.H.)
Deputy Administrator

FEJohnson/bih
5/2/55
cc to: Mails & Files
Admr. Reading File
Region I (2)
Messrs. Mittendorf
Chambers
Griswold
FEJohnson

RECONSTRUCTION FINANCE CORPORATION

WASHINGTON 25, D. C.

Reconstruction Finance Corporation
RECEIVED
APR 28 1955

April 28, 1955

Mr. Frank E. Johnson
Deputy Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: John Giulio
Boulder, Montana
B-ND-4197
Your docket No. DMEA 2301

Dear Mr. Johnson:

Reference is made to Mr. Mittendorf's letter dated May 12, 1952, addressed to Mr. Nielson, Secretary, Reconstruction Finance Corporation, and Mr. Nielson's reply dated June 4, 1952, relative to the captioned loan.

You will recall that Mr. Mills called you yesterday relative to the "Exploration Project Contract" mentioned in Mr. Mittendorf's letter.

We should thank you to advise us the total cost of the Exploration Project and the portion thereof which your Administration advanced. This information is necessary because we are in receipt of a letter from American Smelting and Refining Co., East Helena, Montana, advising that it is holding the 5% royalty payment for the account of John Giulio due on an RFC loan. If Mr. Giulio is still indebted to your Administration as the result of the Exploration Contract we presume that the royalty payment should be remitted to your Administration.

Your early advice will be appreciated so that we may reply to American Smelting and Refining Co.

Yours very truly,

W. A. CHADWELL, Chief
Liquidation Division
Office of Loan Administration
and Liquidation

FILE COPY
SURNAME:

200

Adams

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

SEP 3 1952

Mr. A. E. Weissenborn
Executive Officer
Region II
South 157 Howard Street
Spokane 8, Washington

Dear Mr. Weissenborn:

There is enclosed herewith the Finance Office's copy of a form rescinding Contract Idm-E346, Docket No. DMEA 2301 (lead-zinc), with John Guilio, Fuller, Montana.

Ordinarily this copy of rescission of contract would be transmitted by the Bureau of Mines Fiscal Office, however, in accordance with Operating Committee Memorandum No. 10, the copy for the Finance Officer will be distributed by the Executive Officer at the time a copy is retained for his files, and a copy forwarded to the Operator.

Sincerely yours,

C. O. Mittendorf (fw) P.H. 9-3-52

Acting Administrator

Enclosure

READams/meb
9-2-52
cc to: Adm.Reading File
Mails & Files Br.

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

1201 N. Division St.
Spokane 2, Wash.

August 15, 1952

MEMORANDUM

To: Chairman, Operating Committee, DMEA, Washington, D. C.

From: Acting Executive Officer, Field Team, Region II

Subject: Docket DMEA 2301 (lead-zinc), Contract Idm-E346

Enclosed are the original and 3 copies of a form rescinding contract with John Guilio, Fuller, Montana.

The Field Team has been advised by Mr. Guilio that he has neither the time nor the funds required for performance of the exploration contract. One copy of the executed Rescission form is being retained for the Field Team files and one copy is being sent to the former contractor.

Glenn A. Rose
For M. E. Volin, Acting Exec. Off.
Field Team, Region II

RECEIVED
AUG 22 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

gds 8-19-52 9-3-52

BL

M. E. Volin, Member, DMEA Field Team, Region II August 15, 1952

D. R. Irving, Mining Engineer, Mining Division, Region II

Interim Report, DMEA Docket No. 2301, John Guilio, Fuller, Montana, Silver Hill Mine, near Fuller, Montana, Contract Idm-E346

A routine inspection of the Silver Hill mine was made on July 24, 1952, with George Becraft, Geologist, Geological Survey, and Mr. R. Bowser, son-in-law of John Guilio.

A pump had been installed and dewatering of the shaft had proceeded to a point about five feet above the floor of the 65-foot level. The pump was being operated for 8 to 12 hours per day.

Mr. Bowser stated that he and John Guilio had been able to enter and inspect the 65-foot level two days before, but that during the overnight shutdown the water level rose above the back of the tunnel. Since then the daily pumping reduced the level only to about five feet above the floor of the 65-foot level; during the overnight shutdown the level rose to within a few inches of the previous night's level.

Mr. Bowser further stated that John Guilio wanted the Government to consider an alternate proposal to pumping, consisting of the rehabilitation of a caved adit, the portal of which was bulkheaded and partially blocked by a tailings dump of the Comet mine. This adit was shafted to be part of the 65-foot level.

My opinion was that the proposed change in method of unwatering the 65-foot level would be more costly, and would result in more time to reach the objective.

An appointment was made to discuss the proposal with Mr. Guilio on Monday, July 28. On July 28 Mr. Guilio was beginning to clean out the High Ore mine adit, clean up the dump area, and improve the access road, preparatory to opening the property as an "arthritis clinic". At that time Mr. Guilio admitted that he was going to devote his time to the High Ore and that he would not be able to supervise both the High Ore and the Silver Hill operations

Rescission of Exploration Project Contract by agreement before work is begun was recommended by Field Team representatives and agreed to by John Guilio, the operator.

D. R. Irving

CC: 4-Wash.
2-USGS

FILE COPY
SURNAME

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

August 14, 1952

Memorandum

To: Acting Administrator

From: Acting Chief, Base Metals Division

Subject: Termination and rescission of contracts

Of late there have been several communications concerning the termination or rescission of contracts. These have referred to the following dockets:

Region II

Docket No. DMEA-2301 (Lead-Zinc)
Contract No. Idm-F346, dated June 17, 1952
John Giulio
Silver Hill Mine, Jefferson County, Montana
Letter dated August 5, by M. E. Volin requesting Operator to sign rescission agreement. No explanation was given for this action.

Docket No. DMA-1934X (Lead-Zinc)
Contract No. Idm-E274, dated March 17, 1952
James Young and Angus A. McDonald, Partners
Granite County, Montana
Letter dated August 7, by M. E. Volin requesting Operator to sign rescission agreement.

Docket No. DMA-202X (Lead-Zinc)
Contract No. Idm-F56, dated July 18, 1951
Florence Company
Cascade County, Montana
Termination of Contract by Agreement signed July 3, 1952. Operator was unable to raise the necessary funds. (No expenditure of funds)

Docket No. DMA-981 (Lead-Zinc)
Contract No. Idm-E88, dated July 27, 1952
Idaho Mining Company
Shoshone County, Idaho
Our letter to Weissenborn suggests advising Operator that the contract will be terminated if he is unable to prosecute it in accordance with its terms.

Region IV

Docket No. DMA-649 (Lead-Zinc)
Contract No. I-DMA-E32, dated June 28, 1951
George L. and Arthur B. Beardsley
Custer County, Colorado
Termination and Rescission of Contract Before Work is Begun was signed July 22, 1952.

Docket No. DMFA-2060 (Lead-Zinc)
Contract No. Idm-E233, dated December 19, 1951
Arthur N. Sweet
San Juan County, Colorado
Rescission of Contract signed by Operator and Government in July, before work was started on the project.

Docket No. DMA-989 (Lead-Zinc)
Contract No. Idm-E131, dated September 4, 1951
Harrington Mines Company
Beaver County, Utah
Contractor is considering requesting termination of contract before completion, as workings are now flooded. Certificate of Discovery will be issued.

Region VI

Docket No. DMA-1630 (Lead-Zinc)
Contract No. Idm-E182, dated October 15, 1951
American Zinc, Lead and Smelting Company
Franklin County, Missouri
Operator has requested termination of contract because of improbability of discovering ore. Work has been done but no ore was discovered in the four completed drill holes.

H. F. Keller

H. F. Keller, Acting Chief
Base Metals Division

HFKeller/bjl
Copy to: Mails & Files
Admin. R. File
Op. Committee
H. F. Keller (2)
Chron.

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

1201 N. Division St.
Spokane 2, Wash.

August 5, 1952

Mr. John Guilio
Fuller (via Basin)
Montana

Subject: Contract Idm-E346, Silver Hill Mine, Jefferson County, Montana, Transmittal of Recission Agreement

Dear Mr. Guilio:

In accord with advice recently received from Mr. D. R. Irving, Field Team representative, I am enclosing an Exploration Project Contract Recission Agreement for your signature and return to this office.

Please be assured that the necessity for this action is regretted. If conditions should improve sufficiently to permit you to continue as originally planned, we will be happy to assist you in such steps as may be required to reactivate the contract.

Sincerely yours,

Glenn C. Reed
Acting for M. E. Volin
Member, Field Team, Region II

Enclosures

CC: 2-Wash.
S.M.Shelton
USGS

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

July 7, 1952

JUL 10 1952

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

Re: Exploration Project Contract
Idm-E346.

Dear Sir:

Enclosed are the original and three copies of Contract Idm-E346, concerning the Silver Hill Mine, Jefferson County, Montana. One copy of the contract has been retained by the operator and one for the files of this office.

It will be noted that in Article 3 there has been inked in the number of days from the date of the contract at which work on the project is to begin. The number (30) of days was inked by the field representative of DMEA with the consent of the operator. We realize that this notation should have been typed in rather than handwritten and that if written, it should have been initialed by the writer. However, the writer is now in central Montana and there would be considerable trouble in contacting him. We are, therefore, returning the contract as is.

If the initials of the DMEA field representative are required, please return the contracts and we will forward them to Montana for initialing.

Sincerely yours,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

cc: USBM

FILE COPY
SURNAME:

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

JWA.
Moulds

JUN 17 1952

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

Re: Docket No. DMEA 2301
John Giulio (lead-zinc)

Dear Mr. Weissenborn:

We are enclosing the original and five copies of the above contract, signed by this office for the Government, together with Exhibit "A" (2 pages), and one map. However, your attention is called to the following:

1. The Will Parkinson Lode Mining claim has been referred to as Survey No. 3762 by Mr. George E. Becraft, Geologist of the U.S. Geological Survey, in his memorandum of April 24, 1952 to A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II. However, the map attached to the contract as part of Exhibit A and also prepared by Mr. Becraft gives the survey number of the Will Parkinson Lode Mining Claim as No. 3765. We have inserted this latter number in Article 2 of the contract, but it should be verified.

2. Article 2 of the contract also refers to the Western Extension of Rumley Lode and North Pacific Lode as part of Lot 37, Mineral Entry No. 64. These two lodes are indicated on the above-mentioned map without reference to any entry number, and it might be advisable to insert the proper entry number on the map.

If the contract meets with your approval, kindly present it to the applicant for approval and signature, and when completed distribute in the usual manner. In event the contract is not satisfactory, return all copies with your recommendation concerning any modification.

Sincerely yours,

6/17/52

(Signed) FRANK E. JOHNSON
(JWA)
Chairman, Operating Committee

Enclosures-6
APPROVED:

C. H. Johnson
Member, Bureau of Mines (JWA)

S. M. Lemmon
Member, Geological Survey (JWA)

JWAlt/mef 6/13/52
cc to: Adm. R. File
Op. Comm.
Docket
Mr. Bishop
Mr. McKnight
Mr. Moulds Mr. Alt

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON

Memorandum

To: Executive Officer, DMEA Field Team, RegionII

From: DMEA Operating Committee

It will be necessary to insert in t the contract in the space provided under Article 3 the number of days from the date of the contract in which work shall commence.

140

FILE COPY
SURNAME:

aek ace

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

June 12, 1952

N. S. in R. v R.

Memorandum

To: Acting Administrator

Through: Mr. D. E. Moulds

From: Chief Counsel

Subject: Silver Hill Mine, John Giulio, Docket No. DMEA-2301

There is attached in satisfactory legal form for execution a contract covering the subject project. However, your attention is invited to the following:

1. The Will Parkinson Lode mining claim has been referred to as Survey No. 3763 by Mr. George E. Becraft, Geologist of the U. S. Geological Survey, in his memorandum of April 24, 1952 to A. F. Weissenborn, Executive Officer, DMEA Field Team, Region II. However, the map attached to the contract as "Part of Exhibit 'A'" and also prepared by Mr. Becraft gives the Survey number of the Will Parkinson Lode mining claim as No. 3765. We have inserted this latter number in Article 2 of the contract, but the number should be verified.

2. Article 2 of the contract also refers to the Western Extension of Rumley Lode and North Pacific Lode as part of Lot 37, Mineral Entry No. 84. These two lodes are indicated on the above-mentioned map without reference to any entry number, and it might be advisable to insert the proper entry number on the map.

It appears that the Reconstruction Finance Corporation made a loan of $20,000 to the applicant in 1942. When this loan was charged off, there was an unpaid balance of $19,935 and interest of $2,754, making a total lien of $22,689. By letter of June 6, 1952, Mr. Leo Neilson, Secretary of the Reconstruction Finance Corporation, has stated that the Reconstruction Finance Corporation interposes no objection to this contract, and in the event that commercial production of ore results, it will not object to the payment from proceeds of production of royalties to the Government under this contract.

J. L. Hofflund

AEKane/em/bjl

Copy to: Mails & Files
J. L. Hofflund
A. E. Kane
D. E. Moulds
Chron.

J. L. Hofflund
Chief Counsel

RECONSTRUCTION FINANCE CORPORATION

WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 6 1952

Mr. C. O. Mittendorf,
Acting Administrator,
Defense Minerals Exploration Administration,
Department of the Interior,
Washington 25, D. C.

DMEA-2301

Re: John Giulio
Boulder, Montana

Reference is made to your letter dated May 12,1952.

I wish to advise that this Corporation interposes no objection to the proposed "Exploration Project Contract" with the captioned individual and further that in the event commercial production of ore results, this Corporation will not object to the payment from proceeds of production of royalties due the Government under the Contract.

Very truly yours,

Leo Nielson
Secretary

Docket

500
FILE COPY
SURNAME:

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

J.W.A.
Moulds
DBM

Mr. Leo Nielson, Secretary
Reconstruction Finance Corporation
Washington 25, D. C.

My dear Mr. Nielson:

There is pending in this office an application (Docket No. DMEA-2301) of John Giulio, for a grant from the Government to assist him in carrying out an exploration project upon certain property, Silver Hill Mine, in the state of Montana, County of Jefferson, consisting of the following claims: Will Parkinson Lode Mining Claim, Mineral Entry No. 2720, Survey No. 3763; that quartz and placer mining property designated as Mineral Entry No. 84, Mineral Survey No. 68; twenty-two hundred (2200) linear feet of the Western Extension of the Rumley Lode and twenty-two hundred (2200) linear feet of North Pacific Lode, surveyed as part of Lot No. 37, Mineral Entry No. 84, located in Sec. 36, T. 7 N., R. 5 W. It is my understanding that the applicant obtained a loan from the Reconstruction Finance Corporation in 1942 to finance development and in 1946 operations were terminated as noncommercial and all equipment sold, with proceeds applied against indebtedness. The Reconstruction Finance Corporation has a mortgage, or lien upon title of applicant, on three lode mining claims and one placer, none of which are designated as "Silver Hill Mine".

The application for a grant for exploration is made under DMEA Order-1 of Defense Minerals Administration, and if granted, the contract would be made on MF-200 (A), "Exploration Project Contract", copies of which are attached. The estimated total cost of the exploration project is $20,600.00, of which sum the Government would contribute 50 percent, or $10,300. This sum would be repayable to the Government only if the Government considers and certifies "that a discovery or development has resulted from the work from which commercial production of ore may be made" (Article 6 of the contract form), and the Government takes a lien upon the property and upon such production to secure this repayment.

Ordinarily, Defense Minerals Exploration Administration would require the Subordination Agreement of an encumbrancer as a prerequisite to entering into such an exploration project contract, except that where the encumbrancer is an agency of the Government, in this case, the Reconstruction Finance Corporation, it seems unnecessary to require any

subordination, However, I believe that the interest of the Reconstruction Finance Corporation should be considered before entering into any such exploration project contract, and the purpose of this letter is to give you notice of the pending transaction.

Please advise at your earliest convenience if you have any objection to the proposed contract. We would also appreciate any suggestions or comments which you care to make.

Sincerely yours,

C. O. Mittendorf (for)

Acting Administrator
Defense Minerals Exploration
Administration

JWAlt/hmj
5-8-52
CC to: Adm. Reading File
Docket File Copy
Mr. McKnight
Mr. Bishop
Region II
Mr. Alt
Mr. Moulds

IN REPLY REFER TO:

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

May 8, 1952

Memorandum

Re: DMEA-2301
Silver Hill Mine
Comet District
Jefferson County, Montana
$20,600

To: Mr. D. E. Moulds

From: E. L. Newcomb

Subject: Geological recommendation

This application has previously been reviewed and recommended geologically for approval. A field examination memorandum recommended that a modified version of the applicant's proposal be approved.

Subsequent to our review, the application was referred again to the field for additional cost information, clarification of claim locations, and further information on the feasibility of the project. The field team's supplemental memorandum recommends a 2-stage project for approval.

The Silver Hill mine is located on a prominent shear zone, 150 feet wide, which dips steeply and has an average strike N 80° W. The rocks in the area are quartz monzonite and aplite, which are strongly altered along the shear zone. Three roughly parallel veins in this zone have been very productive of lead and zinc at the Comet mine, which adjoins the Silver Hill on the east. A westerly drift from the Comet mine, on the northernmost of these 3 veins, extends into the Silver Hill property. This drift, which is now inaccessible, is reported by the field team to have shown some mineralization, but none of the ground was stoped.

The applicant proposes to crosscut about 120 feet on the 65 level of the Silver Hill mine to intersect the north vein about 100 feet above the aforementioned westerly drift from the Comet mine. Exhibit "A" of the field team's proposed contract recommends approval of the following 2-stage project:

(1) Unwatering and rehabilitation of main shaft to 65 level and in the old crosscut; 180 feet of crosscutting to vein, and 300 feet of drifting on the vein.

(2) If results of Stage I are favorable, 100 feet of raise will be allowed from the 65 level.

The proposal is geologically sound, because low grade mineralization in the drift below may possibly become richer upward. The application is recommended geologically for approval.

E. L. Newcomb
Geologist

5

23 WA SP /I-GS-G/

SPOKANE WASH 5-7-52 345

DEFENSE MINERALS EXPLORATION ADMIN,

DEPT OF INTERIOR, BOM

WA

ATTENTION...J W ALT

REGARD JOHN GIULIO, SILVER HILL MINE, MONTANA, RFC LOAN WAS FOR $20,000.00. WHEN LOAN WAS CHARGED OFF, THERE WAS UNPAID BALANCE OF $19,935.00 AND INTEREST WAS $2,754.00, MAKING TOTAL LIEN $22,689.00. INFORMATION COURTESY OF LOCAL RFC OFFICE.

THOR H KIILSGAARD, FOR

A E WEISSENBORN, EXEC OFFICER

DMEA FILED TEMA, REGION II

$20,000.00 $19,935.00 $2,754.00 $22,689.00

EC 347

MAY 8 9 05 AM '52

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

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

May 6, 1952

Re: DMEA-2301
Lead and Zinc
John Giulio
Fuller Station
Jefferson Co.
Montana
Silver Hill Mine

Memorandum

To: D. E. Moulds, DMEA

From: O. M. Bishop and H. E. Olund, USBM

Subject: Review of application for $20,600 exploration project from John Giulio

We have reviewed the field team's report and recommendation for an exploration project amounting to $20,600 to develop the 65-foot level of the Silver Hill shaft by x-cutting 180 feet and drifting about 300 feet on the vein. We concur with the field team's recommendation that this application be approved. The costs are itemized and they seem very reasonable.

O M Bishop
O. M. Bishop

H E Olund
H. E. Olund

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.

So. 157 Howard Street
Spokane 4, Washington

April 24, 1952

APR 28 1952

Memorandum

To: Chairman, Operating Committee, DMEA, Department of Interior
Washington 25, D. C.

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

Subject: Docket No. DMEA-2301
John Giulio, Lead-Zinc
Silver Hill Mine

Enclosed please find the following material:

1. 4 copies of a memorandum by E. G. Erickson, Mining Engineer, Bureau of Mines; attached to that part of Exhibit "A" entitled "Estimated Costs of the Project", and also attached to a breakdown of unit costs set forth in Exhibit "A".

2. 6 copies of that part of Exhibit "A" entitled "Description of the Project".

3. 4~~8~~ copies of a memorandum by George E. Becraft, Geologist, U. S. Geological Survey.

4. 6 copies of a map entitled "Part of Exhibit "A".

5. 1 copy of a map of the 300 level of the Comet mine and 1 copy of a map of the Silver Hill mine which accompanied the original application.

6. 1 sample copy of a short form contract completed except for Article 1, section (a).

The applicant received an R.F.C. loan in 1942, which was not paid off, therefore the R.F.C. has a lien against all the claims on which the proposed application will be done. A release or subordination agreement will have to be obtained and entered on the short form contract under Article 1, section (a).

Encls.

cc: USBM

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.

So. 157 Howard Street
Spokane 4, Washington

April 24, 1952

Memorandum

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

From: George E. Becraft, Geologist, U. S. Geological Survey

Subject: Supplemental information on the docket No. DMEA-2301, John Giulio, Lead-Zinc, Silver Hill Mine.

The subject application was referred to the field for review of costs, clarification of the claims involved, and further information as to geological feasibility. The costs have been reviewed and unit cost estimates have been prepared by E. G. Erickson, Mining Engineer, Bureau of Mines, and presented as Exhibit "A" under "Costs of the Project".

The files of the R.F.C. on a loan granted to the applicant in 1942 have been examined. Included in the files is an opinion by Clarence E. Wohl, Attorney-at-Law, Butte, Montana, under the date of September 9, 1942, which states that the applicant has a clear title to the following patented claims:

> Will Parkinson Lode mining claim being Mineral Entry No. 2720, Survey No. 3763; that quartz and placer mining property designated as Mineral Entry No. 84, Mineral Survey No. 68; twenty-two hundred (2200) linear feet of the Western Extension of the Rumley Lode and twenty-two hundred (2200) linear feet of North Pacific Lode, surveyed as part of Lot No. 37, Mineral Entry No. 84.

The applicant stated to the field team representatives that the Silver Hill mine is located on this group of claims and the proposed exploration will be done on this group of claims. (For the approximate position of the Silver Hill mine shaft and the relationship of the above claims, see the map included as part of Exhibit "A".)

The information on development and sampling contained in the R.F.C. files is not pertinent to the present application because the work accomplished with R.F.C. funds was not on the same vein which is the target of the present proposed exploration project.

Because the two maps submitted by the applicant, a map of the 300 level of the Comet and a map of the Silver Hill workings, are difficult to correlate with the proposal and the applicants property rights, a map which presents the pertinent available data has been prepared by the field team representative and is included as part of Exhibit "A". This map was prepared from a map of the 300 level of the Comet mine in our files, the map of the Silver Hill mine submitted with the application, and a claim map of Jefferson County, Montana, from our files. The map shows the 300 level workings of the Comet mine, the vein zones and some of the faults which are shown on the 300 level map in our files. Superimposed on this is the map of the 65 level of the Silver Hill mine. These workings are approximately 100 feet above the Comet 300 level. The location of these workings shown on the map are approximately located but it is felt that the location is reasonably accurate. The proposed exploration project is also shown on the maps. An estimate of tonnage has been made for each stope shown on the Comet 300 level on Silver Hill ground. The estimate is very rough and the grade of ore from these stopes and the veins shown is not known. An inset in the SW corner of the map shows the applicants property rights.

The proposed project and costs are explained in detail in Exhibit "A".

In answer to the request for further information as to the geological feasibility of the project, it can only be pointed out, as in the memorandum to A. E. Weissenborn from George E. Becraft dated December 11, 1951, that there are indications that the productive veins in the Comet, on which there has been some stoping on Silver Hill ground, extend through the Silver Hill claim; the veins have not been extensively explored to the west; the proposed project will further explore the north vein of the Comet from which there has been major production on the Comet claim.

George E. Becraft

cc: USBM

1201 N. Division St.
Spokane 2, Wash.
April 23, 1952

MEMORANDUM

To: M. E. Volin, Member, DMEA Field Team, Region II

From: E. G. Erickson, mining engineer, Bureau of Mines

Subject: John Giulio, Silver Hill mine, Docket No. DMEA 2301X (lead-zinc), Jefferson County, Mont.

The subject application was referred to the field for review of costs presented by the applicant. A cost estimate based on performance to date of a number of contracts in force and on known data was prepared. Mr. Giulio was agreeable to the cost estimate and also to a short form contract. Mr. Giulio's costs as presented in his application are low. He had used some old figures (1930's) and they are believed to include only direct "heading labor" and supplies.

Unit cost estimates are herewith presented as Exhibit "A" under "Costs of the Project." It is recommended that these unit costs be considered in preparing a short form contract with above named applicant. A sample contract will be prepared by field engineers incorporating USGS and USBM data for Exhibit "A" to be forwarded with a Field Team letter.

E. G. Erickson
E. G. Erickson

cc: USGS, Spokane
4 cys—Wash.

JOHN GIULIO, SILVER HILL MINE
(Docket No. DMEA 2301X, lead-zinc)

EXHIBIT "A"

Description of the Project

(To be furnished by USGS)

Estimated Costs of the Project

1. Preparation (including any necessary rehabilitation and repairs to existing surface plant); unwatering workings (see accompanying map); and setting pump below working level $ 600.00

2. Rehabilitating an estimated 200 feet of old crosscut (cleaning out slough muck, replacing track and pipe) @ $4/ft./ includes all costs. 800.00

3. Crosscutting an estimated 180 feet @ $30/ft.; includes all costs. The crosscut shall be driven approximately 3½'x6' (minimum cross section). 5,400.00

4. Drifting a total of 300 feet.
(Est.)200 ft. of untimbered drift @ $30/ft. 6,000.00
" 100 ft. of timbered drift @ $38/ft. 3,800.00
Drift shall be driven approximately 3½'x6' minimum cross section and timbered section shall be 3½'x6' in clear.

5. Raising 100 feet @ $40/ft. 4,000.00
Raises shall be 2 compartment; stull, square set or cribbed timbered. Rock section to be a minimum of 8 feet in length and 4 feet in width. Stull or square set timbered raise shall be lagged sufficiently to insure safety. Landings and ladders must be placed to comply with governing safety regulations. Should raising be justified the location will be determined by mutual agreement between Government and operator.

Total maximum allowable cost to the project $20,600.00

Government's maximum participation - 50% $10,300.00

All work under this contract shall be performed in accordance with Article 3 as set forth in the Exploration Project Contract.

JOHN GIULIO, SILVER HILL MINE
Docket No. BMEA 2301X, lead-zinc

Breakdown of unit costs set forth in Exhibit "A"

1. Preparation (including any necessary rehabilitation and repairs to existing surface plant), unwatering workings and setting pump below working level.

(a) Preparation and rehabilitation		
2 men, 4 days, 8 man-shifts @ $16/shift	$128.00	
Misc. materials, supplies, etc.	72.00	
	$200.00	
(b) Unwatering workings and placing pump, pump column and other shaft facilities		
2 men, 7 days, 14 man-shifts @ $16/shift	224.00	
Power (estimated) 1 week @ $30	30.00	
Materials, supplies, depreciation on equipment and misc. costs	220.00	
Total cost - (a) and (b) as a unit of work		$654.00

Operator agreed to a cost of $600.00.

2. Rehabilitating 200 feet of crosscut, placing track and pipe lines.

2 men, 12 days, 24 man-shifts @ $16/shift	384.00	
Track, complete (materials) 200 ft. @ $1/ft.	200.00	
Pipe 2" and 1", 200 feet @ $60/ft.	120.00	
Power estimated, 2 weeks @ $30/wk.	60.00	
Depreciation on equipment & misc. costs	60.00	824.00

Operator agreed on $4/ft. average unit cost and $800 for total cost.

3. Crosscutting an estimated 180 feet. Hand shoveling will be employed in driving the crosscut. A minimum working cross section will be maintained (3½'x6') and an average of 2.5 feet advance per shift is anticipated. Three men (hoistman and 2 miners) on a shift is used for making estimate. Will have to maintain pumping.

JOHN GIULIO, SILVER HILL MINE
docket No. DMRA 2301X, lead-zinc

Breakdown of unit costs set forth in Exhibit "A"

3. Crosscutting - cont.

Labor, 180 feet @ $19.20/ft.	$3,456.00	
Powder, cap and fuse, 180 ft. @ $3/ft.	540.00	
Power, 180 ft. @ $2/ft.	360.00	
Track and pipe, 180 ft. @ $1.60/ft.	288.00	
Depreciation on equipment, transportation, engineering, geology, assaying and sampling, 180 ft. @ $4.20/ft.	756.00	$5,400.00

Unit cost - $30/foot

Operator agreed to a price of $30/foot and stated no timbering would be necessary and should an occasional set be needed he would place them at the above cost per foot.

4. Drifting an estimated 300 feet. It is anticipated that 200 feet will be driven without timber and 100 feet will require timber. Cross section will be a minimum working section approximately 3½'x6' and timbered drift will be 3½'x6' in clear of timber. Costs for driving untimbered drift will be same as crosscutting, $30/lin. ft. Timbered drift will be $38/lin. ft. Additional $8/ft. necessary for timber, lagging, and extra labor due to larger excavation needed and placing timber.

200 feet drifting (untimbered) @ $30/ft.	$6,000.00	
100 feet drifting (timbered) @ $38/ft.	3,800.00	$9,800.00

5. Raising an estimated 100 feet. Cost of raising is estimated to be $40/ft.

Labor, 100 ft. @ $24.20/ft.	$2,420.00	
Powder, cap and fuse, 100 ft. @ $3/ft.	300.00	
Power, 100 ft. @ $2/ft.	200.00	
Timber and pipe, 100 ft. @ $6.60	660.00	
Depreciation on equipment, transportation, engineering, geology, sampling, assaying, and misc. costs, 100 ft. @ $4.20/ft.	420.00	4,000.00

Unit cost, $40/linear foot of completed raise

The operator stated he could perform the outlined work at the agreed upon unit costs by using materials on hand and purchasing some used materials and supplies.

1201 N. Division St.
Spokane 2, Wash.
April 23, 1952

MEMORANDUM

To: M. E. Velin, Member, DMEA Field Team, Region II

From: E. G. Erickson, mining engineer, Bureau of Mines

Subject: John Giulie, Silver Hill mine, Docket No. DMEA 23011
(lead-zinc), Jefferson County, Mont.

The subject application was referred to the field for review of costs presented by the applicant. A cost estimate based on performance to date of a number of contracts in force and on known data was prepared. Mr. Giulie was agreeable to the cost estimate and also to a short form contract. Mr. Giulie's costs as presented in his application are low. He had used some old figures (1930's) and they are believed to include only direct "heading labor" and supplies.

Unit cost estimates are herewith presented as Exhibit "A" under "Costs of the Project." It is recommended that these unit costs be considered in preparing a short form contract with above named applicant. A sample contract will be prepared by field engineers incorporating USGS and USBM data for Exhibit "A" to be forwarded with a Field Team letter.

E. G. Erickson
E. G. Erickson

cc: USGS, Spokane
4 cys—Wash.

JOHN GIULIO, SILVER HILL MINE
(Docket No. DMEA 2301X, lead-zinc)

EXHIBIT "A"

Description of the Project

(To be furnished by USGS)

Estimated Costs of the Project

1. Preparation (including any necessary rehabilitation and repairs to existing surface plant); unwatering workings (see accompanying map); and setting pump below working level $ 600.00

2. Rehabilitating an estimated 200 feet of old crosscut (cleaning out slough muck, replacing track and pipe) @ $4/ft./ includes all costs. 800.00

3. Crosscutting an estimated 180 feet @ $30/ft.; includes all costs. The crosscut shall be driven approximately 3½'x6' (minimum cross section). 5,400.00

4. Drifting a total of 300 feet.
(Est.)200 ft. of untimbered drift @ $30/ft. 6,000.00
" 100 ft. of timbered drift @ $38/ft. 3,800.00
Drift shall be driven approximately 3½'x6' minimum cross section and timbered section shall be 3½'x6' in clear.

5. Raising 100 feet @ $40/ft. 4,000.00
Raises shall be 2 compartment; stull, square set or cribbed timbered. Rock section to be a minimum of 8 feet in length and 4 feet in width. Stull or square set timbered raise shall be lagged sufficiently to insure safety. Landings and ladders must be placed to comply with governing safety regulations. Should raising be justified the location will be determined by mutual agreement between Government and operator.

Total maximum allowable cost to the project $20,600.00

Government's maximum participation - 50% $10,300.00

All work under this contract shall be performed in accordance with Article 3 as set forth in the Exploration Project Contract.

JOHN GIULIO, SILVER HILL MINE
Docket No. DMEA 2301X, lead-zinc

Breakdown of unit costs set forth in Exhibit "A"

1. Preparation (including any necessary rehabilitation and repairs to existing surface plant), unwatering workings and setting pump below working level.

(a) Preparation and rehabilitation		
2 men, 4 days, 8 man-shifts @ $16/shift	$128.00	
Misc. materials, supplies, etc.	72.00	
	$200.00	
(b) Unwatering workings and placing pump, pump column and other shaft facilities		
2 men, 7 days, 14 man-shifts @ $16/shift	224.00	
Power (estimated) 1 week @ $30	30.00	
Materials, supplies, depreciation on equipment and misc. costs	220.00	
Total cost - (a) and (b) as a unit of work		$654.00

Operator agreed to a cost of $600.00.

2. Rehabilitating 200 feet of crosscut, placing track and pipe lines.

2 men, 12 days, 24 man-shifts @ $16/shift	384.00	
Track, complete (materials) 200 ft. @ $1/ft.	200.00	
Pipe 2" and 1", 200 feet @ $60/ft.	120.00	
Power estimated, 2 weeks @ $30/wk.	60.00	
Depreciation on equipment & misc. costs	60.00	$824.00

Operator agreed on $4/ft. average unit cost and $800 for total cost.

3. Crosscutting an estimated 180 feet. Hand shoveling will be employed in driving the crosscut. A minimum working cross section will be maintained (3½'x6') and an average of 2.5 feet advance per shift is anticipated. Three men (hoistman and 2 miners) on a shift is used for making estimate. Will have to maintain pumping.

JOHN GIULIO, SILVER HILL MINE
docket No. DMEA 2301X, lead-zinc

Breakdown of unit costs set forth in Exhibit "A"

3. Crosscutting - cont.

Labor, 180 feet @ $19.20/ft.	$3,456.00	
Powder, cap and fuse, 180 ft. @ $3/ft.	540.00	
Power, 180 ft. @ $2/ft.	360.00	
Track and pipe, 180 ft. @ $1.60/ft.	288.00	
Depreciation on equipment, transportation, engineering, geology, assaying and sampling, 180 ft. @ $4.20/ft.	756.00	$5,400.00

Unit cost - $30/foot

Operator agreed to a price of $30/foot and stated no timbering would be necessary and should an occasional set be needed he would place them at the above cost per foot.

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200 feet drifting (untimbered) @ $30/ft.	$6,000.00	
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5. Raising an estimated 100 feet. Cost of raising is estimated to be $40/ft.

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Powder, cap and fuse, 100 ft. @ $3/ft.	300.00	
Power, 100 ft. @ $2/ft.	200.00	
Timber and pipe, 100 ft. @ $6.60	660.00	
Depreciation on equipment, transportation, engineering, geology, sampling, assaying, and misc. costs, 100 ft. @ $4.20/ft.	420.00	4,000.00

Unit cost, $40/linear feet of completed raise

The operator stated he could perform the outlined work at the agreed upon unit costs by using materials on hand and purchasing some used materials and supplies.

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.

So. 157 Howard Street
Spokane 4, Washington

April 3, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 7 1952

Memorandum

To: Operating Committee, DMEA.

From: Executive Officer, DMEA Field Team, Region II.

Subject: Application of John Guilio, Silver Hill mine, Comet district, Jefferson County, Montana, Docket DMEA 2301.

This will acknowledge receipt of Docket DMEA 2301 concerning the application of John Guilio of the Silver Hill mine in the Comet district, Jefferson County, Montana. We will contact Mr. Guilio as soon as practicable and will prepare an appropriate report.

A. E. Weissenborn

A. E. Weissenborn

cc: USBM

500
FILE COPY
SURNAME:

Moulds
Newcomb
Bishop

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

MAR 3

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

Re: Docket No. DMEA 2301
John Giulio, Lead-Zinc
Silver Hill Mine

Dear Mr. Weissenborn:

The subject application has been extensively reviewed by the Commodity Specialists and this office in view of the Field Team's recommendation that the project receive favorable consideration. The information presented, however, precludes the drawing of a contract according to the present requirements. The breakdown of cost is not complete and appears to be too low to accomplish the work proposed. The maps enclosed with the application are difficult, if not impossible, to correlate with the proposal and the applicant's property rights.

It is our belief that correspondence with the applicant would not materially improve this situation. We are, therefore, transmitting one copy of each of two reviews of the application, copies of forms MF-100 and 103, and two maps for your consideration and recommendation on the project.

If you believe that the information necessary to draw up a contract administratively acceptable in view of the applicant's past experience with the R.F.C. can be obtained by discussion with the applicant or from field experience of your staff, please do so and transmit to this office.

If you believe that the project does not warrant the work involved in preparing such a project, advise and we will prepare a denial.

Sincerely yours,

CC 3/31

(signed) FRANK E. JOHNSON (EHB)
Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosures-6
APPROVED:

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

I. R. Thayer (EHB)
Member, Geological Survey

DEMoulds/meh
3/28/52
cc to: Adm. R. File
✓ DocketFile Copy
Operating Commit
Mr. Moulds
Mr. McKnight
Mr. Bishop
Region II

Defense Minerals Exploration Administration 3-5-52

Review of Application for Exploration Assistance

Docket No. DMEA-2301

To: Mr. C. O. Mittendorf

Commodity Lead, Zinc

Total Amount $ 8,375

Govt. Participation 50%, $4,187.50

1. Name and Address of Applicant John Giulio, Silver Hill Mine, Fuller, Montana

2. Location of Property Silver Hill Mine, Comet Mining District, Jefferson County, Montana (Sec. 36, T. 7 N., R. 5 W.)

3. Mineral or metal Lead-zinc-silver Is it listed in Section 9 of MO-5?

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 Yes, see field memo & No. 16

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, owner
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached?

Does the lease have sufficient time to run to cover a future productive period?

*question numbers are those of MF-103

7. Are subordination agreements necessary? No

a) MF-201? _____

b) MF-202 _____

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 _____
(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, see field memo

If not, are there sufficient data given so that you can describe the project? _____ If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? Yes, but relation to Comet mine 300 level not given

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 worth-while 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. see application

e) Are the cost estimates reasonable? No - they are low

f) Should more information be requested from applicant? Yes

g) Is a field examination necessary to complete Exhibit A? Applicant must be contacted by letter or field team for clarification

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?_____

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? Yes

b) Sufficient data? No If so, attach a draft.

c) Are rents and charges reasonable?_____

d) Is a field check needed? Applicant must be contacted by letter or field team for clarification

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? No

b) Is the schedule adequate for the work proposed?_____

c) Is the schedule excessive for the work proposed?_____

d) Are the proposed wages and salaries reasonable?_____

e) Is a field check needed? Further information is needed

14. Exhibit E (question 23-c)*

a) Is it applicable? Don't know

b) Sufficient data?

c) Reasonable?

d) Field check needed? Yes

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?

Reviewed by: E. L. Newcomb
E. L. Newcomb GS 2-5-52
O. M. Bishop
O. M. Bishop BM 3-3-52

Date 3-5-52

16. The Silver Hill Mine adjoins the Comet Mine, which was a major lead-zinc-silver-gold producer in the district. Both of these properties are located on a prominent shear zone about 150 ft. wide (in monzonite and aplite) which can be traced more than 5 miles on a N 80° W trend.

Most of the ore in the Comet Mine was produced from 3 parallel veins, which were designated as the north, middle and south veins. The applicant proposes to unwater the main shaft down to the 65 level on the Silver Hill mine, clean out 2 caved areas, extend his crosscut a short distance to the north vein, drift 300 ft. on the vein, and drive 2 50-ft raises on the vein. A field memo recommends that 125 feet of crosscutting may be necessary as the assumed position of the north vein has been projected a considerable distance from underground workings in the Comet. Since the proposed eastward drift on the vein may encounter a 50-ft. post-mineral dacite dike within 100 ft., the drift should be driven 100 ft. eastward and 200 ft. westward. The proposed raising on the vein should be contingent on the results of the drifting.

An investigation of a R.F.C. mining loan file on the Silver Hill mine indicated that there is an R. F. C. lien on the property. Five per cent of the net return from any future production will be paid until the loan is retired. Certain of the monthly inspection reports suggested that the applicant was not cooperative in following instructions, though competent to do underground work in a miner-like manner. The loan was officially closed out, because the project had failed to indicate sufficient minable ore.

The crosscutting and drifting in the proposed project have a reasonable chance of discovering ore on the north vein, based on the trend of the productive veins in the adjoining Comet mine. The work outlined by the field team is recommended geologically for approval.

E. L. Newcomb
E. L. Newcomb
Geologist

16. The project appears feasible, but there are several items which need clarification before a contract could be prepared.

(a) Applicant's cost data are lower than could normally be obtained by about 75 to 100%. Normally drifting and cross-cutting with attendant tramming and hoisting may be expected to cost about $30 to $35 per foot of advance.

(b) Applicant believes he will not need additional equipment. However, he says in answering question 10 of MF-103 that he is prepared to invest only his equipment and he does not know whether that is sufficient for his share of the project costs. No statement is made as to the rental value of this equipment, or the wages the applicant would assign to himself as hoistman and blacksmith.

Lacking this fundamental information it is apparent that the applicant must be contacted by letter or field team to clarify the matter of cost of the project and how the applicant proposes to pay his share.

It is noted that the RFC has a lien against future production and that the experience of RFC with the applicant was somewhat unsatisfactory.

O. M. Bishop

O. M. Bishop
Mining Engineer

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Defense Production Staff
WASHINGTON 25, D.C.

DMEA Operating Committee
Frank Johnson
4624
2017

1420137 Salaries and Expenses, Defense Production Activities, Interior, 1952
January 21, 1952

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

DMEA-2301, John Giulio, Silver Hill Mine, Jefferson County, Montana.

Please furnish maps in connection with Field Report on subject case.

(signed) FRANK E. JOHNSON
Chairman, Operating Committee
Defense Minerals Exploration
Administration

N.S
R+R.

FEJohnson/hb

Copy to: Adm. Reading File
✓DMEA Mails and Files
DMEA Operating Committee File
T. P. Thayer, Rm. 5216 GSA
J. H. Hedges, Rm. 4604
Mr. Moulds

BL

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

January 10, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 14 1952

Memorandum

To: C. O. Mittendorf, Acting Administrator

From: A. E. Weissenborn, Executive Officer

Subject: Maps accompanying application for DMA exploration loan submitted by Mr. John Guilio for the Silver Hill mine, Jefferson County, Montana.

This will amplify my phone conversation with you concerning your teletype requesting field team maps of the Silver Hill mine.

According to the attached memo from George E. Becraft, U. S. Geological Survey, the map of the 300 level of the Comet mine was made by Blair Stewart in 1935. Becraft does not know who made the map of the Silver Hill mine. The workings (both Silver Hill and Comet) are at present wholly inaccessible and consequently the field team was unable to prepare any map of its own.

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

cc: USBM
Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

January 10, 1952

Memorandum

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

From: George E. Becraft, Geologist, U. S. Geological Survey

Subject: Maps accompanying application for DMEA exploration loan submitted by Mr. John Guilio concerning the Silver Hill mine, Jefferson County, Montana.

Accompanying Mr. Guilio's application were two maps--a copy of a map of the Silver Hill mine, and a copy of a map of the 300 level of the Comet mine. I had not seen the map of the Silver Hill mine previously. I do not know who made it nor who has the original. The applicant should be able to supply this information if it is desired.

The map of the 300 level of the Comet mine, which accompanied the application, was an uncolored ozalid copy made from the original map which is now in the possession of the applicant. The original was made by Blair Stewart in 1935 while he was employed by the Basin Montana Tunnel Company, former owners of the mine.

George E. Becraft

cc: USBM

FILE COPY
SURNAME:

TELETYPE

UNITED STATES
DEPARTMENT OF THE INTERIOR

Defense Production Staff

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.

Operating Committee
DMEA

5347

4626

Defense Production Staff
January 8, 1952

A. E. Weissenborn, DMEA Field Team, Region II, South 157 Howard Street, Spokane 8, Washington.
DMEA-2301, John Giulio, Jefferson County, Montana (Silver Hill Mine).

Please furnish maps for field team report on John Giulio Silver Hill Mine.

C. O. Mittendorf (for)
Chairman, Operating Committee
Defense Minerals Exploration Administration

COMittendorf/hb

Copy to: Adm. Reading File
T. P. Thayer
J. H. Hedges
Frank Johnson
Mr. Moulds
DMEA Files

not stripped in R. R.

J.a.

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

January 4, 1952

Memorandum

To: Chairman, Operating Committee

From: D. E. Moulds, Base Metals Division

Subject: Review of Exploration Project Application, Docket DMEA 2301
Silver Hill Mine, John Giulio

The Application:

Applicant filed Forms MF-100 and 103 with the Region II office under date of November 18, 1951 and the application was transmitted to this office on December 17, 1951 along with maps furnished by applicant and memorandum relative to RFC loan on the property made in 1942.

The Property:

The applicant states that he is owner, by purchase in 1941, of property listed as the Silver Hill Mine, Comet Mining District, T.7N., R.5W., Section 36, Jefferson County, Montana. There is no information as to whether this consists of a claim or group of claims and whether patented or located. A loan was obtained from the RFC in 1942 to finance development and in 1946 operations were terminated as noncommercial and all equipment sold, with proceeds applied against indebtedness. The RFC has a mortgage or lien upon title of applicant on three lode mining claims and one placer, none of which are designated as "Silver Hill Mine". The maps furnished by the applicant do not distinguish the Silver Hill property in relation to underground workings of the mine and proposed work although one map shows a Silver Hill lode claim which has been extensively explored by drifts and crosscuts on what is evidently the extension of the "Comet" ore body.

The Project:

The program as stated and indicated on the map of the Silver Hill Mine consists of unwatering to the 65' level, rehabilitating approximately 250' of old crosscut, advance crosscut approximately 75' to the "North Vein" and drift 150' each way on the vein, with two raises 50' in height driven up the vein.

The estimated cost of the work is as follows:

Unwater and clean out crosscut	$ 500
75' of crosscut @ $17 per foot	1275
300' of drift @ $17 per foot	5100
100' of raise @ $15 per foot	1500
Total	$8375

The following equipment will be furnished by the applicant:

20hp motor pump
10 x 12 air hoist and cable
Small air compressor
4 mining cars
Air drills, rails, pipe, steel, etc.
Blacksmith equipment
1½ - ton truck

It is evident that the applicant's participation in cost will be borne by equipment rental and labor on the project.

Discussion of Project:

It is evident that the project will require clearance from RFC which has been initiated by correspondence between the Region offices of DMEA and RFC. The files of RFC are available in Spokane and will undoubtedly contain information on the property rights, development and sampling done during the period 1942-1946.

The basis for the proposed work on the "North Vein" is not evident in the information furnished by the applicant and will have to be clarified by further information from the Region as to geological feasibility.

The costs appear entirely too low for the work proposed in view of current costs for labor, supplies, equipment allowances, supervision, engineering and miscellaneous costs. Value of the equipment furnished will have to be determined in order to compute use allowance, as will applicants ability to take care of current expenses during work on the project.

Recommendation:

The DMEA examiner and the field team recommend that the project receive favorable consideration. The information presented, however, precludes evaluation of the project and drawing of a contract. It is, therefore, recommended that the project be referred to the Region for action in obtaining the required information and their recommendation with substantiating data.

D. E. Moulds

OFFICE OF THE ADMINISTRATOR

DMEA- 2301

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

DEC 26 1951

So. 157 Howard Street
Spokane 4, Washington

December 17, 1951

MEMORANDUM

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

FROM: Field Team, DMEA, Region II

SUBJECT: Application for DMEA exploration loan, submitted by Mr. John Giulio, concerning the Silver Hill Mine, Jefferson County, Montana.

Enclosed please find the following material:

1. 4 copies of form MF-103, with accompanying map.
2. 4 copies of MF-100.
3. 4 copies of a memorandum by George F. Becraft, Geologist, U. S. Geological Survey.
4. 1 copy of a letter to Mr. Robert Nelson, Reconstruction Finance Corporation, Helena, Montana, and a copy of a reply from Mr. Nelson.

The DMEA examiner suggests clarification to the answers of the following questions in from MF-103:

The information requested under 1(a) is given under 1(c). Under 2(b), the applicant refers to the 65 level of the Silver Hill map and the 300 level map of the Comet mine. Some changes in the work proposed under 3(a) have been recommended by the field examiner and the granting of the proposed raise be made contingent on the results of the proposed drifting.

Under 10(a) it should be pointed out that if the applicant intends to charge only the rental of the equipment listed to cover his share of the cost of exploration, this will not be sufficient; however, if he intends to charge part of the labor also, this would be sufficient to cover his share.

Under item 2 on Form MF-100, the applicant apparently refers to the Comet mine, which adjoins the Silver Hill claim on the east.

The DMEA examiner recommends that favorable consideration be given Mr. Giulio's application and the field team concurs.

By the Field Team, Region II

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
(U. S. Geological Survey)

M. E. Volin

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

Enclosures

OFFICE OF THE ADMINISTRATOR

Dmea 2301

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 20 1951

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Reviewed by
DMEA OPERATING COMMITTEE
Jan 7, 1952
(date) HB

So. 157 Howard Street
Spokane 4, Washington

December 11, 1951

OK S.I.E. Report

MEMORANDUM

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

FROM: George E. Becraft, Geologist, U. S. Geological Survey

SUBJECT: Report on Silver Hill mine, Jefferson County, Montana

RECOMMENDATIONS

It is recommended that the application for an Exploration Project Contract submitted by John Giulio on the Silver Hill mine, Jefferson County, Montana, be favorably considered.

INTRODUCTION

During the 1951 field season, the writer mapped the area around the Silver Hill mine in conjunction with detailed mapping of the Boulder batholith. No underground workings were accessible in the vicinity; therefore, the only information available was from very sparse outcrops and several small mine dumps.

PROPERTY AND LOCATION

The Silver Hill mine is located on the Silver Hill quartz and placer mining claim, Mineral Survey No. 68, Mineral Entry 84, Sec. 36, T. 7 N., R. 5 W. Within the boundaries of this claim are two lode claims--West Extension of the Rumley and North Pacific--surveyed as part of lot 37, Mineral Entry 84. These claims are also owned by the applicant.

MINE WORKINGS

The mine is flooded to within a few feet of the collar; therefore, the only information available concerning the mine workings was obtained from maps of the Silver Hill mine and from the maps of the Comet mine, which adjoins the Silver Hill on the east. The Silver Hill shaft is 156 feet deep with about 600 feet of crosscuts on four levels. (See Silver Hill map accompanying application).

Some stoping has been done near the shaft above the 65-foot level. The 300 level of the Comet extends about 800 feet into the Silver Hill claim and is reported to be connected with the Silver Hill shaft. Most of the ore taken from the Silver Hill claim on this level probably came from a large stope about 200 feet west of the Comet end line. There are also two short raises on this level.

The 300 level would correspond in elevation with the 160 level of the Silver Hill.

MINE BUILDINGS

On the property are a hoist room, head frame, and ore bin in usable condition.

GEOLOGY

Geology of the Comet mine is described in:

Ore deposits of the Helena mining region Montana: Knopf, Adolph, U.S.G.S. Bulletin 527, 1913.

Metalliferous deposits of the greater Helena mining region Montana: Pardee, J. T., and Schrader, F. C., U.S.G.S. Bulletin 842, 1933.

Ore deposits of the Boulder batholith of Montana: Am. Inst. Min. Eng. Trans., Vol. 58, pp. 291-332, 1917.

The Comet and Silver Hill mine workings are in biotite quartz monzonite and aplite. Two post mineralization, dacite dikes are also exposed in the mines. The mines are located on an intensely altered and sheared zone about 150 feet wide known as the Comet-Gray Eagle vein structure. This structure can be traced for more than five miles with an average N. 80° W. trend. It is reported that several mines on this structure have had some production, but the Comet is the only major producer--the production is reported to have been greater than $17,000,000 in lead, zinc, silver, and gold.

Most of the ore from the Comet was mined from three roughly parallel veins which follow the trend of the sheared and altered zone. These were designated the north, middle, and south veins. Some production is reported from splits of these veins and minor cross structures.

The west drift of the 300 level of the Comet mine, which extends into the Silver Hill claim, is on the north vein. Topographic expression suggests that this vein may extend more than a mile beyond the Silver Hill claim and forms roughly the north margin of the Comet-Gray Eagle vein system.

CONCLUSIONS

The Silver Hill mine is adjoined on the east by the Comet mine, which has been in the past a major producer of lead and zinc with a good production of silver and gold. Study of the surface and available mine maps indicates that the productive veins in the Comet extend through the Silver Hill claim and have not been extensively explored to the west.

A few minor changes are suggested, however, in the applicant's proposed exploration program.

Provisions should be made to extend the proposed 75-foot crosscut to intersect the north vein an additional 50 feet to a maximum total of 125 feet. This extension would give a margin of safety providing that there is a change of dip of the vein above the Comet 300 level. This crosscut will intersect the north vein about 100 feet above the 300 level.

From the maps available, it appears that the proposed eastward drift on the vein would intersect a dacite dike at less than 100 feet distance. This dike would probably be at least 50 feet wide; therefore, it is suggested that the eastward drift should not be over 100 feet and that the westward drift be extended from 150 feet to 200 feet total.

Also, it is suggested that the granting of the proposed 100-foot raise be made contingent on the results of the drifting on the vein.

No. 157 Howard Street
Spokane 4, Washington

December 4, 1951

Mr. Robert Nelson
Reconstruction Finance Corporation
Helena, Montana

Dear Mr. Nelson:

Mr. John Giulio has applied to the Defense Minerals Exploration Administration for a participating loan to conduct an exploration project at the Silver Hill mine in Jefferson County, Montana. He proposes to spend $8,375 (of which the DMEA might advance 50 percent) to pump out the Silver Hill mine to the 65-foot level, to extend the cross-cut on this level to intersect the northwest vein split that was explored on the 300 west drift of the Comet mine (in Silver Hill ground), to drift 300 feet on this vein, and to explore the vein further by raising if ore is found.

Mr. Giulio stated in his application that he had operated the Silver Hill with an RFC loan for 1942 to 1944. I contacted Howard Sherman to determine whether the Spokane office of the RFC had any information that would be available to assist us in evaluating Mr. Giulio's application. He suggested that I contact you inasmuch as the file on this application was not in Spokane. I wonder if you might be able to furnish us information on the points listed below:

1. The Comet mine maps show the Silver Hill claim adjoining the west end of the Comet claim; our claim map of the Comet area, however, shows no Silver Hill claim, but in about the same area appear the West Ramley, North Pacific, and No. 68 Placer (unnamed?). I presume that inasmuch as an RFC loan was made, the discrepancy between these maps is apparent rather than real and that Mr. Giulio has clear title to the Silver Hill property, except for a possible RFC lien.

2. Is Mr. Giulio obligated to the RFC and, if so, are there any reasons for which the RFC would oppose the granting of a DMEA loan?

3. As the mine is now flooded and the surface workings sloughed in, we have very little basis for passing on the geologic merit of the proposed exploration, other than the fact that what may have been the same vein was stoped on the 300-level of the Comet, several hundred

feet east of Giulio's projected intersection. If you have any geologic report on the Silver Hill that could be loaned to us, it would be much appreciated.

4. You may think of other pertinent factors that should be weighed in considering the merit of Mr. Gailio's proposal.

Very truly yours,

M. R. Klepper
Geologist

COPY

LOAN AGENCY
of the
RECONSTRUCTION FINANCE CORPORATION

Power Block-P. O. Box 177
Helena, Montana

December 6, 1951

M. R. Klepper, Geologist
U. S. Department of the Interior
Geological Survey
South 157 Howard Street
Spokane 4, Washington

Dear Mr. Klepper:

This will acknowledge receipt of your letter of December 4, 1951 in which you made inquiry about Mr. John Giulio's Silver Hill Mine in Jefferson County, Montana.

On October 26, 1942 RFC made a loan of $20,000.00 to Mr. Giulio. The property adjoins the workings of the Comet Mine.

The proceeds of the loan were expended in the development of lead-zinc ore, but the work failed to reveal ore of such grade and character as to permit a sustained operation. In 1946 the operations were terminated and in 1948 all tools and equipment purchased with loan funds were sold and the proceeds applied against Borrower's indebtedness. RFC has a mortgage on the Will Parkinson Lode Mining Claim, a placer designated as Mineral Entry No. 84 as well as the Western Extension of the Rumley Lode and the North Pacific Lode. This mortgage to RFC does not authorize sale or foreclosure, but is a lien upon said right, title and interest of Mr. Giulio.

In October 1948 RFC made an agreement with Mr. Giulio whereby he would allocate 5% of the net smelter returns of any ore shipped from the property to loan repayment; but in making this agreement it was distinctly understood that, should conditions change, the percentage to be applied against ore shipments for loan repayment would be increased.

I have today mailed to our RFC Spokane Office essential files regarding the Giulio loan. I am sure Mr. Green will be cooperative in permitting the data contained therein to be utilized by you.

Yours very truly,

/s/ Robert H. Nelson
Mining Engineer

EXPLORATION

Subject: DMEA-2301
Re: Exploration Loan
Silver Hill, Comet Mines

Mr. John Giulio
Jefferson County, Montana

My dear Mr. Giulio:

This will acknowledge receipt of your application dated November 18, 1951 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2301 and referred to the Base Metals Division.

Kindly refer to DMEA-2301 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams
Acting Administrative Officer

7862

PLACER 442
NECESSITY
COMET
SILVER HILL
Old Shaft
Comet Shaft
PLACER 448
RUMLEY
PLACER 384
N
BASIN-MONTANA TUNNEL COMPANY
COMET MINE
300 FT. LEVEL

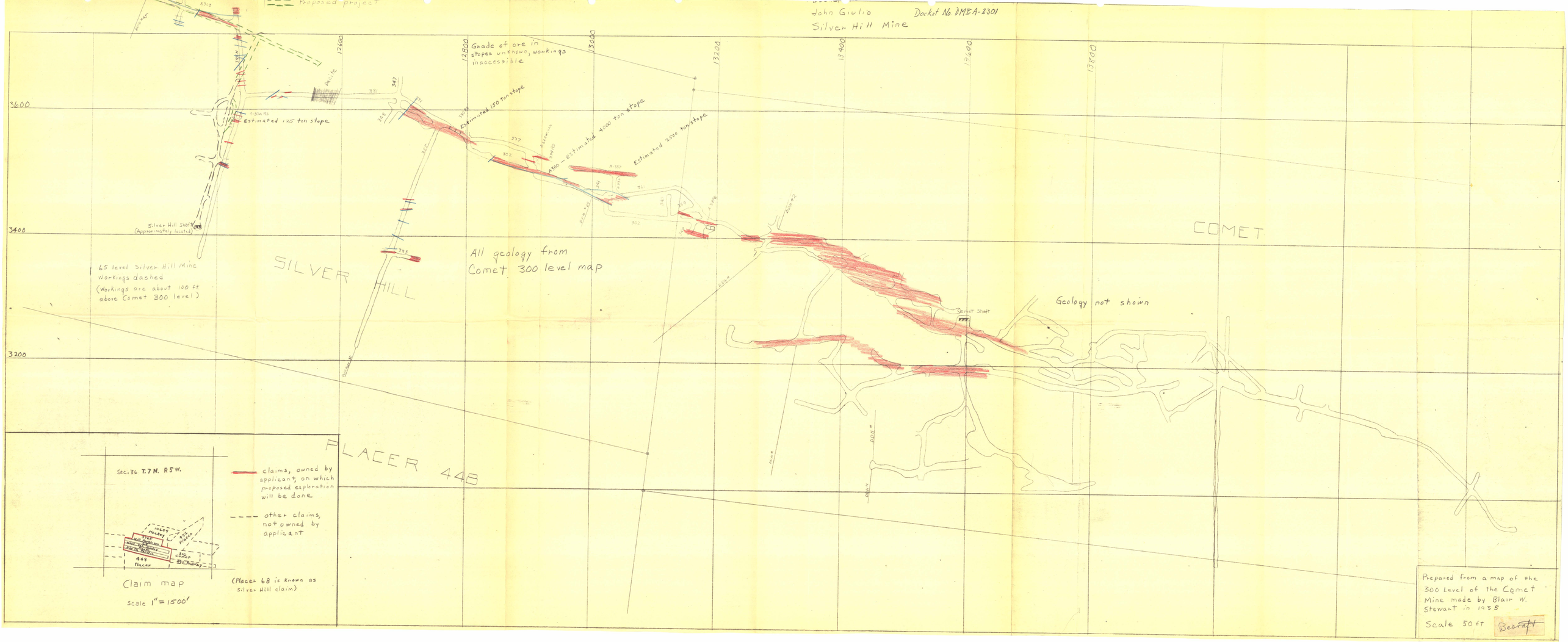
LEGEND

- Level From Surface
- 54 Foot Level
- 65 Foot Level
- 135 Foot Level
- 150 Foot Level
- Rhyolite Dyke
- Faults And Fractures
- Vein Structure And Ore
- Stoped Areas

SILVER HILL MINE

UNDERGROUND WORKINGS

40 SCALE

John Giulio
Silver Hill Mine

Docket No. DMEA-2301