FILE ITEM OR INFORMATION REQUESTED	FRC BOX NO.
4715	867
2 Folders	
Luch 4-28	

DATE OF REQUEST

ACCESSION NO. 64A709

FOR RECORDS CENTER USE ONLY

LOCATION OF RECORD(S) TO BE SEARCHED 1452.15-3

TO *(Mail in window envelope)*

General Services Administration
Federal Records Center NARS

(City) *(Zone)* *(State)*

NATURE OF SERVICE

☐ FURNISH COPY OF RECORD(S) ONLY ☐ PERMANENT WITHDRAWAL

☐ OTHER *(Specify)* 320

FOR RECORDS CENTER USE ONLY

☐ RECORDS NOT IN CENTER CUSTODY ☐ MISSING *(Neither record(s), information nor charge card found in container(s) specified)*

☐ RECORDS PREVIOUSLY CHARGED OUT TO *(Name, agency and date)*:

SERVICE	TOTAL	TIME REQUIRED	SEARCHER'S INITIALS
DOCUMENT	1	4/30/70	CB
INFORMATION			
RESEARCH			

REMARKS

FOR USE OF REQUESTER

NAME OF REQUESTER Mrs Clutson

TELEPHONE NO. 183 3347

NAME AND ADDRESS OF AGENCY *(Include bldg. and room No.)* 4450 Silver

RECEIPT OF RECORDS

REQUESTER PLEASE SIGN, DATE, AND RETURN THIS FORM, FOR FILE ITEM(S) LISTED ABOVE, ONLY IF THE BLOCK TO RIGHT HAS BEEN CHECKED BY THE RECORDS CENTER . . . ☐

SIGNATURE	DATE

OPTIONAL FORM NO. 11
JULY 1959
PRESCRIBED BY
GEN. SERVICES ADMIN.
FPMR (41 CFR) 101-11.4

☆ U. S. GOVERNMENT PRINTING OFFICE: 1969-354-166

REFERENCE REQUEST — FEDERAL RECORDS CENTERS

5011-103

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., and the Executive Officer, Region I, Spokane, Washington, pertaining to Contract No. Idm-R500, Docket No. DMEA-2440 (Tungsten), dated April 17, 1952, with

Minerals Engineering Company
P. O. Box 957
Grand Junction, Colorado

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Lost Creek Mine located in Beaverhead County, Montana, during the period March 1, 1956, through April 15, 1960.

A certification of discovery or development was issued on May 17, 1956, and, in accordance with Amendment No. 3 to the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final cost audit dated January 2, 1957, indicated accepted costs under the exploration contract amounting to $86,950.00 with the Government's contribution, on a 75 percent basis, being $65,212.51.

The scope of review and the reasons therefor are stated on page 2.

This review established the total sales of tungsten concentrates for the period to be $8,887.68. Royalty due the Government at rates specified in the contract is $444.35.

A prior Royalty Audit Certificate dated June 6, 1956, found the sales subject to Government royalty through February 29, 1956, to be $124,090.10 which added to the sales for this subsequent period make a total of $132,977.16. The royalty account as of February 29, 1956, was:

Total Royalty Due	$6,204.51
Total Royalty Paid	6,204.51
Balance of Royalty Due	$ -0-

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

Total Royalty Due	$6,648.86
Total Royalty Paid	6,648.86
Balance of Royalty Due	$ -0-

April 15, 1960

C. E. Fisher, OME Auditor

Idm-8300 Minerals Engineering Company DMRA-2440

SCOPE OF REVIEW AND REASONS THEREFOR

My review included a computation of the royalty settlement made in August 1957 applicable to ore stockpiled during 1955 and milled in August 1956. It was determined that the settlement made was in agreement with the special formula for computing the Government's royalty as set forth in the Termination Agreement dated November 20, 1956. A tabulation showing the Operator's production and computation of royalty paid to date follows:

Item	Prior Audit	Stockpiled Ore	Totals
Tons of ore	19,869.80	1,250.64	21,120.44
Short ton units WO_3	2,850.68	233.87	3,084.55
Unit price (Formula)	$ 43.33	$ 38.00	$ 43.11 Av.
Value	$124,090.10	$8,887.06	$132,977.16
Royalty - 5%	$ 6,204.51	$ 444.35	$ 6,648.86

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

(1) Semi-annual reports of investigations by representatives of the Field Team, Region I, and other documents in the files indicate that no mining operations have been conducted at the property since 1955 and that proper royalty has been received by the Government on all production from the land described in Article 2 of the contract since April 17, 1952; and

(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Minerals Engineering Company

Address P. O. Box 957

Grand Junction, Colorado

Exploration Contract No. Idm-E300 Docket No. DMEA-2440

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

The last activity at this property was in August 1956, when 1,250.64 tons of stockpiled ore was milled. Royalty due, computed on basis of the formula set forth in the termination agreement, was paid in August 1957.

April 13, 1960
Date

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

53362

EXTRA COPY O. M. E. RECEIVED MAY 16 1960		
DATE	INITIALS	CODE
		800

So. 157 Howard Street
Spokane 4, Washington
May 12, 1960

Minerals Engineering Company
P. O. Box 1951
Grand Junction, Colorado

Re: Docket No. DMEA-2440 (Tungsten)
Minerals Engineering Company
Lost Creek Mine
Beaverhead County, Montana
Contract No. Idm-E300

Gentlemen:

For your information and files is enclosed a copy of a Report of Royalty Review dated April 13, 1960, on sales of minerals from property referred to as the Lost Creek mine located in Beaverhead County, Montana, during the period March 1, 1956, through April 13, 1960.

Sincerely yours,

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

Enclosure

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

Mr. Talbert

April 7, 1959

Memorandum

To: Executive Officer, OSE Field Team, Region I

From: Chairman, Operating Committee, OSE

Subject: Docket No. DMA-2292 (Tungsten)
American Alloy Metals, Inc.
Brown's Lake Property
Beaverhead County, Montana
Contract No. Idm-F247
and
Docket No. DMA-2440 (Tungsten)
Minerals Engineering Company
Last Creek Mine
Beaverhead County, Montana
Contract No. Idm-E300

The proposed letter to George H. Allen, District Director, Internal Revenue Service, Denver, Colorado, accompanying your letter dated March 27, 1959, has been rewritten by this office so as to incorporate therein corrections and additional information as follows:

(1) The date of Contract Idm-E127 has been corrected to August 24, 1951.

(2) The reference to Contract Idm-F247 has been corrected to show the date of the original contract in addition to the date of the Amended Contract bearing that number.

(3) Reference is made to the agreement dated October 1, 1952, whereby two of the contracts were combined and the royalty provision was made applicable to the land described in the three Brown's Lake contracts.

(4) Royalty repayments under Contract Idm-F247 during 1954 and 1955 have been changed to $62,725.70 and $4,128.10, respectively, for the reason that the payment deposited on January 4, 1955, was covered by the Operator's Check No. A-6821 dated November 30, 1954, and received in U.S.B.S. Office, Spokane, Washington, on December 6, 1954.

If you agree with the letter as amended, you should sign, date, and return the original directly to Mr. Allen and make your usual distribution of the copies.

APPROVED:

George C. Selfridge

(sgd.) G. W. Josephson

Author, Bureau of Mines

N. K. Nelson

Author, Geological Survey

CRFisher/[illegible]
April 7, 1949

cc: Docket No. [illegible] and Docket No. 2440
Director's Reading File
Operating Committee
T. K. Killingsord
R. Halliday
Mr. Talbert

For Certificate of Deposit No. 416, dated August 23, 1957, giving royalty payment of $444.35, see E-152.

No. 157 Howard Street
Spokane 4, Washington

August 19, 1957

EXTRA COPY
D M E A
RECEIVED AUG 22 1957

DATE	INITIALS	CODE
8/23	EEF	800

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

Re: Docket No. [illegible]-2443 (Uranium)
Minerals Engineering Company
Lost Creek Mine
Beaverhead County, Montana
Contract No. Idm-1300

Dear Mr. Martin:

In reference to our letter to you of July 22, 1957, and in further reference to your letter of July 19, 1957, regarding royalty in the amount of $414.35 due the Government by the operator on ore mined in 1955 and milled during August 1956, Minerals Engineering Company sent a check to this office under date of August 9, 1957, for the entire amount.

Sincerely yours,

A. T. Weissenborn
Executive Officer, DMEA
Field Team, Region I

cc: U-DM(2)
U-DM(AD)
Turner
CPF

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

Re: Docket No. DMEA-2440 (Tungsten)
Minerals Engineering Company
Lost Creek Mine
Beaverhead County, Montana
Contract No. Idm-E300

Dear Mr. Weissenborn:

The Semi-Annual Report of Certified Project for the period January 1 to June 30, 1957, indicates that $444.35 royalty is due to the Government from Minerals Engineering Company in connection with 233.87 units of WO_3 recovered from ore mined in 1955 and milled during August, 1956. It is stated that the amount due has been computed in the manner provided in the Termination Agreement dated November 20, 1956, on basis of prevailing price of tungsten trioxide in August, 1956.

Will you please advise whether the Operator has been requested to pay this royalty and the results of your efforts at collection?

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

APPROVED:

O. M. Bishop

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

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

CEFisher/ama
July 17, 1957

[redacted]

[redacted]

[redacted]

I have examined the production records and sales documents pertaining to the sales of tungsten concentrates for the period April 17, 1952 to February 29, 1956, by

Minerals Engineering Company
P. O. Box 1[illegible]
Grand Junction, Colorado

produced from the Lost Creek Mine, Beaverhead County, Montana, on which royalties are due the United States Government under the terms of Contract Lm-[illegible]00, Docket No. [illegible]-[illegible]49 (Tungsten), dated April 17, 1952, including Amendments Nos. 1, 2 and 3.

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

The audit established the total sales of tungsten concentrates for this period subject to MMA royalties to be $1[illegible],[illegible]00.10. Royalty due the United States Government at 5 percent is $6,[illegible].51. The royalties paid and balance due are as follows:

Total Royalties Due	$6,[illegible].51
Total Royalties Paid	[illegible]
Balance Royalties Due	$ [illegible]

June 6, 1956

F. E. Boeking, Auditor

FIRST ROYALTY AUDIT REPORT

I. INTRODUCTION

On May 15 and 16, 1956 an audit was made of the production, sales, and royalty accounts and records of

Minerals Exploration Company,
A corporation organized and existing
under the laws of the State of Colorado
P. O. Box 1941
Grand Junction, Colorado

pertaining to the sales of tungsten concentrates during the period April 17, 1952 to February 29, 1956, produced from property known as the Last Chance Mine, Beaverhead County, Montana, on which royalties are due the United States Government under the terms of Contract Ida-2300, Docket No. DMA-2440, as amended.

The following listed employees of the Operator rendered full cooperation, which greatly facilitated the audit:

Mr. Glen Wilson,	Ass't. Secretary
Mr. Russ Kilsbury,	Ass't. Treasurer
Mr. Clyde Nettleton,	Office Manager
Mr. L. O. Collins,	Chief Accountant

Mr. Robert Parent, C.P.A., partner in the firm of Glenn and Parent, C.P.A.'s, which firm audits the Operator's records, was present part of the time.

II. GENERAL INFORMATION

The project was reopened under authority of Amendment No. 3 for the period of September 1, 1953 to May 17, 1954; work was not resumed thereafter; and costs, subject to audit, through August 31, 1953 were $66,950.00, with the Government's contribution on a 75 percent basis being $50,212.51.

As of the date of the audit a certification of discovery or development has not been made, but Annex I, which is a part of Amendment No. 3, provides the Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2 of the contract, regardless of any certification of discovery or development, from the date of the contract until the lapse of time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government is fully repaid, whichever occurs first. By letter dated April 12, 1955, the Operator proposed a basis for making royalty payments on production; by letter dated September 9, 1955, the Executive Officer, DMA Field Team, Region I, N.W., proposed an alternative basis, under which settlement would be made at the rate of $43.53 per unit of concentrates produced at the Glen Montana Mill; and by letter dated April 30, 1956, the Administrator authorized the Executive Officer to accept settlement for past and future concentrates on such basis pending formalization of an amendment to the contract.

The production records and assay reports are maintained at the mine office near Glen, Montana. The information is reported to the Grand Junction office of the Company, where it is incorporated in the records. A complete and comprehensive set of records are maintained at the Grand Junction office.

The day the audit was started, that is on May 15, 1956, a certification of discovery or development was issued and, in accordance with Annex I, royalty will be payable for a period of eleven years from the date of the contract or until the amount contributed by the Government is repaid, whichever occurs first.

III SCOPE OF AUDIT AND FINDINGS

A. Conference with Examining Engineer

In lieu of a conference with the examining engineer, correspondence with the Executive Officer, DMEA Field Team, Region I, N.W. District, disclosed the following facts:

The Operator stockpiles ore subject to royalty repayment, and maintains records so that segregation and identification are adequate.

The Operator commingles production subject to DMEA royalties with exempt production, but the allocation of the commingled production is equitable in the opinion of the Executive Officer, DMEA Field Team, Region I, N. W. District.

The Operator does not stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period.

Assay controls in effect are adequate, and the manner of disposing of production gives the Government its fair royalty return.

At the present time periodic examinations are not being made as exploration was halted in September, 1953, but monthly reports prepared by the Operator for his own use indicate that the Operator is properly reporting his production of ore subject to DMEA royalties.

At this particular property, the Operator does not buy from or sell to other Operators.

B. Audit of Settlement Statements

In lieu of an audit of settlement sheets, examination of the records of the company was made, as outlined later in this report.

The examining engineer advises that ore produced from project property is stockpiled separately on a temporary basis. This ore is sampled and assays made to determine the average WO_3 content. The total units of WO_3 content of the concentrates produced is the related percentage of project ore milled to the total ore milled for the month.

The Operator was conducting mining operations concurrently with exploration work, including mining from land other than that described in Article 2 of the contract. The examining engineer and the Executive Officer of DMEA Field Team, Region I, report that adequate records were maintained of the tonnage produced from all sources. In addition to ore mined, ore is purchased from other sources and milled with the ore produced. Allocation of concentrates produced is maintained on a satisfactory basis in the opinion of the Executive Officer, DMEA Field Team, Region I, N. W. District. Concentrates are shipped to Salt Lake Tungsten Company, refined, and the end product sold to G.S.A.

During the course of the audit a detailed transcript of tons, mined, and WO_3 content of concentrates milled was prepared from monthly reports and is included in my working paper file.

Total tons mined (19,869.80) were verified by tracing tons mined on the project property, as reported by the Montana Mine office of the Operator, to the monthly cost reports of the Operator maintained in the Grand Junction office. Verification of WO_3 content was limited to tracing the WO_3 content as reported by the Montana Mine office of the Operator to the monthly cost reports maintained by the Operator in the Grand Junction office.

IV CONCLUSION

A summary analysis of the Operator's production and sales subject to DMEA royalties follows:

Tons produced		19,869.80
WO_3 content		
Low grade units	1,662.61	
High grade units	1,188.07	
Total units produced	2,850.68	
2,850.68 units @ $43.53 per unit		$124,090.10
Royalty on $124,090.10 @ 5%		$6,204.51
Royalties Paid in 1954	$ 175.94	
Royalties Paid 4/3/56	6,028.57	
Total Royalties Paid		6,204.51
Royalties Due		$ 0.00

The audit has confirmed the accuracy and propriety of the royalty payments to the Regional Finance Officer applicable to concentrates sales during the period April 7, 1952 to February 29, 1956. It has also determined that all indicated sales during such period have been accounted for properly.

June 6, 1956

T. H. Bradley, Auditor

Check Sheet of Examining Engineer

Operator's Name Minerals Engineering Company

Address P. O. Box 1951

Grand Junction, Colorado

Exploration Contract No. Idm-E300 Docket No. DMEA-2240

		Check One Yes	Check One No
1. (a)	Does the Operator stockpile ore subject to royalty repayment?	X (only temporarily)	~~X~~
(b)	If so, is segregation and identification procedure adequate?	X	
2. (a)	Does Operator commingle production subject to DMEA royalties with exempt production?	X	
(b)	If so, do you consider the allocation of the comingled production equitable?	X	
3. (a)	Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
(b)	If so, are adequate records maintained on such material to protect the Government's interest?	X	
4.	Do you consider the assay controls in effect are adequate?	X	
5.	Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	If disposal is according to our agreement.	
6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	At present we are not getting any report, but a monthly report operator prepares for his own use does give this.	
7.	Does the Operator buy from or sell to other Operators?	Not at this property - he does at his Salt Lake City refinery.	
8.	Comment on any item 2 (b) to 6 if answer is No.		

A. E. Weissenborn

Date April 10, 1956

A. E. Weissenborn
~~Mining Engineer~~ Exec. Officer
DMEA Field Team, Region I
Northwest District

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

224 New Customhouse
Denver 2, Colorado

June 18, 1956

Mr. C. A. Turner
1201 North Division Street
Spokane 2, Washington

Re: Minerals Engineering Company
Docket No. DMEA 2440
Contract Idm-X300

Dear Charley:

Under separate cover, by Certified Mail, the following records concerning subject contract are forwarded:

1. The exploration contract file in which a transcript of the Operator's account from the distribution ledger is enclosed.

2. Royalty file which contains material and correspondence concerning royalty payments.

Also included under the same cover is the contract file and royalty file pertaining to American Alloy Metals, Inc. Contract Idm-X247, Docket No. DMEA-2292.

With kindest personal regards, in which Don joins me.

Sincerely yours,

T. H. Brading

T. H. Brading, Auditor

cc-J. L. Chambers

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

RECEIVED
JUN 18 1956

224 New Customhouse
Denver 2, Colorado

June 15, 1956

Mr. A. E. Weissenborn
South 157 Howard Street
Spokane 4, Washington

Re: Minerals Engineering Co.
Docket No. DMEA-2440
Contract Idm-K300

Dear Mr. Weissenborn:

Enclosed are the original and four copies of Royalty Audit Certificate and Report covering audit of subject company's records for the period April 17, 1952 to February 29, 1956. Will you please make distribution of these documents.

Sincerely yours,

T. H. Breding, Auditor

Encls.
THB:bh
cc-J. L. Chambers

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

JUN 11 1956

Mr. Thomas H. Breding
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: Royalty Audit
Minerals Engineering Company
Idm-E300, DMEA-2440

Dear Mr. Breding:

Receipt is acknowledged of the Washington copies of your First Royalty Audit Certificate and Report covering the referenced project.

The Washington copies have been corrected by this Division in the following particulars:

1. The last two lines in the first paragraph of the certificate changed to "Docket No. DMEA-2440 (Tungsten), dated April 17, 1952, including Amendments Nos. 1, 2 and 3."; and

2. The words "as operations were halted" on the first and second lines of the eighth paragraph on page 2 of the report changed to "as exploration was halted".

After these changes have been made in all other copies, normal distribution thereof is authorized.

Sincerely yours,

(Signed) J. L. Chambers

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

EDTalbert/wb
June 11, 1956

Copy to: Docket
Admr. Reading File
Mr. Chambers

Mr. Chambers

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

MAY 24 1956

Mr. Thomas H. Bruding
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2440 (Tungsten)
Minerals Engineering Company
East Creek Mine
Beaverhead County, Montana
Contract Idm-5380

Dear Mr. Bruding:

Reference is made to your two letters of May 21, 1956, requesting advice as to the statements to be included in the "General Information" section of your royalty audit report covering the referenced project and, also, confirmation of the settlement rate on concentrates produced.

The "General Information" section of your report should furnish information on the four points listed on pages 15 and 16 of the royalty audit manual. In other words it appears that this section should narrate that:

1. The project was renewed under authority of Amendment No. 3 for the period of September 1, 1953, to May 17, 1954; work was not renewed thereafter; and costs, subject to audit, through August 31, 1953, were $66,950.00 with the Government's contribution on a 75 percent basis being $50,212.51;

2. As of the date of the audit a certification of discovery or development has not been made, but that Annex I which is a part of Amendment No. 3, provides for the Operator or his successor in interest to pay a royalty on all production from the land described in Article 2 of the contract, regardless of such certification, from the date of the contract until six months after completion or termination of the contract or until the amount contributed by the Government is repaid, whichever occurs first; by letter dated April 12, 1955, the Operator proposed a basis for making royalty payments on production; by letter dated September 9, 1955, the Executive Officer, DMEA Field Team, Region I, RV, proposed an alternative basis, under which settlement would be made at the rate of $43.53 per unit of tungsten concentrates produced at the Glen Montana mill; and by letter dated April 30, 1956, the Administrator authorized the Executive Officer to accept settlement for past and future concentrates on such basis pending formalization of an amendment to the contract;

3. The description and your appraisal of the adequacy of the Operator's royalty records; and

4. Subsequent to the date of the audit, that is on May 15, 1956, a certification of discovery or development was issued and, in accordance with Annex I, royalty will be payable for a period of 11 years from the date of the contract or until the amount contributed by the Government is repaid, whichever occurs first.

A review of the docket files indicates that it was the intent of the Administrator's letter dated April 30, 1956, to authorize settlement on the basis of $43.53 per unit rather than $43.53 per ton as stated therein.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
May 23, 1956

Copy to: Docket
Admr. Reading File
A. E. Weissenborn, Reg. I NW (2)
Mr. Chambers
Mr. Martin

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

224 New Customhouse
Denver 2, Colorado

May 21, 1956

Mr. J. L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Minerals Engineering Company
Contract Idm-E300, Docket No. DMEA-~~2240~~ 2440

Dear Mr. Chambers:

In view of the fact that a Certificate of Discovery has not been issued on the subject contract, nor has the Termination Agreement been signed, I am somewhat at a loss as to what statement to make under "General Information" regarding the Operator's obligation to pay royalties on concentrates sold.

Your advice and counsel in this matter will be appreciated.

Sincerely yours,

T. H. Brading, Auditor.

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

224 New Customhouse
Denver 2, Colorado

May 21, 1956

Mr. J. L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Minerals Engineering Company
Contract Idm-E300, Docket No. DMEA-2440

Dear Mr. Chambers:

On my return from Grand Junction Friday, May 18, I found in my correspondence a photostat of a letter from the Administrator dated April (?), 1956, addressed to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, N. W. District.

The letter is in regard to conversations between Mr. Weissenborn and the Administrator regarding a proposed plan for calculating amount of royalties due on tungsten ore produced at the subject mine. The Administrator's letter authorized settlement for past and future concentrates at the rate of $43.53 per ton. It is my opinion that the intent is $43.53 per unit of tungsten sold, which is the figure quoted in the Field Team's letter of March 22, 1956.

This is directed to your attention so that you may advise me if I am in error, as I am preparing my report on the basis of $43.53 per unit.

Sincerely yours,

T. H. Brading

T. H. Brading, Auditor

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

RECEIVED
MAY 10 1956

224 New Customhouse
Denver 2, Colorado

May 7, 1956

Mr. C. A. Walt, Treasurer
Minerals Engineering Company
P. O. Box 1951
Grand Junction, Colorado

Re: Docket DMEA 2440 (Tungsten)
Lost Creek Mine
Beaverhead County, Montana
Contract No. Idm-E300

Dear Mr. Walt:

Please be advised that I plan to be in Grand Junction, Colorado Tuesday morning, May 15, 1956 to perform the royalty audit of the records of subject company.

If this date is not agreeable to you, will you please wire me immediately.

Sincerely yours,

T. H. Brading,
DMEA Auditor

THB:bh
cc-A. E. Weissenborn
J. L. Chambers

RECEIVED
APR 23 1956

W. Rulon Lee, Fiscal Officer, Region I

April 18, 1956

DMEA Certifying Officer, Region I

Certificate of Deposit No. 309

When listing the check for $6,028.57 from Minerals Engineering Co. on C.D. No. 309, dated April 6, 1956, I failed to show what the check covered. It was for royalties. Will you please add this information to your copy.

Myrtle Purdy

cc: JLC
AD

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

RECEIVED
APR 19 1956

224 New Customhouse
Denver 2, Colorado

April 17, 1956

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

Re: Minerals Engineering Co.
Contract Idm-K300
Docket No. DMEA-2440

Dear Mr. Weissenborn:

This morning I received copy of letter dated April 16, 1956, addressed to you regarding audit of subject company's royalty records.

I have been in touch with the local office of G.S.A., who has agreed to supply me with a list showing payments by lot numbers for purchases of tungsten by G.S.A. for the years 1954 and 1955. This list should be received this week. I believe it will be of great help in checking records of Minerals Engineering Company.

In the meantime I have made arrangements to be in Salt Lake City the next two weeks. On my return and completion of my portion of the reports on that assignment I will proceed to Grand Junction and make the audit of Minerals Engineering same time in May.

Sincerely yours,

T. H. Brading, Auditor

THB:bh

cc-J. L. Chambers
Subject
Chron.

For Certificate of Deposit No. 309, dated April 6, 1956, giving royalty repayment of $6,028.57, see E-41.

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

RECEIVED
APR 12 1956

224 New Customhouse
Denver 2, Colorado

April 10, 1956

Mr. J. L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Minerals Engineering Company
Docket DMEA-2440 (Tungsten)
Contract No. Idm-E300

Dear Mr. Chambers:

Enclosed are copies of the following correspondence: -

Letter of April 3, 1956 from Blair Burwell to A. E. Weissenborn, to which is attached letter of March 31, 1956, showing computation for repayment.

Letter of April 5, 1956 from Weissenborn to Burwell.

Sincerely yours,

T. H. Brading

T. H. Brading, Auditor

Encls.

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

RECEIVED
APR 12 1956

224 New Customhouse
Denver 2, Colorado

April 10, 1956

Mr. J. L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Minerals Engineering Company
Docket DMEA-2440 (Tungsten)
Contract No. Idm-E300

Dear Mr. Chambers:

Enclosed are copies of the following correspondence: -

Letter of April 3, 1956 from Blair Burwell to A. E. Weissenborn, to which is attached letter of March 31, 1956, showing computation for repayment.

Letter of April 5, 1956 from Weissenborn to Burwell.

Sincerely yours,

T. H. Brading

T. H. Brading, Auditor

Encls.

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

RECEIVED
APR 1 3 1956

Co. 137 Howard Street
Spokane 4, Washington

April 9, 1956

Mr. Frank Burwell, President
Minerals Mining Company
P. O. Box 1951
Grand Junction, Colorado

Re: Contract No. DMA-2040 (Uranium)
Last Creek Mine
Beaverhead County, Montana
Contract No. [illegible]

Dear Mr. Burwell:

Thank you for your check in the amount of $6,028.57 in payment of royalties due from production at the Last Creek Mine.

We would like to have Mr. T. H. Breding, DMEA auditor at Denver, make a routine royalty audit. Would you please let us know when it would be convenient for him to do so? When replying, please send a copy of your letter direct to him at the following address:

Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Sincerely yours,

A. A. Weissenborn
Executive Officer, DMEA
Field Team Region I, NW Dist.

cc: T. H. Breding, Denver
w/incoming dtd 4/3/56
DMEA (2) "
USBM (2) "
USBM(AD) "
Turner "

Dear Tom: Although your trip to Grand Junction at first seemed fruitless, you apparently have succeeded in scaring $6,000 or so out of Burwell, which should make you feel your time wasn't wholly wasted.

MINERALS ENGINEERING COMPANY
P. O. BOX 1951
GRAND JUNCTION, COLORADO

April 3, 1956

Mr. A. E. Weissenborn
Executive Officer
U. S. Geological Survey
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-2440 (Tungsten)
Lost Creek Mine
Beaverhead County, Montana
Contract No. Idm-E300

Dear Mr. Weissenborn:

We enclose herewith our Check for $6,028.57 in payment for the DMEA loan on Lost Creek production to February 29, 1956.

Please advise me if the calculations on this are not in order.

Yours very truly,

MINERALS ENGINEERING COMPANY

Blair Burwell

Blair Burwell
President

BB/rlc

Encl.

MINERALS ENGINEERING COMPANY
P. O. BOX 1951
GRAND JUNCTION, COLORADO

March 31, 1956

Mr. A. E. Weissenborn, Executive Officer
U. S. Geological Survey
U. S. Department of the Interior
Defense Minerals Exploration Administration
South 157 Howard Street
Spokane 4, Washington

COMPUTATION FOR DMEA LOAN REPAYMENT ON LOST CREEK PRODUCTION
to Date February 29, 1956

Tons Mined		19,669.80
Mill Concentrate Produced		
Low Grade Units	1,662.61	
High Grade Units	1,188.07	
Total Units Produced	2,850.68 @ $43.53 per unit	
as per March 22, 1956 letter from A. E. Weissenborn to Mr. Burwell		$124,090.10
Royalty on $124,090.10 @ 5%		$ 6,204.51
Less amount paid during 195[illegible]		$ 175.9[illegible]
		$ 6,028.5[illegible]

CN:BM

RECEIVED
APR 5 1956

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

RECEIVED
APR 9 - 1956

224 New Customhouse
Denver 2, Colorado

April 6, 1956

Mr. M. C. Johnson, Regional Comptroller
General Services Administration
Building 41, Denver Federal Center
Denver, Colorado

Att'n: Mr. James Cuneo

In re: Minerals Engineering Co.
DMEA Contract No. Idm-R300

Dear Sir:

This letter will serve to confirm our recent conversation regarding sales of tungsten to G.S.A. by subject company.

In connection with an audit of the company's records in order to determine their liability to the United States Government for royalties covering tungsten produced and sold by them to G.S.A. for calendar years 1954 and 1955, it will be helpful if the following information can be provided: -

Settlement sheets showing date shipped, lot number, Dry weight - by pounds or tons, WO_3 content, and dollar value of shipments less any penalties or handling charges.

Your courtesy in this matter is appreciated.

Very truly yours,

T. H. Breding

T. H. Breding, DMEA Auditor

THB:bh
cc-Mr. J. L. Chambers
Mr. A. E. Weissenborn

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

RECEIVED
APR 9 - 1956

224 New Customhouse
Denver 2, Colorado

April 6, 1956

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

Re: Minerals Engineering Co.
Contract No. Idm-E300
Docket No. DMEA-2440

Dear Mr. Weissenborn:

Thanks for yours of April 2, 1956, regarding subject contract with copies of the following letters attached: -

Field Team letter of 3/22/56 to Blair Burwell
Blair Burwell's letter of 2/22/56 to A. E. Weissenborn
Field Team letter of 9/9/55 to Blair Burwell, President

I plan to be in Salt Lake City on another assignment about April 23, 1956, through May 4th. If you can schedule the audit for any time prior to April 17 or 18, it would allow me about two days to complete the audit and a day's travel time each way. I trust you can fit this schedule to your plans.

Sincerely yours,

T H Brading

T. H. Brading, Auditor

THB:bh
cc-Mr. J. L. Chambers - Attached are copies of the above-mentioned letters; also copy of Weissenborn's letter of 4/2/56 to me.
Subject
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
[redacted]

RECEIVED
APR 9 - 1956

Sc. 157 Howard Street
Spokane 4, Washington

April 2, 1956

Mr. T. H. Brading, Auditor
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA-2440 (Tungsten)
Minerals Engineering Company
Lost Creek Mine
Beaverhead County, Montana
Contract Idm-E300

Dear Mr. Brading:

I am embarrassed to find that you did not receive a copy of our letter to Burwell of March 22, 1956. Enclosed is a copy, together with Burwell's letter of February 22. This should bring you up to date.

In his telegram of the 30th, Mr. Burwell says he is making payment immediately, and that an official letter is in the mail. We are waiting to receive this letter before proceeding further. We will get in touch with Mr. Burwell and arrange a time for the audit; we will in turn advise you by wire.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Reg. I, NW Dist.

cc: USBM (2)
USBM(AD)
Turner

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

RECEIVED
APR 9 - 1956

COPY

So. 157 Howard Street
Spokane 4, Washington

COPY

March 22, 1956

Mr. Blair Burwell, President
Minerals Engineering Company
P. O. Box 1951
Grand Junction, Colorado

Re: Docket No. DMEA-2440 (Tungsten)
Lost Creek Mine
Beaverhead County, Montana
Contract No. Idn-E300

Dear Mr. Burwell:

Reference is made to your letter of February 22, 1956. We regret that it was not possible for you to be in Washington in February as you had planned, and are sure that DMEA will be glad to talk with you at any time you are in Washington.

Under the terms of the contract, DMEA is entitled to a royalty from production from the Lost Creek deposit and is as interested as you in seeing production from the Lost Creek property if such production is economically feasible. We again suggest your consideration of the proposal made in our letter of September 9, 1955. On that basis the concentrates would have a value at the Glen, Montana mill of $43.53 a unit of contained tungsten. In effect, this allows deduction of $19.47 per unit for shipping and refining charges for the concentrate produced. We do not believe that this would place an undue burden on the operation.

Please let us know your reaction to this as we cannot keep this offer open indefinitely.

We wish to thank you for returning the unsigned termination agreement which we have forwarded to Washington.

By Field Team, Region I, NW Dist.

/s/
K. E. Weissenborn, Exec. Officer
U. S. Geological Survey

/s/
Thomas L. [illegible] Acting [illegible]

cc: DMEA (2) w/incoming
USGS (2) "
USBM(AR) "
Turner "
Reading "
4/2/56

C
O
P
Y

C
O
P
Y

MINERALS ENGINEERING COMPANY
P. O. Box 1951
Grand Junction, Colorado

February 22, 1956

RECEIVED
APR 9 - 1956

Mr. A. E. Weissenborn
Executive Officer, DMEA
Defense Minerals Exploration Administration
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-2440 (Tungsten)
Lost Creek Mine
Beaverhead County, Montana
Contract No. Idm-E300

Dear Mr. Weissenborn:

I had planned to be in Washington in February to discuss the matter of the Lost Creek exploration loan, but had to postpone this visit until March 12. However, I have carefully reviewed the matter again and wish to advise you as follows:

The data furnished on November 16, 1955 is correct. Your interpretation on November 18 is also technically correct according to our DMEA Contract and Amendment No. 3. However, I wish to call your attention to the following:

The mining of 15,102.29 tons of ore, subject to royalty determination was the result of an exploratory effort to produce ore by surface pit operations at a low cost per ton. You will note that the recovered content is .146% WO_3, and the gross value realized $9.05 from which the costs of mining, milling and refining must be deducted. There is a very large tonnage of low grade ore at Lost Creek of this type and we are interested in its utilization. As we are operating a very low cost mining and milling operation at the Ivanhoe, we had hopes that we could make this "show" go on a basis of an open-pit operation.

Based upon projected costs, we anticipated that we could develop a margin of $5.50 per Unit of profit without royalty. However, if we pay a royalty to the DMEA of $0.46 per ton, according to your interpretation and as the result of our special market and refining hookup this royalty would amount to $3.15 per Unit, or about 57 percent of our return.

Under this interpretation we were forced to discontinue efforts to operate the property.

I had intended to discuss this problem with your group to see if there is not some basis on which we can proceed. We are willing to pay the DMEA loan on any basis that we can come out, but obviously the circumstances now will prevent any further effort to develop the property on a low-grade basis, and will work against any substantial repayment of money to the government.

If you and Washington feel that we can work out something to meet this situation, we will be most glad to do so. If not, we will settle the present royalty and permanently abandon our effort to work out this solution. I would appreciate your advice.

Yours very truly,

MINERALS ENGINEERING COMPANY

/s/

Blair Burwell
President

BB/rlc

RECEIVED
APR 9 - 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane, Washington
September 9, 1955

Mr. Burwell: Yours [illegible] copy [illegible]

Mr. Blair Burwell, President
Minerals Engineering Company
P. O. Box 1951
Grand Junction, Colorado

Re: Docket No. DMEA-2440 (Tungsten)
Lost Creek Mine
Beaverhead County, Montana
Contract No. Idm-E300

Dear Mr. Burwell:

Your proposal of basing royalty payments on production from the Lost Creek mine on sales value of the tungsten content at $28 per unit, as outlined in your letter of April 12, 1955, was not acceptable to the Washington office.

We have devised an alternate method for calculating royalties which the Washington office has approved and has authorized us to submit for your consideration. Our plan is based on your method of placing a value on low grade tungsten concentrates, freight to the refinery, refining cost, and refinery losses as shown on your Monthly Operating Statement for Brown's Lake and Lost Creek operations. The following example is cited as a means of calculating royalties, using your August 1954 statement for Lost Creek.

Production	Total to Date
(1) Mill concentrates - low grade units	73.49
* Gross value delivered to refinery	$4,630.16
(3) Total gross value all products	4,630.16
Cost of Production	
(9) Refinery - Low Grade	
Freight to refinery	$ 273.53
Refinery loss	576.81
Cost of refining (includes penalties)	580.62
	$1,430.96

*Calculated at $63.00 per unit WO_3

Royalty would be paid at the rate of 5 percent on $3,199.20 which is the difference between the gross value of the tungsten content of the low grade concentrate at $63 per unit less freight, refinery loss and refining cost.

Please advise us whether this method of computing royalty on Lost Creek mine production meets with your approval.

By Field Team, Region I, NW District

/s/

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

/s/

Verne C. Fryklund, Jr., Acting Member
U. S. Geological Survey

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

C
O
P
Y

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

So. 157 Howard Street
Spokane 4, Washington

April 5, 1956

Mr. Blair Burwell, President
Minerals Engineering Company
P. O. Box 1951
Grand Junction, Colorado

Re: Docket No. DMEA-2440 (Tungsten)
Lost Creek Mine
Beaverhead County, Montana
Contract No. Idm-E300

Dear Mr. Burwell:

Thank you for your check in the amount of $6,028.57 in payment of royalties due from production at the Lost Creek Mine.

We would like to have Mr. T. H. Brading, DMEA auditor at Denver, make a routine royalty audit. Would you please let us know when it would be convenient for him to do so? When replying, please send a copy of your letter direct to him at the following address:

Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team Region I, NW Dist.

cc: T. H. Brading, Denver
w/incoming dtd 4/3/56
DMEA (2) "
USBM (2) "
USBM (AD) "
Turner "

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

RECEIVED
APR 2 - 1956

224 New Customhouse
Denver 2, Colorado

March 30, 1956

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

Re: Minerals Engineering Company
Contract Idm-E300, Docket No. DMEA-2440

Dear Mr. Weissenborn:

Attached is copy of a telegram just received from Mr. Burwell, which is felt to be self-explanatory. I presume that a copy of your letter of March 22, referred to in the wire, is being forwarded to me.

Sincerely yours,

T. H. Brading

T. H. Brading, Auditor

Enc.

THB:bh
cc-J. L. Chambers w/copy telegram
Subject
Chron.

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL = Day Letter

NL = Night Letter

LC = Deferred Cable Letter

NLT = Cable Night Letter

For business hours between points where Western Union telegrams are STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

(49).

KF146

K GJA109 PD=GRAND JUNCTION COLO 30 1133AMM=

=T H BRADING-DME A AUDITOR, MINES BUREAU OF REGION III=

DEFENSE MINERALS EXPLORATION ADMN NEW CUSTOMS

HOUSE DVR=

WEISSENBORN OFFER MARCH 22, 1956, ACCEPTABLE AND SENDING CHECK ON LOAN I.D.M.E.-300 IMMEDIATELY. WEISSENBORN ADVISED BY WIRE=

MINERALS ENGINEERING COMPANY BLAIR BURWELL PRESIDENT=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Docket

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

224 New Customhouse
Denver 2, Colorado

March 28, 1956

VIA AIR MAIL

WSM

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

Re: Minerals Engineering Company
Contract Idm-8300, Docket No. DMEA-2440

Dear Mr. Weissenborn:

On March 27, 1956 I called at the office of Minerals Engineering Company, Grand Junction, Colorado, and asked for Mr. Blair Burnell, and was advised that he was out of town. After a short wait, Mr. Clyde Rettleton, Office Manager, came out to the reception area to see me. I told him the purpose of my visit. He was very courteous and told me that he knew nothing of the records pertaining to royalties due on the subject contract but he would see what he could find out. He excused himself and apparently consulted with someone in the inner office. On his return he told me that this was a matter Mr. Burnell was handling personally and that it would be necessary to see Mr. Burnell to obtain the desired records and any information regarding the balance of royalties due.

Attached is a copy of a letter from Mr. Clyde Rettleton, Office Manager, which is felt to be self-explanatory.

Sincerely yours,

T. H. Brading

T. H. Brading, Auditor

Enc.

THB:bh
cc-J. L. Chambers w/copy letter
Subject
Chron

Copy returned 400

MINERALS ENGINEERING COMPANY
P. O. BOX 1951
GRAND JUNCTION, COLORADO

March 27, 1956

Mr. T. H. Brading
DMEA Auditor
Denver, Colorado

Dear Sir:

This is to acknowledge that you were in our office today to see Mr. Burwell or Mr. Sullivan with reference to royalty payment under DMEA loan No. IDME-300, on the Lost Creek Mine at Dillon, Montana.

Since Mr. Burwell, Mr. Sullivan and Mr. Holmes are all out of town, I have agreed to have Mr. Burwell or Mr. Sullivan get in touch with Mr. Weissenborn immediately upon their return, which I am sure will not be later than March 30th.

Very truly yours,

MINERALS ENGINEERING COMPANY

Clyde Nettleton

Clyde Nettleton
Office Manager

CN:BM
cc A. W. Weissenborn
South 157 Howard St.
Spokane, Washington

Blair Burwell
R. G. Sullivan

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

RECEIVED
MAR 23 1956

224 New Customhouse
Denver 2, Colorado

March 20, 1956

Mr. A. E. Weissenborn
South 157 Howard Street
Spokane 4, Washington

Re: Minerals Engineering Co.
Contract No. Idm-E300
Docket No. DMEA 2240

Dear Mr. Weissenborn:

Attached are five copies of Check Sheet of Examining Engineer covering subject project. Please have four copies signed and returned to me at your earliest convenience.

Very truly yours,

T. H. Brading, Auditor

Enc.

cc-J.L. Chambers

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

RECEIVED
MAR 21 1956

224 New Customhouse
Denver 2, Colorado

March 19, 1956

AIR MAIL

Mr. A. R. Weissenborn
South 157 Howard Street
Spokane 4, Washington

Re: Minerals Engineering Co.
Docket No. DMEA 2440
Contract Idm-8300

Dear Mr. Weissenborn:

For your information, I plan to start the royalty audit for the subject company next Monday, March 26, 1956. If you have any special instructions, please forward them via Air Mail.

Very truly yours,

T. H. Brading, Auditor.

THB:bh
cc-J. L. Chambers
Subject
Chron.

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

FEB 24 1956

Mr. Thomas H. Bruding
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2440 (Tungsten)
Minerals Engineering Company
East Greek Mine
Beaverhead County, Montana
Contract No. IMa-[redacted]

Dear Mr. Bruding:

By copy of your letter dated February 10, 1956, addressed to Mr. Weissenborn, this Division was advised of the deferment of your royalty audit of the referenced project pending Mr. Burwell's planned discussion with Mr. Mittenhorf.

Mr. Burwell has not met with Mr. Mittenhorf. Therefore, the matter was discussed today with Mr. Weissenborn during a visit to this office. Mr. Weissenborn agreed that you should proceed with the scheduled royalty audit.

It is requested that you arrange for the performance of this audit at the earliest date not inconsistent with your Region III audit duties.

Copies of this letter are being sent to Mr. Weissenborn and Mr. Traver.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
February 24, 1956

Copy to: Docket
Admr. Reading File
Mr. Weissenborn, Region I NWD
Mr. Traver, Region III
Mr. Martin
Mr. Chambers

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

RECEIVED
FEB 13 1956

224 New Customhouse
Denver 2, Colorado

February 10, 1956

Mr. A. E. Weissenborn
South 157 Howard Street
Spokane 4, Washington

Re: Minerals Engineering Co.
Docket No. DMEA 2440
Contract Idm-E300

Dear Mr. Weissenborn:

Receipt is acknowledged of your telegram advising that Mr. Burwell states in a letter which you just received that he will discuss royalty repayment in Washington next week with Mittenderf, et al. As suggested, the royalty audit will be deferred until I hear further from you.

Bill Traver has requested that you forward a couple of copies of the paper you are to deliver at the Statler in New York, entitled "A Review of DMEA-Supported Exploration in the Pacific Northwest."

Sincerely yours,

T. H. Brading, Auditor

THB:bh
cc-J. L. Chambers
W. M. Traver
Subject
Chron.

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

FEB - 8 1956

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

Re: Docket No. DMEA-2440 (Tungsten)
Minerals Engineering Company
Lost Creek Mine
Beaverhead County, Montana
Contract No. Idm-E300

Dear Mr. Weissenborn:

Receipt is acknowledged of your letter dated February 1, 1956, concerning the referenced Operator's failure to pay royalty and advising of your belief that a royalty audit should be made at once.

The Contract Administration and Audit Division has informed this Committee that, in accordance with your telephone request of January 25, 1956, instructions have been issued for T. H. Brading, an auditor stationed in Denver, to audit this Operator's royalty records. It is understood that the Operator's records are maintained in Grand Junction, Colorado, and that Mr. Brading will arrange for the audit at the earliest date possible without interference with Region III audits now in process.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

APPROVED:

/s/ Robert W. Geehan
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

EDTalbert/wb
February 8, 1956

Copy to: Docket
Admr. Reading File
Operating Committee
Reg. III Field Team (
Mr. Holliday, USBM
Mr. Kiilsgaard, USGS
Mr. Martin
Mr. Chambers
Mr. Turner
Mr. Brading

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division Street
Spokane 2, Washington
February 3, 1956

RECEIVED
FEB - 6 1956

Mr. E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D.C.

Re: Contract Idm-E300
Docket No. DMEA 2440
Minerals Engineering Co.

Dear Mr. Talbert:

The Field Team has requested a royalty audit of the Minerals Engineering Co., contract Idm-E30Q, Docket No. DMEA 2440. Accordingly the files have been sent to Mr. Brading, as instructed in your letter of January 26, 1956. A copy of the letter to Mr. Brading is enclosed.

I am also enclosing copy of a letter written by the Field Team to Mr. Selfridge concerning this contract. This is for your information.

Yours very truly,

C. A. Turner, Auditor

P. S. I expect to go to Boise, Idaho, this weekend and will be there practically all of the week of February 6 to 10, inclusive. BOISE HOTEL.

RECEIVED
FEB - 6 1956

XXXXXXXXXXXXXXXXXX
1201 N. Division Street
Spokane 2, Washington
February 3, 1956

Mr. Thomas H. Brading
224 New Customhouse
Denver 2, Colorado

Re: Contract Idm-E300
Docket No. DMEA 2440
Minerals Engineering Co.

Dear Mr. Brading:

We are forwarding under separate cover the following records concerning Minerals Engineering Co., contract Idm-E300, Docket DMEA-2440.

1. The exploration project contract file in which a transcript of the operator's account from the distribution ledger is enclosed.

2. Royalty file which contains material and correspondence concerning royalty settlements.

We are also enclosing the contract file and royalty file pertaining to American Alloy Metals, Inc., contract Idm-E247, Docket DMEA-2292. This contract has been fully repaid by royalties. However, I feel that you need these two files to acquaint you with the history and background pertaining to contract Idm-E300.

Should you have any questions pertaining to this audit please feel free to drop me a line and I will do my best to help you.

With best regards to yourself and Don,

Yours very truly,

C. A. Turner, Auditor

cc: E. D. Talbert
A. E. Weissenborn

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

RECEIVED
FEB - 6 1956

February 1, 1956

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

Re: Docket No. DMEA-2440 (Tungsten)
Minerals Engineering Company
Lost Creek Mine
Beaverhead County, Montana
Contract No. Idm-2300

Dear Mr. Selfridge:

This will supplement the Field Team letter of January 27 concerning Mr. Burwell's failure to pay royalty due the Government, and to return the Termination Agreement.

On thinking over the matter in the light of his letter of January 19, it seems likely that Mr. Burwell objects to Annex II of the Termination Agreement which changes the method of calculating royalty, although he does not specifically say so. It also is probable that to a certain extent Mr. Burwell is attempting to use the DMEA as a "whipping boy". The Field Team has long maintained that there was really no valid discovery made at Lost Creek and that it would not be possible to mine the low-grade tungsten-bearing rock in that locality. Mr. Burwell has persisted, however, in his efforts to operate the property and, as predicted by the Field Team, this has been a failure. Mr. Burwell then has attempted to justify the failure by pointing out that the royalties which the Government has put on the property have caused it to shut down. This is ridiculous of course for if the relatively small amount of money involved in the royalty payments is so significant then the operation is obviously not on a very sound basis. In any event, the Termination Agreement has neither been signed nor returned to us unsigned.

In a telephone conversation with Mr. Mittendorf and Mr. Talbert in which the desirability of sending an auditor from Denver to Grand Junction in order to make a royalty audit was discussed, the Executive Officer stated that the amount of royalty involved was about $800. As Mr. Talbert has pointed out in his letter of January 26 to Mr. Turner, this is incorrect. Figures are available on Lost Creek production through August 1955; these probably can be

tentatively accepted as a basis for discussion, although they should be verified later. Minerals Engineering figures (letter to Executive Officer November 16, 1955) that the royalty due the Government on this production is $3,416.02, on the incorrect assumption that the percentage royalty is based on the value of the crude ore. If the royalty is based on the value of the concentrates produced as it appears would be the case under Annex I of the contract, we estimate that the royalty due would amount to about $5,386.79, depending on the value placed on the concentrates. If the royalty is based on the value of the scheelite sold, as would appear to be the case if the Termination Agreement were signed and Annex II were in effect, the royalty would amount to $6,832.03 (Field Team letter to Burwell November 18, 1955).

We feel that a royalty audit should be made at once. Such an audit will give us some real facts to go on and may stir Mr. Burwell into taking some action.

By Field Team, Region I, NW Dist.

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

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

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

Mr. Chambers

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

JAN 26 1956

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

Re: Docket No. DMEA-2440 (Tungsten)
Minerals Engineering Company
Lost Creek Mine
Beaverhead County, Montana
Contract No. Idm-X300

and

Docket No. DMEA-3739 (Cobalt-Copper)
Idaho Metallurgical Industries, Inc.
Tinkers Pride Claims, et al
Lemhi County, Idaho
Contract No. Idm-X884

Dear Charlie:

The referenced contracts were the subject, in part, of a telephone conversation between Mr. Mittendorf, Mr. Weissenborn, and the undersigned on January 25, 1956. This letter is written, at Mr. Weissenborn's request, in order to advise you in the matters discussed.

Under contract Idm-X884 questions have arisen as to the manner by which the Operator's claims for costs incurred may be acceptably documented as well as to the propriety of allowing costs for work performed by an independent contractor. It appears that the firm of Shemon and Full is acting in the capacity of both an independent contractor and an agent for the Operator in the prosecution of the project work.

Article 13 (b) (1), as included in Annex II of the contract, specifically waives the requirement of Article 6 (a) of the contract for estimating the costs by categories. It is the opinion of this Division, therefore, that the costs incurred under category (1) Independent Contracts are properly acceptable, provided that such costs (a) exceed neither the maximum unit costs nor the maximum total costs for the pertinent item of work, as listed under Stages I and II of the Estimated Costs of the Project in Exhibit "A", and (b) conform to the requirements of the last two sentences of Article 4 (b) of the contract.

Article 13 (a) (2), as included in Annex II of the contract, provides that the Operator's claim by categories on Form MF-104 shall be supplemented by a statement showing the distribution of the categorical costs by each of the work items set forth in Exhibit "A". Accordingly, any costs claimed for work performed by Shannon and Full as an independent contractor should be shown on the Form MF-104 under category (1) and distributed on the supplemental statement to the applicable work items. Any work performed by other independent contractors should be reported in the same manner. Any other costs incurred, either directly by the Operator or through Shannon and Full as agents, should be reported on the Form MF-104 in the proper category, (2) to (7), and likewise distributed on the supplemental statement to the applicable work items.

All costs claimed for independent contract work should be documented by copies of the invoices for work performed by Shannon and Full or other independent contractors. The amounts claimed for costs incurred other than under independent contracts should be documented by invoices, payrolls, or other documentary evidence of such costs.

Under contract 14s-3200 royalty is not being paid by the Operator and Mr. Weissenborn indicated a desire for a royalty audit of the project. Since the Operator's records are maintained in Grand Junction, Colorado, he suggested that it would be more feasible to have the audit performed by one of this Division's Denver auditors. I understood him to say that no royalties had been paid to date, no monthly returns had been submitted, royalties due amounted to only about $800.00, and, therefore, no preparatory audit work in the Spokane office would be required. Since the Operator's production is continuing I demurred at making an audit at this time for such a relatively small amount and suggested that, for the time being, the audit be held in abeyance and another request be made on the Operator to pay the past due royalties.

Upon looking over the docket file, however, I find a copy of a letter dated November 18, 1955, addressed to the Operator by the Field Team, in which the amount of royalty due is indicated as being $6,898.03. Furthermore, our records indicate royalties amounting to $175.94 were received by the Government through April 14, 1954. This puts a different complexion on the matter.

Accordingly, it is suggested that you discuss this case with Mr. Weissenborn. If it is determined that an audit is required (as would seem to be indicated by the Field Team's letter of November 18, 1955), it is requested that you obtain from the regional files and forward to Mr. Bradley in Denver the contract, all amendments thereto, all available settlement sheets, copies of all correspondence relative to the royalties due, and a transcript of the Operator's account as shown in the Finance Officer's ledger.

By copy of this letter Mr. Brading is being requested to perform this royalty audit if you so advise him. Please furnish this Division a copy of any letter which you may send to Mr. Brading in regard to this audit.

Copies of this letter also are being sent to Mr. Weissenborn and Mrs. Purdy.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Chief
Contract Administration
and Audit Division

EDTalbert/wb
January 25, 1956

Copy to: Docket (2)
Admr. Reading File
Mrs. Purdy
Mr. Weissenborn
Mr. Brading
Mr. Martin
Mr. Chambers

OCT 31 1955

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

Re: Docket No. DMEA 2440-Tungsten
Minerals Engineering Company
Lost Creek Mine
Beaverhead County, Montana
Contract No. Idm-5300

Dear Mr. Weissenborn:

Your letter of September 9, 1955, to Mr. Blair Burwell, president, Minerals Engineering Company, requested advice regarding the acceptability of your proposed method of computing royalty on Lost Creek Mine production. If you have not had a reply, we believe it would be advisable to inquire about the applicant's intentions in order to expedite final settlement of the contract.

Under the circumstances that have developed, the contract will undoubtedly be amended to provide for an agreeable method of royalty computation. Therefore, please request return of original and six copies of the proposed Termination Agreement forwarded to the Operator with your letter of April 5, 1955.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

/s/ Robert W. Gaskill
Member, Bureau of Mines

W. P. Williams
Member, Geological Survey

cc: Docket
Code 400
Oper. Comm.
Adm. Read. File
FT, Reg. I-Spokane
T. Killsgaard, USGS
R. Holliday, USBM
Code 800

ADMcMahon/ls
10/28/55

Code 800

RECEIVED
OCT 24 1955

xxxxxxxxxxxxxxxxxx

1201 N. Division St.
Spokane 2, Washington
October 18, 1955

Director

To: Field Team, Region I, Northwest District

From: John D. Barrill, Bureau of Mines

Subject: Royalty payments, Docket No. M 2A-2440 (tungsten), Minerals Engineering Company, Lost Creek Mine, Beaverhead County, Montana, Contract No. 1d2-2300

The Brown's Lake operation of Minerals Engineering Company near Glen, Montana was visited September 26, 1955.

Mr. R. N. Moby, mine superintendent, stated that approximately 175 to 200 tons of low-grade tungsten ore averaging about 0.18 percent WO_3 is being mined daily and shipped to the mill and stockpiled until approximately 1,200 tons has been accumulated before milling. Mr. Moby stated that about 9,000 tons had been mined and milled.

Mr. Earl Craig, mill superintendent, stated that Lost Creek mine ore is milled separately from Brown's Lake ore. Each truckload is weighed on a platform scale before being stockpiled. After being crushed, an hourly sample is taken from the conveyor belt from the fine ore bin to the rod mill. The sample is weighed, moisture content determined, and analysis made for tungsten; thus the weight of ore milled is taken twice.

A Field Team letter dated September 9, 1955, to Mr. Blair Burwell, president, Minerals Engineering Company, requested approval of a method of calculating royalty on Lost Creek mine production. Since Mr. Burwell has not acknowledged the letter or paid royalties during 1955, I suggest that the Field Team remind him that he is delinquent in his payments.

Orig. & 3 cys - Wash.

John D. Barrill

cc: (2)
Mr.
Mr.
Turner
JDB/he

AUG 1 5 1955

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

Re: Docket No. DMEA 2440-Tungsten
Minerals Engineering Company
Lost Creek Mine
Beaverhead County, Montana
Contract No. Idm-5300

Dear Mr. Weissenborn:

Reference is made to your letter of July 2 , 1955, in regard to royalty payments on the referenced project.

The suggestion of Mr. Hardill in his memorandum of June 3, 1955, and your concurrence in your letter of July 25, 1955, have been carefully checked. Although we do not look with favor on special royalty terms, we believe in this case a settlement on net smelter returns is logical. If the Operator is agreeable to a 5 percent royalty on the units sold to General Services Administration on the basis of net smelter returns (as at $43.53 per unit, as per your letter of July 25, 1955), we will amend the contract accordingly.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

cc: Docket
FT, Reg. I Spokane
Code 400
Oper. Committee
T. Kiilsgaard, USGS
R. Holliday, USBM
Adm. Read. File
Mr. Chambers Code 800

TLChapman/ls
8/15/55

JUN 23 1955

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

Re: Docket No. DMEA 2440 (Tungsten)
Minerals Engineering Company
Lost Creek Mine
Beaverhead County, Montana
Contract No. Idm-E300

Dear Mr. Weissenborn:

This will acknowledge receipt of your letter of June 3, 1955, concurring with Mr. Bardill's recommendations of June 6 concerning royalty payments under the subject contract.

Inasmuch as the ore is not sold as ore, but is sold as a concentrate, we believe the royalty should be calculated, according to the contract, on the value of the concentrate sold. It is our understanding that the legal entity which sells the synthetic scheelite is not identical with the legal entity which constitutes the operator in the subject instance.

Obviously, if Lost Creek ore is mixed with Browns Lake ore for milling, some satisfactory method must be devised for calculating the tungsten content of the concentrates from each operation. Such a method can probably be worked out by the Field Team, which has handled similar instances in a manner satisfactory both to the operator and the Government.

We do not look with favor, however, on a recommendation for special royalty terms based on the premise that "the ore is subgrade and cannot stand a high royalty." It does not seem to us that the DMEA royalty schedule ought to be considered as a high royalty schedule.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

cc: Docket
FT, Region I-Spokane
Code 400
Oper. Comm.
Adm. Read. File
Thor Kiilsgaard, USGS
Robt. Holliday, USBM
Code 800 - Mr. Chambers

WSMartin/ls
6/22/55

For Schedule of Collections No. DMA-126, dated April 14, 1954, giving royalty repayment of $108.85, see E-152.

For Schedule of Collections No. DMA-119, dated March 24, 1954, giving royalty repayment of $67.09, see E-133.

OFFICIAL FILE COPY
D M E A
RECEIVED JAN 7 1957

INITIALS	CODE

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Minerals Engineering Company
Grand Junction, Colorado

pertaining to Exploration Project Contract No. Idm-E300, Docket No. DMEA-2440, dated April 17, 1952, including amendment Nos. 1 to 3 inclusive, including a Termination Agreement dated November 20, 1956 with an effective date of May 18, 1954, covering a project for the exploration of tungsten for the months of May 1952 to August 1953, on property known as the Lost Creek Mine, located in Beaverhead County, State of Montana.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer of the DMEA Field Team, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reason:

(a) All of the costs incurred ($66,950.00) were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor	$66,950.00
Exceptions	None
Total Accepted Cost	$66,950.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the Contractor by the Government in the amount of Fifty thousand two hundred twelve and 51/100 Dollars

— $50,212.51 —

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

C. A. Turner

C. A. TURNER, Auditor

January 2, 1957

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

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

Bureau Mines Representative
Washington
RECEIVED
SEP 30 1953

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

Month of August, 1953. Docket No. DMEA 2440 Contract No. IDM-E-300
Operator's Name Minerals Engineering Co. Minerals Tungsten
Address Box 957, Grand Junction, Colorado
Contract Amount, $ 121,280.00 Government Participation: 75% Amount, $ 90,960.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	1450.00	4865.00	6315.00			
Bulldozing						
Crosscutting		14735.00	14735.00			
Drifting		37,870.00	37870.00			
Road Building		8,030.00	8030.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1,450.00	65,500.00	66,950.00	1450.00	65,500.00	66,950.00

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

Date Sept. 1, 1953 *Payee Minerals Engineering Co.

Per [signature] Title Superintendent.

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

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

(Instructions on reverse)

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

$ 1087.50

Signature [signature] (Authorized Certifying Officer)

Date 9/22/53 Vou. No. 914 (See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idn-E 300 in accordance with the terms of the contract.

Signature John S. McNabb Jr Title Mining Engineer Date 9-15-53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 15/ Thomas E Howard Title Mining Eng. Date 9/28/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

Department of the Interior
Defense Minerals Administration
RECEIVED
SEP 30 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1953. Docket No. DMEA 240 Contract No. IDM-E-300
Operator's Name Minerals Engineering Co.
Address Box 957, Grand Junction, Colorado. Minerals Tungsten

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	-	-	$37,870.00	1082	$35.00	2200	$35.00
Crosscutting	"	-	-	14,735.00	421	35.00	750	35.00
Raising								
Shafts								
Winzes								
Drilling: Core	"	1,450.00	290.0	6,315.00	1263	5.00	2000	5.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	Job	-	-	8,030.00	1 Job	8030.00	1 Job	8,030.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1,450.00	290.0	66,950.00				121,280.00

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

Date Sept. 1, 1953 Operator Minerals Engineering Co.

Per [signature] Title Superintendent.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

MINERALS ENGINEERING COMPANY

Cost Distribution Sheet

Contract IDM-E-300

For Month of August, 1953.

Work under the above contract consisted of diamond drilling underground on the "B" Level.

Cost incurred under the contract during the month of August is as follows:

290 feet of diamond drilling @ $5.00/foot	$1450.00
Total cost for reporting period	$1450.00

W. B. Tobey, Superintendent.

NARRATIVE

Minerals Engineering Company

Contract No. Idm-E-300 For the Month of August, 1953.

"B" Level

During the month authorized diamond drilling was begun on "B" Level and a total of 290 feet of hole was drilled. Core recovery in the broken faulted ground of "B" level was considerably below the recovery obtained on "H" level. However, it was better than was expected.

Holes were drilled as follows:

Hole No.	Bearing	Vert. Angle	Length	Location of Collar
13	S 43° E	+ 2°	135 ft.	E wall at face of "B" main heading.
14	N 82° W	+ 2°	51.5 ft.	W wall at face of "B" main Heading.
15	S 83° W	+ 2°	75 ft.	Center line 185 XC + 60 ft. S in west wall.
16	S 84° W	+ 2°	28.5 ft.	Center line 185 XC + 34 ft. N in west wall.

A brief description of each hole is as follows:

Hole #13 - To 10.6' tactite, to 42.8' marble with fault zone from 16.5' to 23.5', to 58' tactite, to 88.3' hornfels, to 119' weak tactite, to 135' weak tactite and hornfels, skarn.
Lamp Values fair 8'-14' and 116'-119'.

Hole #14 - To 4' faulted, gougy tactite, to 51.5' intrusive, (quartz monzonite ?).
No lamp values.

Hole #15 - To 6' limey tactite, to 8' aplite, to 20.2' tactite, to 39.0' hematitic and magnetitic marble, to 46.7' faulted quartz monzonite, to 53.8' gouge, to 55.0' marble, to 56.2' gouge, to 66.0' hornfels, to 67.0' intrusive, to 70' hornfels, to 75' quartz monzonite.
Lamp Values - 0-2.2' fair, 5.5'-5.9' good, 8.8'-13.0' fair, 14.2'-19.2' fair to weak.

Hole #16 - To 8.5' tactite, to 10.0' intrusive, to 12.0' marble, to 13.0' tactite, to 16.2' marble, to 25.0' tactite, to 28.5' aplite.
Lamp values - 0-2' fair, 3.5'-5.0' good, 5.0'-10.0' weak, 16.2'-20.0' weak.

MINERALS ENGINEERING COMPANY

Diamond Drill Hole No. 13 — B Level Face S 43 °E, ∠ 2° 135'

From	To	Description
0	7'	Impure marble, brown, green, white, with black specks
7	10.6'	Limey tactite, mostly red brown, considerable epidote
10.6'	16.5'	Light colored mottled marble.
16.5'	18.5'	Badly fractured brownish marble. Poor core recovery (40%). Probable fault zone.
18.5'	23.5'	Badly fractured marble. Poor core recovery - 40-45%. Probable continuation of fault zone.
23.5'	38.5'	Mixed brown and whitish brown marble.
38.5'	42.8'	Grey marble, not so impure as preceding marble.
42.8'	58'	Weak uniform brown tactite. Considerable quartz in stringers and small inclusions.
58'	60'	Greyish green hornfels.
60'	67'	Black hornfels. Poor recovery - 60%.
67'	69.2'	Green hornfels.
69.2'	88.3'	Light green rather uniform hornfels. From 74'-79' recovery only 5%.
88.3'	101'	Weak reddish brown and green tactite. Considerable quartz in stringers and inclusions.
101'	115'	Mixed shattered tactite and limey hornfels in a fault zone. From 104.9'-107' and 111'-114' fault gouge. Poor recovery, - 50%.
115'	119'	Weak brownish tactite - 50% recovery.
119'	124'	Badly fractured limey hornfels and tactite. Poor recovery.
124'	135'	Badly fractured silicified lime and hornfels, - 35% recovery.

Lamp Values

8'	14'	Fair
116'	119'	Fair

MINERALS ENGINEERING COMPANY

Diamond Drill Hole No. 14

Fce Dr - B Level
N 82° W ∠ 2° 51.5'

From	To	Description
0	4'	Fault gouge, mostly ground up limey tactite or hornfels.
4'	7'	Fault gouge and some shattered quartz monzonite or granite.
7'	9.7'	Light colored quartz monzonite.
9.7'	18'	Light grey or brown quartz monzonite, fine grained with very little dark mineral.
18.0'	18.7'	Granite intrusive.
18.7'	21.7'	Fine grained aplite intrusive.
21.7'	31.5'	Granite rock with occasional narrow bands of fine grained aplite or quartz.
31.5'	32.0'	Fine grained aplite.
32.0'	33.5'	Granite rock with considerable reddish mineral.
33.5'	39.0'	Red granite rock seemingly weathered.
39.0'	46.5'	Granite intrusive, somewhat fractured, with fractures recemented with quartz or fine grained aplite.
46.5'	51.5'	Reddish granite rock apparently shattered and partially recemented. Some quartz, some gouge.

No lamp values except of isolated crystals.

MINERALS ENGINEERING COMPANY

Diamond Drill Hole No. 15
B Level ~~Due N~~

Center Line 186 XC 60' ≠ S
≠ 2° S 83°W 75'

From	To	Description
0	6'	Yellowish brown limey tactite. Fair lamp values. Some partially silicified lime.
6'	8'	Intrusive, light colored.
8'	13.0'	Light to dark brown limey tactite.
13.0'	17.5'	Reddish and dark brown limey tactite. Reddish color from hematite.
17.5'	20.2'	Badly weathered dark greyish and brownish tactite with occasional streaks of silicified lime. Fault zone 19'-20'.
20.2'	24.8'	Light brown marble.
24.8'	25.0'	Hematite stringer.
25.0'	31.0'	Marble, light brown.
31.0'	32.5'	Reddish marble, colored by hematite.
32.5'	36.0'	Light brown marble.
36.0'	37.0'	Badly weathered dark brown magnetitic marble.
37.0'	39.0'	Light brown marble.
39.0'	40' ≠	Quartz monzonite.
40' ≠	44'	Ground and recemented quartz monzonite with limestone, presumably brought in by solution later.
44.0'	46.7'	Ground up quartz monzonite as above, but softer.
46.7'	52.5'	Yellowish brown ground up gouge, soapy to feel. Very soft.
52.5'	53.8'	Reddish brown ground up gouge, some talcy dark green mineral.
53.8'	55.0'	Reddish brown impure marble.
55.0'	56.2'	Gouge, with epidote.
56.2'	59.7'	Grey black limey hornfels.
59.7'	60.0'	Greenish brown gouge, apparently ground up tactite and epidote
60.0'	60.9'	Green hornfels with some epidote.
60.9'	63.0'	Light green hornfels.
63.0'	66.0'	Greyish green limey hornfels.
66.0'	67.0'	Highly altered quartz rock showing some copper stain - intrusive?
67.0'	70.0'	Limey light colored hornfels.
70.0'	75.0'	Quartz monzonite showing copper stain at 71.5'-71.6'.

Lamp Values

0	2.2'	Fair
5.5'	5.9'	Good
8.8'	13.0'	Fair
14.2'	19.2'	Fair to weak.

MINERALS ENGINEERING COMPANY

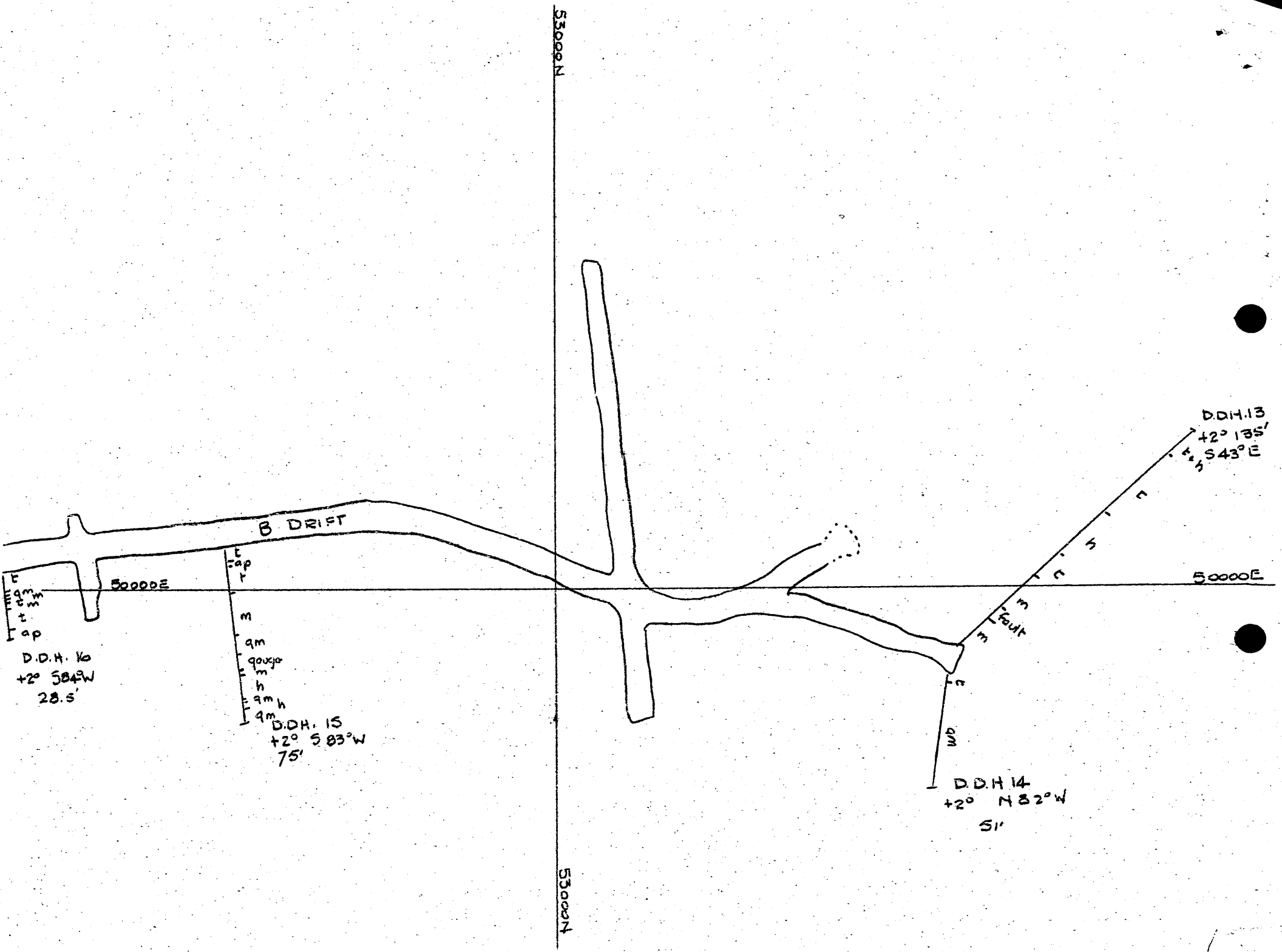
Diamond Drill Hole No. 16 - B Level

Centerline 185 XC / 34' N
S 84° W / 2° 28.5'

From	To	Description
0	5.0'	Brown tactite.
5'	6.7'	Mixed green and brown tactite.
6.7'	8.5'	Black and green tactite.
8.5'	10.0'	Mottled white and green intrusive.
10.0'	12.0'	White marble
12.0'	13.0'	Streaky black, brown and green tactite.
13.0'	16.2'	Light green salt and pepper marble.
16.2'	25.0'	Brown garnet tactite. Only 20% recovery.
25.0'	28.0'	Mottled green and white intrusive.
28.0'	28.5'	Fine grained aplite.

Lamp Values

0	2'	Fair
3.5'	5.0'	Good, coarse.
5.0'	10.0'	Weak
16.2'	20.0'	Weak


53000N
B DRIFT
50000E
50000E
53000N
D.D.H. 16
+2° S84°W
28.5'
D.D.H. 15
+2° S 83°W
75'
D.D.H 14
+2° N 82°W
51'
D.D.H.13
+2° 135'
S43°E
fault

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July 1953 Docket No. DMEA 2440 Contract No. IDM-E-300
Operator's Name Minerals Engineering Co. Minerals Tungsten
Address P.O. Box 957, Grand Junction, Colorado.
Contract Amount, $ 121,280.00 Government Participation: 75 % Amount, $ 90,960.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:	1082.50	3782.50	4865.00			
Drilling						
Bulldozing		14,735.00	14,735.00			
Crosscutting		37,870.00	37,870.00			
Drifting		8,030.00	8,030.00			
Road Building						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1082.50	$64,417.50	$65,500.00	1082.50	64,417.50	65500.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Aug. 1, 1953 *Payee Minerals Engineering Co.
Per [signature] Title Superintendent.

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 811.98
Signature [signature]
(Authorized Certifying Officer)
Date 8/19/53 Vou. No. 874
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idn-E 300 in accordance with the terms of the contract.

Signature John S. McNabb Jr. Title Mining Engineer Date 8-11-53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S/ T. E. Howard Title M. Eng. Date 8/11/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1953. Docket No. DMEA 2440 Contract No. IDM-E-300

Operator's Name Minerals Engineering Co. Minerals Tungsten

Address P.O. Box 957, Grand Junction, Colorado.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	-	-	$37,870.00	1082	35.00	2200	$35.00
Crosscutting	"	-	-	14,735.00	421	35.00	750	35.00
Raising								
Shafts								
Winzes								
Drilling: Core	"	1082.50	216.5	4,865.00	973	5.00	2000	5.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	Job	-	-	8,030.00	1 job	8,030.00	1 job	8,030.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$1082.50	216.5	65,500.00				$121,280.00

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

Date Aug. 1, 1953 Operator Minerals Engineering Co.

Per Wm. B. Tobey Title Superintendent.

Wm. B. Tobey

REMARKS: Work was slowed by equipment breakdowns, and the need for moving the crew to another job temporarily.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

MINERALS ENGINEERING COMPANY

Cost Distribution Sheet | Contract Idm-E-300

For Month of July, 1953.

Work under the above contract consisted of diamond drilling underground on the "H" level.

Cost incurred under the contract during the month of July is as follows:

216.5 feet of diamond drilling @ $5.00/foot	$1082.50
Total cost for reporting period	$1082.50

W. B. Tobey, Superintendent.

NARRATIVE

Minerals Engineering Company

Contract No. Idm-E-300 For the Month of July, 1953.

"H" Level

During the month authorized diamond drilling was continued and an additional 216.5 feet of coring was completed. This brings the total to the end of July to 971.0 feet.

Holes were drilled as follows:

Hole No.	Bearing	Vert. Angle	Length	Location of Collar
3	Due E	+ 2°	99.5'	Fce 361 XC E
		This hole completed from 65 feet.		
11	S 82° W	+ 35°	90'	Fce Mn Dr, W Wall Floor + 7'
12	S 82° W	- 40°	92'	Fce Mn Dr, W Wall Floor + 0'

A brief description of each hole is as follows:

Hole #3 - Hornfels to 68.5', hornfels partially altered to tactite to 74.5', impure marble to 79.5', hornfels to 99.5', end of hole.
Lamp Values: Very weak 66.5' to 67.0', fair, very yellow 73' to 73.2'.

Hole #11- Intrusive to 18', tactite to 21', intrusive for balance of hole to 90', end of hole.
Lamp Values: Occasional fine or coarse crystals 0 to 20.8', coarse occasional powellite crystals 20.8' to 21.1', occasional single spots of powellite 21.1' to 90'.

Hole #12- Aplite to 26', tactite to 43', aplite to 82', quartz monzonite to 92' end of hole.
Lamp Values: Occasional crystals in monzonite. Fair 27' to 29.3', good 29.3' to 32.2', good 32.2' to 34.0', good 35.2' to 37.7', fair 37.8' to 38.3'.

Core recovery in Hole No. 3 averaged only 55% from 65' to 99.5'.

MINERALS ENGINEERING COMPANY

Diamond Drill Hole #3 - "H" Level

Face 361' XC E
Due E
~~110'~~ 995 / 02°

Completion of Hole - 65' to 99.5'

From	To	Description
65'	66'	Dark colored hornfels.
66'	67'	Hornfels, limey, partially altered to tactite.
67'	68'	Dark fine grained hornfels.
68'	68.5'	Light grey-green hornfels.
68.5'	70.3'	Dark green and grey hornfels, partially altered to tactite.
70.3'	74.5'	Light grey and brown hornfels partially altered to tactite, and containing some dendritic manganese.
74.5'	79.5'	Fine grained light grey impure marble.
79.5'	84.5'	Fine grained dark grey hornfels.
84.5'	89.6'	Light green fine grained limey hornfels, dendritic manganese.
89.6'	94.5'	Mottled grey and white hornfels.
94.5'	97'	Dark fine grained hornfels.
97'	99.5'	Light green hornfels, some dendritic manganese.

Core Recovery only 55%.

Lamp Values

66.5'	67.0'	Very weak.
73'	73.2'	Fair, very yellow

MINERALS ENGINEERING COMPANY

Diamond Drill Hole #11

Fce H Adit W Wall
Brg. S 82° W ∠ 35°

Collar - Floor ∠ 7'
90'

From	To	Description
0	1'	Light grey aplite.
1'	15'	Light green fine grained dense intrusive (?), quite heavy
15'	18'	Light mottled green and white intrusive
18'	21'	Mixed green and brown tactite partially altered to garnetite
21'	22'	Mottled white and green intrusive, white predominating. Apparently a partly altered quartzy intrusive.
22'	26.1'	Mottled white and light green quartzy intrusive.
26.1'	26.2'	Bull quartz stringer.
26.2'	31.0'	Mottled white, green and brown quartzy intrusive.
31.0'	32.3'	Fine grained green and white alteration product with two quartz veins crossing. Some minor calcite.
32.3'	46'	Mottled white, green and grey intrusive, almost in a mosaic pattern.
46'	46.5'	Same as above, with small inclusions of garnet.
46.5'	62'	Uniform mottled grey, green and white intrusive.
62'	64'	Uniform mottled brown and grey intrusive. Lengthwise fracture cemented with quartz.
64'	67.8'	Mottled green, grey and light brown intrusive. Uniform.
67.8'	69.4'	Quartz stringer.
69.4'	72'	Light brown and yellowy green fine grained intrusive.
72'	77.5'	Darker grey and white mottled intrusive.
77.5'	90'	Mottled uniform white, dark grey and green intrusive - monzonite ?
END		

Lamp Values

0	20.8'	Occasional fine or coarse crystals.
20.8'	21.1'	Coarse occasional powellite crystals.
21.1'	90'	Occasional single spots of powellite.

MINERALS ENGINEERING COMPANY

Diamond Drill Hole No. 12

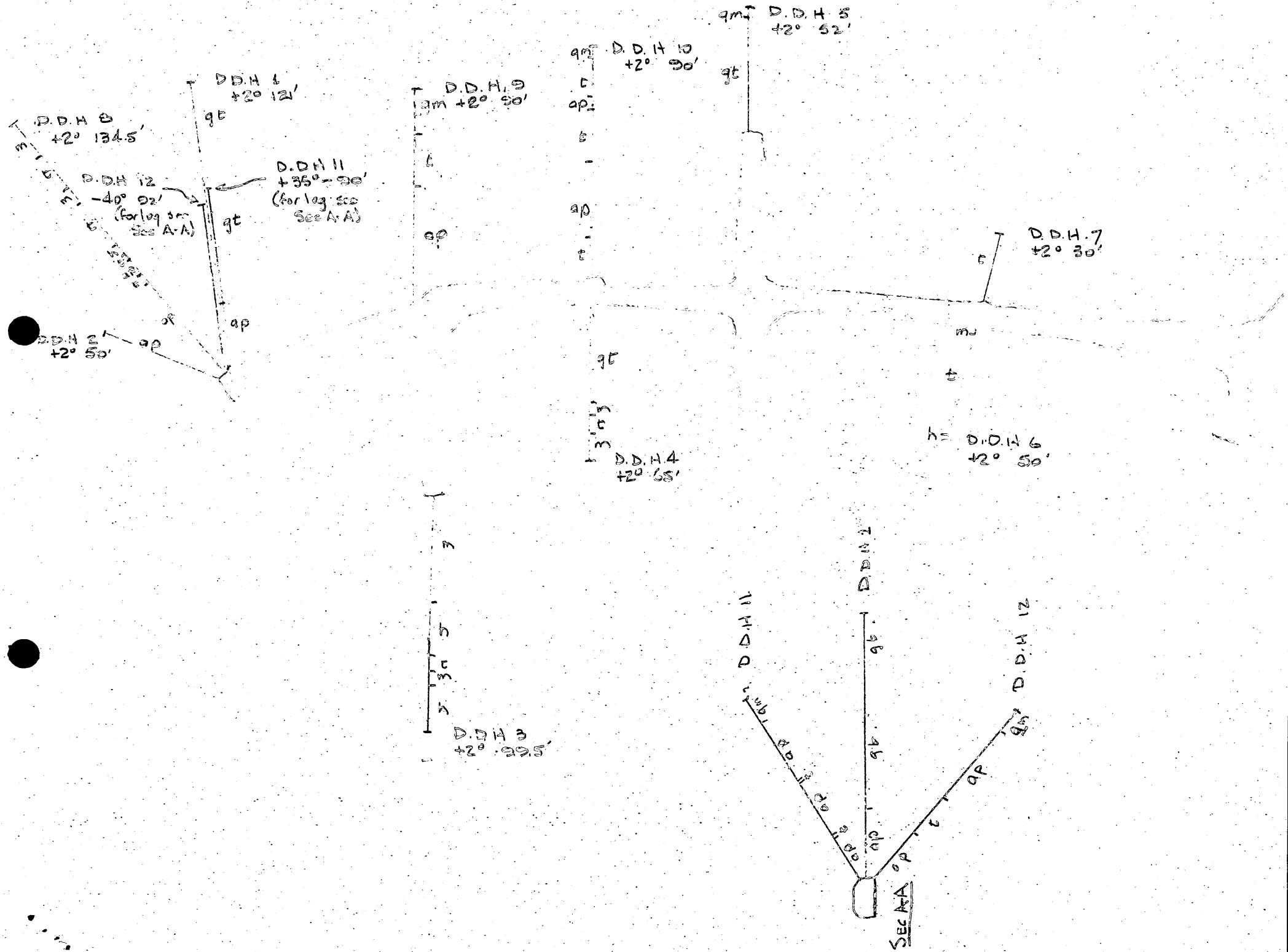
Fce H Adit W Wall
Brg. S 82° W - 40° 92'

From	To	Description
0	19.2'	Fine grained grey aplite with dendritic or bunchy black minerals.
19.2'	20.7'	Darker, more uniform fine grained aplite.
20.7'	26'	Light fine grained aplite with spotty black minerals.
26'	32'	Brown, grey and green tactite. Some quartz.
32'	38'	Brownish green banded fine grained tactite. Occasional quartz stringers.
38'	43'	Mottled, streaky green and brown tactite with considerable quartz in bunches and stringers.
43'	44.1'	Quartz vein.
44.1'	47'	Mottled white and very light brown aplite. Some calcite.
47'	78'	Light grey aplite with bunchy and dendritic manganese (?)
78'	82'	Light brown aplite, less black mineral.
82'	92'	Quartz monzonite.

Lamp Values

Occasional crystals in monzonite.

27'	29.3'	Fair
29.3'	32.2'	Good
32.2'	34.0'	Good
35.2'	37.7'	Good
37.8'	38.3'	Fair


D.D.H 1
+2° 121'
D.D.H 8
+2° 134.5'
D.D.H 12
-40° 92'
(for log see
See A-A)
D.D.H 11
+35° - 90'
(for log see
See A-A)
D.D.H 2
+2° 50'
D.D.H. 9
+2° 90'
D.D.H 10
+2° 90'
D.D.H 5
+2° 52'
D.D.H. 7
+2° 30'
D.D.H 6
+2° 50'
D.D.H 4
+2° 65'
D.D.H 3
+2° 99.5'
D.D.H 7
D.D.H 11
D.D.H 12
SEC A-A

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Defense Minerals Administration
RECEIVED

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1953 Docket No. DMEA 2440 Contract No. Idm-E-300
Operator's Name Minerals Engineering Co. Minerals Tungsten
Address P.O. Box 957, Grand Junction, Colorado.
Contract Amount, $ 121,280.00 Government Participation: 75% Amount, $ 90,960.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	1177.50	2605.00	3782.50			
Bulldozing	-					
Crosscutting	-	14735.00	14735.00			
Drifting	-	37870.00	37870.00			
Road Building		8030.00	8030.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1177.50	$63,240.00	$64,417.50	1177.50	63,240.00	64417.50

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

Date 2 July, 1953 *Payee Minerals Engineering Co.

Per [signature] Title Superintendent.

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

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

(Instructions on reverse)

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

$ 883.13

Signature [signature]
(Authorized Certifying Officer)

Date 7/27/53 Vou. No. 846
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E300 in accordance with the terms of the contract.

Signature John S. McNabb Jr Title Mining Engineer Date 7-14-53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 1st Thomas E Howard Title Mining Engr Date 7/21/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

Defense Minerals Administration
RECEIVED
AUG 3 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1953 Docket No. DMEA 2440 Contract No. Idm-E-300
Operator's Name Minerals Engineering Co. Minerals Tungsten
Address P.O. Box 957, Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	-	-	$37,870.00	1082	$35.00	2200	$35.00
Crosscutting	"			14,735.00	421	35.00	750	35.00
Raising								
Shafts								
Winzes								
Drilling: Core	"	1,177.50	235.5	3,782.50	756.5	5.00	2000	5.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	Job	-	-					
		-	-	8,030.00	1 Job	8030.00	1 Job	8030.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$1,177.50	235.5	64,417.50				$121,280.00

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

Date 2 July, 1953 Operator Minerals Engineering Co.

Per W. B. Tobey Title Superintendent.

W. B. Tobey

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

REMARKS: Work was slowed by equipment breakdowns and by the necessity of timbering the "B" Level before drilling could commence there.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

MINERALS ENGINEERING COMPANY

Cost Distribution Sheet — Contract Idm-E-300

For Month of June, 1953.

Work under the above contract consisted of diamond drilling underground on the "H" Level.

Cost incurred under the contract during the month of June is as follows:

235.5 feet of diamond drilling @ $5.00/foot	$1,177.50
Total cost for reporting period	$1,177.50

W. B. Tobey, Superintendent.

NARRATIVE

Minerals Engineering Company

Contract No. Idm-E-300 For the Month of June, 1953.

"H" Level

During the month authorized diamond drilling was continued and an additional 235.5' of coring was completed. This brings the total to the end of June to 754.5'.

Holes were drilled as follows:

Hole No.	Bearing	Vert. Angle	Length	Location of collar
8	S 50° W	+ 2°	134.5'	West wall main drift at face.
9	(Incorrectly called 8 in May report) Due W	+ 2°	90' (completed)	Center line 361 XC E + 6' S in west wall of main drift.
10	Due W	+ 2°	96'	Center line 227 XC + 67' S in west wall of drift.

A brief description of each hole is as follows:

Hole #8 - Aplite to 48', highly altered aplite to 58', tactite to 64', hornfels to 70', tactite to 93.5', marble to 101.5', tactite to 120', altered marble to 134.5' (end).
Lamp Values: weak 51' to 57', fair 70' to 79', weak 79' to 84', fair 102' to 107', 108' to 124' mostly weak with some fair bands, 124' to 125' fair, 129' to 134.5' weak.

Hole #9 - Aplite to 49', tactite to 67', aplite or quartz monzonite to 90'.
Lamp Values: Weak 52' to 54', good 54' to 57', weak with occasional fair bands 57' to 67'.

Hole #10 - Tactite 0 to 18', quartz to 21', aplite to 46', grey impure quartz to 50', tactite to 71', aplite to 75', quartz to 76', tactite to 92', intrusive to 96'.
Lamp Values: 0 to 4.5' fair, 5.1' to 6.1' lean, 6.5' to 9.0' good, 9.0' to 10.5' excellent, blank to 62.4', lean from 62.4' to 67.5', fair 69' to 71', good at 74.5', lean 76' to 80.5', rest very weak or blank.

Hole #8 was drilled after hole No. 9 strictly from a standpoint of drilling eas No trouble was encountered except in Hole No. 10 where poor core recovery was obtained in parts of the hole.

MINERALS ENGINEERING COMPANY

Diamond Drill Hole #8

Face Main Drift
∠ 2° - 134.5' S 50° W

From	To	Description
0	20.7'	Light grey mottled fairly even textured aplite
20.7'	23.7'	White with dark green flecks finer grained aplite
23.7'	46.0'	White matrix with light green mottling, fairly even grained aplite
46.0'	48.0'	Darker more uneven grained aplite.
48.0'	48.4'	Altered soft brownish material - tactite.
48.4'	51.0'	Darker green altered material with bands of brownish tactite.
51.0'	52.8'	Highly altered mixed brown, grey and green tactite with much fine grained mica and epidote.
52.8'	54.5'	Mottled green aplite, somewhat altered.
54.5'	57.8'	Vari-colored altered aplite with streaked epidote and much mica. Some pyrite. Considerable scattered hematite.
57.8'	64.0'	Mottled light and dark green, white and brown tactite. Some hematite and mica. Little, if any, garnet.
64.0'	65.5'	Light green and grey fine grained hornfels.
65.5'	70'	Brown fine grained hornfels. Some quartz stringers.
70'	76.2'	Grey brown medium grained tactite with considerable quartz.
76.2'	77.2'	Streaked brown and white limey tactite. Some epidote.
77.2'	84.5'	Mottled white and brown limey tactite. Some epidote and quartz.
84.5'	92'	Mottled streaked green, grey and white limey tactite. Some mica and epidote.
92'	93.5'	Green tactite with considerable brown garnet.
93.5'	101.5'	Banded grey and brown marble.
101.5'	103.5'	Limey light green tactite.
103.5'	107'	Mottled brown and green garnetite.
107'	120'	Mixed green and brown limey tactite. Some dendritic manganese.
120'	134.5'	Light brown to reddish brown altered marble.

Lamp Values

51'	57'	Occasional coarse crystals, very weak.
70'	79'	Fair to good, fine grained and medium.
79'	83'	Weak values.
83'	84'	Weak values.
101.8'	104'	Fair, coarser grained.
104.5'	107'	Fair, fine grained.
107.8'	109'	Fair to good.
109'	109.4'	Weak.
109.4'	111.4'	Fair.
111.4'	116'	Weak.
116'	119.6'	Weak.
119.8'	123.8'	Fair to weak.
123.8'	125.0'	Fair to good.
129.2'	134.5'	Weak.

MINERALS ENGINEERING COMPANY

Diamond Drill Hole #9

Face - 75' N W Wall
$\angle 2^{\circ}$ - 90' Due W

From	To	Description
0	49.3'	Light aplite with varying amounts dark material.
49.3'	51.7'	Dark green mottled tactite.
51.7'	62.0'	Mottled brown and light green tactite.
62.0'	67.0'	Irregular greenish brown tactite with considerable quartz. Limey.
67.0'	90.0'	Aplite or quartz monzonite.
	End.	

Lamp Values

52'	54'	Weak.
54'	57'	Fair to good.
57'	59.5'	Weakish.
59.5'	63'	Fair to weak.
64'	67'	Fair to weak.

MINERALS ENGINEERING COMPANY

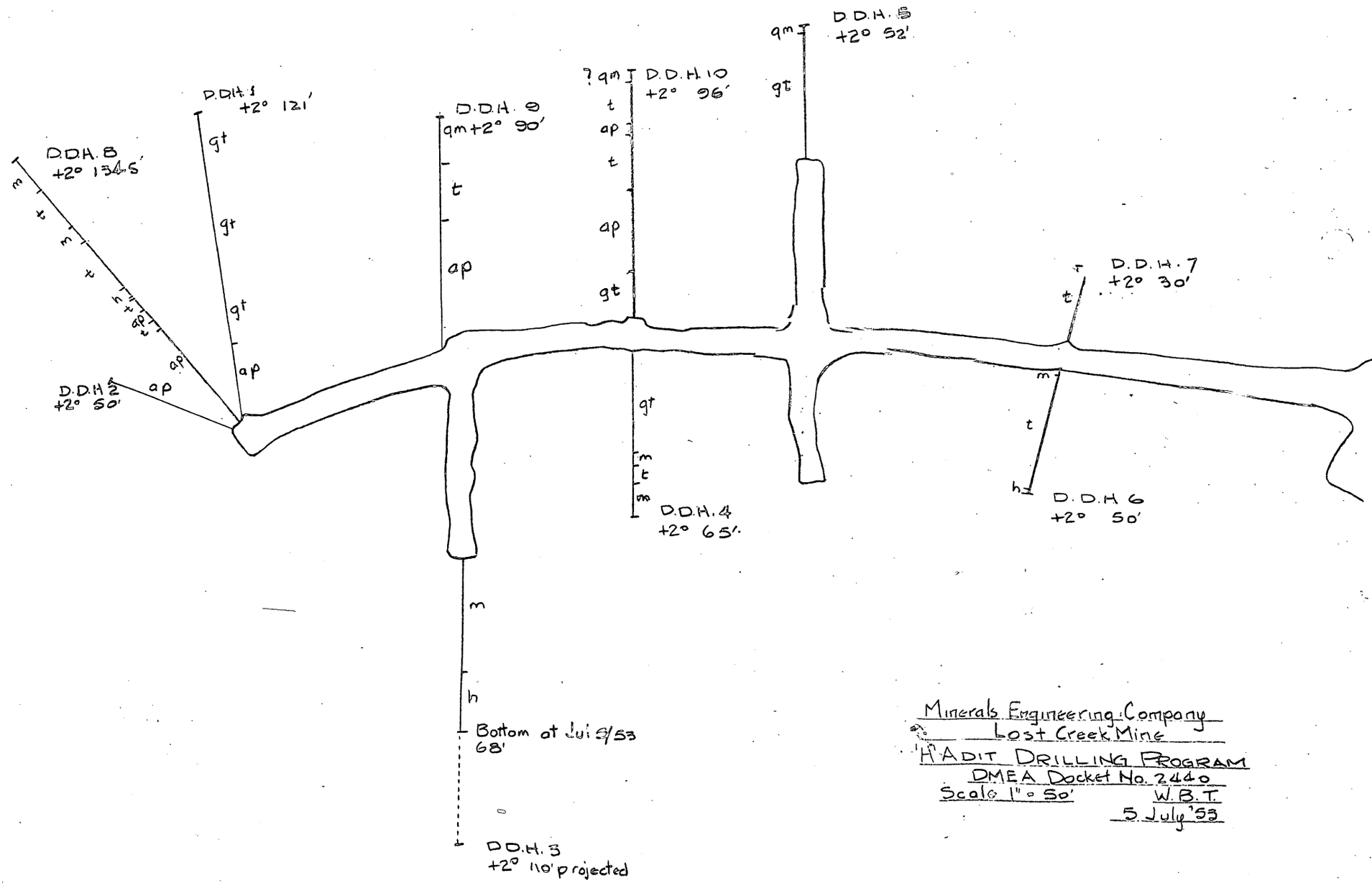
Diamond Drill Hole #10

Collar - Center line 227 XC W +
67' S
+ 02° 96'

From	To	Description
0	4.5'	Fine grained light grey green limey tactite.
4.5'	8.5'	Coarser green to brown limey tactite. Some dendritic manganese.
8.5'	10.6'	Coarse grained brown and green garnetite.
10.6'	11.1'	Bull quartz with small amounts of green tactite.
11.1'	18.0'	Coarse grained brown and green tactite with considerable quartz.
18.0'	21.0'	Brownish impure quartz.
21.0'	29.5'	Light brownish grey fine grained aplite.
29.5'	35.0'	Mottled darker brown aplite with dendritic manganese.
35.0'	38.6'	Light brown fine grained aplite.
38.6'	46.0'	Light brown aplite with considerable mottling and darker minerals.
46.0'	49.7'	Grey quartz.
49.7'	64.0'	Mottled green and brown tactite. (
64.0'	67.5'	Browner tactite with more quartz. (poorly garnetized.
67.5'	71.0'	Greenish tactite. (
71.0'	73.0'	Mottled banded quartzy aplite.
73.0'	75.0'	Light green banded altered aplite with considerable epidote.
75.0	75.8'	Grey impure quartz.
75.8'	81.5'	Fine grained green tactite with wide bands of brown garnetite.
81.5'	82.5'	Brown, weathered, limey tactite.
82.5'	91.0'	Light green and brown tactite, little garnet.
91.0'	92.2'	Limey tactite.
92.2'	96.0'	Weathered intrusive.
	End.	

Lamp Values

0	4.5'	Fair
5.1'	6.1'	Lean
6.5'	9(	Good
9.0'	10.5'	Excellent.
62.4'	62.8'	Fine grained, lean.
66.5'	67.5'	Fine grained, lean.
69'	71'	Fair
	74.5'	Good Values.
75.9'	77.5'	Lean Values.
77.5'	79.5'	Lean Values.
80'	80.5'	Lean Values.
	84'	Slight values.
Balance of hole		Blank or only occasional spots.



Minerals Engineering Company
Lost Creek Mine
"H" ADIT DRILLING PROGRAM
DMEA Docket No. 2440
Scale 1" = 50'
W.B.T.
5 July '53

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

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

Wash.

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

Month of May, 1953 Docket No. DMEA 2440 Contract No. Dm-E-300
Operator's Name Minerals Engineering Co. Minerals Tungsten
Address Box 957, Grand Junction, Colorado.
Contract Amount, $21,280.00 Government Participation 75 % Amount, $80,960.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	2605.00	-	2605.00			
Bulldozing						
Crosscutting	-	14,735.00	14735.00			
Drifting	-	37,870.00	37870.00			
Road Building	-	8,030.00	8030.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2605.00	60,635.00	63,240.00	2605.00	60,635.00	63,240.00

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

Date June 6, 1953 *Payee Minerals Engineering Company

Per [signature] Title Superintendent.

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

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

(Instructions on reverse)

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

$ 1953.75

Signature [signature]
(Authorized Certifying Officer)

Date 6/17/53 Vou. No. 793
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E300 in accordance with the terms of the contract.

Signature John S. McNabb Jr. Title Mining Engineer Date 6-12-53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature F. P. E. Howard Title Mi. Eng. Date 6/16/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1953 Docket No. DMEA 2440 Contract No. Idm-E-300
Operator's Name Minerals Engineering Company Minerals Tungsten
Address Box 957, Grand Junction, Colorado.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Foot	-	-	37,870.00	1082	35.00	2200	35.00
Crosscutting	Foot	-	-	14,735.00	421	35.00	750	35.00
Raising								
Shafts								
Winzes								
Drilling: Core	Foot	2,605.00	521	2,605.00	521	5.00	2000	5.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	Job	-	-	8,030.00	1 Job	8030.00	1 Job	8,030.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,605.00	521	63,240.00				121,280.00

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

REMARKS: Work was resumed at Lost Creek on May 1st, 1953, when a Diamond Drill Program was started on the H Level.

Date June 6, 1953 Operator Minerals Engineering Co.

Per W. B. Tobey Title Superintendent, Montana Tungsten Division.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

MINERALS ENGINEERING COMPANY

COST DISTRIBUTION SHEET CONTRACT NO. IDM-E-300

For Month of May, 1953

Work under above contract consisted of diamond drilling underground on the H Level.

Cost incurred under the contract during the month of May is as follows:

521 feet of diamond drilling @ $5.00/ft.	$2,605.00
Total cost for reporting period	$2,605.00

W. B. Tobey

W. B. Tobey,
Superintendent,
Montana Tungsten Division

NARRATIVE

MINERALS ENGINEERING COMPANY
CONTRACT NO. IDM-E-300

FOR MONTH OF MAY, 1953

"H" LEVEL

During the reporting period diamond drilling authorized in the supplement to Idm-E-300 was commenced and 521 feet of drilling were completed.

Holes were drilled as follows:

Hole No.	Brg.	Vert. Angle	Length	Location of Collar
1.	S 82° W	∠ 2°	121'	West wall of Main Drift at face - 4' N
2.	S 20° W	∠ 2°	50'	West side of Main Drift face.
3.	Due E	∠ 2°	68' (Incomplete)	Center of face of 361 XC E
4.	Due E	∠ 2°	65'	Center line 227 XC ∠ 67' S in east wall of drift.
5.	Due W	∠ 2°	52'	Center of Face of 227 XC W
6.	S 77° E	∠ 2°	50'	Bureau of Mines reference point at portal ∠ 131' S - E wall.
7.	N 77° W	∠ 2°	30'	Bureau of Mines reference point at portal ∠ 131' S - W wall.
9.	Due W	∠ 2°	85' (Incomplete)	Center line 361 XC E ∠ 6' S in west wall.

A brief description of each hole is as follows:

Hole No. 1 - Aplite to 28.5', balance of hole tactite. Generally fair lamp values from 28.5' to 120'.

Hole No. 2 - All aplite. No lamp values.

Hole No. 3 - Marble to 45', limey hornfels for balance of hole. Occasional very weak lamp values in hornfels.

Hole No. 4 - Tactite with occasional bands of limey material to 35'. 35' to 46' altered marble. 46' to 52' tactite. 52' to end altered marble with pure marble for last 5 feet. Fair lamp values to 11.5'. Mixed good and lean values from 33' to 53'. Balance blank.

Hole No. 5 - Tactite to 47.6'. 47.6' to end quartz monzonite. Lamp values. 5.7-9.0' fair values. Fair to weak values in balance from 0-36'. Balance blank or nearly so.

Hole No. 6 - 0-1' marble. 1'-17' limey tactite and hornfels mixed. Mixed impure marble and hornfels to end. Lamp values very weak to 30'.

Hole No. 7 - All tactite with considerable quartz 13'-18' and 22'-25'. Fine grained values 0-5.7'. Balance blank.

Hole No. 9 - Aplite to 50'. Tactite to 72'. Balance to 85' (depth at end of month) quartz monzonite. Fair values 52' to 62', weak values 62'-72'. Balance blank.

Detailed logs attached.

Maps attached.

Considerable difficulty was experienced in drilling some of these holes. Hole No. 1 gave difficulty when our drill proved too small to handle any drilling past 121'. It was the intention to drill to the quartz monzonite but drill capacity was reached at 121' while still in tactite.

Hole No. 2 was drilled in aplite and this proved too hard for economical drilling beyond 50'.

Hole No. 3 began caving at 38' and required cementing. Our pump proved incapable of a satisfactory cementing job and so the hole was given up until such time as a better pump could be obtained.

Core recovery in holes 6 and 7 was very low despite all precautions. Washing of soft core due to weathering is the probable reason.

Other drilling was done easily and without a hitch.

Since our trouble we have acquired a larger drill and a more satisfactory pump and drilling is proceeding on a more even keel.

William B. Tobey,
Superintendent,
Montana Tungsten Division.

WBT/mt

Form MF-54 (Rev.)
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Rec'd to 8-1952

Month of DECEMBER, 1952 Docket No. DMEA 2440 Contract No. Idm-E-300

Operator's Name MINERALS ENGINEERING COMPANY Minerals TUNGSTEN

Address Grand Junction, Colorado

Contract Amount, $ 121,280.00 Government Participation: 75% Amount, $ 90,960.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	$ 175.00	$14,560.00	$14,735.00	175.00		
Drifting	$1,715.00	$36,155.00	$37,870.00	1715.00		
Road Building	None	$ 8,030.00	$ 8,030.00	—		
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1,890.00	$58,745.00	$60,635.00	1890.00	58745.00	60635.00

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

Date Dec. 14, 1952 Payee MINERALS ENGINEERING COMPANY

Per M. N. Shaw Title ENGINEER IN CHARGE

M. N. Shaw

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

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

(Instructions on reverse)

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

1417.50

$ 1417 50

Signature (Authorized Certifying Officer)

Date 12/18/52 Vou. No. (See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idp-E-300 in accordance with the terms of the contract.

Signature John S. McNabb Jr. Title Mining Engineer Date Dec. 14, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature (S) Thomas E. Howard Title Min Engr Date 12/15/52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 53-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of DECEMBER 195 2 Docket No. DMEA 2440 Contract No. Idm-E-300
Operator's Name MINERALS ENGINEERING COMPANY Minerals TUNGSTEN
Address Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	$1,715.00	49	$37,870.00	1,082	$35.00	2,200	$35.00
Crosscutting	Foot	$ 175.00	5	$14,735.00	421	$35.00	750	$35.00
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	Job	None	None	$ 8,030.00	1 Job	$8,030.	1 Job	$8,030.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$1,890.00	54	$60,635.00				$121,280.00

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

Date Dec. 14, 1952 Operator MINERALS ENGINEERING CO.

Per M. N. Shaw Title ENGINEER IN CHARGE
M. N. Shaw

REMARKS: Work was suspended at the property on December 8, 1952. Will resume work under contract Idm-E-300 in April, 1953, weather conditions permitting.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

NARRATIVE

MINERALS ENGINEERING COMPANY
CONTRACT NO. IDM-E-300

FOR PERIOD DECEMBER 1 TO DECEMBER 8, 1952

"D" LEVEL

During the reporting period the drift was driven through a fractured zone. Timbering was not required although the ground showed signs of sloughing. The beds appear to swing to the south-east and are being cut at an angle. Advance for the reporting period was 31 feet. There was no cross-cutting on this level during the reporting period.

"H" LEVEL

During the reporting period the 361 cross cut east was advanced 5 feet and the tunnel heading was advanced 12 feet under contract Idm-E-300.

At the end of the reporting period operations were suspended for the winter because of excessive cost encountered by winter operations.

SURFACE EXPLORATION

The surface sampling was completed during the last reporting period, and a composite sample made up as reported. During the reporting period, single and three stage flotation tests were made for testing the response of Lost Creek ore to flotation and subsequence pressure digestion and precipitation of refined tungsten. ? Results ?

M. N. Shaw
M. N. Shaw
Engineer in Charge

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

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

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

Month of November, 1952 Docket No. DMEA 2440 Contract No. Idm-B 300
Operator's Name Minerals Engineering Co. Minerals Tungsten
Address Grand Junction, Colorado
Contract Amount, $ 121,280.00 Government Participation: 75 % Amount, $ 90,960.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	4200.00	10,360.00	14,560.00	4200.00		
Drifting	5075.00	31,080.00	36,155.00	5075.00		
Roadbuilding	None	8,030.00	8,030.00	—		
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	9,275.00	49,470.00	58,745.00	9275.00	49470.00	58745.00

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

Date Dec. 5, 1952 *Payee Minerals Engineering Co.

Per M. N. Shaw Title Engineer in Charge

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

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

(Instructions on reverse)

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

6956.25

$ 6956.25

Signature (Authorized Certifying Officer)

Date 12/18/52 Vou. No. (See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-3 300 in accordance with the terms of the contract.

Signature John S. McNabb Jr. Title Mining Engineer Date Dec. 6, 1952

John S. McNabb Jr.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Thomas E Howard Title Mining Engr Date 12-16-52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 2 195 Docket No. DMEA 2440 Contract No. IdM-B 300
Operator's Name Minerals Engineering Co. Minerals Tungsten
Address Grand Junction, Colorado

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Foot	$5,075.00	145	$36,155.00	1,033	$35.00	2,200	$35.00
Crosscutting	Foot	$4,200.00	120	$14,560.00	416	$35.00	750	$35.00
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits	Job	None	None	$3,030.00	1 Job	$3,030.	1 Job	$3,030
Roads and Trails								
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		$9,275.00	265	$50,715.00				$121,230.00

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

Date Dec. 5, 1952 Operator Minerals Engineering Co.

Per M. N. Shaw D. N. Shaw Title Engineer in Charge

Remarks: During the reporting period 145 feet of drifting and 120 feet of crosscutting was completed at a cost of $35.00 per foot, as authorized in the contract.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

NARRATIVE

Contract Idm-E 300

November 1 thru November 30, 1952

"B" Level Tunnel

During the reporting period the 428 crosscut was driven eastward through the intrusive, but we failed to encounter and ore zone. At 184 feet a crosscut was turned to the west and tungsten bearing material was encountered for some 27 feet; the east crosscut was driven 10 feet, the first three feet of which was tungsten bearing. At 530 feet the main drift encountered the strike fault which apparently is swinging more to the west. As the fault was encountered, the ground was heavy and a sand pocket was tapped causing the drift to cave. In as much as the fault was swinging westward and we had not encountered ore east of the fault, we did not continue, but dropped back approximately 50 feet and continued the drift in a more southerly direction. Advance during the reporting period was 89 feet of drifting and 70 feet of crosscutting under Contract Idm-E 300.

"H" Level Tunnel

During the reporting period the tunnel was driven south 56 feet and crosscutting to the east advanced 50 feet under Contract Idm-E 300.

Surface Exploration

During the reporting period surface sampling was continued. Work preparing "F" Cut was completed and samples cut. During the last half of the reporting period a composite sample of the surface and underground samples was made which should be representative of the ore exposed so far in exploring the ore deposit.

The composite was made up of the following weights of our different exposures:

I-J Cut	100 lbs
H Level	100 lbs
E-1 Cut	100 lbs
E Cut	100 lbs
C-S-2 Cut	66 lbs
C-S-1 Cut	67 lbs
B Level	67 lbs
Total:	600 lbs

The composite was crushed through ten mesh and a head sample cut. The remainder will be used for metallurgical testing.

M. N. Shaw

M. N. Shaw
Engineer in Charge

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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

Bu. Vou. No. 526

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

Voucher prepared at Spokane, Washington 11/20/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E300

To Minerals Engineering Company
(Payee)

Grand Junction, Colorado
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	October 1952	As per attached certified form MP-104 dated 11/4/52				9,581	25
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 9,581 25

(Payee must NOT use this space)

Differences .....

Account verified; correct for 9,581 25

(Signature or initials) .....

Contract No. Idm-E300 Date Req. No. Date Invoice Rec'd.

9,581.25

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	9,581.25	9,581.25

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

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

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

16—22000a-2

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

NOV 24 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of OCTOBER 1952 Docket No. DMEA 2440 Contract No. Idn-3-300
Operator's Name [illegible] HOLLOWING COMPANY Minerals Tungsten
Address Grand Junction, Colorado
Contract Amount, $111,280.00 Government Participation: 75 % Amount, $ 83,460.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	$6,755.00	$ 3,605.00	$10,360.00			
Drifting	$6,020.00	$25,060.00	$31,080.00			
Road Building	None	$ 8,030.00	$ 8,030.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$12,775.00	$36,695.00	$49,470.00	12,775.00	36,695.00	49,470.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date November 4, 1952 *Payee [illegible] HOLLOWING COMPANY
Per W. N. Shaw Title Engineer in Charge

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

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

(Instructions on reverse)

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

$ 9,581.25

Signature [illegible]
(Authorized Certifying Officer)

Date ..... Vou. No. .....
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E-300 in accordance with the terms of the contract.

Signature John S. McNabb Jr. Title Mining Engineer Date November 4, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-10
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
NOV 2 - 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of OCTOBER 1952 Docket No. DMEA 2440 Contract No. Idm-E-300
Operator's Name MINERALS ENGINEERING COMPANY Minerals Tungsten
Address Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	$ 6,020.00	172	$31,080.00	888	$35.00	2200	$35.00
Crosscutting	Foot	$ 6,755.00	193	$10,360.00	296	$35.00	750	$35.00
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	Job	None	None	$ 8,030.00	1 Job	$8030.00	1 Job	$8,030.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$12,775.00	365	$49,470.00				$111,280.00

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

Date November 4, 1952 Operator MINERALS ENGINEERING CO.

Per M. N. Shaw Title Engineer in Charge
M. N. Shaw

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

REMARKS: During the reporting period 172 feet of drifting and 193 feet of cross-cutting was completed at a cost of $35.00 per foot, as authorized in the contract.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

NARRATIVE CONTRACT NO. IDM-E-300

MINERALS ENGINEERING COMPANY

From October 1 to October 31, 1952

"B" LEVEL TUNNEL

During the reporting period the tunnel left the faulted zone and was advanced in solid formations. A turn was made to the east as the tunnel encountered barren shale. By the end of the reporting period the mineralized zone was apparently coming in on the left hand rib. Cross cuts were turned east and west at 428 feet. The west cross cut was driven 51 feet to granite. The east cross cut was driven 107 feet through the fault zone and into an intrusive formation, and at the end of the reporting period we were continuing to drive eastward to the ore zone thought to be east of the intrusive formation. Advance during the reporting period was 93 feet of drifting and 158 feet of cross-cutting, making a total advance of 505.3 feet of drifting and 158 feet of cross-cutting under the contract in "B" level.

"H" LEVEL TUNNEL

During the reporting period the tunnel was driven ahead 79 feet. As the period ended the heading was in an intrusive formation. An advance of 35 feet of cross-cutting was made in this tunnel during the reporting period. Total advance in this tunnel is 387.2 feet of drifting and 138 feet of cross-cutting under Contract Idm-E-300.

SURFACE EXPLORATION

During the reporting period surface exploration was continued. Using the same methods as outlined in the narrative for the reporting period of September 1 to September 31, 1952, the "E" Cut, "C" Cut and "C-2" Cut were sampled, and the surface at "F" Cut was prepared for sampling. Work was started to enlarge the surface exposure at "J" Cut. This work was in progress as the reporting period ended.

M. N. Shaw

H. N. Shaw
Engineer in Charge

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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

Bu. Vou. No. IMA-500

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

Voucher prepared at Spokane, Wash.
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-2300

To Minerals Engineering Company
(Payee)

Grand Junction, Colorado
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
June 1952 Supplement		As per attached certified form MF-104 dated 7/24/52				850	00
September 1952		As per attached certified form MF-104 10/15/52				6,720.00	
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	7,570	00

(Payee must NOT use this space)

Differences .....

Account verified; correct for 7,570 00

(Signature or initials) .....

Contract No. Idm-2300 Date Req. No. Date Invoice Rec'd.

$7,570.00

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	7,570.00	7,570.00

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

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

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

16—22000a-2

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

Wash

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of SEPTEMBER, 195 2 Docket No. DMEA 2440 Contract No. Idm-E-300
Operator's Name MINERALS ENGINEERING COMPANY Minerals Tungsten
Address Grand Junction, Colorado
Contract Amount, $ 111,280.00 Government Participation: 75 % Amount, $ 83,460.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	$3,360.00	$ 245.00	$ 3,605.00			
Drifting	$5,600.00	$19,460.00	$25,060.00			
Roads and Trails	None	$ 8,030.00	$ 8,030.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$8,960.00	$27,735.00	$36,695.00	8960.00	27735.00	36695.00

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

Date Oct. 15, 1952 *Payee MINERALS ENGINEERING COMPANY

Per M. N. Shea Title Engineer in Charge

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

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

(Instructions on reverse)

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

$ 6720 00

Signature [illegible] (Authorized Certifying Officer)

Date 10/30/52 Vou. No. (See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E-300 in accordance with the terms of the contract.

Signature John S. McNabb Jr. Title Mining Engineer Date Oct. 15, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

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

Month of SEPTEMBER 1952 Docket No. DMEA 2440 Contract No. Idm-E-300
Operator's Name MINERALS ENGINEERING COMPANY Minerals Tungsten
Address Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Foot	$5600.00	160	$25,060.00	716	$35.00	2950	$35.00
Crosscutting	Foot	$3360.00	96	$ 3,605.00	103	$35.00	750	$35.00
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
	Job	None	None	$ 8,030.00	1 Job	$8,030.00	1 Job	$8,030.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$8,960.00	256	$ 36,695.00				$111,280.00

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

Date Oct. 15, 1952 Operator Minerals Engineering Co.

Per M N Shaw Title Engineer in Charge.
M. N. Shaw

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

REMARKS: During the reporting period 160 feet of drifting and 96 feet of crosscutting was completed at a cost of $35.00 per foot as authorized in the contract.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

NARRATIVE CONTRACT No. Idm-E300

MINERALS ENGINEERING COMPANY

For period September 1 to September 30, 1952.

"B" Level Tunnel

During most of the month this tunnel was driven through the strike fault zone encountered the last part of the month of August, all of which required timbering. Vibrations set up while blasting caused sloughing of a portion of the untimbered section of the tunnel so it was necessary to timber the effected section. During the last few days of the reporting period the tunnel passed through the fault zone and timber was not needed. Advance for the reporting period was 87 feet, making a total advance under the contract of 412.3 feet.

"E" Level Tunnel

During the reporting period the tunnel and cross-cut were driven through hard tactite which did not require timbering. On the third of September a cross-cut was turned to the west so there were three headings being driven simultaneously, the cross-cut east, the cross-cut west, and the drift south. A total advance of 73 feet of drifting and 96 feet of crosscutting was made during the month, making a total advance under the contract of 308.2 feet of drifting and 103 feet of cross-cutting.

Surface Exploration

During the reporting period considerable work was done on the surface to further aid in the evaluation of the deposit. The Government did not participate in this work, however, the agencies concerned were advised and information obtained was made available to them. In an area between the "E" Cut and the "F" Cut, named the "E-1" Cut, the overburden was stripped to expose the rock. The lower part was then faced off by drilling and blasting, exposing a face from three to ten feet high. This face was chip sampled in five foot sections, about 10 to 15 pounds of material being taken in each sample. This was a preliminary sample. The face was then drilled and blasted and from 1,000 to 1,500 pounds of material taken from each five foot section. This material taken was crushed to 3/8 inch and split through a Jones splitter to about fifty pounds. It was then taken to the sample preparation room where it was prepared for analysis in the routine manner. By the end of the reporting period work was in progress crushing an d splitting the samples.

During the reporting period the "E" Cut was prepared for sampling in a like manner, and work preparing "C","C-1", and "C-2" cuts was started.

M. N. Shaw

M. N. Shaw
Engineer in Charge

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

Wash ing ton

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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

Bu. Vou. No. DMA-420

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

Voucher prepared at Albany, Oregon 10/13/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E-300

To Mineral Engineering Company,
(Payee)

Grand Junction, Colorado
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary)	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	August 1952	Discount Terms net As per attached certified form MF-104 dated September 14, 1952				10,001	25
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 10,001 25

(Payee must NOT use this space)

Differences .....

Account verified; correct for 10,001 25

(Signature or initials) .....

Contract No. Idm-E 300 Date Req. No. Date Invoice Rec'd.

10,001.25

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	10,001.25	10,001.25

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

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

OCT 2 1952

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

16—22900a-2

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

Wash

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of AUGUST 1952 Docket No. DMEA 2440 Contract No. Idm-E-300
Operator's Name MINERALS ENGINEERING COMPANY Minerals Tungsten
Address Grand Junction, Colorado
Contract Amount, $ 111,280.00 Government Participation: 75 % Amount, $ 83,460.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	$ 245.00	None	$ 245.00	245.00	-0-	245.00
Drifting	$13,090.00	$6,370.00	$ 19,460.00	13,090.00	6,370.00	19,460.00
Roadbuilding	None	$8,030.00	$ 8,030.00	-0-	8,030.00	8,030.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$13,335.00	$14,400.00	$27,735.00	13335.00	14400.00	27735.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept. 14, 1952 *Payee MINERALS ENGINEERING COMPANY

Per W. W. Shaw Title Engineer in Charge

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

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

(Instructions on reverse)

OCT 2 1952

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

$ 10001.25

Signature [illegible]
(Authorized Certifying Officer)

Date 10-13-52 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E-300 in accordance with the terms of the contract.

Signature John S. McNabb Jr. Title Mining Engineer Date September 14, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(Apr. 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of AUGUST 1952 Docket No. DMEA 2440 Contract No. Idm-E-300
Operator's Name MINERALS ENGINEERING COMPANY Minerals Tungsten
Address Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	$13,090.00	374	$19,460.00	556	$35.00	2950	$35.00
Crosscutting	Foot	$ 245.00	7	$ 245.00	7	$35.00	750	$35.00
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$13,335.00	381	$27,735.00				$111,280.00

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

Date Sept. 14, 1952 Operator MINERALS ENGINEERING CO.

Per M. N. Shaw Title Engineer in Charge
M. N. Shaw

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

REMARKS: During the report period 374 feet of drifting and 7 feet of cross-cutting was completed at a cost of $35.00 per feet as authorized in the contract.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

NARRATIVE CONTRACT NO. Idm-E-300

MINERALS ENGINEERING COMPANY
For Period August 1 to August 31, 1952

"B" Level Tunnel

During the first twenty-six days of the month advance in the tunnel was rapid and did not require timbering. A strike fault was encountered and all advance then required timber which caused less total advance for the reporting period than had been anticipated. By the end of the report period the tunnel was being driven through broken ground, all of which required timbering. Advance for the reporting period was 227 feet, making a total advance under the contract of 325.3 feet in "B" Level.

"H" Level Contract

During the reporting period the tunnel was driven in hard tactite which did not require timbering. On the 22nd the course of the tunnel was changed 5 degrees to the east to follow a limestone rib which had swung an estimated 5 degrees to the east. During the reporting period a crosscut was started to explore the structure through which the tunnel was passing. A total advance of 147 feet of drifting and 7 feet of cross-cutting was made during the month, making a total advance under the contract of 235.2 feet of drifting and 7 feet of cross-cutting in "H" Level.

M. N. Shaw
M. N. Shaw
Engineer in Charge

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region II

Albany, Oregon
September 26, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 30 1952

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

Re: Contract Idm - E-300
Minerals Engineering Company

Dear Mr. Chambers:

Reference is made to your letter dated September 10, 1952, calling attention to the error made in the June MF-104 payment to the Minerals Engineering Company, wherein $3,500.00 was paid and the correct amount should have been $4,350.00.

In reviewing the voucher it has been determined that in setting the amount of $3,500.00 an error was made in reading the figures appearing on the calculator. The first figure 4 was overlooked, as there were no exceptions taken to the amount claimed.

We will advise the contractor to submit a supplemental MF-104 for the month claiming the balance due of $850.00.

Sincerely yours,

W. Rulon Lee

W. Rulon Lee
Finance Officer

Region II

Albany, Oregon
September 26, 1952

Minerals Engineering Company
P. O. Box 957
Grand Junction, Colorado

Re: Contract Tds-F-300

Gentlemen:

Reference is made to your June 5F-104, claiming the amount of $5,800.00.

Our attention has been called to the fact that in making payment of the Government's participation of 75% an error was made in approving payment of $3,500.00 whereas the correct amount should have been $4,350.00.

In order to recive the difference of $850.00, it will be necessary for you to prepare a supplemental June 5F-104, listing the same totals as previously shown. In the body of the form fill in as follows:

Amount claimed	$ 5,800.00	75%	Due	$ 4,350.00
Amount approved	5,800.00	Paid		3,500.00
Balance due of 75%				$ 850.00

Upon receipt of above form (no others need be prepared) a voucher will be processed for the amount due.

Very truly yours,

W. Rulon Lee
Finance Officer

WAH:pfh
CC: R/f
Contract
Voucher
Volin
Wash. (2)

SEP 10 1952

Mr. W. Rulon Lee
Finance Officer, Bureau of Mines
P. O. Box 492
Albany, Oregon

Re: Exploration Project
Contract Idm-R-300
Docket DMA-2440
Minerals Engineering Co.

Dear Mr. Lee:

Reference is made to the June MF-104 for Exploration Project Contract Idm-R-300, Docket DMA-2440, Minerals Engineering Company, Grand Junction, Colorado.

It is noted that the voucher was certified in the amount of $3,500.00; however, since Government participation is at the rate of 75% and the gross amount as billed by the contractor and approved by your office is $5,800.00, it would appear that the amount of $4,350.00 would be correct.

Please advise this office as to whether any exceptions were taken in order to arrive at the figure of $3,500.00.

Sincerely yours,

Signed

Jay L. Chambers, Chief
Contract Administration and
Audit Division

AMAlley/ama
September 9, 1952

Copy to: Mails and Files
Admr. Reading File
Mr. Chambers

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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

Bu. Vou. No. DMA-252

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

Voucher prepared at Albany, Oregon 8/26/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E-300

To Minerals Engineering Company
(Payee)

Grand Junction, Colorado
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	July 1952	As per attached certified form MF-104 dated August 12, 1952				3,438	75
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 3,438 75

(Payee must NOT use this space)

Differences .....

Account verified; correct for 3,438 75

(Signature or initials) .....

Contract No. Idm-E-300 Date Req. No. Date Invoice Rec'd.

3,438.75

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior.	3,438.75	3,438.75

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

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

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

16—22000a-2

Form MT-104 (Rev.)
(Apr. 1952)

Wash.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Defense Minerals Administration
SEP 2 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of JULY, 1952 Docket No. DMEA 2440 Contract No. Idm-X-300
Operator's Name THE MINERALS ENGINEERING COMPANY Minerals Tungsten
Address Grand Junction, Colorado
Contract Amount, $ 111,280.00 Government Participation: 75 % Amount, $ 83,460.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Expensive~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	$4,585.00	$1,785.00	$6,370.00	4585.00	1785.00	6370.00
Road Building	None	8,030.00	8,030.00	~~8030.00~~	8030.00	8030.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$4,585.00	$9,815.00	$14,400.00	4585.00	9815.00	14400.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Aug. 12, 1952 *Payee Minerals Engineering Company
Per M. M. Shaw Title Engineer in Charge

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
MP
$ 2438.75

Signature W R L
(Authorized Certifying Officer)
Date 8/25/52 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E-300 in accordance with the terms of the contract.

Signature John S. McNabb Jr. Title Mining Engineer Date August 12, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Thomas E. Howard Title Mining Engr. Date 8/14/52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

SEP 2 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of JULY 1952 Docket No. DMEA 2440 Contract No. Idn-E-300

Operator's Name THE MINERALS ENGINEERING COMPANY Minerals Tungsten

Address Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	$4,585.00	131.0	$6,370.00	182.0	$35.00	2,950	$35.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	Job	None	None	$8,030.00	1 Job	$8,030.00	1 Job	$8,030.00
TOTAL DISTRIBUTED COSTS		$4,585.00	131.0	$14,400.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$4,585.00		$14,400.00				$111,280.00

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

Date August 12, 1952 Operator Minerals Engineering Co.

Per M. N. Shaw Title Engineer in Charge.

M. N. Shaw

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

REMARKS: During the report period 131.0 feet of drifting was completed at a cost of $35.00 per foot as authorized in the contract.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

NARRATIVE CONTRACT NO. I4m-E-300

MINERALS ENGINEERING COMPANY

For Period July 1 to July 31, 1952

"B" Level Tunnel

During the first twenty-two days of the reporting period the tunnel was timbered through the broken ground encountered during the June reporting period, track laid and the ore and waste dump prepared for use. On the twenty third of the month, driving of the tunnel was resumed, through broken ground, all of which required timbering. Advance for the reporting period was 42.8 feet making a total of advance under the contract of 93.8 feet.

"E" Level Tunnel

Driving of the tunnel was started on the first day of the reporting period and continued throughout the period. Soft broken ground was encountered the first sixty feet making it necessary to timber most of the way. A change in the structure was encountered which presented a broken limestone full of rug holes and a sizeable old water course. As the period ended the structure became more consolidated and did not require timbering. A total advance of 88.2 feet was made during the month.

M. N. Shaw

M. N. Shaw
Engineer in Charge

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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

Bu. Vou. No. DMA-332

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

Voucher prepared at Albany, Oregon 8/14/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E-300

To Minerals Engineering Company,
(Payee)

P. O. Box 957, Grand Junction, Colorado
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	June 1952	Per attached certified form MF-104 dated July 14, 1952				3,500	00
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	3,500	00

(Payee must NOT use this space)

Differences .....

Account verified; correct for 3,500 00

(Signature or initials) .....

Contract No. Idm-E-300 Date Req. No. Date Invoice Rec'd.

3,500.00

MEMORANDUM

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 25 1952

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	3,500.00	3,500.00

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

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

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

16—22900a-2

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

Wash

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.
Defense Minerals Administration

OPERATOR'S MONTHLY REPORT AND VOUCHER

AUG 25 1952

Month of JUNE, 1952 Docket No. DMEA 2440 Contract No. 10m-E-300
Operator's Name MINERALS ENGINEERING COMPANY Minerals Tungsten
Address Grand Junction, Colorado
Contract Amount, $ 111,280.00 Government Participation: 75 % Amount, $ 83,460.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	$1,785.00	None	$1,785.00			
Roadbuilding	$4,015.00	$4,015.00	$8,030.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$5,800.00	$4,015.00	$9,815.00	5800.00	4015.00	9815.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date July 14, 1952 *Payee Minerals Engineering Company
Per M. N. Shaw Title Engineer in Charge

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 3500.00

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 1[illegible]-2-300 in accordance with the terms of the contract.

Signature John S. McNabb Jr. Title Mining Engineer Date July 14, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Thomas E. Howard Title Mining Engr Date 7-17-52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 25 1952

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

Month of JUNE 1952 Docket No. DMEA 2440 Contract No. Idm-E-300
Operator's Name MINERALS ENGINEERING COMPANY Minerals Tungsten
Address Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Foot	$1,785.00	51	$1,785.00	51	$35.00	2,950	$35.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	Job	$4,015.00	½ Job	$8,030.00	1 Job	$8,030.	1 Job	$8,030.00
TOTAL DISTRIBUTED COSTS		$5,800.00		$9,815.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$5,800.00		$9,815.00				$111,280.00

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

Date July 14, 1952 Operator Minerals Engineering Co.

Per M. N. Shaw Title Engineer in Charge
M. N. Shaw

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

REMARKS: During report period 51 ft. of drifting was completed at a cost of $35.00/ft. as authorized in the contract. Also during the period the remaining ½ of the prescribed roadwork was completed at a cost of $4,015.00. (½ of the total amount allowed in the contract.)

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

NARRATIVE CONTRACT NO. Idm-R-300

MINERALS ENGINEERING COMPANY

For Period June 1 to June 30, 1952

During the reporting period the road was extended approximately two miles. This included extending the road from "B" cut to "I" cut and work near the Spritzer Ranch. By the end of the reporting period the road work was completed.

On June 12 "D" level tunnel was started and an advance of 51 feet was made by the end of the reporting period. A northwest-southeast slip was encountered along with altered material. By the end of the reporting period we had passed through the fault, but were still in the altered zone with a narrow tongue of ore coming in on the west side of the drift. No sampling or assaying was done at the property during the report period.

M. N. Shaw

M. N. Shaw
Engineer in Charge

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

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

Bu. Vou. No. DMA-254

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

Voucher prepared at Albany, Oregon 6/19/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E 300

To Minerals Engineering Company,
(Payee)

P. O. Box 957, Grand Junction, Colorado
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms net	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	April 18 to May 31, 1952	As per attached certified from MF-104 dated June 12, 1952				3,011	25
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	3,011	25

(Payee must NOT use this space)

Differences .....

Account verified; correct for 3,011 25

(Signature or initials) .....

Contract No. Idm-E 300 Date Req. No. Date Invoice Rec'd.

3,011.25

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X1401	Revolving Fund, Defense Production Act, Interior	3,011.25	3,011.25

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

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

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

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

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

ABSENCE OF ADVERTISING

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

.....

.....

.....

.....

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

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

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

16—22000a-2

MT-104
(August 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. - 300
Idm-E

Name of Operator Minerals Engineering Company
Docket No. DMA DMEA 2440
Total Contract Amount $ 111,280.00
Government Participation: 75 % Amount, $ 83,460.00
Distribution of Expenditures for Month of April 18 to May 31, 1952

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

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

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

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

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

CERTIFICATION

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

Minerals Engineering Company
(Name of Company)

By M. N. Shaw
M.N. Shaw (Signature of Authorized Official)

June 12, 1952
(Date)

Engineer in Charge
(Title)

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

16--64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

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

NARRATIVE CONTRACT NO. Idm-E-300

MINERALS ENGINEERING COMPANY
For Period April 18 to May 31, 1952

Work done during the reporting period under Contract No. Idm-E-300 was confined to widening, rebuilding, and extending the bulldozer truck trail from the Spritzer Ranch to the sites of proposed mine operations. Approximately one-half of the work was accomplished during the reporting period.

From April 18th to 28th the existing dozer trail was widened and a section rebuilt. From April 29th to May 3rd the road was extended from the end of the bulldozer trail to the "C" cut. On May 5th work was started to extend the road from "E" cut to connect with the extended road at "C" cut. This was completed on May 27th after several interuptions to rebuild portions of old dozer trail in the vicinity of the camp and Spritzer's Ranch.

During the reporting period there were:

29 shifts with the HD 7 caterpillar bulldozer
7 shifts with the HD 5 shovel loader.
2 shifts with the IR - 110 cfm compressor
2 shifts with jack-hammer
45 man shifts additional.

Signed: M. N. Shaw

M. N. Shaw, Engineer in Charge

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor [3]						
5. Supervision						
6. Supplies						
(a) Timber						
(b) Explosives						
(c) Repair Parts						
(d) Other						
7. Power						
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation						
10. Contract Work						
11. Other (specify)						
Readbuilding	$4,015.00	None	$4,015.00			
Total	$4,015.00	None	$4,015.00			
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date						

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

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

FOR GOVERNMENT USE ONLY

Checked by W. R. Lee
Entered by
Approved by John S. McNabb Jr.
Amount approved for payment $20,125
Remarks

16—64068-3

I certify that a minimum amount of $4,015.00 was spent on readbuilding under Contract No. Idm-E-300 during this report period; and that the figure of $4,015.00 is correct and just.

Signed: M. N. Shaw
M. N. Shaw,
Engineer in Charge

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF APRIL 18 to MAY 31, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails					$4,015.00	1 Job	½ Job	None	½ Job	1 Job
Test pits										
Other (specify)										
Totals					$4,015.00	1 Job	½ Job	None	½ Job	1 Job

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

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

JUN 26 1963

Minerals Engineering Company
P. O. Box 1951
Grand Junction, Colorado

Re: MRA-2448 (Tungsten)
Minerals Engineering Company
Last Chance Mine
Beaverhead County, Montana
Contract Ida-2505

Gentlemen:

Thank you for returning the completed MRE Form 63's mailed to you on June 12, 1963.

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated May 17, 1956, all minerals mined or produced from April 17, 1956, to April 17, 1963, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

George Fumich, Jr.

Director

Mierrithew/ms
6/24/63
cc: Director's Reading File
Region I (2) w/copy of Form 63 dated 6/12/63
✓CA&A Division
Docket
Code 208
~~Messrs. Henry Reiss and Carl Guidici, Dillon, Montana~~
~~George M. Fleming, Dillon, Montana~~

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

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

To: Minerals Engineering Company
P. O. Box 2951
Grand Junction, Colorado

Pursuant to the provisions of Exploration Project Contract No. 16m-8300, dated April 17, 1952 (Docket No. DMEA-8240), hereinafter called the "Contract", between the Minerals Engineering Company and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that a discovery or development from which production may be made has resulted from the exploration.

The nature of said discovery or development is described broadly or indicated as follows:

Drifting, crosscutting, and diamond drilling have indicated a substantial quantity of low grade to marginal tungsten-bearing tactite occurring in limestone and dolomite along and near faulted contacts with quartz monzonite.

SPHOLT:fcc:ef 5/15/56
cc to: Docket
Code 400
Admr. Read. File
Code 100 - Mr. Johnson
Code 800 - Mr. Chambers ✓
VARIOUS LESSORS (per transmittal letters)
Operating Comm.

THE UNITED STATES OF AMERICA

By O O Mitterdorf
Administrator, Defense Minerals Exploration Administration

Dated MAY 17 1956

~~R.W.Gaskill, USGS~~
Robert Holliday, USBM
T.H.Killingsord, USGS
C.A.Fredell, KPS,GSA
Hon. Mike Mansfield, USSENATE
Hon. James E. Murray, USSENATE
Hon. Lee Metcalf, H. of Repr.
FINANCE OFFICER

400

MAY 18 1956

Mr. Blair Burwell, President
Minerals Engineering Company
P. O. Box ~~957~~ 1951
Grand Junction, Colorado

Re: Docket No. DMEA 2440-Tungsten
Lost Creek Mine
Beaverhead County, Montana
Contract No. Idm-E300

Dear Mr. Burwell:

Transmitted herewith is a certification of discovery or development issued under the subject contract executed April 17, 1952.

By the terms of the exploration project contract and of the certification, all production from the property described in the contract from the date of the exploration project contract is subject to the Government's percentage royalty as set forth in the contract until the sum of $50,212.51, subject to final audit, is paid or until April 17, 1962, whichever occurs first.

Payments should be made to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I - Northwest Division, South 157 Howard St., Spokane 4, Washington. Checks should be payable to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward check direct to the Executive Officer. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the tungsten products sold, the name of the purchaser, and the price and charges certified to be correct by the purchaser.

You are requested to notify Mr. Weissenborn of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for an extended period, please notify Mr. Weissenborn at 6-month intervals that no production has been made when that is the case.

Sincerely yours,

C. O. Mittendorf

Administrator

cc: W. McInn[illegible]
T. Kill[illegible]
Code 40[illegible]
Code 8[illegible]
Code 1[illegible]

cc: Docket
Adm. Read. File
Oper. Committee
FT, Reg. I - Spokane
R. H. Fischer, USBM

Enclosure

cc: Messrs. Meine & Guidici
Mr. G. M. Fleming

TLChapman/ls
2/5/55

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

100

MAY 18 1956

Mr. Lawrence A. Fredell, Acting Director
Materials Division
Emergency Procurement Service
General Services Administration
Washington 25, D. C.

Re: Contract No. DMSA 2440 - Tungsten
Minerals Engineering Company
Lost Creek Mine
Beaver Head County, Montana
Contract No. Idm-300

Dear Mr. Fredell:

Enclosed is a copy of a certification of discovery or development for the above noted project.

Contract No. Idm-300 was executed April 17, 1952. Expenditures up to $121,290.00 were authorized by the contract and Amendment No. 2, of which the Government's share at 75 percent was $90,960.00. The cost of the work completed was $66,950.00, of which the Government's share at 75 percent was $50,712.50 (subject to audit).

The object of the exploration program was to test the possible tungsten ore occurrences in tactite along a contact metamorphic zone. The program employed drifting, crosscutting, and diamond drilling, following prospecting by the Operator to explore the above noted zone.

The contract originally allowed $8,030.00 for road work, 2,200 feet of drifting, and 750 feet of crosscutting. Amendment No. 2 granted 2,000 feet of diamond drilling. The contract was completed within the alloted expenditure for road work, 1,082 feet of drifting, 421 feet of crosscutting, and 1,263 feet of diamond drilling.

The project was justified on the belief that the tactite zone might contain up to 750,000 tons of ore averaging 0.35 percent WO_3. Exploration results did not measure up to these expectations, and only marginal ore was found by the project. Ore produced during the project, some 3,976 tons mined from the last trench cleaning, averaged 0.16 percent WO_3. It is estimated that an ore shoot in "B" drift contains 2,000 to 3,000 tons of ore averaging 0.30 percent WO_3 in place, or approximately 0.24 as a mining grade. By February 29, 1956, the Operator had mined and milled a total of 19,878 tons of ore probably averaging about 0.19 percent WO_3, from which 2,851 units of WO_3 were produced.

Sincerely yours,

G. O. Mittendorf

Enclosure

Administrator

SPMULTIfax 5-15-56 cc to: Adm. Asst. File cc to: T. H. Killgoar, DSGS
cc to: Docket Code 100 Code 110 Operating Comm. Ft. Rep. I - MO
Messrs. Cochran, USBM Holliday USBM

400

MAY 18 1956

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

Re: Docket No. DMEA 2440 - Tungsten
Minerals Engineering Company
Lost Creek Mine
Beaverhead County, Montana
Contract No. Idm-E300

Dear Mr. Weissenborn:

Enclosed are copies of a certification of discovery or development on the above-noted property and of related correspondence.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

APPROVED:

Thor H. Kiilsgaard
Member, Bureau of Mines

/s/ Robert W. Geehan
Member, Geological Survey

cc: Docket
Code 400-Mr. Martin
Code 800-Mr. Chambers
Code 110-Mr. Johnson
Adm. Read. File
Oper. Committee
T. Kiilsgaard, USGS
~~J. H. Hedges, USBM~~
R. W. GEEHAN, USBM
FT, Reg. 2 - Spokane

TLChapman/ls
1/21/55

MAY 1 8 1956

Mr. George M. Fleming
Dillon, Montana

Re: Docket No. DMEA 2440-Tungsten
Minerals Engineering Company
Lost Creek Mine
Beaverhead County, Montana
Contract No. Idm-2300

Dear Mr. Fleming:

Transmitted herewith for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract.

The property as set forth in the contract is the same property referred to in an "Option to Purchase" held by Blair Burwell and executed by George M. Fleming on December 15, 1951, at which time Blair Burwell was already in possession of said property under a certain "Mining Lease and Agreement," dated August 30, 1951, executed by Carl Guidici, Henry Meine, and R. M. Fleming. By a "Mining Deed" dated February 28, 1952, R. M. Fleming granted, sold, and conveyed his interest in the aforesaid "Mining Lease and Agreement" of August 30, 1951, to Blair Burwell. By a "Mining Deed" executed March 11, 1952, Blair Burwell conveyed his interest in said property as described in the foregoing instruments to the Minerals Engineering Company.

Also enclosed is a copy of our letter of today to the Minerals Engineering Company.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures

cc: Docket
Code 400
Adm. Read. File
FT, Reg. I-Spokane, Wash.
Code 110-Mr. Johnson
Code 800-Mr. Chambers
Oper. Committee

cc: W. McInnis, USBM
~~J. H. Hedges, USBM~~ R. H. Beehan
T. Kiilsgaard, USGS

TLChapman/ls
2/4/55

MAY 18 1956

Messrs. Henry Meine
and Carl Guidici
Dillon, Montana

Gentlemen:

Transmitted herewith for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract.

The property as set forth in the contract is the same property referred to in an "Option to Purchase" held by Blair Burwell and executed by George M. Fleming on December 15, 1951, at which time Blair Burwell was already in possession of said property under a certain "Mining Lease and Agreement," dated August 30, 1951, executed by Carl Guidici, Henry Meine, and R. M. Fleming. By a "Mining Deed" dated February 28, 1952, R. M. Fleming granted, sold, and conveyed his interest in the aforesaid "Mining Lease and Agreement" of August 30, 1951, to Blair Burwell. By a "Mining Deed" executed March 11, 1952, Blair Burwell conveyed his interest in said property as described in the foregoing instruments to the Minerals Engineering Company.

Also enclosed is a copy of our letter of today to the Minerals Engineering Company.

Sincerely yours,

G. S. Mittenscorf

Administrator

Enclosures

cc: Docket
Code 400
Adm. Read. File
FT, Reg. I - Spokane
Code 110-Mr. Johnson
Code 800-Mr. Chambers
Operating Committee

cc: W. McInnis, USBM
~~J. H. Hedges, USBM~~ R. N. Beckman
T. Kiilsgaard, USGS

TLChapman/ls
2/4/55

Hon. Mike Mansfield
United States Senate
Washington 25, D. C.

MAY 1 8 1956

My dear Senator Mansfield:

Because of the interest which you have previously shown in the status of our Docket No. DMEA 2440-Tungsten, Contract No. Idm-E300, with Minerals Engineering Company, on the Lost Creek Mine, Sugar Loaf claims 1 to 29 inclusive, Beaverhead County, Montana, we are pleased to inform you that we have issued a certificate of discovery or development on that property to the above-named company. Accordingly, Minerals Engineering Company will be responsible for payment of royalties to the Government on all ores shipped from the property until the indebtedness to the Government is liquidated or until April 17, 1962, whichever occurs first.

We are returning the letter of May 25, 1954, to you from your constituents, Messrs. Henry Meinke and Carl Guidici.

Enclosed is a copy of our letter advising Messrs. Meinke and Guidici of the issuance of the certificate of discovery or development indicating the results obtained by the exploration program completed by Minerals Engineering Company.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures

cc: Docket
Adm. Read. File
Oper. Committee
FT, Reg. I-Spokane, Wash.
Code 400-Mr. Martin
Code 110-Mr. Johnson
Code 800-Mr. Chambers
W. McInnis, USBM
~~J. H. Hedges, USBM~~ R. L. Beehan
T. Kiilsgaard, USGS

TLChapman/WSMartin/ls
2/3/55

MAR 8 1955

Hon. James E. Murray
United States Senate
Washington 25, D. C.

My dear Senator Murray:

Because of the interest which you have previously shown in the status of our Docket No. DMEA 2440-Tungsten, Contract No. Idm-E300, with Minerals Engineering Company, on the Lost Creek Mine, Sugar Loaf claims 1 to 29 inclusive, Beaverhead County, Montana, we are pleased to inform you that we have issued a certificate of discovery or development on that property to the above-named company. Accordingly, Minerals Engineering Company will be responsible for payment of royalties to the Government on all ores shipped from the property until the indebtedness to the Government is liquidated or until April 17, 1962, whichever occurs first.

Enclosed is a copy of our letter advising Messrs. Henry Meinke and Carl Guidici of the issuance of the certificate of discovery or development indicating the results obtained by the exploration program completed by Minerals Engineering Company.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures

cc: Docket
Adm. Read. File
Operating Committee
FT, Reg. I - Spokane, Wash.
Code 400-Mr. Martin
Code 110-Mr. Johnson
Code 800-Mr. Chambers
W. McInnis, USBM
~~J. H. Hedges, USBM~~ R. H. Deehan
T. Kiilsgaard, USGS

TLChapman/WSMartin/ls
2/4/55

MAY 1 8 1956

Hon. Lee Metcalf
House of Representatives
Washington 25, D. C.

My dear Mr. Metcalf:

Because of the interest which you have previously shown in the status of our Docket No. DMEA 2440 - Tungsten, Contract No. Idm-E300, with Minerals Engineering Company, on the Lost Creek Mine, Sugar Leaf claims 1 to 29 inclusive, Beaverhead County, Montana, we are pleased to inform you that we have issued a certificate of discovery or development on that property to the above-named company. Accordingly, Minerals Engineering Company will be responsible for payment of royalties to the Government on all ores shipped from the property until the indebtedness to the Government is liquidated or until April 17, 1962, whichever occurs first.

We are returning the letter of May 25, 1954, to you from your constituents, Messrs. Henry Meinze and Carl Guidici.

Enclosed is a copy of our letter advising Messrs. Meinze and Guidici of the issuance of the certificate of discovery or development indicating the results obtained by the exploration program completed by Minerals Engineering Company.

Sincerely yours,

E. W. Mitchell

Administrator

Enclosures

cc: Docket
Adm. Read. File
Oper. Comm.
FT, Reg. I-Spokane, Wash
Code 400-Mr. Martin
Code 110-Mr. Johnson
Code 800-Mr. Chambers
W. Malmin, WHM
~~J. H. Hodges, WHM~~ R. H. Beehan
T. Killegaard, WHM

TLCHAPMAN/WMartin/ls
2/3/55

Government's copy

RECEIVED DEC 17 1956 D.M.E.A.

TERMINATION AGREEMENT

It is agreed this 20th day of November, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Minerals Engineering Company, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E300 (Docket No. DMEA-2440), dated April 17, 1952, as amended, hereinafter called the "Contract," that:

1. Effective May 18, 1954, the Contract and all obligations of the parties are terminated, except as otherwise provided herein.

2. The Government shall contribute only to the agreed unit costs of work performed prior to said effective date.

3. In Article 7 of the Contract, that part of the second sentence beginning with the word "Provided," is deleted.

4. Paragraph c. of Annex I to Amendment No. 3 is revised to read as follows:

"As here used, 'net smelter returns,' 'net concentrator returns,' and 'other amounts realized from the sale or other disposition,' mean gross revenue from sales without any deductions whatsoever, except that at a sale price of $63.00 per unit of contained WO_3 before computing the amount of royalty due the Government on sales of production the sum of $19.47 first shall be deducted from the gross sale price of each unit of contained WO_3. The deduction shall increase or decrease as the sale price per unit of contained WO_3 changes from $63.00, based upon the following formula:

$$\left(\frac{\text{Sale price}}{\$63.00} \times \$19.47\right)$$

(for example, if the gross sale price per unit of contained WO_3 is $55.00, as at present, the Government's royalty after deducting $\frac{\$55.00}{\$63.00}$ of $19.47, which is $17.00, shall be 5 percent of $38.00). If the production is not sold, the quoted phrases in the first sentence of this paragraph c. mean the market value of the production after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination."

5. All rights of the Government provided for in the Contract with respect to a certification of discovery or development and a percentage royalty and liens for its payment, as revised in paragraph 4 of this termination agreement, records, audits, and recovery of any overpayment, are preserved.

6. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

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

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

MINERALS ENGINEERING COMPANY

By _____

Title Treas

C
O
P
Y

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

April 30, 1956

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

Re: Docket No. DMEA 2440 - Tungsten
Minerals Engineering Company
Lost Creek Mine
Beaverhead County, Montana
Contract No. Idm-E300

Dear Mr. Weissenborn:

Reference is made to our conversations during your last visit here and to your letter of March 22, 1956, to Mr. Blair Burwell, President, Minerals Engineering Company, requesting his consideration of the proposal made in your letter of September 9, 1955, that royalty settlement be made on the basis of $43.53 per ton for concentrates produced at the Glen Montana mill.

The Defense Minerals Exploration Administration, because of the particular circumstances discussed in Mr. George C. Selfridge's letter to you of August 17, 1955, on the same subject, approves royalty settlement on the above basis for concentrates produced from the Lost Creek mine and authorizes you pending formalization of the agreed to amendment of the contract to accept settlement for past and future concentrates at the aforesaid rate of $43.53 per ton.

Sincerely yours,

/s/ C. O. Mittendorf

Administrator

TLChapman/foc 4-27-56
cc to: Docket
Code 400
Admr. Read. File
Operating Comm.
FT REG. I - NWD
R. W. Holliday, USBM
T. H. Kiilsgaard, USGS

Government's Copy

Department of the Interior
Defense Minerals Administration
RECEIVED
MAR 18 1954

EXPLORATION PROJECT CONTRACT
MINERALS ENGINEERING COMPANY
DOCKET NO. DMEA-2440

AMENDMENT NO. 3

It is agreed this 17th day of February, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Minerals Engineering Company, hereinafter called the "Operator," that Exploration Project Contract Idm-E300, Docket No. DMEA-2440, dated April 17, 1952, as amended, hereinafter called the "Contract," is further amended, effective September 1, 1953, as follows:

1. a. Work under the Contract shall be suspended during the period beginning September 1, 1953, and ending not later than May 17, 1954.

b. No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

c. The Operator, at his own cost and expense, without contribution by the Government, during the period of suspension shall preserve the project work and any property in which the Government has an interest.

d. The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of work.

2. In Article 3 of the Contract form, the period "18 months" is deleted, and the period "28 months" is substituted.

3. The provisions of Annex I, attached hereto and made a part hereof, are substituted for the provisions of Article 6 of the Contract form.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O Mitteudorf
Administrator, Defense
Minerals Exploration
Administration

MINERALS ENGINEERING COMPANY

By R B Sullivan
Vice Pres.

EXPLORATION PROJECT CONTRACT
MINERALS ENGINEERING COMPANY
DOCKET NO. DMEA-2440

Defense Minerals Administration
RECEIVED
MAR 18 1954

ANNEX I

The following provisions are in lieu of Article 6:

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten* years (or other period fixed by this contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other amounts realized from the sale or other disposition of any such production (including any bonuses, premiums, allowances, or other benefits), in whatever form disposed of, including ore, concentrates, or metal, as follows:

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

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

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

See Terminal agreement

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

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

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

*** The period "eleven years" is substituted for the period "ten years."**

Government's Copy

MINERALS ENGINEERING COMPANY
Docket No. DMEA 2440 (Tungsten)
Contract No. Idm-E300

Amendment No. 2

It is agreed this 1st day of October, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and the Minerals Engineering Company, Grand Junction Colorado (Docket No. DMEA 2440 - Tungsten), each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E300 of April 17, 1952, between the parties hereto be modified and amended as set forth below. The effective date of this amendment shall be October 1, 1952.

In Exhibit "A", under "Description of Work", add the following:

6. In order to supplement information obtained by cross-cutting, and more adequately to guide the overall exploration program, a maximum of 2,000 feet of underground diamond drilling shall be performed. The total footage to be drilled shall be distributed over approximately 40 diamond drill holes located in "B" and "H" levels. All drill holes shall be cored. Holes shall be carried in the AX diameter, unless drilling conditions necessitate a reduction to the EX diameter, and all diamond drill holes, as well as the handling and disposal of all diamond drill hole cores, must meet with the approval of the Government engineers.

In Exhibit "A", under "Estimated costs of the Project", add the following:

2,000 feet of diamond drill holes @ $5/ft. - $10,000.00

Change the "Total estimated cost" to $121,280.00.

Change the "Government participation, 75% of total estimate" to $90,960.00.

In Article 4 of the contract, change the figure $83,460.00 to $90,960.00 and the figure $111,280.00 to $121,280.00.

Executed in sextuplicate the day and year first above written.

MINERALS ENGINEERING COMPANY
(Operator)

By Blair Burwell
President

THE UNITED STATES OF AMERICA

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

AMENDMENT NO. 1

It is agreed this 25th day of Sept. 195 2, between the the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Minerals Engineering Company, Grand Junction, Colo. (Docket No. DMEA 2440 - tungsten)

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E300 of Apr. 17 195 2 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be September 1 195 2.

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

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

Executed in sextuplicate the day and year first above written.

MINERALS ENGINEERING COMPANY
(Operator)

By [signature]
President

The United States of America

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

OCT 20 1952

MINERALS ENGINEERING COMPANY
Docket No. DMEA 2440 (tungsten)

Contract Idm-E300

Amendment No. 1

Exhibit "F"

In Exhibit "A" of Contract Idm-E300, under "Description of Work" add the following:

> Crosscutting as described in Items 3 and 5 with regards to "H" and "B" * levels, shall not be limited to westward exploration of the footwall, but may also include easterly crosscutting to explore additional tactite zones.

The purpose of permitting crosscutting to the east is to facilitate exploration. New geologic evidence indicates that the distribution of tungsten-bearing tactite is more complex than had been thought when the original contract was written.

The total amount of crosscutting originally authorized in the contract will not be increased by this proposal, nor will the total fund as specified in the contract be increased.

The cross-sectional dimensions and cost per foot of all crosscuts will remain the same as originally specified in the contract.

It is understood that the locations, directions, and lengths of all crosscuts must meet with the approval of the Government engineers.

*With approval of the Field Team, the lower level was actually portaled from "B" cut rather than "C-1" cut in order to more effectively prospect the mineralized zone.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 20 1952

MINERALS ENGINEERING COMPANY
Docket No. DMEA 2440 (tungsten)
Contract Idm-E300

JUSTIFICATION FOR AMENDMENT NO. 1

Underground exploration done to date has demonstrated that geologic conditions underground are more complex than had been anticipated. This amendment permits crosscutting into the hanging wall as well as into the footwall, particularly to check on the presence of other tungsten tactite beds in the hanging wall of the zone.

Contract No. Idm-E 300

Docket No. 2410

Terminated contract

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
April 17, 1952	X IV	Montana	Tungsten

Name and Address of Operator: Minerals Engineering Company
P. O. Box 957
Grand Junction, Colorado

	Reserve	Obligation
Prior Amount	0	$90,000.00
Increase	0	0
Decrease	0	~~$40,787.48~~
Revised Amount	0	$50,212.52

Remarks:

ALBEN S. DAKAN
(Name)

Alben S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 1/31/57

98963

Docket No. DMEA 2[illegible]

Commodity Tungsten

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 309

Date of Contract or Amendment: October 1, 1952

Name and Address of Operator:
Lincoln Engineering Company
P. O. Box 957
Grand Junction, Colorado

Amount of Government participation $ 90,000.00

Percent of Government participation 75 %

Region: 33 State: Montana

Note: This document establishes the obligation shown above and cancels the previous obligation of $83,460.00

J. L. [illegible] (Name)
Chief, Contract Administration & Audit Division

(Title)

Oct. 30, 1952

Date Delivered to Bureau of Mines, Washington.

13908

Docket No. 2440

Commodity Tungsten

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 300

Date of Contract ~~(or Amendment)~~ April 17, 1952

Name and Address of Operator:

Minerals Engineering Company
P. O. Box 957
Grand Junction, Colorado

Amount of Government participation $ 83,450.00

Percent of Government participation 75 %

Region: II State: Montana

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

(Title)

Date Delivered to Bureau of Mines, Washington. 4/17/52

13908

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2440

COMMODITY Tungsten

Idm-E-300

RECEIVED APR 21 1952 D.E.S. SPOKANE, WASH.

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

Government's Copy

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 17th day of April, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Minerals Engineering Company, a corporation organized and existing under the laws of the State of Colorado, P. O. Box 957, Grand Junction, Colorado.

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 Beaverhead, described as follows:[3] The Lost Creek Mine, comprised of the unpatented Sugar Loaf Quartz Lode Mining Claims Nos. 1 to 29 inclusive, situated in the unorganized Utopia Mining District approximately 6.0 miles northwest of Navy, Montana. The claims are recorded in Book 126 in the office of the clerk and recorder of said county and state (See attached claim map).

the Operator represents and undertakes:[4] of an undivided interest,

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: None

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

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

ARTICLE 3. *Exploration project.*—The Operator, within Ninety (90) days from the date of this contract shall commence work on a project of exploration for[5] tungsten

in or upon the described land; and shall bring the project to completion within a period of 18 months 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 75 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 $83,460.00, which is 75 percent of $111,280.00, 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

Minerals Engineering Company
(Operator)

By Blair Burwell
President.

By C O Mitteauer
Acting Administrator
Defense Minerals Exploration
Administration

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

A. F. Boyd [CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
MINERALS ENGINEERING COMPANY
LOST CREEK MINE
DOCKET NO. DMEA-2440

Exhibit "A"

Description of the Work

Time Schedule: 0 - 12 months

1. Widen, rebuild and extend to the extent necessary to accomplish the proposed exploration work, approximately four miles of the present bulldozer truck trail, located on the north side of the canyon, to the portal sites of the two adits that are to be driven as noted below.

2. Starting in the vicinity of the H Cut, drive a 1000-foot adit, approximately 8' x 9' in the clear, southward to explore the H-I ore zone along its strike (see attached map). The adit is to be driven at or near the east or hanging wall side of the ore zone and is not to extend beyond the south property line.

3. In the above adit, drive six crosscuts, approximately 8' x 9' in the clear, aggregating not more than 350 feet, westward approximately 35 feet each, to explore the ore zone to its footwall at intervals of approximately 150 feet, and extend two of the crosscuts a maximum of 70 feet farther to explore the low-grade garnet zone that lies between the ore zone and the granite.

4. Starting in the vicinity of the C-1 Cut, drive a 1,200-foot adit, approximately 8' x 9' in the clear, southward to explore the C-D-E ore zone along its strike (see attached map). The adit is to be driven at or near the east or hanging wall side of the ore zone.

5. In the above adit, drive eight crosscuts, approximately 8' x 9' in the clear, aggregating not more than 400 feet, westward approximately 30 feet each to explore the ore zone to its footwall at intervals of approximately 150 feet and extend two of the crosscuts a maximum of 80 feet farther to explore the low-grade garnet zone that lies between the ore zone and the granite.

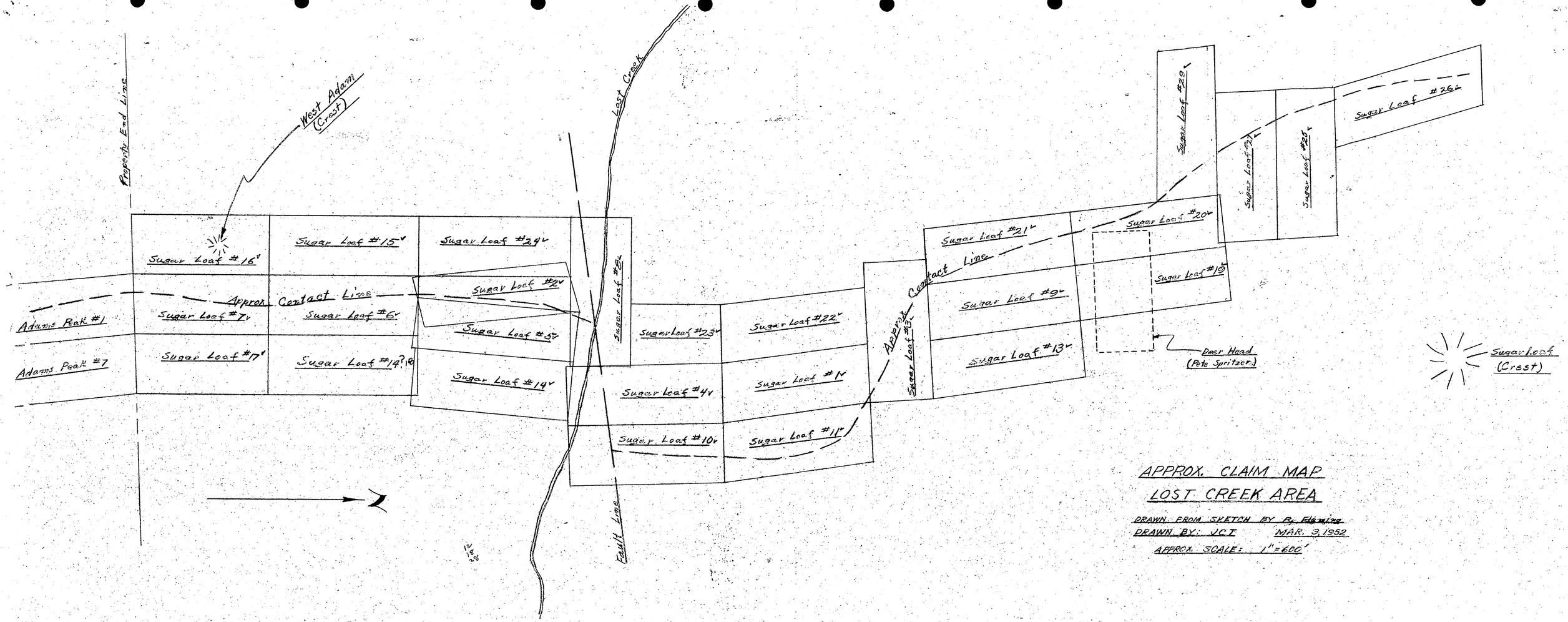
Estimated Costs of the Project

1/ Road work as described in Item 1 of the Description of the Work	$ 8,030.00	
2,950 feet of adit and crosscut, as described in Items 2, 3, 4, and 5 of the Description of the Work, at $35.00 per foot	103,250.00	
Total estimated cost		$111,280.00°
Government participation, 75% of total estimate		$ 83,460.00°

The items marked thus (°) are allowable maximums.

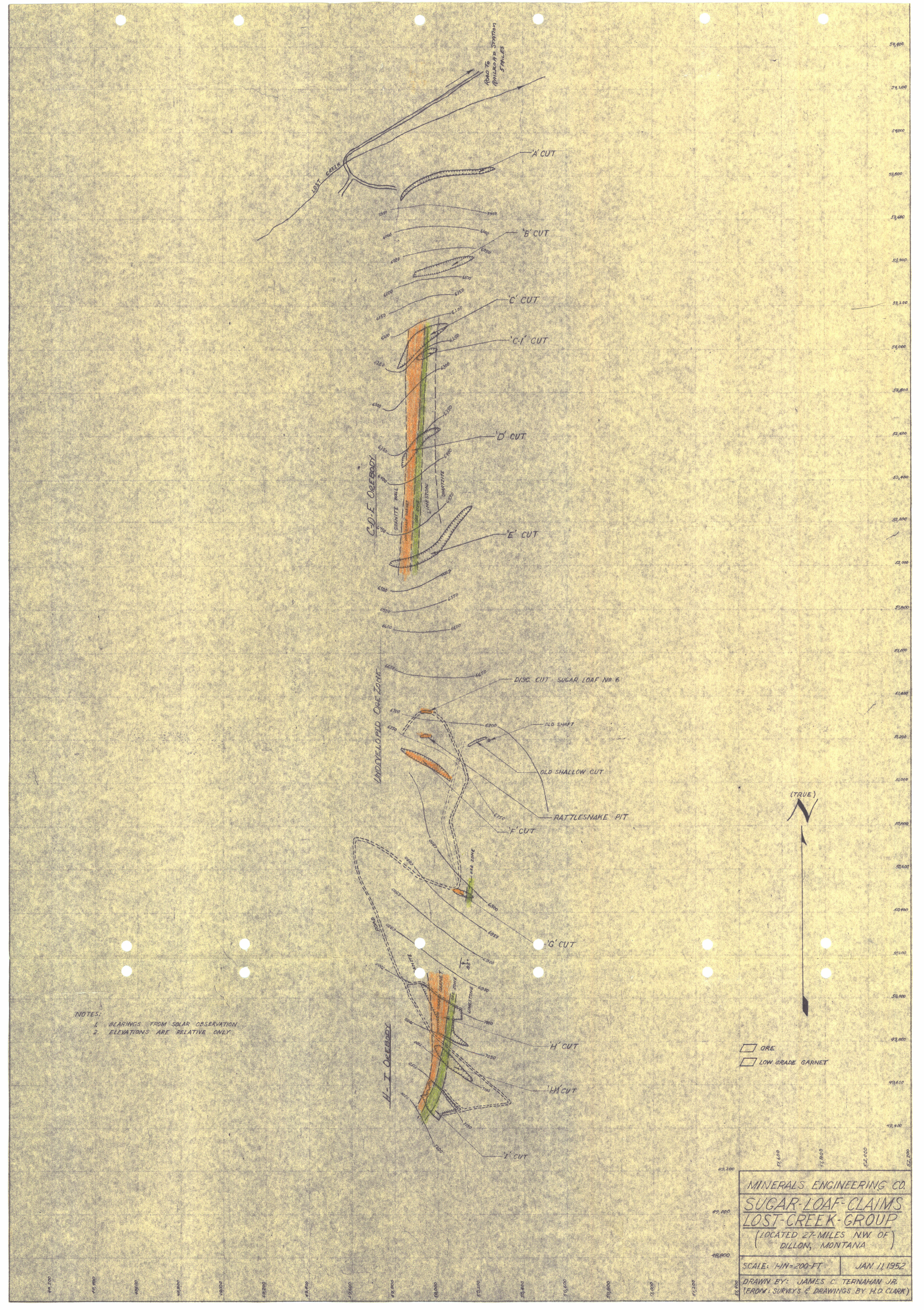
Minerals Engineering Company will carry the costs of engineering, sampling, accounting, and the erection of all necessary buildings in conjunction with its surface stripping, development, and mining program.

1/ The road work is considered to be a unit of work at the agreed price of $8,030.00, but with the approval of the Government Field Team, the Operator may present vouchers for the Government's contribution for road work in two stages of approximately 50 per cent of the completed work for each stage.



APPROX. CLAIM MAP
LOST CREEK AREA

DRAWN FROM SKETCH BY ~~R. Fleming~~
DRAWN BY: JCT MAR. 3, 1952
APPROX. SCALE: 1" = 600'


ROAD TO RAILROAD STATION 5 MILES
LOST CREEK
'A' CUT
'B' CUT
'C' CUT
'C-1' CUT
'D' CUT
'E' CUT
C-D-E OREBODY
GRANITE WALL
LIMESTONE
QUARTZITE
DISC. CUT - SUGAR LOAF Nº 6
OLD SHAFT
OLD SHALLOW CUT
RATTLESNAKE PIT
'F' CUT
UNDEVELOPED ORE ZONE
'G' CUT
'H' CUT
'H1' CUT
'I' CUT
H-I OREBODY
(TRUE)
ORE
LOW GRADE GARNET
NOTES:
1. BEARINGS FROM SOLAR OBSERVATION
2. ELEVATIONS ARE RELATIVE ONLY
MINERALS ENGINEERING CO.
SUGAR-LOAF-CLAIMS
LOST-CREEK-GROUP
(LOCATED 27-MILES N.W. OF DILLON, MONTANA)
SCALE: 1-IN=200-FT
JAN. 11, 1952
DRAWN BY: JAMES C. TERNAHAN JR.
(FROM: SURVEYS & DRAWINGS BY H.D. CLARK)