DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMEA ~~DMA~~ Docket No. 2640

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

EXPLORATION PROJECT

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip- Copies to USBM and USGS. One copy retained by Region II

To:	Code 500, Rm. 2616	Date	8-4-52
To:	Op. Com.	Date	9-25-52
To:	Opw Com.	Date	11-26-52
To:	Opw Com	Date	3-16-53
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	

DO NOT DETACH

CONTROLLED DOCUMENT

FILE COPY
SURNAME:

500

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

Mr. Earl Chilcott
H. & S. Leasing Company
112 S. Division
Kellogg, Idaho

MAR 17 1953

J.C. 3/17/53

Re: Docket No. DMEA-2640 (Lead-Zinc)
H. & S. Leasing Company
Beaverhead County, Montana

Dear Mr. Chilcott:

The Government has made a careful study of the data submitted with your application, together with all the geological and field reports available. We regret to inform you that we are unable to reach a conclusion that the program of exploration work you propose might be successful. Under such circumstances, it is necessary to advise you that your application for exploration project assistance is denied.

We wish to express our appreciation of the opportunity you have given us to consider your defense exploration project.

Sincerely yours,

Administrator

WRGriswold/bjl (written 3/13/53)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Griswold
Mr. Bishop
Mr. Kinkel
Region II (2)
Chron.

FILE COPY
SURNAME:

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

Memorandum

MAR 17 1953

To: Administrator

From: Chief, Base Metals Division

Subject: Denial of Application Docket No. DMEA-2640 (Lead-Zinc), H. & H. Leasing Company, Beaverhead County, Montana

Under date of August 4, 1952, an application was received for Government participation in an exploration project on the subject mine. Total cost of the project was estimated at $20,047.50, the Government's requested participation to be 50 percent. The proposed work outlined consisted of general rehabilitation and preparatory work, some surface building and equipment, and some underground work of drifting and crosscutting, with possibly some raising.

This application has been long delayed due to the time interval in receiving certain essential maps and the results of check sampling conducted by the Bureau of Mines.

The mine has been developed in a reasonably extensive manner, the open underground workings consisting of an upper tunnel 520 feet in length, an inclined shaft of 230 feet, winzes totalling 70 feet, a stope 50 feet high and a lower tunnel (160 feet below the upper tunnel) which has 1,316 feet of workings. Total underground development footage is 2,186 feet, plus a certain amount of random surface workings.

The above work delineated a few small and erratic "pods" of ore in the form of dolomitic replacement. It is reported that total ore production from these few small pods has been 755 tons of a 28 percent lead grade. No ore of any sort was revealed in the 1,316 feet of work done on the lower tunnel.

The Applicant had reported that certain sparsely mineralized zones in this lower tunnel showed an average lead value of 5.5 percent and that consequently a substantial tonnage of medium grade ore might be inferred. However, recent careful sampling of these ore zones by the Bureau of Mines show them to be of little value, the assays averaging about 1.1 percent lead and 0.3 percent zinc.

The project is thus resolved as to whether or not to continue to search for more of the erratic little pods from which past production has been made. Bearing in mind that 1,316 feet of development work already done on the lower level has given negative results, and that even if other pods were found we would have little reason to believe that they would be other than inconsequential in size, we cannot justify the expenditure of Government funds on this project.

The commodity men concur in this opinion. Their opinion may be summarized by saying that since the supposed lower level ores have been shown to be non-existent, the possible existence of a few more of the small erratic pods presents no worthwhile target.

The Field Team has felt otherwise, stating "we feel . . . the remaining exploration which is planned on geologic grounds and which is in search of high-grade ore lenses, is worth doing." We cannot concur with the Field in this instance. The excellent geologic plan and sections which have been submitted by the Field appear to offer little expectancy for additional ore masses of other than diminutive magnitude.

W. R. Griswold

W. R. Griswold

J. C. 3/17/53

WRGriswold/bjl (written 3/13/53)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Griswold
Mr. Bishop
Mr. Kinkel
Region II (2)
Chron.

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

Memorandum

MAR 17 1953

To: Administrator

From: Chief, Base Metals Division

Subject: Denial of Application Docket No. DMEA-2640 (Lead-Zinc), H. & S. Leasing Company, Beaverhead County, Montana

Under date of August 4, 1952, an application was received for Government participation in an exploration project on the subject mine. Total cost of the project was estimated at $20,047.50, the Government's requested participation to be 50 percent. The proposed work outlined consisted of general rehabilitation and preparatory work, some surface building and equipment, and some underground work of drifting and crosscutting, with possibly some raising.

This application has been long delayed due to the time interval in receiving certain essential maps and the results of check sampling conducted by the Bureau of Mines.

The mine has been developed in a reasonably extensive manner, the open underground workings consisting of an upper tunnel 520 feet in length, an inclined shaft of 230 feet, winzes totalling 70 feet, a stope 50 feet high and a lower tunnel (160 feet below the upper tunnel) which has 1,316 feet of workings. Total underground development footage is 2,186 feet, plus a certain amount of random surface workings.

The above work delineated a few small and erratic "pods" of ore in the form of dolomitic replacement. It is reported that total ore production from these few small pods has been 755 tons of a 28 percent lead grade. No ore of any sort was revealed in the 1,316 feet of work done on the lower tunnel.

The Applicant had reported that certain sparsely mineralized zones in this lower tunnel showed an average lead value of 5.5 percent and that consequently a substantial tonnage of medium grade ore might be inferred. However, recent careful sampling of these ore zones by the Bureau of Mines show them to be of little value, the assays averaging about 1.1 percent lead and 0.3 percent zinc.

The project is thus resolved as to whether or not to continue to search for more of the erratic little pods from which past production has been made. Bearing in mind that 1,316 feet of development work already done on the lower level has given negative results, and that even if other pods were found we would have little reason to believe that they would be other than inconsequential in size, we cannot justify the expenditure of Government funds on this project.

The commodity men concur in this opinion. Their opinion may be summarized by saying that since the supposed lower level ores have been shown to be non-existent, the possible existence of a few more of the small erratic pods presents no worthwhile target.

The Field Team has felt otherwise, stating "we feel . . . the remaining exploration which is planned on geologic grounds and which is in search of high-grade ore lenses, is worth doing." We cannot concur with the Field in this instance. The excellent geologic plan and sections which have been submitted by the Field appear to offer little expectancy for additional ore masses of other than diminutive magnitude.

W. R. Griswold

W. R. Griswold

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

Memorandum

To: Administrator

MAR 17 1953

From: Chief, Base Metals Division

Subject: Denial of Application Docket No. DMEA-2640 (Lead-Zinc), H. & S. Leasing Company, Beaverhead County, Montana

Under date of August 4, 1952, an application was received for Government participation in an exploration project on the subject mine. Total cost of the project was estimated at $20,047.50, the Government's requested participation to be 50 percent. The proposed work outlined consisted of general rehabilitation and preparatory work, some surface building and equipment, and some underground work of drifting and crosscutting, with possibly some raising.

This application has been long delayed due to the time interval in receiving certain essential maps and the results of check sampling conducted by the Bureau of Mines.

The mine has been developed in a reasonably extensive manner, the open underground workings consisting of an upper tunnel 520 feet in length, an inclined shaft of 230 feet, winzes totalling 70 feet, a stope 50 feet high and a lower tunnel (160 feet below the upper tunnel) which has 1,316 feet of workings. Total underground development footage is 2,186 feet, plus a certain amount of random surface workings.

The above work delineated a few small and erratic "pods" of ore in the form of dolomitic replacement. It is reported that total ore production from these few small pods has been 755 tons of a 28 percent lead grade. No ore of any sort was revealed in the 1,316 feet of work done on the lower tunnel.

The Applicant had reported that certain sparsely mineralized zones in this lower tunnel showed an average lead value of 5.5 percent and that consequently a substantial tonnage of medium grade ore might be inferred. However, recent careful sampling of these ore zones by the Bureau of Mines show them to be of little value, the assays averaging about 1.1 percent lead and 0.3 percent zinc.

The project is thus resolved as to whether or not to continue to search for more of the erratic little pods from which past production has been made. Bearing in mind that 1,316 feet of development work already done on the lower level has given negative results, and that even if other pods were found we would have little reason to believe that they would be other than inconsequential in size, we cannot justify the expenditure of Government funds on this project.

The commodity men concur in this opinion. Their opinion may be summarized by saying that since the supposed lower level ores have been shown to be non-existent, the possible existence of a few more of the small erratic pods presents no worthwhile target.

The Field Team has felt otherwise, stating "we feel . . . the remaining exploration which is planned on geologic grounds and which is in search of high-grade ore lenses, is worth doing." We cannot concur with the Field in this instance. The excellent geologic plan and sections which have been submitted by the Field appear to offer little expectancy for additional ore masses of other than diminutive magnitude.

W. R. Griswold

W. R. Griswold

IN REPLY REFER TO:

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

March 9, 1953

Re: DMEA-2640
H. and S. Leasing Company
Chinatown District
Beaverhead County, Mont.
$19,549
Lead-silver

Memorandum

To: Mr. W. R. Griswold

From: E. L. Newcomb, USGS
O. M. Bishop, USBM

Subject: Recommendation for denial

The applicant proposes to enlarge 200 feet of the lower adit level near the portal and to drift and crosscut 250 feet from two headings on this level.

The old workings consist of over 2200 feet of drifts and winzes, but only about 750 tons of ore have been mined from this extensive development work. According to the applicant, the average grade of past production has been about 28 per cent lead, 10 ounces of silver and 0.03 ounces of gold per ton. Examination of the workings by the field team indicated that this tonnage estimate was correct and the grade was a result of selective mining of small "high grade" pods in dolomitized alteration lenses. All of the pods occur in schist or gneiss near contact with a massive latite dike.

Three mineralized zones were sampled by the Bureau of Mines examiner. The assay results are very significant, as they were taken in the areas proposed for exploration. Three of the samples were taken in two crosscuts on the lower level (See Plate 5) and ranged between 0.8-1.2% lead, 0.3-0.6% zinc and 0.42-0.58 oz. silver over widths of 8 to 9.5 feet. The results do not justify further drifting between these two areas. Also, these two mineralized areas are in the middle of the latite dike whereas past experience has shown that the small ore pods are near schist-latite contacts. The fourth sample, which was taken in the north heading of the lower adit, is somewhat higher in lead and silver but is not of minable grade. Since the mineralization in this lower level heading and most of the ore zone above the upper level (see field team section C-C') were not economic, further crosscutting at this heading is not warranted.

Sufficient work has been done to indicate the nature of typical ore occurrences on the property. The potential targets have been established to be small pods and the limited tonnage which may be realized from the proposed work does not justify the expenditure of Government funds on this property.

The drilling program suggested in the private report by C. M. Dye and referred to in the field team memorandum of February 14, 1953, is not justified exploration nor is it suitable for locating small pods of ore which are randomly distributed.

We recommend that the application be denied on the basis that the proposed work is unlikely to discover any significant amounts of lead-zinc ore for the national defense effort.

E. L. Newcomb
E. L. Newcomb
Geologist

O. M. Bishop
O. M. Bishop
Base Metals Branch

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

March 9, 1953

Re: DMEA-2640
H. and S. Leasing Company
Chinatown District
Beaverhead County, Mont.
$19,549
Lead-silver

Memorandum

To: Mr. W. R. Griswold

From: E. L. Newcomb, USGS
C. M. Bishop, USBM

Subject: Recommendation for denial

The applicant proposes to enlarge 200 feet of the lower adit level near the portal and to drift and crosscut 250 feet from two headings on this level.

The old workings consist of over 2200 feet of drifts and winzes, but only about 750 tons of ore have been mined from this extensive development work. According to the applicant, the average grade of past production has been about 28 per cent lead, 10 ounces of silver and 0.03 ounces of gold per ton. Examination of the workings by the field team indicated that this tonnage estimate was correct and the grade was a result of selective mining of small "high grade" pods in dolomitized alteration lenses. All of the pods occur in schist or gneiss near contact with a massive latite dike.

Three mineralized zones were sampled by the Bureau of Mines examiner. The assay results are very significant, as they were taken in the areas proposed for exploration. Three of the samples were taken in two crosscuts on the lower level (See Plate 5) and ranged between 0.8-1.2% lead, 0.3-0.6% zinc and 0.42-0.58 oz. silver over widths of 8 to 9.5 feet. The results do not justify further drifting between these two areas. Also, these two mineralized areas are in the middle of the latite dike whereas past experience has shown that the small ore pods are near schist-latite contacts. The fourth sample, which was taken in the north heading of the lower adit, is somewhat higher in lead and silver but is not of minable grade. Since the mineralization in this lower level heading and most of the ore zone above the upper level (see field team section C-C') were not economic, further crosscutting at this heading is not warranted.

Sufficient work has been done to indicate the nature of typical ore occurrences on the property. The potential targets have been established to be small pods and the limited tonnage which may be realized from the proposed work does not justify the expenditure of Government funds on this property.

The drilling program suggested in the private report by C. M. Dye and referred to in the field team memorandum of February 14, 1953, is not justified exploration nor is it suitable for locating small pods of ore which are randomly distributed.

We recommend that the application be denied on the basis that the proposed work is unlikely to discover any significant amounts of lead-zinc ore for the national defense effort.

E. L. Newcomb
Geologist

O. M. Bishop
Base Metals Branch

March 9, 1953

Re: DMEA-2640
H. and S. Leasing Company
Chinatown District
Beaverhead County, Mont.
$19,549
Lead-silver

Memorandum

To: Mr. R. R. Griswold

From: E. L. Newcomb, USGS
J. E. Bishop, USBM

Subject: Recommendation for denial

The applicant proposes to enlarge 200 feet of the lower adit level near the portal and to drift and crosscut 250 feet from two headings on this level.

The old workings consist of over 2200 feet of drifts and winzes, but only about 750 tons of ore have been mined from this extensive development work. According to the applicant, the average grade of past production has been about 23 per cent lead, 10 ounces of silver and 0.03 ounces of gold per ton. Examination of the workings by the field team indicated that this tonnage estimate was correct and the grade was a result of selective mining of small "high grade" pods in dolomitized alteration lenses. All of the pods occur in schist or gneiss near contact with a massive latite dike.

Three mineralized zones were sampled by the Bureau of Mines examiner. The assay results are very significant, as they were taken in the areas proposed for exploration. Three of the samples were taken in two crosscuts on the lower level (See Plate 5) and ranged between 0.8-1.2% lead, 0.3-0.6% zinc and 0.42-0.58 oz. silver over widths of 8 to 9.5 feet. The results do not justify further drifting between these two areas. Also, these two mineralized areas are in the middle of the latite dike whereas past experience has shown that the small ore pods are near schist-latite contacts. The fourth sample, which was taken in the north heading of the lower adit, is somewhat higher in lead and silver but is not of minable grade. Since the mineralization in this lower level heading and most of the ore zone above the upper level (see field team section C-C') were not economic, further crosscutting at this heading is not warranted.

Sufficient work has been done to indicate the nature of typical ore occurrences on the property. The potential targets have been established to be small pods and the limited tonnage which may be realized from the proposed work does not justify the expenditure of Government funds on this property.

The drilling program suggested in the private report by C. M. Dye and referred to in the field team memorandum of February 14, 1953, is not justified exploration nor is it suitable for locating small pods of ore which are randomly distributed.

We recommend that the application be denied on the basis that the proposed work is unlikely to discover any significant amounts of lead-zinc ore for the national defense effort.

E. L. Newcomb
Geologist

J. M. Bishop
Base Metals Branch

Total workings

Incline shaft	230'
# 2 winze	40'
# 3 " "	30
Upper tunnel	520
Lower " "	1316
Total	2136'

past production	755
Reserve	200
	955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

Inwood
Keating

February 14, 1953

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

Re: Docket No. DMEA-2640 (Lead-Zinc)
H. & S. Leasing Co.
Beaverhead Co., Montana

Dear Mr. Selfridge:

Enclosed is a memorandum from Mr. Reno in reply to the Operating Committee's letter of November 26. This memorandum has been held on my desk for an especially long time because of the press of other work.

Attached to Mr. Reno's memorandum are four copies of Plate 5 of C. M. Dye's report as requested by the Operating Committee. We do not have Plates 2 and 3. You will note that the results of the Bureau's samplings are somewhat lower than anticipated; however, your attention is called to the fact that these samples were taken on mineralized showings in the adit, and they have no bearing on the main objective of the exploration which is a different breed of cat entirely. However, on the basis of the sampling, perhaps Drill Holes 5 and 6 should be eliminated. We feel, however, that as explained in Myers' memorandum, the remaining exploration, which is planned on geologic grounds and which is in search of high-grade ore lenses, is worth doing.

By Field Team, Region II

Otto K. Kilsgaard
FOR: A. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

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

Enclosures
cc: USBM(2)
Myers

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

1201 North Division St.
Spokane 2, Washington

December 8, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: H. T. Reno, Mining Engineer, Bureau of Mines

Subject: H & S Leasing Co., Beaverhead County, Montana, Docket No. DMEA 2640 (lead-zinc)

The Operating Committee, in a letter dated November 26, 1952, requests results of Bureau of Mines sampling of the H & S Mine and that Plate Nos. 2, 3, and 5 of Mr. C. M. Dye's report be sent to Washington.

Attached are four copies of Plate No. 5 of Dye's report with the location and analyses of Bureau samples added. We have no record of Plates No. 3 and 4 referred to in Mr. Dye's report.

It should be noted that the Bureau samples do not check those taken by Mr. Dye. The variation is believed to be caused by different sampling techniquies as the applicant is not a stock company and has nothing to gain by misrepresentation.

Fifty-pound samples were cut by two Bureau Engineers, E. W. Buel and D. R. Irving, in the presence of Mr. Dye and all agreed that the samples were representative of the ore. The project, therefore, must be re-evaluated.

The applicant may wish to withdraw the application after knowing the results of the Bureau sampling. It is suggested that these results be made available to the applicant after DMEA has reviewed the application.

In my memorandum of September 19, 1952, I estimated indicated reserves of 5400 tons containing 6% lead and inferred reserves of 16,200 tons containing 5% lead. In the light of the sample analyses, it is evident that these estimates are wrong and should be disregarded.

Recommendation of the project resolves to a consideration of the geologic features of the area to be explored by the proposed drift north of the existing lower portal level. Meyer's mapping indicates features favorable to high-grade ore deposits similar to those encountered above, and the 2-inch seam of galena uncovered when preparing the face for sampling adds to the chance of successful exploration in this direction. Recommendation of the project is reaffirmed.

H. T. Reno

H. T. Reno

Orig. & 3 - Wash.
USGS - 2
DMEA
M/D
HTR/vf

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

February 14, 1953

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

Re: Docket No. DMEA-2640 (Lead-Zinc)
H. & S. Leasing Co.
Beaverhead Co., Montana

Dear Mr. Selfridge:

Enclosed is a memorandum from Mr. Reno in reply to the Operating Committee's letter of November 26. This memorandum has been held on my desk for an especially long time because of the press of other work.

Attached to Mr. Reno's memorandum are four copies of Plate 5 of C. M. Dye's report as requested by the Operating Committee. We do not have Plates 2 and 3. You will note that the results of the Bureau's samplings are somewhat lower than anticipated; however, your attention is called to the fact that these samples were taken on mineralized showings in the adit, and they have no bearing on the main objective of the exploration which is a different breed of cat entirely. However, on the basis of the sampling, perhaps Drill Holes 5 and 6 should be eliminated. We feel, however, that as explained in Myers' memorandum, the remaining exploration, which is planned on geologic grounds and which is in search of high-grade ore lenses, is worth doing.

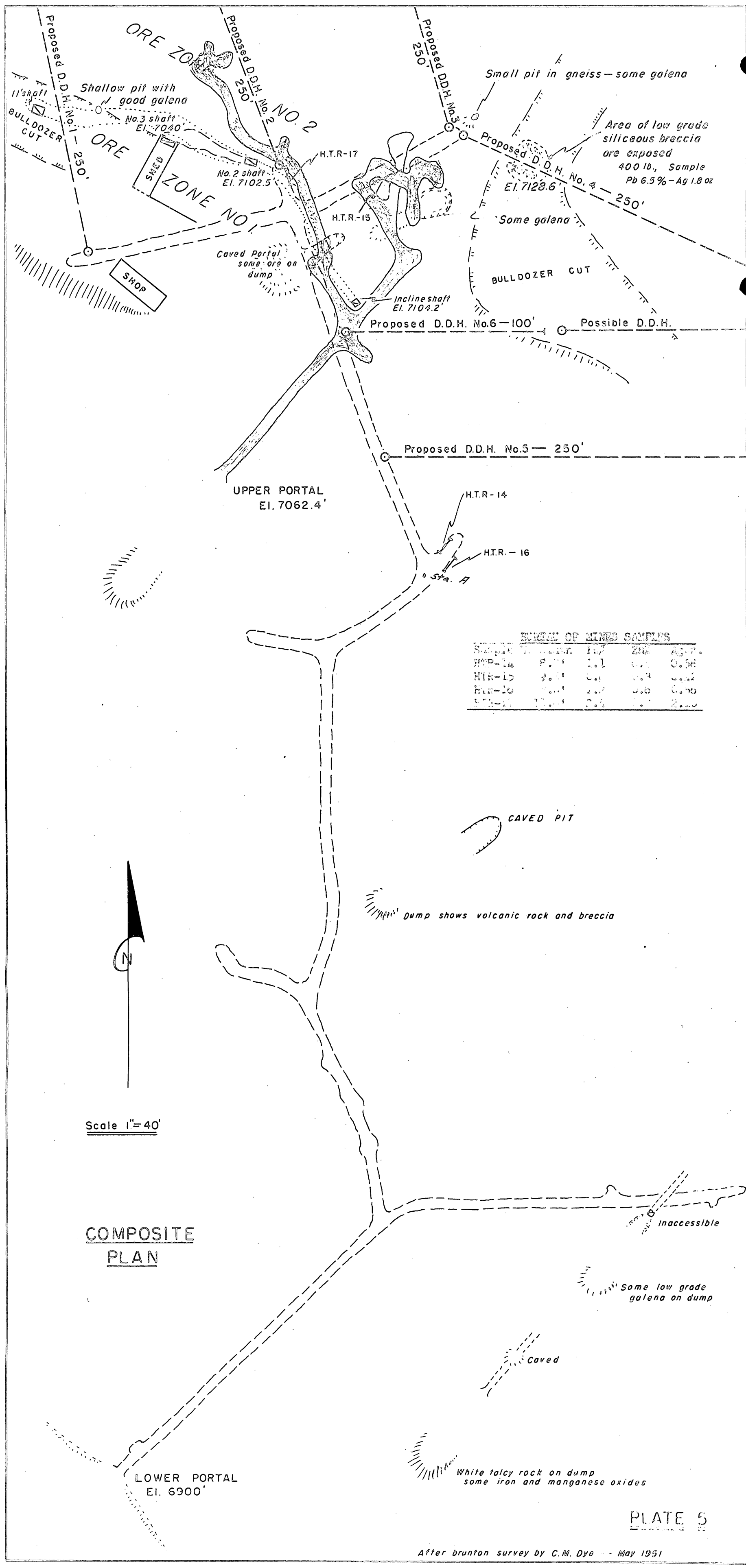
By Field Team, Region II

A. L. Weissenborn, Executive Officer
(U. S. Geological Survey)

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

Reviewed by
DMEA OPERATING COMMITTEE
3-2-53
(date)

Enclosures
cc: USBM(2)
Myers



BUREAU OF MINES SAMPLES

Sample	[illegible]	Pb%	Zn%	Ag-oz.
HTR-14	[illegible]	[illegible]	[illegible]	0.36
HTR-15	[illegible]	[illegible]	[illegible]	[illegible]
HTR-16	[illegible]	[illegible]	[illegible]	0.00
HTR-17	[illegible]	[illegible]	[illegible]	[illegible]

H. & S. MINE — ARMSTEAD, BEAVERHEAD COUNTY, MONTANA

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

1201 North Division St.
Spokane 2, Washington

December 8, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: H. T. Reno, Mining Engineer, Bureau of Mines

Subject: H & S Leasing Co., Beaverhead County, Montana, Docket No. DMEA 2640 (lead-zinc)

The Operating Committee, in a letter dated November 26, 1952, requests results of Bureau of Mines sampling of the H & S Mine and that Plate Nos. 2, 3, and 5 of Mr. C. M. Dye's report be sent to Washington.

Attached are four copies of Plate No. 5 of Dye's report with the location and analyses of Bureau samples added. We have no record of Plates No. 3 and 4 referred to in Mr. Dye's report.

It should be noted that the Bureau samples do not check those taken by Mr. Dye. The variation is believed to be caused by different sampling techniquies as the applicant is not a stock company and has nothing to gain by misrepresentation.

Fifty-pound samples were cut by two Bureau Engineers, E. W. Buel and D. R. Irving, in the presence of Mr. Dye and all agreed that the samples were representative of the ore. The project, therefore, must be re-evaluated.

The applicant may wish to withdraw the application after knowing the results of the Bureau sampling. It is suggested that these results be made available to the applicant after DMEA has reviewed the application.

In my memorandum of September 19, 1952, I estimated indicated reserves of 5400 tons containing 6% lead and inferred reserves of 16,200 tons containing 5% lead. In the light of the sample analyses, it is evident that these estimates are wrong and should be disregarded.

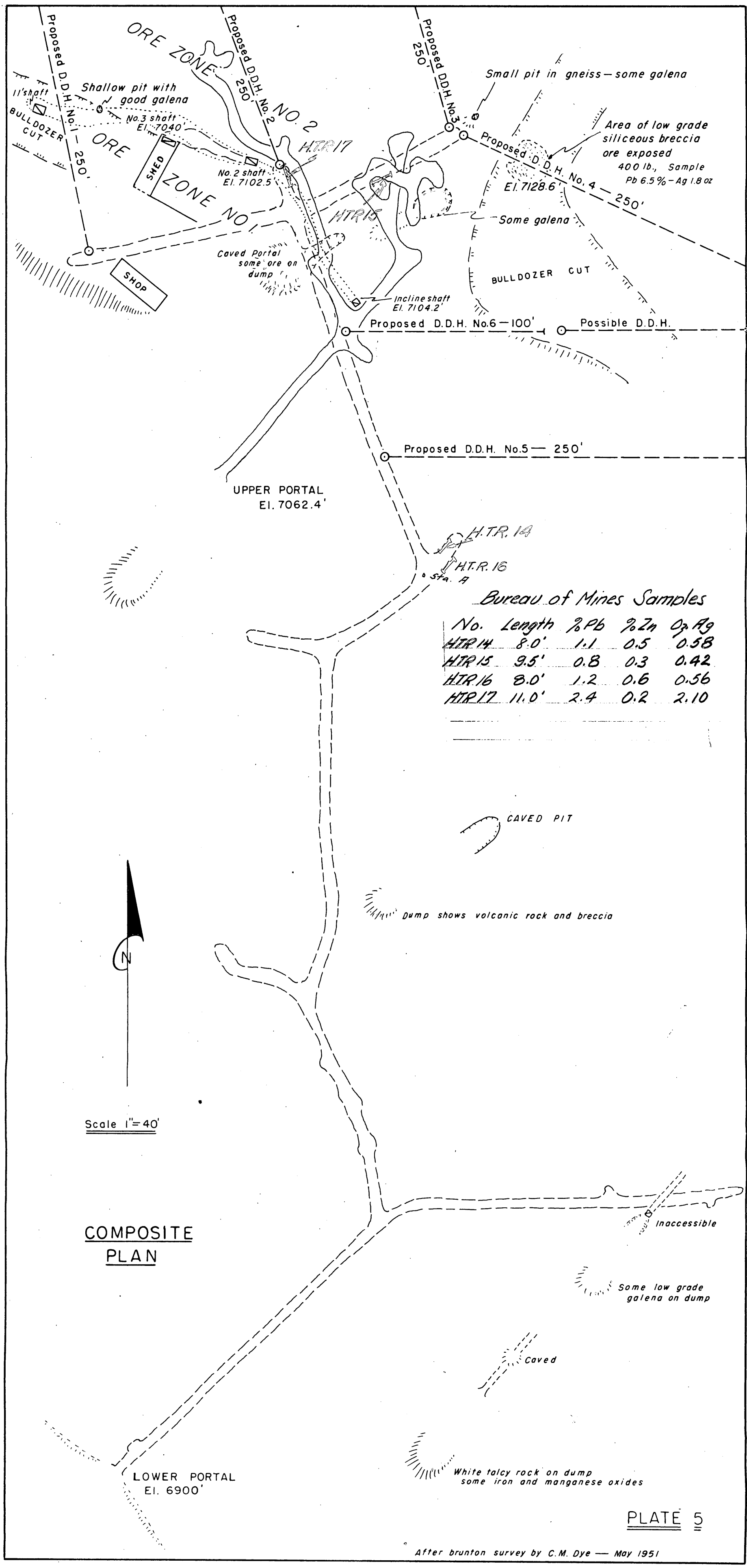
Reviewed by
DMEA OPERATING COMMITTEE

3-2-53
(date)

Recommendation of the project resolves to a consideration of the geologic features of the area to be explored by the proposed drift north of the existing lower portal level. Meyer's mapping indicates features favorable to high-grade ore deposits similar to those encountered above, and the 2-inch seam of galena uncovered when preparing the face for sampling adds to the chance of successful exploration in this direction. Recommendation of the project is reaffirmed.

H. T. Reno

Orig. & 3 - Wash.
USGS - 2
DMEA
M/D
HTR/vf



Bureau of Mines Samples

No.	Length	% Pb	% Zn	Oz. Ag
HTR 14	8.0'	1.1	0.5	0.58
HTR 15	9.5'	0.8	0.3	0.42
HTR 16	8.0'	1.2	0.6	0.56
HTR 17	11.0'	2.4	0.2	2.10

H. & S. MINE — ARMSTEAD, BEAVERHEAD COUNTY, MONTANA

FILE COPY
SURNAME:

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

Keating
WMKellet

NOV 26 1952

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

Re: Docket No. DMEA 2640 (Lead-Zinc)
H. & S. Leasing Co.
Montana

Dear Mr. Weissenborn:

This refers to your letter of November 13, 1952, relative to the above-numbered application, with which you enclose a report by Mr. C. M. Dye together with copies of memorandums from Mr. Reno, USBM, and Mr. Meyers, USGS. In Mr. Meyers' report (Page 3, Paragraph 2) mention is made of bulk-samples of three exposures described in the report which were taken by the Bureau of Mines but that assay results had not yet been received. If these returns are in, we will appreciate your forwarding them to us.

We call attention to the "Table of Contents" in Mr. Dye's report in which Maps - Plate 1 to Plate 5 are enumerated. While Plate 1 and Plate 4 were enclosed in your letter, we do not find Plates 2, 3, and 5. If available, will you be kind enough to forward these maps to us, since they are necessary for proper consideration of the application.

Sincerely yours,

(signed) FRANK E. JOHNSON
(JHB)

Chairman, Operating Committee

S.H.
11-26-52

APPROVED:

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

A.R. Kinkel, Jr (JHB)
Member, Geological Survey

AGKeating/hmj (11-24-52)
CC to: Docket
Adm. Reading File
Operating Committee
H. F. Keller (2)
A. G. Keating
Mr. Bishop
Mr. Kinkle

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

[redacted]
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 17 1952

November 13, 1952

Mr. Frank E. Johnson, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: H. & S. Leasing Company
Beaverhead County, Montana
Docket DMEA 2640 (Lead)

Dear Mr. Johnson:

The following are enclosed:

1. Four copies of a memorandum from H. T. Reno, U. S. Bureau of Mines, with a) two copies of a cost analysis of the proposed exploration program and b) two copies of a proposed contract for the subject property; four copies of a map are attached to be used if a contract is negotiated.
2. Four copies of a memorandum with an accompanying map by W. B. Meyers, U. S. Geological Survey.
3. One copy of a report by C. M. Dye previously retained at this office to facilitate preparation of field reports.

The H. & S. property has been examined by DMEA representatives who recommend that a DMEA exploration contract be granted to the applicant.

The Field Team concurs with DMEA field examiners and recommends approval of the subject application.

By DMEA Field Team, Region II

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

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

Enclosures as indicated
cc: USBM (2)
Myers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

November 13, 1952

MEMORANDUM

TO: DMEA Field Team, Region II

FROM: W. B. Myers, Geologist, U. S. Geological Survey

SUBJECT: Docket No. DMEA-2640 (Lead), Application for exploration loan, H & S Leasing Co., Beaverhead County, Montana

RECOMMENDATION

It is recommended that DMEA enter into an exploration contract with the applicant in the amount of $19,549.00 as proposed by the memorandum report by H. T. Reno, Bureau of Mines.

GEOLOGY

The H & S mine was visited on August 23, 1952 in the company of Mr. Reno, Mr. Dye, and Mr. Earl Chilcott. Geologic mapping of the workings was begun by the writer on this visit and was continued with the assistance of Gerald Fuller of the Geological Survey on three later visits in August and September. Due to an extensive cover of slope wash, little can be seen on the surface in the vicinity of the mine except in recent dozer cuts and on dumps of old prospect pits. Therefore, most of the description which follows was developed from underground observation.

The deposit is associated with a dike-like mass of altered latite (?) apparently emplaced along intersecting steep fault zones which cut Paleocene (?) volcanic breccias and pre-Cambrian metamorphics. The known ore shoots and most of the ore occurrences lie along the faulted walls of the dike-like latite (?) body or in sheared or brecciated rocks near the contact of the intrusive.

The relation of the known ore to the intrusive body is shown on the accompanying geologic map.

The known ore shoots, in the upper part of the mine, are of contrasting structural types, although both types are similar in

containing little sulphide other than galena.

The first or high-grade type consists of plunging pipe-like bodies of rich galena ore encased in hydrothermal dolomite. They lie in gneiss and schist adjacent to the faulted margin of the latite (?) body. The dolomite, which presumably antedates the sulphide ore, and is thought to have been replaced by the ore, is itself the result of replacement of the metamorphic rocks. The pipe-like form is controlled by the intersection of foliation in the metamorphics and the planar wall of the latite (?) mass. It is not believed that any particular layer or rock type has been replaced, but rather that the selective carbonate alteration is largely the result of mechanical and spatial factors. The largest of these ore shoots is the No. 1 Inclined Shaft stope which has been followed for a pitch length of about 230 feet with an average cross-section of perhaps 8 x 10 feet. (See Plate II of C. M. Dye's private report.) This shoot bottomed by a fading out of the carbonate alteration.

The second or low-grade type of ore shoot consists of a galena-cemented breccia of metamorphic rocks, latite (?), or silicified sedimentary volcanic breccia. The only ore shoot of this type thus far mined is that exploited by the Low Grade stope on the upper level. This shoot is in a breccia of gneiss and schist under an inclined hanging wall of latite (?). As only the higher grade portion of the ore shoot has been mined, its shape within the tabular mass of breccia is not closely known, but it may be roughly pipe-like.

No commercial shoots of ore have yet been proved on the lower level but on the upper level 160 feet above, and on the surface, all known ore lies near a nearly right-angle bend in the course of the igneous body. This abrupt change in the alignment of the dike-like mass from a nearly northerly course to a nearly westerly course, is thought to be controlled by pre-existing, intersecting, steep fault zones. This intersection may have guided the ore solutions as no shoots are known more than about 200 feet from the outside corner of the angular bend in the intrusive. It is thought that the favorable area on the lower level lies vertically below the area of ore shoots in the upper part of the mine, rather than down the plunge of the individual high-grade shoots. In other words, it is believed that if high-grade shoots exist on the lower level, they will be arranged en-eschelon (in one of the enclosing planes of the igneous body) to the known shoots.

The low-grade breccia ore shoot mined by the Low Grade stope may well continue to the surface, to outcrop as the ore showing in volcanic breccia east of the outcrop area of metamorphic rocks. At depth, this shoot may connect with the low-grade ore showing at the face of the lower tunnel. (See Section C-C').

DISCUSSION OF THE EXPLORATION PROPOSAL

Because of an agreement to lease out the ground in the upper part of the mine and also because the expectable tonnage of ore there is rather small, the applicant wished to confine exploration to the lower level.

At present, significant low-grade breccia mineralization is cut at three places on the lower level. In a crosscut 215 feet from the face, 8 feet of latite (?) breccia assayed 6.4% Pb and 2.2 ozs. Ag/ton, according to the operator. The operator reports a 4-foot sample of similar mineralization in the east crosscut about 30 feet back from the face assayed 4.6% Pb and 1.2 ozs. Ag/ton. At both localities more diffuse mineralization grades outward from the sampled intervals. No bounding walls were seen. It is considered very doubtful that mineralization or even a structure is continuous between these mineralized areas, both of which are well inside the intrusive body. The most significant mineralization exposed is considered to be that cut near the face. Here schist breccia believed to be the downward extension of that enclosing the breccia ore shoot on the upper level, is in contact with the east wall of the drift for about 10 feet back from the face. The blended contact with latite(?) breccia is approximately parallel to the drift wall and dips steeply west so that only a foot or so of the schist breccia is crosscut. Very low grade mineralization is present here, a chip sample, taken along 10 feet of the wall by the writer, assayed 1.4% Pb, 0.6% Zn, and 4.3 ozs. Ag/ton. The operator reports 3.5% Pb and 1.8 ozs. Ag/ton from the same exposure. More recently the Bureau of Mines has bulk-sampled all three exposures described above but results are pending. At this last locality on the schist breccia contact, a two-inch seam of pure galena (not sampled) was cut near the floor in preparing the site for sampling.

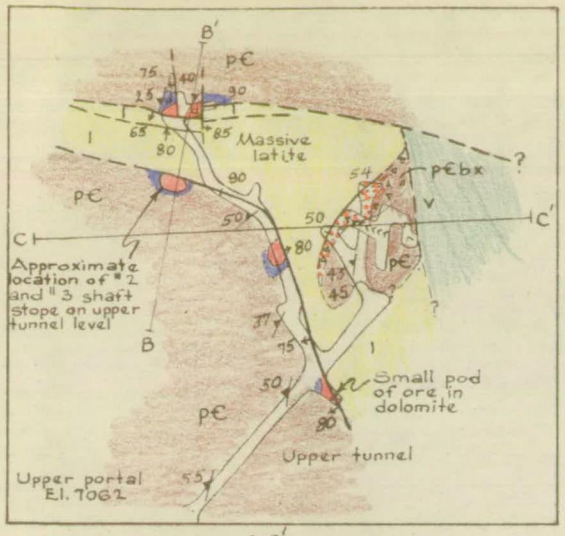
It is planned that this latite (?) schist breccia contact be explored by drifting in the schist breccia northward to the expected north contact of the latite (?) body (see accompanying map) and that drifting be continued east and west for a total of 200 feet along the north side of the intrusive in search of possible high-grade ore shoots in carbonate replacement of the metamorphic rocks. It is further planned that a raise be driven in the mineralized schist breccia toward the upper level with the aim of holing through in the Low Grade stope. Fifty feet of level working has been reserved to test the other two mineralized areas cut by the level. It was originally planned that this should be done by an intermediate crosscut between the two exposures. In view of the improbability of continuous mineralization between these exposures it is now believed that exploration might better drift on the mineralization. It is recognized that the 50 feet might not be sufficient for that purpose but it is not felt that the program should be expanded for such exploration at this time.

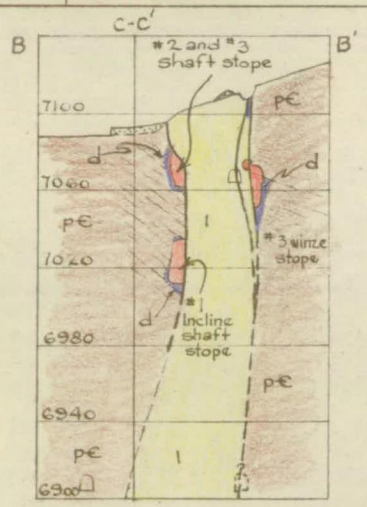
It is the writer's belief that no significant tonnage estimates can be made at this time. Although the tonnage estimates previously made are more sanguine than might be ventured by the writer, he believes that a roughly comparable amount of contained lead might be mined in a much smaller tonnage of ore, part of it from high-grade pipes.

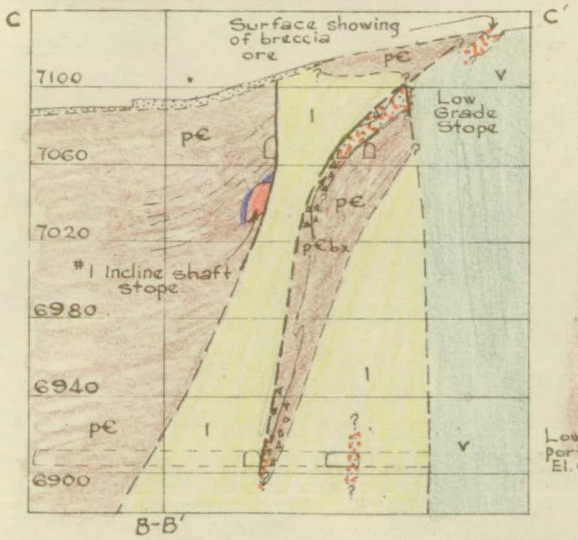
W. B. Myers
Geologist

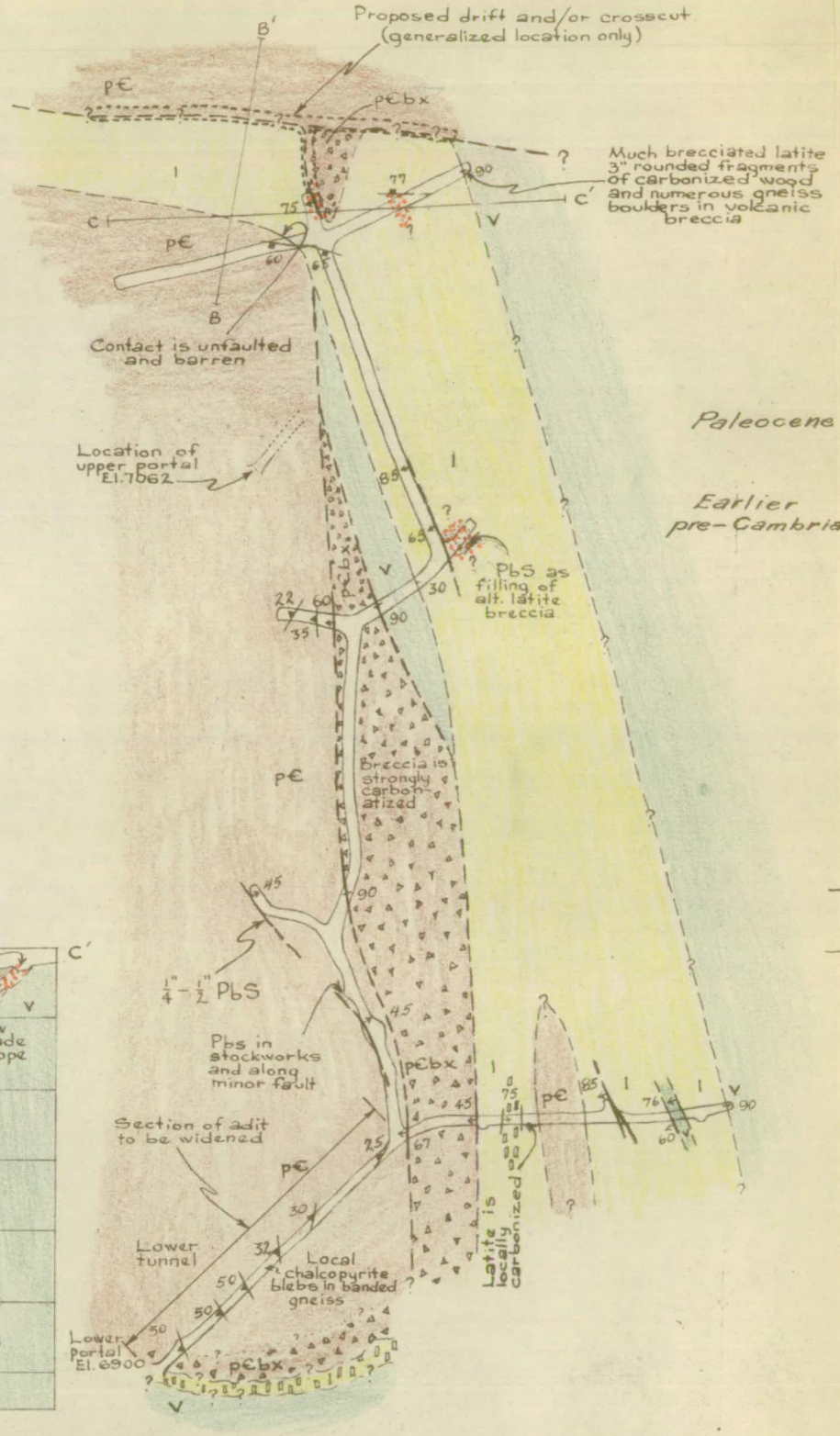
Dist:
Orig & 3 - DMEA
USBM (2)
USGS (SRO)
Docket
Myers

Report No. DMEA 2640









EXPLANATION

Latite (?), massive and hydrothermally bleached; and brecciated latite (?) partially argillized to soft clay and partially silicified. (Breccia only locally shown by pattern.)

Paleocene — V — Sedimentary volcanic breccia, many flow-banded rhyolite fragments. Locally argillized and silicified.

Earlier pre-Cambrian — p€ — Gneiss and schist

p€bx — Gneiss and schist tectonic breccia. Variably carbonatized to crystalline dolomite.

d — Hydrothermal dolomite, replaces gneiss and schist.

High-grade lead ore, replaces dolomite

Low-grade lead ore, cements breccias

Fault, showing dip

Normal contact showing dip

Joint, showing dip

Foliation in metamorphic rock, showing dip

Inclined working. Chevrons point downward vertical spacing 4 feet.

Scale: 1 inch = 100 feet

Brunton & Tape base by C.M. Dye

Geology by W.B. Myers & J. Fuller Sept. 1952

Geologic Sketch Map & Sections of the H & S Mine
Chinatown District Beaverhead Co., Mont.

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

1201 North Division St.
Spokane 2, Washington

September 19, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: H. T. Reno, Mining Engineer, Bureau of Mines

Subject: Application for exploration aid, H & S Mine, Beaverhead County, Montana, Docket No. DMEA 2640 (lead)

RECOMMENDATION

It is recommended that the DMEA enter into an exploration contract with the applicant in the amount of $19,549.00. The applicant is prepared to furnish half of this amount.

LOCATION

The property is in Sec. 9, T. 11 S., R. 13 W., M.P.M., in the Chinatown (unorganized) mining district, Beaverhead County, Montana. It is accessible the year-round over a fair gravel road, 32 miles southwest from Armstead, Montana. Armstead is served by the Union Pacific railroad.

PROPERTY

The property consists of seven unpatented lode mining claims and one unpatented mill site recorded in the county records at Dillon, Montana, as follows:

Claim	Book No.	Page No.
H & S	101	266--7
H & S #1	101	281--2
H & S #2	101	282--3
H & S #3	101	283--4
H & S #5	101	338--9
H & S #6	108	333--4
H & S #7	108	335--6
H & S Millsite	126	497--8

The property, owned by Ben H. Davis and William Steele of Dillon, Montana, is leased and optioned to C. Mac Dye and Earl Chilcott for a period of ten years, dating from November 15, 1949, with an option to renew the lease for a period of five years. C. Mac Dye and Earl Chilcott have assigned this lease and option to the applicant.

THE APPLICANT

The applicant is the H & S Leasing Company, a partnership composed of:

Earl Chilcott, Kellogg, Idaho
C. Mac Dye, Armstead, Montana
Doran Robinson, Kellogg, Idaho
Wm. H. Kempfer, Kellogg, Idaho
A. L. Osborn, Kellogg, Idaho
John Chisholm, Kellogg, Idaho
Glen M. Whitesel, Kellogg, Idaho
Frank Prendergast, Kellogg, Idaho
Louise Pack, Kellogg, Idaho

FINANCIAL AND ADMINISTRATIVE COMPETENCE OF APPLICANT

The project will be supervised by C. Mac Dye, a competent graduate mining engineer. In the aggregate the partners appear to have adequate funds to finance the project. Profits from the concurrent mining of a known high grade ore chimney will be applied on the project.

PAST PRODUCTION

According to records supplied by the applicant, 755 tons of ore containing an average of 27.85 percent lead, .0297 ounce gold, and 10.12 ounces of silver per ton were produced from the property during the period 1941-51. The size of the stopes indicates that this is the total production from the property.

DESCRIPTION OF DEPOSIT

The part of the deposit which is the proposed exploration target is a low grade ore zone of coarse grained argentiferous galena in a latite breccia. This zone has not been sufficiently probed to prove its continuity. It is present in a 4 x 4 foot pit on the surface and in the walls and back of a 200-ton stope above the upper tunnel level. In the lower tunnel 160 feet below, two crosscuts cut the ore zone and its presence is indicated by brecciation and slight mineralization in the tunnel wall 20 feet beyond the last crosscut.

Judging from these exposures, the low-grade zone has a possible length of 600 feet and an indicated depth of 250 feet or more. The dip apparently is about vertical and the average width is about 8 feet.

Near this low grade zone are small high-grade chimney shaped shallow ore shoots formed by partial replacement of dolomitic limestone contacting an irregularly shaped intrusive. These shoots are too shallow to be considered in the exploration project.

ESTIMATE OF RECOVERABLE ORE RESERVES

C. Mac Dye in a report accompanying the application estimates the reserves as follows:

Tons	Silver (oz.)	Lead (%)
20,000	1.7	5.5
20,000	1.8	6.5
200		30

Although 40,000 tons of low-grade ore may exist in the section of the deposit considered by Dye, the following is considered to be a more realistic low-grade reserve estimate:

Classification	Tons	Grade % Lead
Measured	None	---
Indicated	5,400	6.0
Inferred	16,200	5.0

Dye's estimate of 200 tons of high grade ore is considered conservative in the light of additional surface information. This ore, however, is indicated rather than measured ore.

PRODUCTION COSTS

Mining

It is anticipated that the overall mining cost will be below normal for the following reasons: (1) Most of the old workings can be utilized for mining which will result in a low development cost. (2) The ore body is wide and the walls stand well. The ore, therefore, can probably be shrinkage stoped at low cost with neglible dilution.

Assuming an ore body of 50,000 tons and a 50 ton per day operation, the cost of mining is estimated as follows:

Direct cost	$2.50/ton
Exploration	.50
Development	.50
Depletion	2.00
Taxes	.20
Total	$5.70 per ton

Milling

The ore can be concentrated in a simple gravity mill equipped with jigs and tables or perhaps a sink-float apparatus. Such a mill can be installed on the property for about $25,000.

The milling cost is estimated as follows:

Direct Cost	$1.50/ton
Amortization (3 years)	.66
Taxes	.03
Total	$2.19/ton

The ratio of concentration is estimated to be 10 to one, mill recovery is estimated to be 90 percent.

Transporation

The cost of hauling concentrates from the mill to the railroad at Armstead, Montana is estimated at $4.50 per ton and the cost of freight from Armstead to East Helena, Montana, is estimated at $6.00 a ton.

Summary of Costs

On the basis of the foregoing, aggregate per ton production costs are estimated to be $8.94 per ton. With the present price of lead at 15.8 cents per pound, the approximate cut-off mining grade is 4% lead.

EVALUATION OF APPLICANT'S PROPOSAL

The applicant proposes to enlarge 200 feet of the lower level adit, install 775 feet of track and pipe from the portal to the face, and then drift 250 feet in the ore zone. The drift is to start in the indicated ore zone at the wall and insofar as possible is to be driven in ore.

The enlargement of the narrow adit is necessary for economic operation. This drifting, because of the relatively low grade and uncertain continuity, is considered to be the most feasible method of proving the horizontal extension of the deposit beyond the limits indicated by the two crosscuts. This work will not prove the persistence of the ore between the crosscuts nor will it establish a connection between this ore and that found on the surface and in the upper level stope.

SUGGESTED ALTERNATE TO APPLICANT'S PROPOSAL

In order to prove an ore body on this property, the persistence of mineralization between the lower and upper adits must be verified. Furthermore, in addition to the 250 lineal feet of drift proposed by the applicant, 50 lineal feet of crosscut to prove the continuity of the known ore, or a total of 300 lineal feet of drifts and/or crosscuts should be included in the project.

The above is a minimum project to outline an ore body sufficiently large to justify development and installation of a small mill.

The applicant has agreed to this program and to a unit cost contract.

DISCUSSION

Exploration of this deposit would not be warranted were it not for the fact that the ore can be mined and milled cheaply.

It is planned to mine the high grade above the upper level under a miner-lease agreement. The applicant wishes to include ore from this operation with that liable for repayment of the Government's share of the project.

A cost estimate and proposed contract are attached.

H. T. Reno

H. T. Reno

Orig. & 3 - Wash.
USGS (2)
DMEA
M/D
HTR/vf

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

[redacted]
So. 157 Howard Street
Spokane 4, Washington

[illegible]

November 13, 1952

Mr. Frank E. Johnson, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: H. & S. Leasing Company
Beaverhead County, Montana
Docket DMEA 2640 (Lead)

Dear Mr. Johnson:

The following are enclosed:

1. Four copies of a memorandum from H. T. Heno, U. S. Bureau of Mines, with a) two copies of a cost analysis of the proposed exploration program and b) two copies of a proposed contract for the subject property; four copies of a map are attached to be used if a contract is negotiated.
2. Four copies of a memorandum with an accompanying map by W. B. Myers, U. S. Geological Survey.
3. One copy of a report by C. M. Dye previously retained at this office to facilitate preparation of field reports.

The H. & S. property has been examined by DMEA representatives who recommend that a DMEA exploration contract be granted to the applicant.

The Field Team concurs with DMEA field examiners and recommends approval of the subject application.

By DMEA Field Team, Region 1:

[illegible] Weissenborn, Exec. Officer
(U. S. Geological Survey)

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

Reviewed by
DMEA OPERATING COMMITTEE

11-21-52
(date)

Enclosures as indicated
cc: USBM (2)
Myers

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

No. 157 Howard Street
[illegible], Washington

November 17, 1952

[illegible]

[illegible] Field Trip, [illegible]

[illegible] [illegible], Geologist, U. S. Geological Survey

[illegible] Docket No. [illegible]-26[illegible] (Load), Application for exploration loan, [illegible] Lode Co., Cavenhead County, Montana

[illegible]

It is recommended that [illegible] enter into an exploration contract with the applicant in the amount of $1,5[illegible]0.[illegible] as proposed by the memorandum dated [illegible] [illegible]. Kono, Director of Mines.

[illegible]

The [illegible] was visited on August [illegible], 1[illegible] in the company of Mr. Kono, Mr. Dye, and Mr. Earl Chilcott. Geologic mapping of the workings was begun by the writer on this visit and was continued with the assistance of Gerald Fuller of the Geological Survey on three later visits in August and September. Due to an extensive cover of slope wash, little can be seen on the surface in the vicinity of the mine except in recent dozer cuts and on dumps of old prospect pits. Therefore, most of the description which follows was developed from underground observation.

The deposit is associated with a dike-like mass of altered latite (?) apparently emplaced along intersecting steep fault zones which cut Paleocene (?) volcanic breccias and Pre-Cambrian metamorphics. The [illegible] ore shoots and most of the ore occurrences lie along the faulted walls of the dike-like latite (?) body or in sheared or brecciated rocks near the contact of the intrusive.

The relations of the [illegible] are to be [illegible] only in [illegible] on the accompanying [illegible] map.

The [illegible] shoots, in the upper part of the [illegible], are of contrasting structural type, although both types are similar in

Reviewed by
DMEA OPERATING COMMITTEE

11-21-52
(date)

c[illegible] [illegible] areas.

The [illegible] pipe-like bodies of rich sulphide ore enclosed in hydrothermal dolomite. They lie in gneiss and schist adjacent to the faulted margin of the latite (?) body. The dolomite, which usually antedates the sulphide ore, and is thought to have been replaced by the ore, is itself the result of replacement of the metamorphic rocks. The pipe-like form is controlled by the intersection of foliation in the metamorphics and the planar wall of the latite (?) mass. It is not believed that any particular layer or rock type has been replaced, but rather that the selective carbonate alteration is largely the result of mechanical and chemical factors. The largest of these ore shoots is the no. 1 inclined fault stope which has been followed for a pitch length of about 23[illegible] feet with an average cross-section of perhaps [illegible] x 1[illegible] feet. (See Plate [illegible] of C. A. Lye's private report.) This shoot is bottomed by a falling out of the carbonate alteration.

The second or low-grade type of ore shoot consists of a [illegible]-cemented breccia of metamorphic rocks, latite (?), or silicified sedimentary volcanic breccia. The only ore shoot of this type thus far mined is that exploited by the low grade stope on the upper level. This shoot is in a breccia of gneiss and schist under an inclined hanging wall of latite (?). As only the higher grade portion of the ore shoot has been mined, its shape within the [illegible] mass of breccia is not clearly known, but it may be roughly pipe-like.

No commercial shoots of ore have yet been proved on the lower level but on the upper level 150 feet above, and on the surface, all known ore has been mined at right-angle bends in the course of the lineament only. This abrupt change in the alignment of the ore-line, from a nearly northerly course to a nearly westerly course, is thought to be controlled by pre-existing, intersecting, steep fault zones. This intersection may have guided the ore solutions as no shoots are known more than about 250 feet from the outside corner of the angular head of the intrusive. It is thought that the favorable area on the lower level lies vertically below the area of ore shoots in the upper part of the mine, rather than down the plane of the individual low-grade shoots. In other words, it is believed that if high-grade shoots exist on the lower level, they will be arranged en-echelon ([illegible] to the enclosing planes of the breccia body) to the known shoots.

The low-grade breccia ore shoot mined on the low grade stope may well continue to the surface, to outcrop, or to be shown in volcanic breccia east of the outcrop area of metamorphic rocks. At depth, this shoot may connect with the low-grade ore shown at the face of the lower tunnel. (See Section C-C').

Because of an agreement to lease out the ground in the upper part of the mine and also because the expectable tonnage of ore there is rather small, the applicant wished to confine exploration to the lower level.

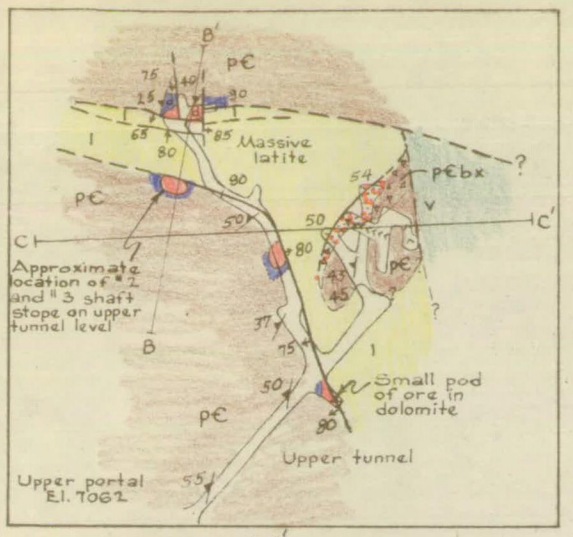
At present, significant low-grade breccia mineralization is outcrop three feet on the lower level. In a crosscut 215 feet from the face, west of latite (?) breccia assayed 6.4% Pb and 2.2 ozs. Ag/ton, according to the operator. The operator reports a 4-foot sample of similar mineralization in the east crosscut about 30 feet back from the face assayed 4.6% Pb and 1.2 ozs. Ag/ton. At both localities there diffuse mineralization grades outward from the sampled intervals. No boundary walls were seen. It is considered very doubtful that mineralization or even a structure is continuous between these mineralized areas, both of which are well inside the intrusive body. The most significant mineralization exposed is considered to be that cut near the face. Here scarlet breccia believed to be the downward extension of that enclosing the breccia ore shoot on the upper level, is in contact with the east wall of the drift for about 15 feet back from the face. The blended contact with latite(?) breccia is approximately parallel to the drift wall and dips steeply west so that only a foot or so of the scarlet breccia is crosscut. Very low grade mineralization is present here, a grab sample, taken about 15 feet of the wall by the writer, assayed 1.4% Pb, 0.6% Zn, and 4.3 ozs. Ag/ton. The operator reports 3.5% Pb and 1.2 ozs. Ag/ton from the same exposure. More recently the lessees have also sampled all three exposures described above but results are pending. At this last locality on the scarlet breccia contact, a two-inch seam of pure galena (not sampled) was cut near the floor in removing the site for sampling.

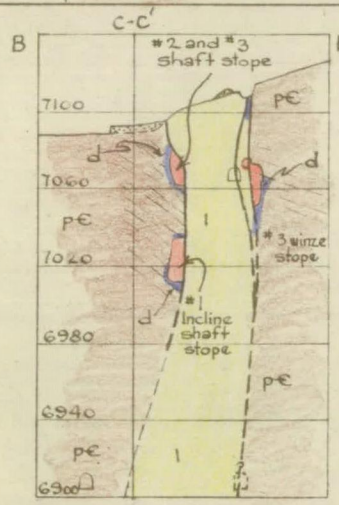
It is planned that the latite (?) scarlet breccia contact be explored by drifting on the scarlet breccia northward to the expected north contact of the latite (?) body (see accompanying map) and then drifting be continued east and west for a total of 200 feet along the north side of the intrusive in search of possible high-grade ore shoots in carbonate replacement of the interior limestones. It is further planned that a raise be driven in the mineralized scarlet breccia toward the upper level with the aim of holing through in the low grade stope. This lack of level working has been observed to have the effect of mineralized areas cut by the level. It was originally planned that this should be done by an intermediate crosscut between the two exposures. In view of the interrelatedness of continuous mineralization between these exposures it is now believed that exploration might better drift on the mineralization. It is recognized that the 50 feet might not be sufficient for that purpose but it is not felt that the program should be expanded for such exploration at this time.

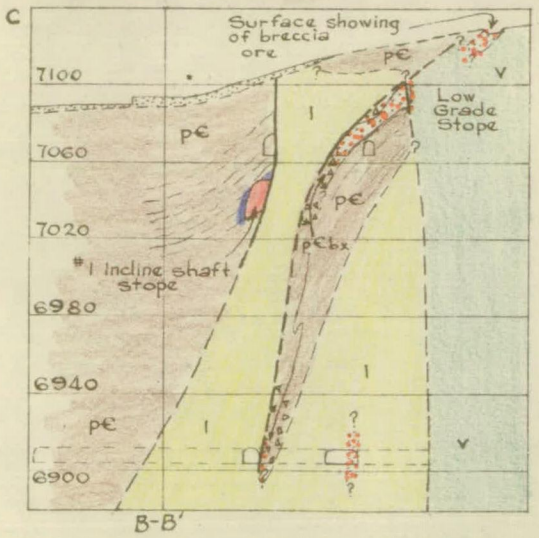
It is the writer's opinion that no significant tonnage estimate can be made at this time. Although the tonnage estimates previously made are more sound than that ventured by the writer, he believes that a roughly comparable amount of contained lead might be found in a much smaller tonnage of ore, part of it from high-grade layer.

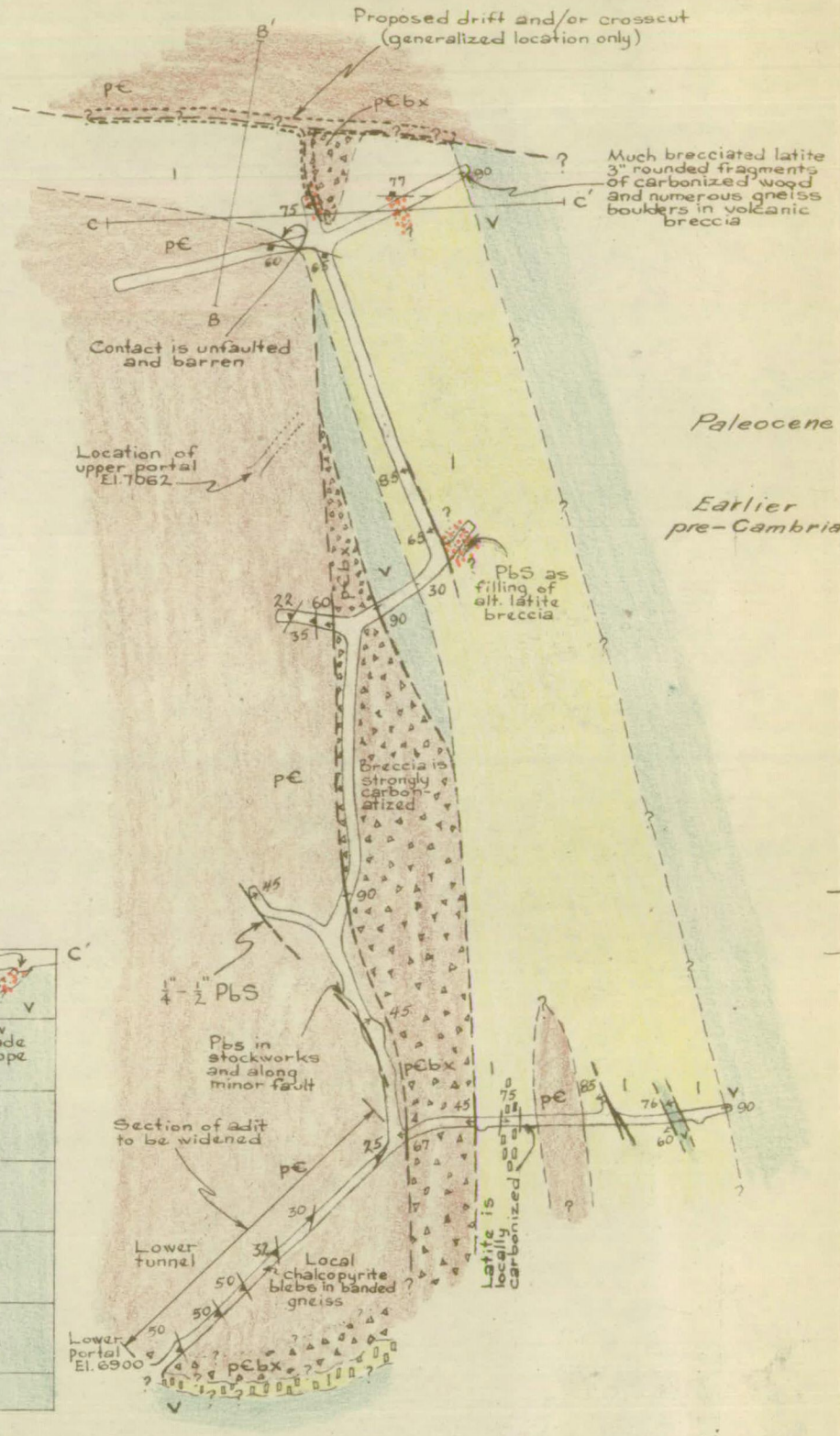
[illegible] Myers
Geologist

Dist:
[illegible] 3 - [illegible]
[illegible]
[illegible]
Nichol
Myers









EXPLANATION

	I	Latite (?), massive and hydrothermally bleached; and brecciated latite (?) partially argillized to soft clay and partially silicified. (Breccia only locally shown by pattern.)
Paleocene	V	Sedimentary volcanic breccia, many flow-banded rhyolite fragments. Locally argillized and silicified.
Earlier pre-Cambrian	p€	Gneiss and schist
	p€bx	Gneiss and schist tectonic breccia. Variably carbonatized to crystalline dolomite.
	d	Hydrothermal dolomite, replaces gneiss and schist.
		High-grade lead ore, replaces dolomite
		Low-grade lead ore, cements breccias
	45	Fault, showing dip
	30	Normal contact showing dip
	60	Joint, showing dip
	50	Foliation in metamorphic rock, showing dip
		Inclined working. Chevrons point downward vertical spacing 4 feet.

Scale: 1 inch = 100 feet

Brunton & Tape base by C.M. Dye

Geology by W.B. Myers & J. Fuller Sept. 1952

Geologic Sketch Map & Sections of the H & S Mine
Chinatown District Beaverhead Co., Mont.

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

September 19, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: H. T. Reno, Mining Engineer, Bureau of Mines

Subject: Application for exploration aid, H & S Mine, Beaverhead County, Montana, Docket No. DMEA 2640 (lead)

RECOMMENDATION

It is recommended that the DMEA enter into an exploration contract with the applicant in the amount of $19,549.00. The applicant is prepared to furnish half of this amount.

LOCATION

The property is in Sec. 9, T. 11 S., R. 13 W., M.P.M., in the Chinatown (unorganized) mining district, Beaverhead County, Montana. It is accessible the year-round over a fair gravel road, 32 miles southwest from Armstead, Montana. Armstead is served by the Union Pacific railroad.

PROPERTY

The property consists of seven unpatented lode mining claims and one unpatented mill site recorded in the county records at Dillon, Montana, as follows:

Claim	Book No.	Page No.
H & S	101	266—7
H & S #1	101	281—2
H & S #2	101	282—3
H & S #3	101	283—4
H & S #5	101	338—9
H & S #6	108	333—4
H & S #7	108	335—6
H & S Millsite	126	497—8

The property, owned by Ben H. Davis and William Steele of Dillon, Montana, is leased and optioned to C. Mac Dye and Earl Chilcott for a period of ten years, dating from November 15, 1949, with an option to renew the lease for a period of five years. C. Mac Dye and Earl Chilcott have assigned this lease and option to the applicant.

THE APPLICANT

The applicant is the H & S Leasing Company, a partnership composed of:

Earl Chilcott, Kellogg, Idaho
C. Mac Dye, Armstead, Montana
Doran Robinson, Kellogg, Idaho
Wm. H. Kempfer, Kellogg, Idaho
A. L. Osborn, Kellogg, Idaho
John Chisholm, Kellogg, Idaho
Glen M. Whitesel, Kellogg, Idaho
Frank Prendergast, Kellogg, Idaho
Louise Pack, Kellogg, Idaho

FINANCIAL AND ADMINISTRATIVE COMPETENCE OF APPLICANT

The project will be supervised by C. Mac Dye, a competent graduate mining engineer. In the aggregate the partners appear to have adequate funds to finance the project. Profits from the concurrent mining of a known high grade ore chimney will be applied on the project.

PAST PRODUCTION

According to records supplied by the applicant, 755 tons of ore containing an average of 27.85 percent lead, .0297 ounce gold, and 10.12 ounces of silver per ton were produced from the property during the period 1941-51. The size of the stopes indicates that this is the total production from the property.

DESCRIPTION OF DEPOSIT

The part of the deposit which is the proposed exploration target is a low grade ore zone of coarse grained argentiferous galena in a latite breccia. This zone has not been sufficiently probed to prove its continuity. It is present in a 4 x 4 foot pit on the surface and in the walls and back of a 200 ton stope above the upper tunnel level. In the lower tunnel 160 feet below, two crosscuts cut the ore zone and its presence is indicated by brecciation and slight mineralization in the tunnel wall 20 feet beyond the last crosscut.

Judging from these exposures, the low-grade zone has a possible length of 600 feet and an indicated depth of 250 feet or more. The dip apparently is about vertical and the average width is about 8 feet.

Near this low grade zone are small high-grade chimney shaped shallow ore shoots formed by partial replacement of dolomitic limestone contacting an irregularly shaped intrusive. These shoots are too shallow to be considered in the exploration project.

ESTIMATE OF RECOVERABLE ORE RESERVES

C. Mac Dye in a report accompanying the application estimates the reserves as follows:

Tons	Silver (oz.)	Lead (%)
20,000	1.7	5.5
20,000	1.8	6.5
200		30

Although 40,000 tons of low-grade ore may exist in the section of the deposit considered by Dye, the following is considered to be a more realistic low-grade reserve estimate:

Classification	Tons	Grade % Lead
Measured	None	---
Indicated	5,400	6.0
Inferred	16,200	5.0

Dye's estimate of 200 tons of high grade ore is considered conservative in the light of additional surface information. This ore, however, is indicated rather than measured ore.

PRODUCTION COSTS

Mining

It is anticipated that the overall mining cost will be below normal for the following reasons: (1) Most of the old workings can be utilized for mining which will result in a low development cost. (2) The ore body is wide and the walls stand well. The ore, therefore, can probably be shrinkage stoped at low cost with neglible dilution.

Assuming an ore body of 50,000 tons and a 50 ton per day operation, the cost of mining is estimated as follows:

Direct cost	$250/ton
Exploration	.50
Development	.50
Depletion	2.00
Taxes	.20
Total	$5.70 per ton

Milling

The ore can be concentrated in a simple gravity mill equipped with jigs and tables or perhaps a sink-float apparatus. Such a mill can be installed on the property for about $25,000.

The milling cost is estimated as follows:

Direct Cost	$1.50/ton
Amortization (3 years)	.66
Taxes	.03
Total	$2.19/ton

The ratio of concentration is estimated to be 10 to one, mill recovery is estimated to be 90 percent.

Transportation

The cost of hauling concentrates from the mill to the railroad at Armstead, Montana is estimated at $4.50 per ton and the cost of freight from Armstead to East Helena, Montana, is estimated at $6.00 a ton.

Summary of Costs

On the basis of the foregoing, aggregate per ton production costs are estimated to be $8.34 per ton. With the present price of lead at 15.8 cents per pound, the approximate cut-off mining grade is 4% lead.

EVALUATION OF APPLICANT'S PROPOSAL

The applicant proposes to enlarge 200 feet of the lower level adit, install 775 feet of track and pipe from the portal to the face, and then drift 250 feet in the ore zone. The drift is to start in the indicated ore zone at the wall and insofar as possible is to be driven in ore.

The enlargement of the narrow adit is necessary for economic operation. This drifting, because of the relatively low grade and uncertain continuity, is considered to be the most feasible method of proving the horizontal extension of the deposit beyond the limits indicated by the two crosscuts. This work will not prove the persistence of the ore between the crosscuts nor will it establish a connection between this ore and that found on the surface and in the upper level stope.

SUGGESTED ALTERNATE TO APPLICANT'S PROPOSAL

In order to prove an ore body on this property, the persistence of mineralization between the lower and upper adits must be verified. Furthermore, in addition to the 250 lineal feet of drift proposed by the applicant, 50 lineal feet of crosscut to prove the continuity of the known ore, or a total of 300 lineal feet of drifts and/or crosscuts should be included in the project.

The above is a minimum project to outline an ore body sufficiently large to justify development and installation of a small mill.

The applicant has agreed to this program and to a unit cost contract.

DISCUSSION

Exploration of this deposit would not be warranted were it not for the fact that the ore can be mined and milled cheaply.

It is planned to mine the high grade above the upper level under a miner-lease agreement. The applicant wishes to include ore from this operation with that liable for repayment of the Government's share of the project.

A cost estimate and proposed contract are attached.

H. T. Reno

Orig. & 3 - Wash.
USGS (2)
DMEA
M/D
HTR/vf

H & S LEASING COMPANY
Docket No. DMEA 2640 (lead-zinc)

ESTIMATE

			Unit Cost	Total Cost
I.	Sideswipe to widen from 3 feet to 5 feet 200 lin. ft. of present adit. Labor, loading and tramming @ $3/lin. ft.		$ 3.00	$600.00
II.	Rehabilitate - install track and air line, 775 lin. ft. of adit.			
	2" black iron pipe @ $0.49	$0.49		
	16# rail @ $160/ton			
	$\frac{16}{1\frac{1}{2}} \times \frac{160}{2000} =$	.85		
	Spikes, bolts and fish plates	.14		
	Ties 2' o.c. @ 40¢ ea.	.20		
	2 men - 100 ft/day			
	Daily wage scale - $14/day	14.00		
	+ 8-1/3% overtime	1.16		
	+ 11% OAB, unemploy. ins. & comp. ins.	1.67		
		17.83/day		
	$\frac{2 \times 17.83}{100} =$	.36		
	Supervision - 1/2 $500/mo.			
	$\frac{250}{26 \times 100} =$	.20	Say 2.25	1,744.00
		2.24		
III.	300 lin. ft. of drift or crosscut			
	Powder - 11#/ft @ $22.50/100#	2.75		
	Caps - 20 ft/round @ $21.60/M	.11		
	Fuse -200 ft/round @ $13.10/M	.52		
	Steel and bits - assume	1.00		
	Rail - 16# @ $160/ton	.85		
	Spikes, bolts & fish plates	.14		
	Ties - 2' o.c. @ 40¢/ea.	.20		
	Pipe - 2" @ $48.63/100	.49		
	Fuel - 20 gal/day @ 30¢ + oil	2.60		
	Water - haul - Say $2.50/day	1.00		
	Small tools and misc., including 1 set air and water hose ($300)	1.00		
	Equipment depreciation (est.)	2.00		

III. Continued:

Labor - 2 men to break $2\frac{1}{2}$'/day,
26 day month

$\frac{2 \times 17.83}{2\frac{1}{2}}$ = $14.26

Supervisor - 1/2 $500/mo.

$\frac{250}{65}$ = 3.84

Assaying - 1 sample/5 ft. @ $2.50 .50

31.26 Say $31.50 $9,450.00

IV. Raise - $4\frac{1}{2}$x10' - break $2\frac{1}{2}$'/day

Labor - same as drift 14.26

Supervisor - also frame timber and tram $500/mo.

$\frac{500}{65}$ = 7.69

Timber - $65/M

1 set - 5 ft	fbm
Posts, 6 pcs 8x8-5	160
Wall plates, 2 pcs. 8x8-10	107
Dividers, 3 pcs 8x8x5	75
Chute & line, 4 sides 30-2x12x5	300
	642

$\frac{.642}{5} \times 65$ = 8.35

10 ft. ladders @ $2/ea.	.20
12" vent tube and fittings	1.00
2" air line @	.49
1" water line @	.18
Powder)	2.75
Caps) from drift	.11
Fuse)	.52
Fuel)	2.60
Depreciation (estimate)	2.25
Assaying	.50
Vent tube - portal to raise 1000' @ $1/ft.	6.00
	46.90 Say 47.00

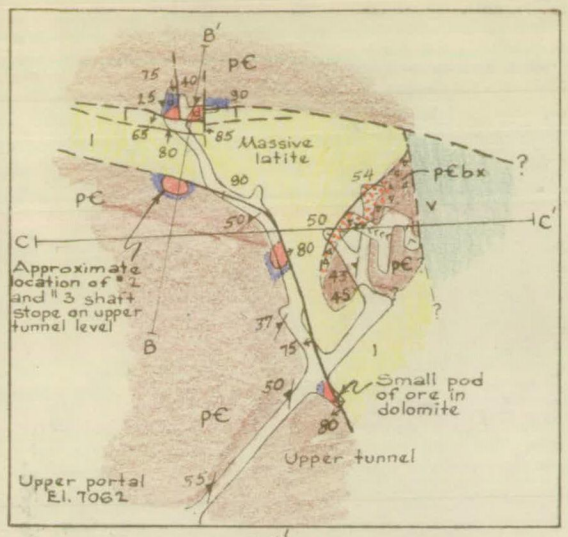
165 ft. @ $47.00 7,755.00

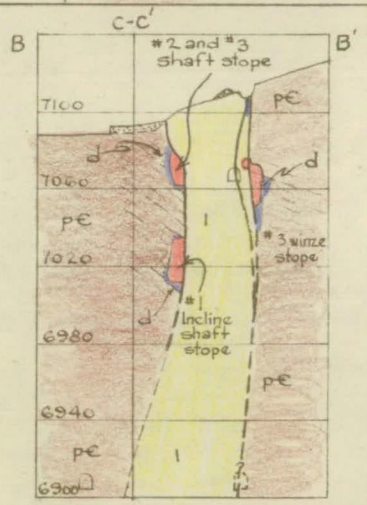
Total $19,549.00

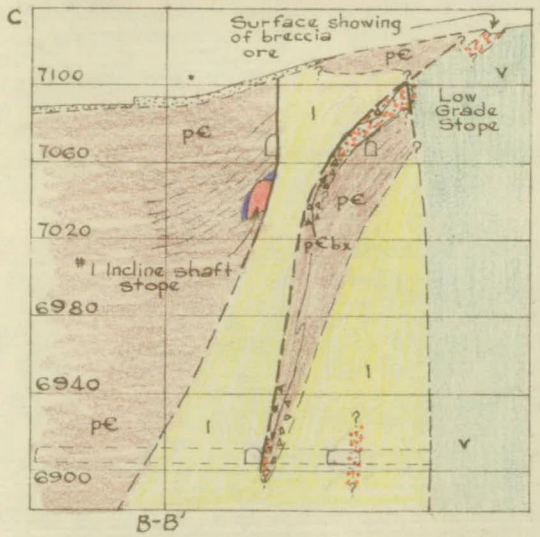
H & S LEASING COMPANY
Docket No. DMEA 2640 (lead-zinc)

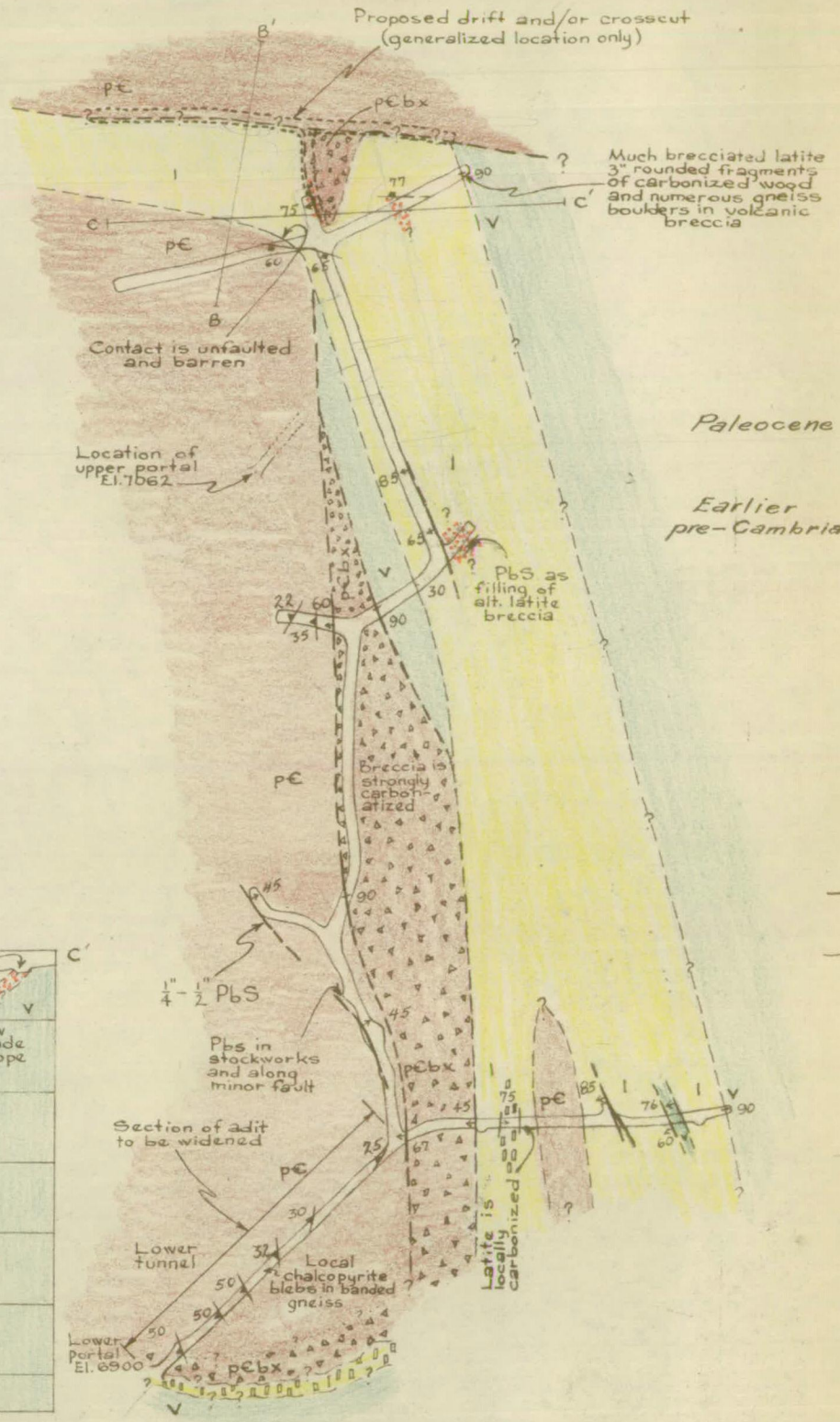
ESTIMATE

			Unit Cost	Total Cost
I.	Sideswipe to widen from 3 feet to 5 feet 200 lin. ft. of present adit. Labor, loading and tramming @ $3/lin. ft.		$ 3.00	$600.00
II.	Rehabilitate - install track and air line, 775 lin. ft. of adit.			
	2" black iron pipe @ $0.49	$0.49		
	16# rail @ $160/ton			
	$\frac{16}{1\frac{1}{2}} \times \frac{160}{2000} =$	.85		
	Spikes, bolts and fish plates	.14		
	Ties 2' o.c. @ 40¢ ea.	.20		
	2 men - 100 ft/day			
	Daily wage scale - $14/day	14.00		
	+ 8-1/3% overtime	1.16		
	+ 11% OAB, unemploy. ins. & comp. ins.	1.67		
		17.83/day		
	$\frac{2 \times 17.83}{100} =$	.36		
	Supervision - 1/2 $500/mo.			
	$\frac{250}{26 \times 100} =$	.20	Say 2.25	1,744.00
		2.24		
III.	300 lin. ft. of drift or crosscut			
	Powder - 11#/ft @ $22.50/100#	2.75		
	Caps - 20 ft/round @ $21.60/M	.11		
	Fuse -200 ft/round @ $13.10/M	.52		
	Steel and bits - assume	1.00		
	Rail - 16# @ $160/ton	.85		
	Spikes, bolts & fish plates	.14		
	Ties - 2' o.c. @ 40¢/ea.	.20		
	Pipe - 2" @ $48.63/100	.49		
	Fuel - 20 gal/day @ 30¢ + oil	2.60		
	Water - haul - Say $2.50/day	1.00		
	Small tools and misc., including 1 set air and water hose ($300)	1.00		
	Equipment depreciation (est.)	2.00		









EXPLANATION

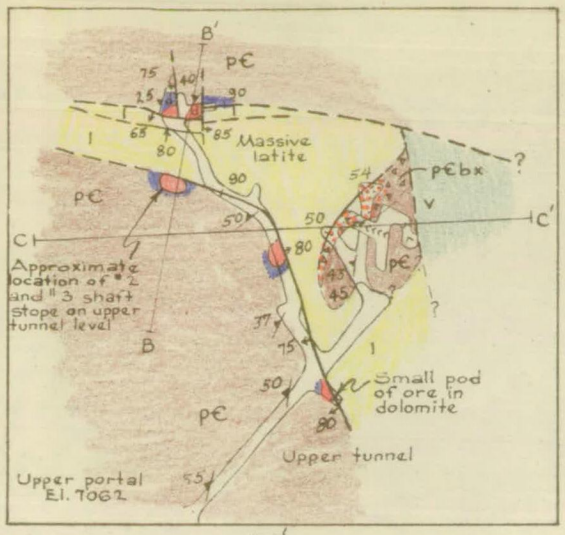
	Latite (?), massive and hydrothermally bleached; and brecciated latite (?) partially argillized to soft clay and partially silicified. (Breccia only locally shown by pattern.)
Paleocene	Sedimentary volcanic breccia, many flow-banded rhyolite fragments. Locally argillized and silicified.
Earlier pre-Cambrian	Gneiss and schist
	Gneiss and schist tectonic breccia. Variably carbonatized to crystalline dolomite.
	Hydrothermal dolomite, replaces gneiss and schist.
	High-grade lead ore, replaces dolomite
	Low-grade lead ore, cements breccias
	Fault, showing dip
	Normal contact showing dip
	Joint, showing dip
	Foliation in metamorphic rock, showing dip
	Inclined working. Chevrons point downward vertical spacing 4 feet.

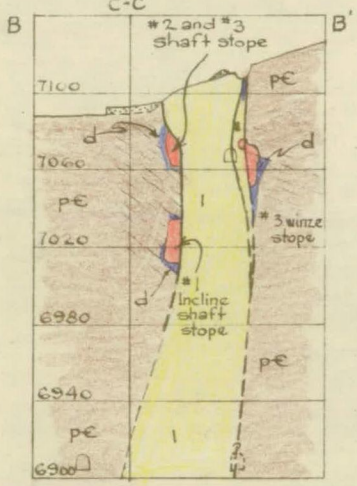
Scale: 1 inch = 100 feet

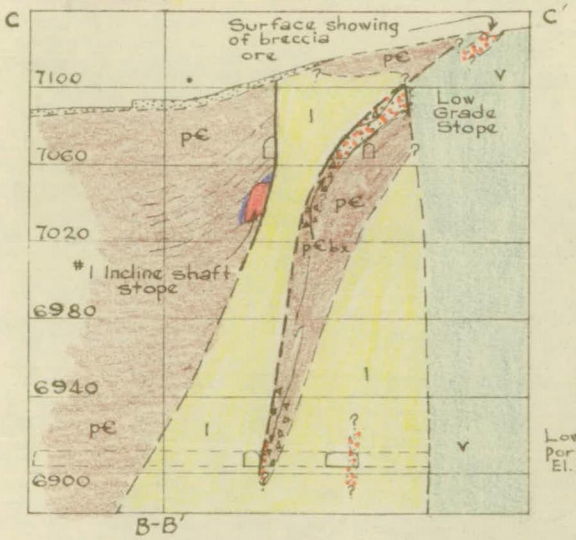
Brunton & Tape base by C.M. Dye

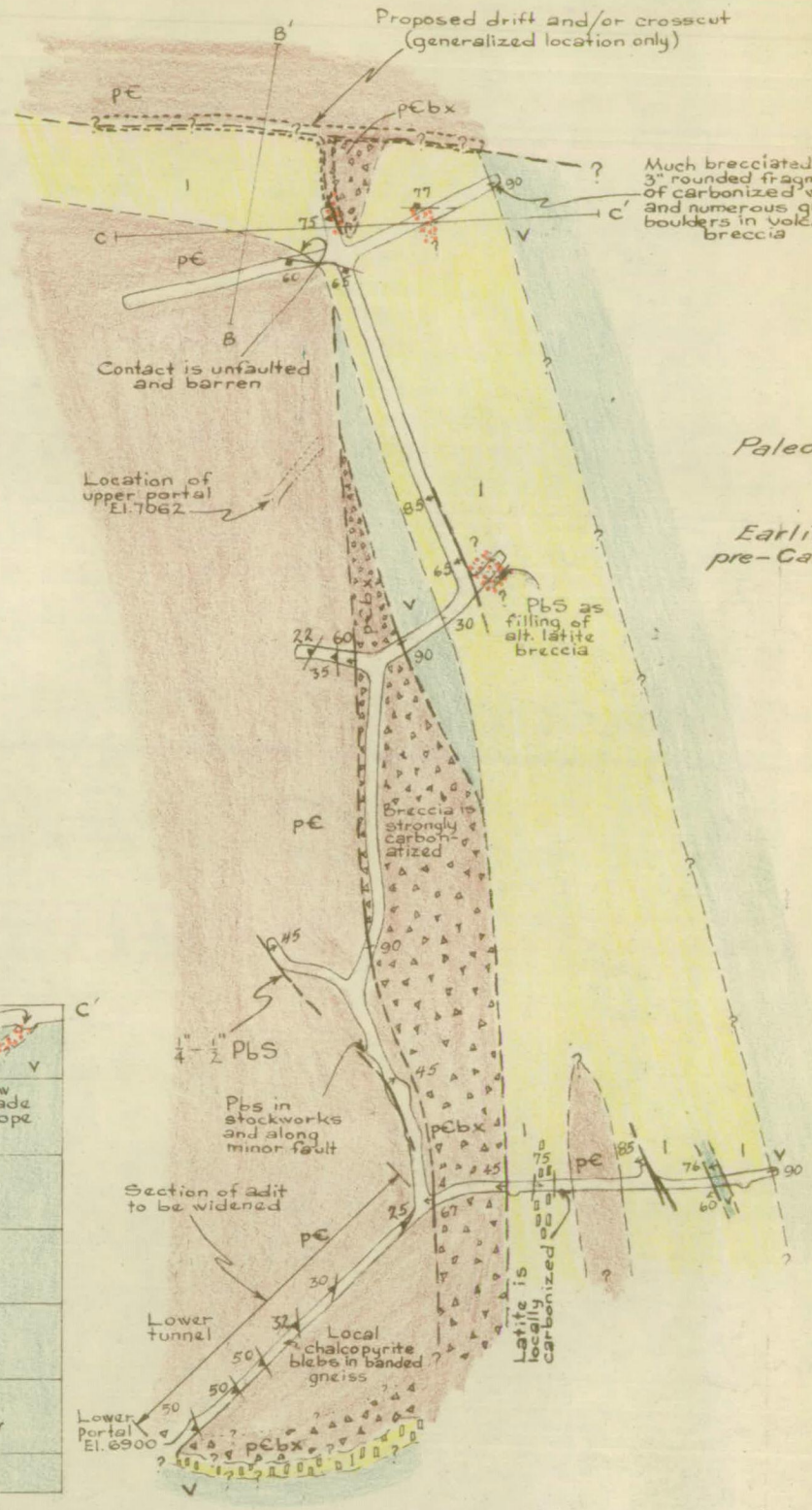
Geology by W.B. Myers & J. Fuller Sept. 1952

Geologic Sketch Map & Sections of the H & S Mine
Chinatown District Beaverhead Co., Mont.









EXPLANATION

Latite (?), massive and hydrothermally bleached; and brecciated latite (?) partially argillized to soft clay and partially silicified. (Breccia only locally shown by pattern.)

Paleocene — V — Sedimentary volcanic breccia, many flow-banded rhyolite fragments. Locally argillized and silicified.

Earlier pre-Cambrian — p€ — Gneiss and schist

p€bx — Gneiss and schist tectonic breccia. Variably carbonatized to crystalline dolomite.

d — Hydrothermal dolomite, replaces gneiss and schist.

High-grade lead ore, replaces dolomite

Low-grade lead ore, cements breccias

Fault, showing dip

Normal contact showing dip

Joint, showing dip

Foliation in metamorphic rock, showing dip

Inclined working. Chevrons point downward vertical spacing 4 feet.

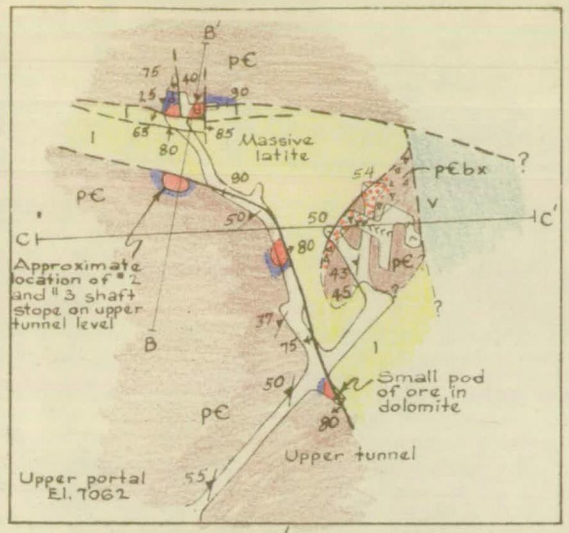
Scale: 1 inch = 100 feet

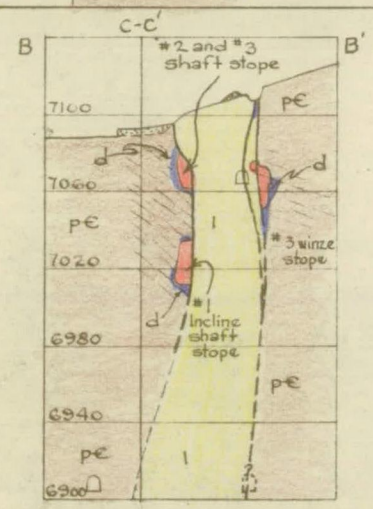
N

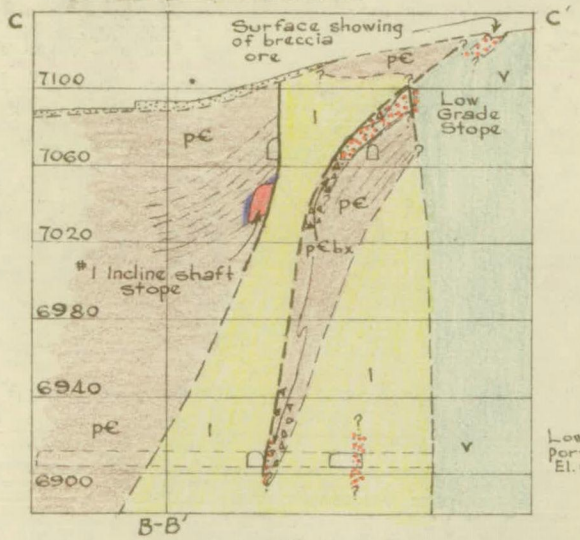
Brunton & Tape base by C.M. Dye

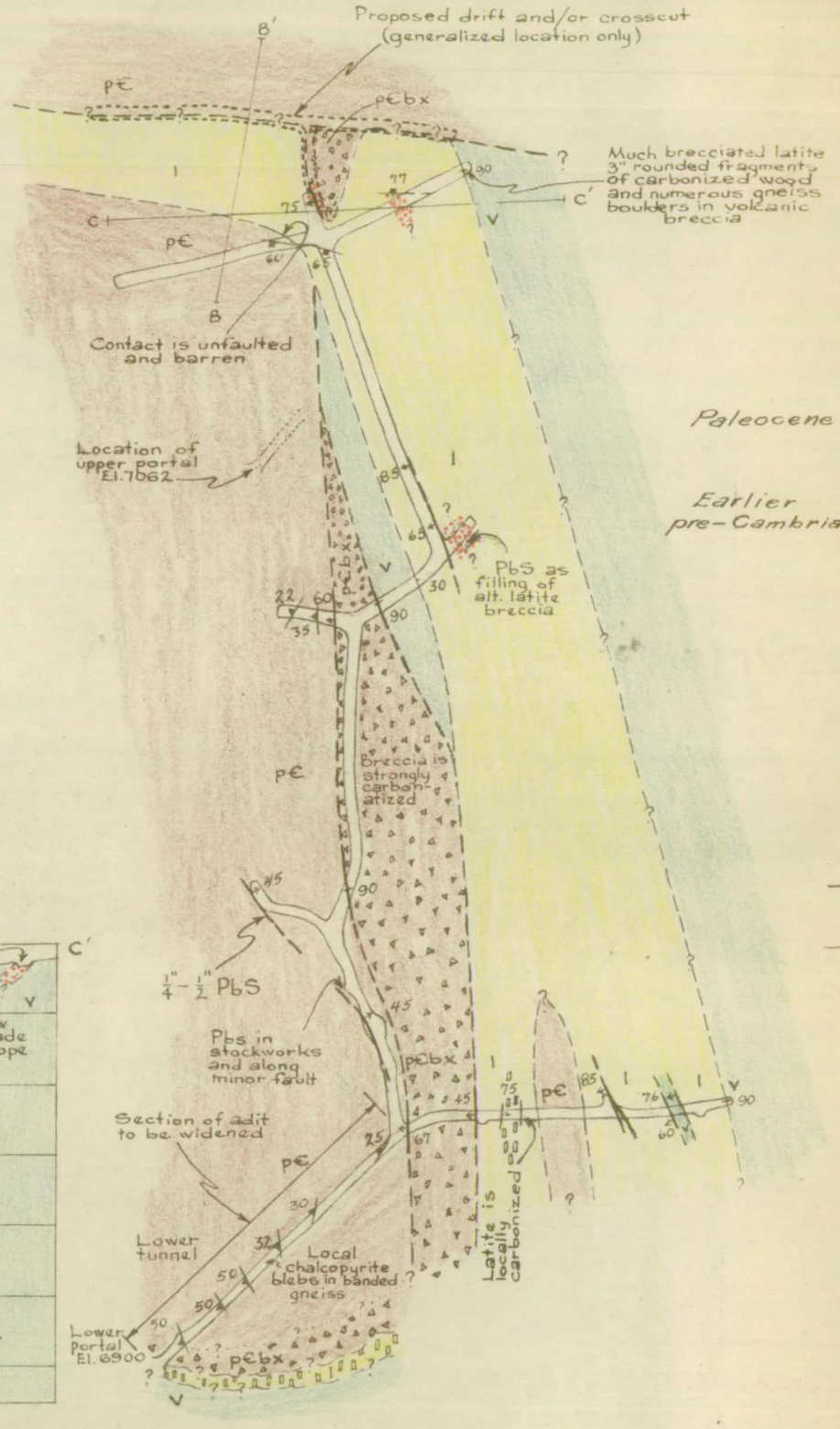
Geology by W.B. Myers & J. Fuller Sept. 1952

Geologic Sketch Map & Sections of the H & S Mine
Chinatown District Beaverhead Co., Mont.









EXPLANATION

	I	Latite (?), massive and hydrothermally bleached; and brecciated latite (?) partially argillized to soft clay and partially silicified. (Breccia only locally shown by pattern.)
Paleocene	V	Sedimentary volcanic breccia, many flow-banded rhyolite fragments. Locally argillized and silicified.
Earlier pre-Cambrian	p€	Gneiss and schist
	p€bx	Gneiss and schist tectonic breccia. Variably carbonatized to crystalline dolomite.
	d	Hydrothermal dolomite, replaces gneiss and schist.
		High-grade lead ore, replaces dolomite
		Low-grade lead ore, cements breccias
	45	Fault, showing dip
	30	Normal contact showing dip
	60	Joint, showing dip
	50	Foliation in metamorphic rock, showing dip
		Inclined working. Chevrons point downward vertical spacing 4 feet.

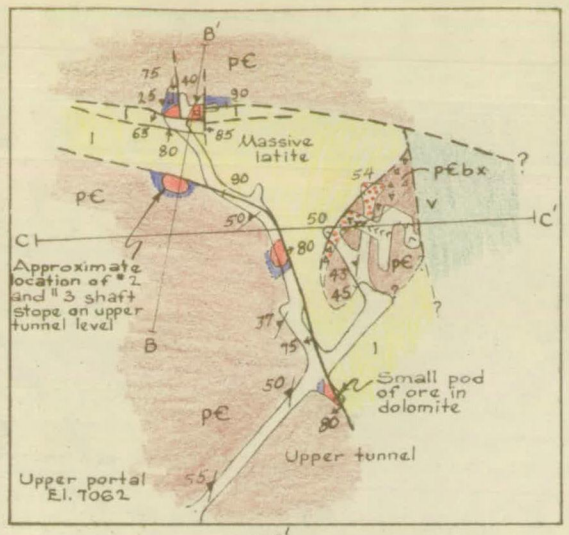
N

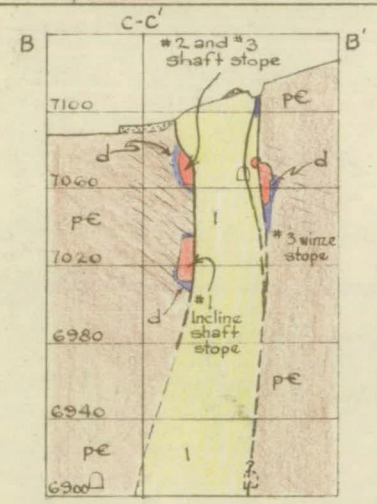
Scale: 1 inch = 100 feet

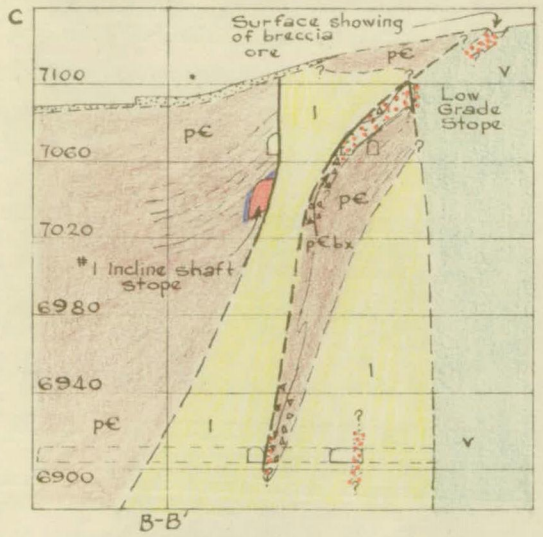
Brunton & Tape base by C.M. Dye

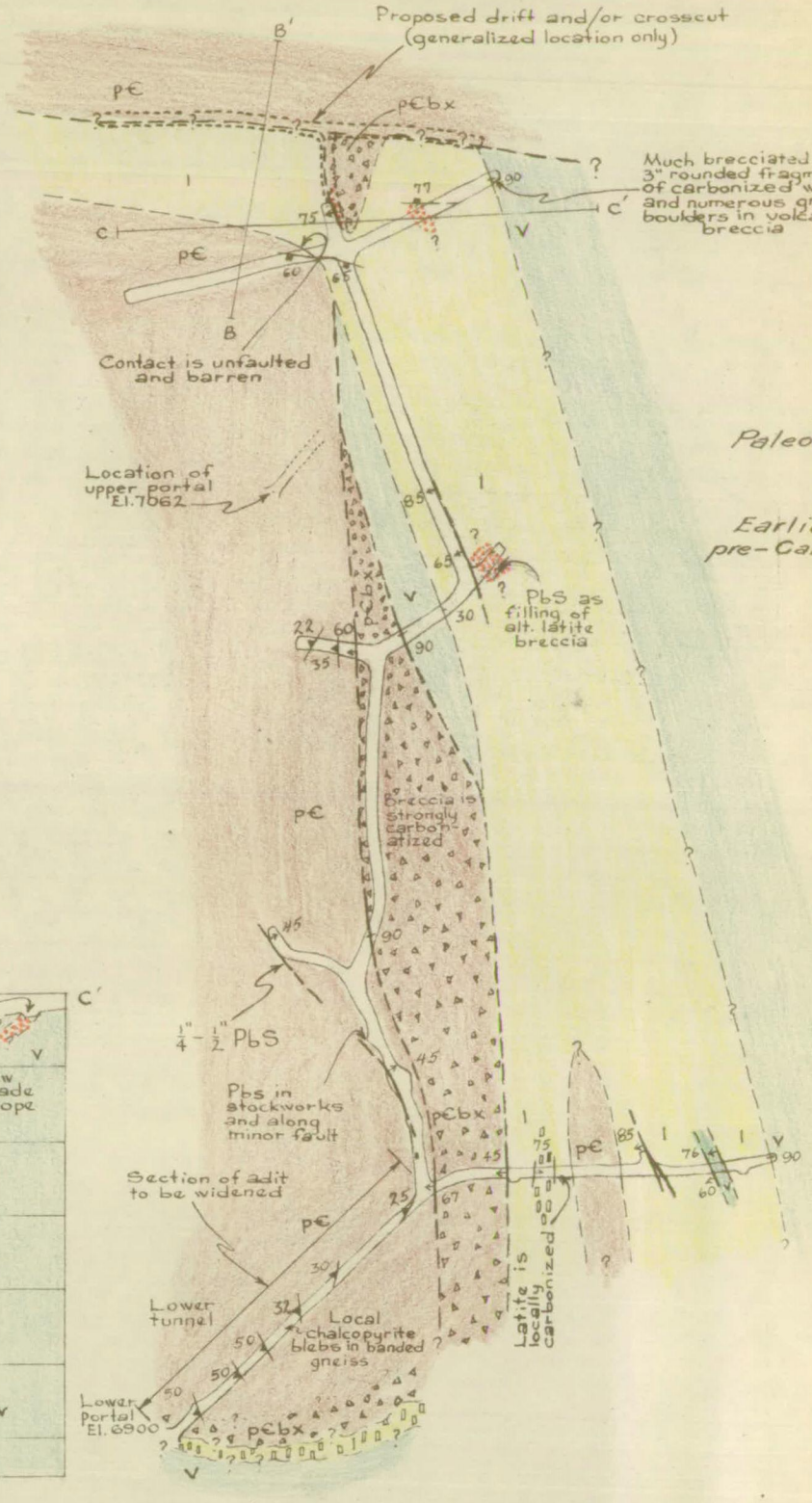
Geology by W.B. Myers & J. Fuller Sept. 1952

Geologic Sketch Map & Sections of the H & S Mine
Chinatown District Beaverhead Co., Mont.









EXPLANATION

	I	Latite (?), massive and hydrothermally bleached; and brecciated latite (?) partially argillized to soft clay and partially silicified. (Breccia only locally shown by pattern.)
Paleocene	V	Sedimentary volcanic breccia, many flow-banded rhyolite fragments. Locally argillized and silicified.
Earlier pre-Cambrian	p€	Gneiss and schist
	p€bx	Gneiss and schist tectonic breccia. Variably carbonatized to crystalline dolomite.
	d	Hydrothermal dolomite, replaces gneiss and schist.
		High-grade lead ore, replaces dolomite
		Low-grade lead ore, cements breccias
	45	Fault, showing dip
	30	Normal contact showing dip
	60	Joint, showing dip
	50	Foliation in metamorphic rock, showing dip
		Inclined working. Chevrons point downward vertical spacing 4 feet.

Scale: 1 inch = 100 feet

Brunton & Tape base by C.M. Dye

Geology by W.B. Myers & J. Fuller Sept. 1952

Geologic Sketch Map & Sections of the H & S Mine
Chinatown District Beaverhead Co., Mont.

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2640

COMMODITY lead

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] H & S Leasing Company, Kellogg, Idaho

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] 7 unpatented lode mining claims and 1 unpatented mill site recorded in the county records at Dillon, Mont., as follows: H & S, Bk. 101, p. 266-7; H & S #1, Bk. 101, p. 281-2; H & S #2, Bk. 101, p. 282-3; H & S #3, Bk. 101, p. 283-4; H & S #5, Bk. No. 101, p. 338-9; H & S #6, Bk. 108, p. 333-4; H & S #7, Bk. 108, p. 335-6; H & S millsite, Bk. 126, p. 497-8; located in sec. 9, T. 11 S., R. 13 W., M.P.M. the Operator represents and undertakes:[4]

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

(*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 30 days from the date of this contract shall commence work on a project of exploration for[5] _____ in or upon the described land; and shall bring the project to completion within a period of one year from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 50 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $9,774.50, which is 50 percent of $19,549.00, 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.

16—66329-1

(*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

_____
(Operator)

By _____

By _____

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

_____ [CORPORATE SEAL]

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

H & S LEASING CO.
DOCKET DMEA 2640 (LEAD-ZINC)

Exhibit "A"

Exploration Project

The exploration project shall be conducted on and from the lower tunnel level of the H & S Mine as follows: (Map attached hereto)

1. Widen 200 lin. ft. of the present adit from 3 feet to 5 feet.

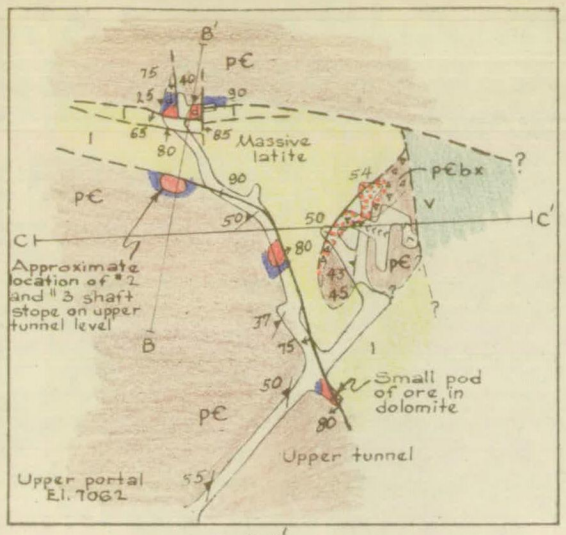
2. Rehabilitate 775 feet of the present adit and install track and air line.

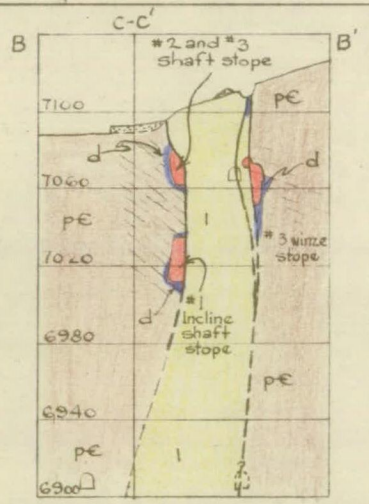
3. Drift and/or crosscut 300 lin. feet in the low grade ore exposed in the adit.

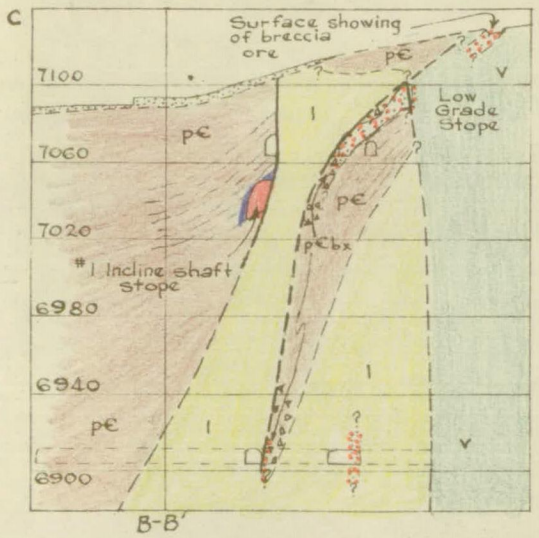
4. Raise (min. two compartment) 165 lin. feet in the ore from the lower adit level. The position of the raise shall be approved in writing by the Government acting through DMEA Field Team, Region II, dependent upon the results of the above named drift and/or crosscut.

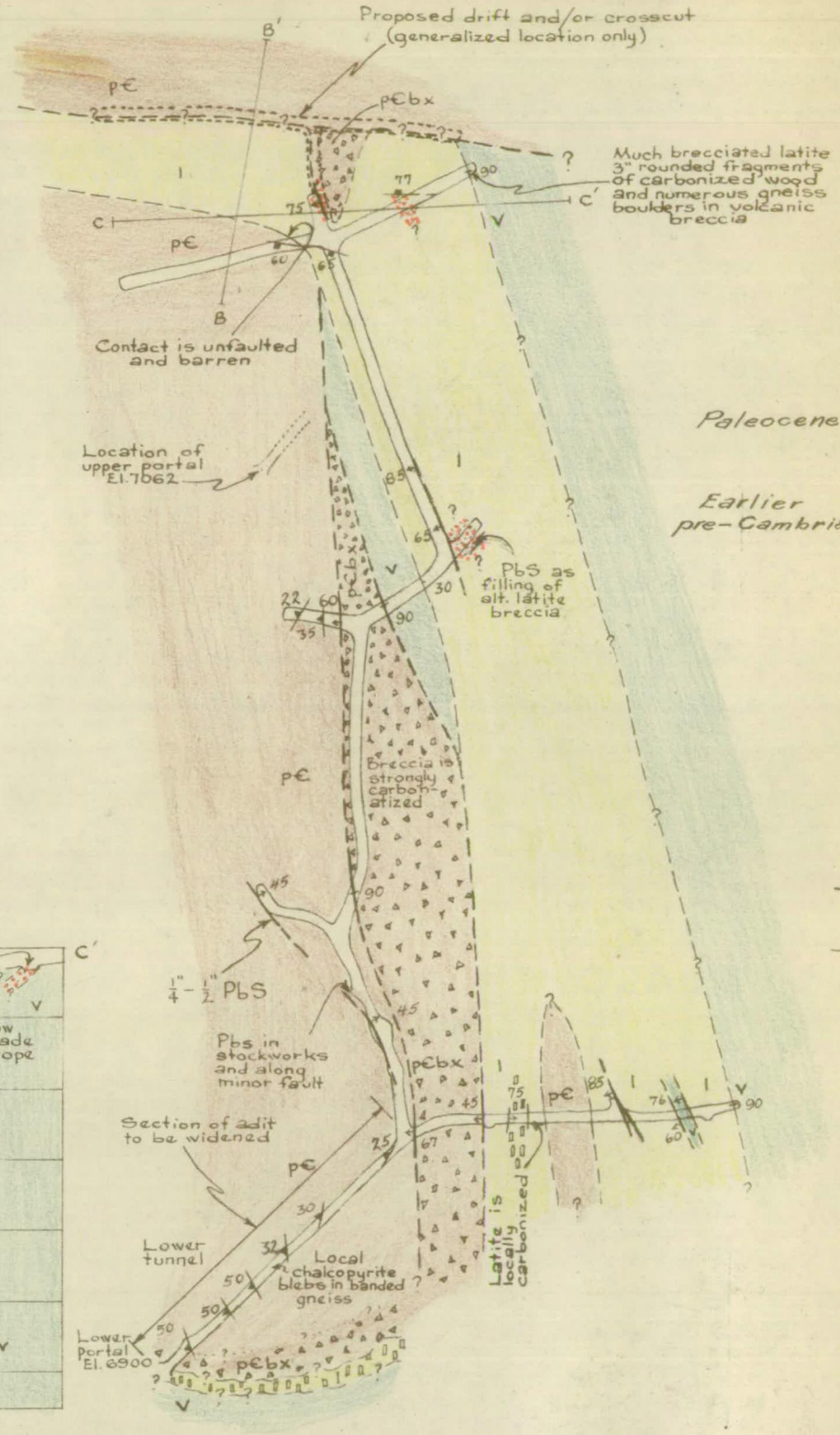
Cost of Project

1.	Widen 200 ft. adit at $3.00/lin. ft.	$ 600.00
2.	Rehabilitate 775 ft. adit at $2.25/lin. ft.	1744.00
3.	Crosscut or drift 300 lin. ft. at $31.50/lin. ft.	9450.00
4.	Raise (2 compartment) 165 feet at $47.00/lin. ft.	7755.00
	Total	$19,549.00









EXPLANATION

Latite (?), massive and hydrothermally bleached; and brecciated latite (?) partially argillized to soft clay and partially silicified. (Breccia only locally shown by pattern.)

Paleocene — V — Sedimentary volcanic breccia, many flow-banded rhyolite fragments. Locally argillized and silicified.

Earlier pre-Cambrian — p€ — Gneiss and schist

p€bx — Gneiss and schist tectonic breccia. Variably carbonatized to crystalline dolomite.

d — Hydrothermal dolomite, replaces gneiss and schist.

High-grade lead ore, replaces dolomite

Low-grade lead ore, cements breccias

45 — Fault, showing dip

30 — Normal contact showing dip

60 — Joint, showing dip

50 — Foliation in metamorphic rock, showing dip

Inclined working. Chevrons point downward vertical spacing 4 feet.

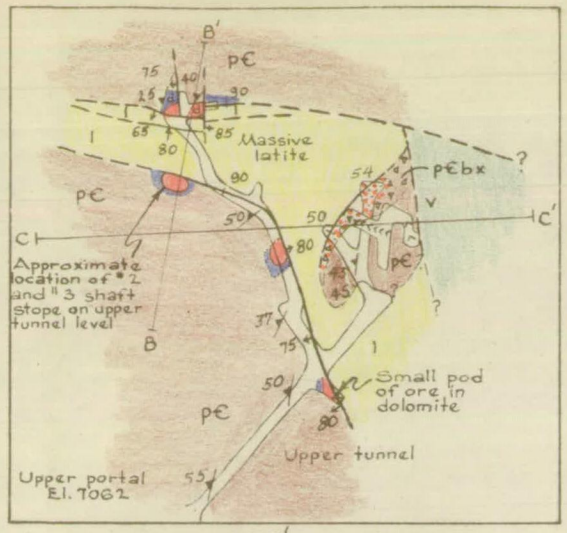
Scale:
1 inch = 100 feet

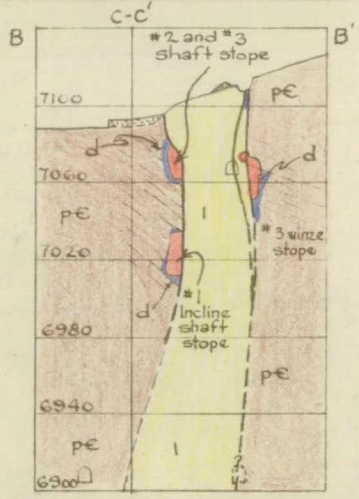
N

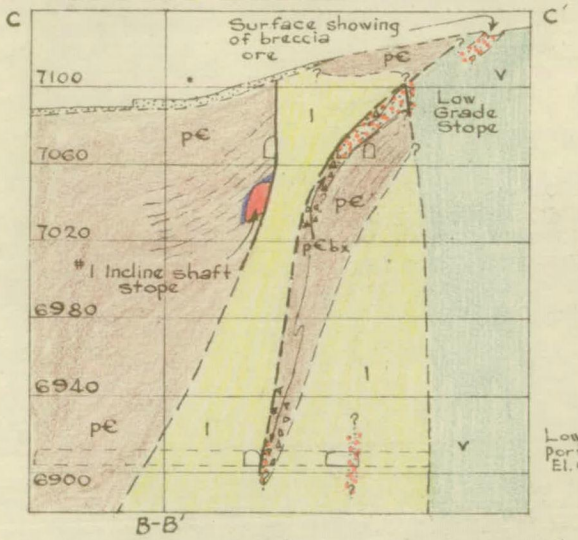
Brunton & Tape base by C.M. Dye

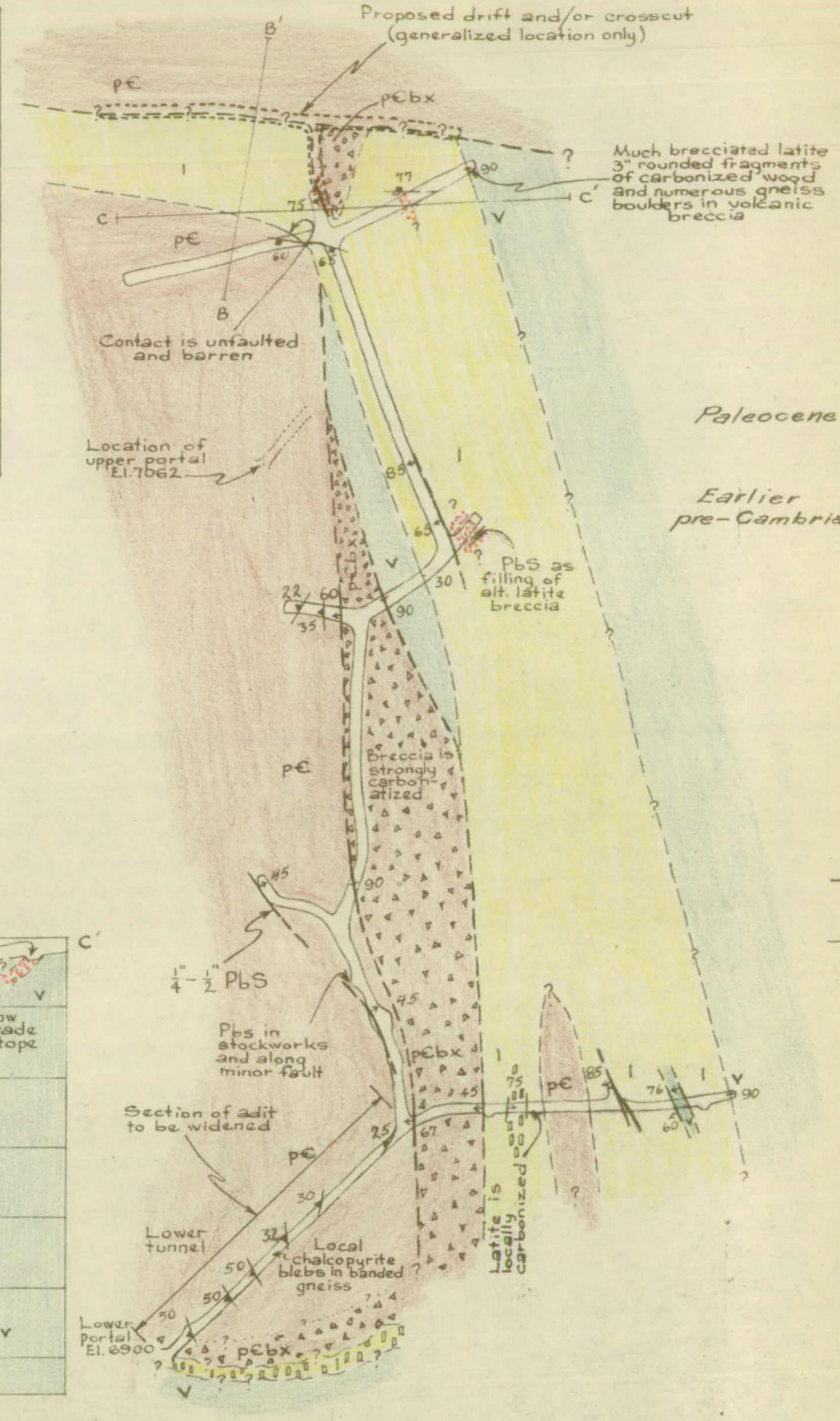
Geology by W.B. Myers & J. Fuller Sept. 1952

Geologic Sketch Map & Sections of the H & S Mine
Chinatown District Beaverhead Co., Mont.









EXPLANATION

Latite (?), massive and hydrothermally bleached; and brecciated latite (?) partially argillized to soft clay and partially silicified. (Breccia only locally shown by pattern.)

Paleocene — V — Sedimentary volcanic breccia, many flow-banded rhyolite fragments. Locally argillized and silicified.

Earlier pre-Cambrian — p€ — Gneiss and schist

p€bx — Gneiss and schist tectonic breccia. Variably carbonatized to crystalline dolomite.

d — Hydrothermal dolomite, replaces gneiss and schist.

High-grade lead ore, replaces dolomite

Low-grade lead ore, cements breccias

45 — Fault, showing dip

30 — Normal contact showing dip

60 — Joint, showing dip

50 — Foliation in metamorphic rock, showing dip

Inclined working. Chevrons point downward vertical spacing 4 feet.

Scale: 1 inch = 100 feet

N

Brunton & Tape base by C.M. Dye

Geology by W.B. Myers & J. Fuller Sept. 1952

Geologic Sketch Map & Sections of the H & S Mine
Chinatown District Beaverhead Co., Mont.

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2640

COMMODITY lead

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] H & S Leasing Company, Kellogg, Idaho

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] 7 unpatented lode mining claims and 1 unpatented mill site recorded in the county records at Dillon, Mont., as follows: H & S, Bk. 101, p. 266-7; H & S #1, Bk. 101, p. 281-2; H & S #2, Bk. 101, p. 282-3; H & S #3, Bk. 101, p. 283-4; H & S #5, Bk. No. 101, p. 338-9; H & S #6, Bk. 108, p. 333-4; H & S #7, Bk. 108, p. 335-6; H & S millsite, Bk. 126, p. 497-8; located in sec. 9, T. 11 S., R. 13 W., M.P.M.

the Operator represents and undertakes:[4]

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

(*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 30 days from the date of this contract shall commence work on a project of exploration for[5] _____

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

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 50 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $9,774.50, which is 50 percent of $19,549.00, 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

_____
(Operator)

By _____

By _____

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

_____ [CORPORATE SEAL]

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

H & S LEASING CO.
DOCKET DMEA 2640 (LEAD-ZINC)

Exhibit "A"

Exploration Project

The exploration project shall be conducted on and from the lower tunnel level of the H & S Mine as follows: (Map attached hereto)

1. Widen 200 lin. ft. of the present adit from 3 feet to 5 feet.

2. Rehabilitate 775 feet of the present adit and install track and air line.

3. Drift and/or crosscut 300 lin. feet in the low grade ore exposed in the adit.

4. Raise (min. two compartment) 165 lin. feet in the ore from the lower adit level. The position of the raise shall be approved in writing by the Government acting through DMEA Field Team, Region II, dependent upon the results of the above named drift and/or crosscut.

Cost of Project

1.	Widen 200 ft. adit at $3.00/lin. ft.	$ 600.00
2.	Rehabilitate 775 ft. adit at $2.25/lin. ft.	1744.00
3.	Crosscut or drift 300 lin. ft. at $31.50/lin. ft.	9450.00
4.	Raise (2 compartment) 165 feet at $47.00/lin. ft.	7755.00
	Total	$19,549.00

2640

Keating
Betty
(docket)

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

1201 N. Division St.
Spokane 2, Washington
November 3, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 10 1952

Mr. C. Mac Dye
Armstead, Montana

Subject: Docket No. DMEA 2640 (lead)
H.& S. Mine
Beaverhead County, Mont.

Dear Mac:

Following is a petrographic report on the hi-grade specimen from your H & S mine:

"Detailed polished surface and thin section studies indicate that this ore originates from the oxidized zone of a deposit, probably of mesothermal origin. Quartz was the first mineral to form, with continued and overlapping deposition, followed by pyrite and then galena. Subsequent alteration of the galena resulted in the formation of anglesite and cerussite as a direct, centripetal replacement of the galena and as fillings in interstices of some adjacent quartz. A second stage of quartz mineralization immediately followed, filling small cavities and coating the altered galena with minute euhedral crystals. The kaolinite, goethite, pyrolusite, limonite, and hematite were then formed with considerable overlapping, but in general, contemporaneously. The magnesium-substituted calcite was the last mineral to be deposited, occurring as a powdery coating on the surface of the altered galena, quartz crystals, and other minerals."

Our cost estimate for the raise on your proposed exploration project is $47.00 per foot. You know, of course, that the exploration project contracts are prepared in Washington, D.C. and if the project is approved the estimated raise cost may be changed.

Sincerely yours,

Thomas E. Howard
Chief, DMEA Section
Bureau of Mines, Region II

cc: DMEA, Wash.
USGS (2)

FILE COPY
SURNAME:
500
Keating

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

AUG 25 1952

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

Re: Docket No. DMEA-2640 (Lead-Zinc)
H. & S. Leasing Company, Montana

Dear Mr. Weissenborn:

We have for acknowledgement your memorandum of July 3, 1952, with the original and two copies of the above numbered application for exploration assistance submitted by the H. & S. Leasing Company. We have also received your memorandum of August 12, 1952, with six copies of "Owner's Consent to Lien", together with three copies of a revised legal description of the property involved.

We note that you have retained the fourth copy of the application to facilitate an early Field Examination and that you have advised the Applicant that an examination will be made.

We will await reports from your office relative to this project.

Sincerely yours, 8/25/52

W. F. Keller (JB)

ACTING Chairman, Operating Committee

APPROVED:

C. N. Johnson (JB)
Member, Bureau of Mines

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

AGKeating/mb

August 22, 1952
Copy to: Docket
Adm. Reading File
Operating Committe
Mr. Keller (2)
Mr. Keating
Mr. Bishop
Mr. McKnight
Region II

IN REPLY REFER TO:

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

August 21, 1952

Re: DMEA-2640
H. & S. Leasing Co.
Chinatown District
Beaverhead Co., Montana
$20,047.50

Memorandum

To: H. F. Keller

From: E. L. Newcomb

Subject: Review of application

A copy of the application has been retained by the field team at Spokane, Washington, to facilitate an early field examination.

I am returning the attached application for your files. Further consideration of the applicant's proposal will be made after we receive the field team report.

E. L. Newcomb
E. L. Newcomb

What about Mapes - Plater 2-9-5 Dye report

IN REPLY REFER TO:

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

August 21, 1952

Re: DMEA-2640
H. & S. Leasing Co.
Chinatown District
Beaverhead Co., Montana
$20,047.50

Memorandum

To: H. F. Keller

From: E. L. Newcomb

Subject: Review of application

A copy of the application has been retained by the field team at Spokane, Washington, to facilitate an early field examination.

I am returning the attached application for your files. Further consideration of the applicant's proposal will be made after we receive the field team report.

E. L. Newcomb

ELNewcomb:gt

Copies to: Dir's reading file
Geol. Div. files
Branch files
Branch reading files
O.M.Bishop- 3423 Interior
E.T.McKnight

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

So. 157 Howard Street
Spokane 4, Washington

July 31, 1952

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

Dear Mr. Johnson:

Enclosed are the original and two copies of an application for exploration assistance, H & S Leasing Co., Kellogg, Idaho. The property is in Beaverhead County, Montana. The fourth copy of this application and the company's private engineering report are being retained to facilitate an early field examination.

The applicant has been asked for a subordination agreement.

Very truly yours,

S. Warren Hobbs
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures
cc: USBM

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

1201 N. Division St.
Spokane 2, Wash.

AUG 18 1952

August 12, 1952

Memorandum

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

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

Subject: Application for Exploration Assistance, H. & S.
Mining Claims, Beaverhead County, Montana, (lead)

Enclosed are six completed copies of Form MF-203, "Owners Consent to Lien", to accompany the above captioned application which was forwarded to you July 31, 1952, together with three copies of answers to to Question No. 3, Form MF--103, revised to contain a legal description of the property involved.

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

Enclosure

CC: 4-Wash
USGS

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
120 N. Division St.
Spokane 2, Wash.

18

August 12, 1952

Memorandum

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

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

Subject: Application for Exploration Assistance, H. & S.
Mining Claims, Beaverhead County, Montana, (lead)

Enclosed are six completed copies of Form MF-203, "Owners Consent to Lien", to accompany the above captioned application which was forwarded to you July 31, 1952, together with three copies of answers to to Question No. 3, Form MF--103, revised to contain a legal description of the property involved.

for M. E. Volin, Acting Exec. Off.
Field Team, Region II

Enclosure

CC: 4-Wash
USGS

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

1201 N. Division St.
Spokane 2, Wash.

218

August 12, 1952

Memorandum

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

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

Subject: Application for Exploration Assistance, H. & S.
Mining Claims, Beaverhead County, Montana, (lead)

Enclosed are six completed copies of Form MF-203, "Owners Consent to Lien", to accompany the above captioned application which was forwarded to you July 31, 1952, together with three copies of answers to to Question No. 3, Form MF--103, revised to contain a legal description of the property involved.

for M. E. Volin, Acting Exec. Off.
Field Team, Region II

Enclosure

CC: 4-Wash
USGS

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

18

August 12, 1952

Memorandum

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

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

Subject: Application for Exploration Assistance, H. & S.
Mining Claims, Beaverhead County, Montana, (lead)

Enclosed are six completed copies of Form MF-203, "Owners Consent to Lien", to accompany the above captioned application which was forwarded to you July 31, 1952, together with three copies of answers to to Question No. 3, Form MF--103, revised to contain a legal description of the property involved.

for M. E. Volin, Acting Exec. Off.
Field Team, Region II

Enclosure

CC: 4-Wash
USGS

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, THE UNDERSIGNED, AS OWNER, CO-OWNER, LESSOR, OR SELLER HAS AN INTEREST IN CERTAIN PROPERTY IN THE STATE OF Montana, COUNTY OF Beaverhead, DESCRIBED ~~XX~~ ~~XXXXXX~~ 1/ in a lease dated November 15, 1949 and recorded in Book 72, Page 562 to 567 official record of said ~~county~~ Amendment to lease dated May 1, 1952 and recorded in Book 72, Page 560 to 561 official record of said county.

WHICH IS THE SUBJECT OF A PROPOSED EXPLORATION PROJECT CONTRACT, HEREINAFTER CALLED THE "CONTRACT", BETWEEN THE UNITED STATES OF AMERICA, HEREINAFTER CALLED THE "GOVERNMENT", AND

2/ H. & S. LEASING COMPANY

HEREINAFTER CALLED THE "OPERATOR"; AND

WHEREAS, UNDER CERTAIN PROVISIONS OF SAID CONTRACT WHICH ARE SET FORTH ON THE REVERSE SIDE HEREOF THE GOVERNMENT IS ENTITLED TO A PERCENTAGE ROYALTY ON PRODUCTION AND TO CERTAIN OTHER RIGHTS AND EQUITIES WHICH DO OR MAY CONFLICT WITH OR BE ADVERSE TO THE INTEREST OF THE UNDERSIGNED IN SAID PROPERTY;

NOW THEREFORE, THE UNDERSIGNED, IN CONSIDERATION OF SAID CONTRACT AND AS AN INDUCEMENT TO THE GOVERNMENT TO ENTER INTO SAME, UNDERTAKES AND AGREES AS FOLLOWS:

1. THE GOVERNMENT'S EQUITY IN AND RIGHT TO DISMANTLE, SEVER, TAKE POSSESSION OF, AND REMOVE AND DISPOSE OF FACILITIES, BUILDINGS, FIXTURES, EQUIPMENT, OR OTHER ITEMS AS PROVIDED IN THE CONTRACT, OR ANY AMENDMENT THEREOF, SHALL PREVAIL OVER AND BE PRIOR AND SUPERIOR TO ANY CONFLICTING OR ADVERSE RIGHTS OF THE UNDERSIGNED, AND THE GOVERNMENT IS AUTHORIZED TO ENTER UPON THE LAND FOR SUCH PURPOSES.

2. TO SECURE THE PAYMENT TO THE GOVERNMENT OF THE PERCENTAGE ROYALTY ON PRODUCTION 3/ PROVIDED FOR UNDER THE TERMS OF SAID EXPLORATION PROJECT CONTRACT, OR ANY AMENDMENT THEREOF WHICH DOES NOT INCREASE THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CLAIM HERE STATED OR ALTER THE PROVISIONS FOR REPAYMENT, THERE IS HEREBY GRANTED TO THE GOVERNMENT A LIEN UPON THE LAND HEREIN DESCRIBED AND UPON ANY PRODUCTION OF MINERALS THEREFROM, UNTIL THE ROYALTY CLAIM IS FULLY PAID IN THE AMOUNT OF THE GOVERNMENT'S CONTRIBUTION, NOT IN EXCESS OF 4/$ 10,023.75, OR TEN YEARS HAVE ELAPSED FROM THE DATE OF THE CONTRACT.

3. THE UNDERSIGNED SHALL COMMIT NO ACT NOR ASSERT ANY CLAIM THAT MAY CONTRAVENE OR CONFLICT WITH THE LIEN, CLAIM, OR RIGHTS OF THE GOVERNMENT UNDER THE PROVISIONS OF SAID CONTRACT. THIS AGREEMENT SHALL BE BINDING UPON THE HEIRS, EXECUTORS, ADMINISTRATORS, SUCCESSORS, AND ASSIGNS OF THE UNDERSIGNED.

DATED THIS 4th DAY OF August, 1952.

Ben H Sears [SEAL]

[SEAL]

[SEAL]

1/ EITHER (A) INSERT THE LEGAL DESCRIPTION OF THE LAND, OR (B) STRIKE OUT THE WORDS "AS FOLLOWS" AND INSERT "IN A LEASE [OR CONTRACT, DEED, OR OTHER DOCUMENT] DATED _____, AND RECORDED IN BOOK _____ PAGE _____ OFFICIAL RECORDS OF SAID COUNTY." IF (B) IS USED, THE BOOK AND PAGE OF RECORDATION CANNOT BE DISPENSED WITH. IF THE SPACE PROVIDED IS INSUFFICIENT, USE AN ANNEX, AND REFER TO THE ANNEX IN THE SPACE.

2/ INSERT THE NAME OF THE OPERATOR AS IT WILL APPEAR IN THE EXPLORATION PROJECT CONTRACT.

3/ MINING OR PRODUCTION FROM THE LAND IS NOT REQUIRED, AND IN THE ABSENCE OF PRODUCTION THERE IS NO OBLIGATION TO REPAY THE GOVERNMENT.

4/ INSERT THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CONTRIBUTION.

RELEVANT CONTRACT PROVISIONS

REPAYMENT BY OPERATOR. (A) IF, AT ANY TIME, THE GOVERNMENT CONSIDERS THAT A DISCOVERY OR A DEVELOPMENT FROM WHICH PRODUCTION MAY BE MADE HAS RESULTED FROM THE EXPLORATION WORK, THE GOVERNMENT, AT ANY TIME NOT LATER THAN SIX MONTHS AFTER THE OPERATOR HAS RENDERED THE REQUIRED FINAL REPORT AND FINAL ACCOUNT, MAY SO CERTIFY IN WRITING TO THE OPERATOR. THE CERTIFICATION SHALL DESCRIBE BROADLY OR INDICATE THE NATURE OF THE DISCOVERY OR DEVELOPMENT. IN THE EVENT OF SUCH CERTIFICATION, ANY MINERALS MINED OR PRODUCED FROM THE LAND DESCRIBED IN ARTICLE 2 WITHIN 10 YEARS FROM THE DATE OF THIS CONTRACT, INCLUDING ANY MINED OR PRODUCED BEFORE THE CERTIFICATION, SHALL BE SUBJECT TO A PERCENTAGE ROYALTY WHICH THE OPERATOR OR HIS SUCCESSOR IN INTEREST SHALL PAY TO THE GOVERNMENT, UPON THE NET SMELTER RETURNS, THE NET CONCENTRATOR RETURNS, OR OTHER NET AMOUNTS REALIZED FROM THE SALE OR OTHER DISPOSITION OF ANY SUCH PRODUCTION, IN WHATEVER FORM DISPOSED OF, INCLUDING ORE, CONCENTRATES, OR METAL, UNTIL THE TOTAL AMOUNT CONTRIBUTED BY THE GOVERNMENT, WITHOUT INTEREST, IS FULLY REPAID, OR SAID 10 YEARS HAVE ELAPSED, WHICHEVER OCCURS FIRST, AS FOLLOWS:

(1) ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS NOT IN EXCESS OF EIGHT DOLLARS ($8.00) PER TON.

(2) ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS, PLUS ONE-HALF ($\frac{1}{2}$) PER CENT SUCH NET AMOUNTS FOR EACH ADDITIONAL FULL FIFTY CENTS ($0.50) BY WHICH SUCH NET AMOUNTS EXCEED EIGHT DOLLARS ($8.00) PER TON, BUT NOT IN EXCESS OF FIVE (5) PER CENT OF SUCH NET AMOUNTS.

(FOR INSTANCE: THE PERCENTAGE ROYALTY ON A NET AMOUNT OF FIVE DOLLARS ($5.00) PER TON, WOULD BE ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT; ON A NET AMOUNT OF TEN DOLLARS ($10.00) PER TON, THREE AND ONE-HALF ($3\frac{1}{2}$) PER CENT.)

(B) AS HERE USED, "NET SMELTER RETURNS", "NET CONCENTRATOR RETURNS", AND "OTHER NET AMOUNTS REALIZED FROM THE SALE OR OTHER DISPOSITION", MEAN GROSS REVENUE FROM SALES; OR IF NOT SOLD, THE MARKET VALUE, THE MARKET VALUE OF THE MATERIAL AFTER IT IS MINED IN THE FORM IN WHICH AND THE PLACE WHERE IT IS HELD. IN THE CASE OF INTEGRATED OPERATIONS IN WHICH THE MATERIAL IS NOT DISPOSED OF AS SUCH, THESE TERMS MEAN WHAT IS OR WOULD BE GROSS INCOME FROM MINING OPERATIONS FOR PERCENTAGE DEPLETION PURPOSES IN INCOME TAX DETERMINATION.

(C) TO SECURE THE PAYMENT OF ITS PERCENTAGE ROYALTY, THE GOVERNMENT SHALL HAVE AND IS HEREBY GRANTED A LIEN UPON THE LAND DESCRIBED IN ARTICLE 2 AND UPON ANY PRODUCTION OF MINERALS THEREFROM, UNTIL THE ROYALTY CLAIM IS EXTINGUISHED BY LAPSE OF TIME OR IS FULLY PAID.

(D) THIS ARTICLE IS NOT TO BE CONSTRUED AS IMPOSING ANY OBLIGATION ON THE OPERATOR OR THE OPERATOR'S SUCCESSOR IN INTEREST TO ENGAGE IN ANY MINING OR PRODUCTION OPERATIONS.

TITLE TO AND DISPOSITION OF PROPERTY. ALL FACILITIES, BUILDINGS, FIXTURES, EQUIPMENT, OR OTHER ITEMS COSTING MORE THAN $50.00 EACH, PAID FOR OR PURCHASED WITH FUNDS CONTRIBUTED JOINTLY BY THE OPERATOR AND THE GOVERNMENT, ALTHOUGH TITLE MAY BE TAKEN IN THE NAME OF THE OPERATOR, SHALL BELONG TO THE OPERATOR AND THE GOVERNMENT JOINTLY, IN PROPORTION TO THEIR RESPECTIVE CONTRIBUTIONS, AND UPON THE COMPLETION OF THE WORK OR THE TERMINATION OF THE CONTRACT SHALL BE DISPOSED OF PROMPTLY BY THE OPERATOR FOR THE JOINT ACCOUNT OF THE GOVERNMENT AND THE OPERATOR, EITHER BY RETURN TO THE VENDOR, BY SALE TO OTHERS, OR PURCHASE BY THE OPERATOR AT A PRICE AT LEAST AS HIGH AS COULD OTHERWISE BE OBTAINED, AS MAY APPEAR TO BE FOR THE BEST INTEREST OF THE GOVERNMENT, UNLESS THE GOVERNMENT, IN WRITING, WAIVES ITS INTEREST IN ANY SUCH ITEM. IF NECESSARY TO ACCOMPLISH SUCH DISPOSITION, THE OPERATOR SHALL DISMANTLE, SEVER FROM THE LAND, AND REMOVE ANY SUCH ITEM, THE COST THEREOF TO BE FOR THE JOINT ACCOUNT OF THE PARTIES IN PROPORTION TO THEIR RESPECTIVE INTERESTS. IF THE OPERATOR, WITHIN 90 DAYS AFTER THE RECEIPT OF WRITTEN NOTICE FROM THE GOVERNMENT, FAILS, NEGLECTS, OR REFUSES TO DISPOSE OF SUCH PROPERTY, THE GOVERNMENT MAY ITSELF ENTER UPON THE LAND, TAKE POSSESSION OF, AND REMOVE AND DISPOSE OF ANY SUCH PROPERTY AS ABOVE PROVIDED.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, THE UNDERSIGNED, AS OWNER, CO-OWNER, LESSOR, OR SELLER HAS AN INTEREST IN CERTAIN PROPERTY IN THE STATE OF Montana, COUNTY OF Beaverhead, DESCRIBED ~~as follows:~~ 1/ in a lease dated November 19, 1949 and recorded in Book 72, Page 562 to 567 official record of said ~~county.~~ Amendment to Lease dated May 1, 1952 and recorded in Book 72, Page 560 to 561 official record of said county.

WHICH IS THE SUBJECT OF A PROPOSED EXPLORATION PROJECT CONTRACT, HEREINAFTER CALLED THE "CONTRACT", BETWEEN THE UNITED STATES OF AMERICA, HEREINAFTER CALLED THE "GOVERNMENT", AND

2/ U. S. [illegible]

HEREINAFTER CALLED THE "OPERATOR"; AND

WHEREAS, UNDER CERTAIN PROVISIONS OF SAID CONTRACT WHICH ARE SET FORTH ON THE REVERSE SIDE HEREOF THE GOVERNMENT IS ENTITLED TO A PERCENTAGE ROYALTY ON PRODUCTION AND TO CERTAIN OTHER RIGHTS AND EQUITIES WHICH DO OR MAY CONFLICT WITH OR BE ADVERSE TO THE INTEREST OF THE UNDERSIGNED IN SAID PROPERTY;

NOW THEREFORE, THE UNDERSIGNED, IN CONSIDERATION OF SAID CONTRACT AND AS AN INDUCEMENT TO THE GOVERNMENT TO ENTER INTO SAME, UNDERTAKES AND AGREES AS FOLLOWS:

1. THE GOVERNMENT'S EQUITY IN AND RIGHT TO DISMANTLE, SEVER, TAKE POSSESSION OF, AND REMOVE AND DISPOSE OF FACILITIES, BUILDINGS, FIXTURES, EQUIPMENT, OR OTHER ITEMS AS PROVIDED IN THE CONTRACT, OR ANY AMENDMENT THEREOF, SHALL PREVAIL OVER AND BE PRIOR AND SUPERIOR TO ANY CONFLICTING OR ADVERSE RIGHTS OF THE UNDERSIGNED, AND THE GOVERNMENT IS AUTHORIZED TO ENTER UPON THE LAND FOR SUCH PURPOSES.

2. TO SECURE THE PAYMENT TO THE GOVERNMENT OF THE PERCENTAGE ROYALTY ON PRODUCTION 3/ PROVIDED FOR UNDER THE TERMS OF SAID EXPLORATION PROJECT CONTRACT, OR ANY AMENDMENT THEREOF WHICH DOES NOT INCREASE THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CLAIM HERE STATED OR ALTER THE PROVISIONS FOR REPAYMENT, THERE IS HEREBY GRANTED TO THE GOVERNMENT A LIEN UPON THE LAND HEREIN DESCRIBED AND UPON ANY PRODUCTION OF MINERALS THEREFROM, UNTIL THE ROYALTY CLAIM IS FULLY PAID IN THE AMOUNT OF THE GOVERNMENT'S CONTRIBUTION, NOT IN EXCESS OF 4/$ 10,023.75, OR TEN YEARS HAVE ELAPSED FROM THE DATE OF THE CONTRACT.

3. THE UNDERSIGNED SHALL COMMIT NO ACT NOR ASSERT ANY CLAIM THAT MAY CONTRAVENE OR CONFLICT WITH THE LIEN, CLAIM, OR RIGHTS OF THE GOVERNMENT UNDER THE PROVISIONS OF SAID CONTRACT. THIS AGREEMENT SHALL BE BINDING UPON THE HEIRS, EXECUTORS, ADMINISTRATORS, SUCCESSORS, AND ASSIGNS OF THE UNDERSIGNED.

DATED THIS 4th DAY OF August, 1952.

[illegible] [SEAL]

[SEAL]

[SEAL]

1/ EITHER (A) INSERT THE LEGAL DESCRIPTION OF THE LAND, OR (B) STRIKE OUT THE WORDS "AS FOLLOWS" AND INSERT "IN A LEASE [OR CONTRACT, DEED, OR OTHER DOCUMENT] DATED _____, AND RECORDED IN BOOK _____ PAGE _____ OFFICIAL RECORDS OF SAID COUNTY." IF (B) IS USED, THE BOOK AND PAGE OF RECORDATION CANNOT BE DISPENSED WITH. IF THE SPACE PROVIDED IS INSUFFICIENT, USE AN ANNEX, AND REFER TO THE ANNEX IN THE SPACE.

2/ INSERT THE NAME OF THE OPERATOR AS IT WILL APPEAR IN THE EXPLORATION PROJECT CONTRACT.

3/ MINING OR PRODUCTION FROM THE LAND IS NOT REQUIRED, AND IN THE ABSENCE OF PRODUCTION THERE IS NO OBLIGATION TO REPAY THE GOVERNMENT.

4/ INSERT THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CONTRIBUTION.

RELEVANT CONTRACT PROVISIONS

REPAYMENT BY OPERATOR. (A) IF, AT ANY TIME, THE GOVERNMENT CONSIDERS THAT A DISCOVERY OR A DEVELOPMENT FROM WHICH PRODUCTION MAY BE MADE HAS RESULTED FROM THE EXPLORATION WORK, THE GOVERNMENT, AT ANY TIME NOT LATER THAN SIX MONTHS AFTER THE OPERATOR HAS RENDERED THE REQUIRED FINAL REPORT AND FINAL ACCOUNT, MAY SO CERTIFY IN WRITING TO THE OPERATOR. THE CERTIFICATION SHALL DESCRIBE BROADLY OR INDICATE THE NATURE OF THE DISCOVERY OR DEVELOPMENT. IN THE EVENT OF SUCH CERTIFICATION, ANY MINERALS MINED OR PRODUCED FROM THE LAND DESCRIBED IN ARTICLE 2 WITHIN 10 YEARS FROM THE DATE OF THIS CONTRACT, INCLUDING ANY MINED OR PRODUCED BEFORE THE CERTIFICATION, SHALL BE SUBJECT TO A PERCENTAGE ROYALTY WHICH THE OPERATOR OR HIS SUCCESSOR IN INTEREST SHALL PAY TO THE GOVERNMENT, UPON THE NET SMELTER RETURNS, THE NET CONCENTRATOR RETURNS, OR OTHER NET AMOUNTS REALIZED FROM THE SALE OR OTHER DISPOSITION OF ANY SUCH PRODUCTION, IN WHATEVER FORM DISPOSED OF, INCLUDING ORE, CONCENTRATES, OR METAL, UNTIL THE TOTAL AMOUNT CONTRIBUTED BY THE GOVERNMENT, WITHOUT INTEREST, IS FULLY REPAID, OR SAID 10 YEARS HAVE ELAPSED, WHICHEVER OCCURS FIRST, AS FOLLOWS:

(1) ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS NOT IN EXCESS OF EIGHT DOLLARS ($8.00) PER TON.

(2) ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS, PLUS ONE-HALF ($\frac{1}{2}$) PER CENT SUCH NET AMOUNTS FOR EACH ADDITIONAL FULL FIFTY CENTS ($0.50) BY WHICH SUCH NET AMOUNTS EXCEED EIGHT DOLLARS ($8.00) PER TON, BUT NOT IN EXCESS OF FIVE (5) PER CENT OF SUCH NET AMOUNTS.

(FOR INSTANCE: THE PERCENTAGE ROYALTY ON A NET AMOUNT OF FIVE DOLLARS ($5.00) PER TON, WOULD BE ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT; ON A NET AMOUNT OF TEN DOLLARS ($10.00) PER TON, THREE AND ONE-HALF ($3\frac{1}{2}$) PER CENT.)

(B) AS HERE USED, "NET SMELTER RETURNS", "NET CONCENTRATOR RETURNS", AND "OTHER NET AMOUNTS REALIZED FROM THE SALE OR OTHER DISPOSITION", MEAN GROSS REVENUE FROM SALES; OR IF NOT SOLD, THE MARKET VALUE, THE MARKET VALUE OF THE MATERIAL AFTER IT IS MINED IN THE FORM IN WHICH AND THE PLACE WHERE IT IS HELD. IN THE CASE OF INTEGRATED OPERATIONS IN WHICH THE MATERIAL IS NOT DISPOSED OF AS SUCH, THESE TERMS MEAN WHAT IS OR WOULD BE GROSS INCOME FROM MINING OPERATIONS FOR PERCENTAGE DEPLETION PURPOSES IN INCOME TAX DETERMINATION.

(C) TO SECURE THE PAYMENT OF ITS PERCENTAGE ROYALTY, THE GOVERNMENT SHALL HAVE AND IS HEREBY GRANTED A LIEN UPON THE LAND DESCRIBED IN ARTICLE 2 AND UPON ANY PRODUCTION OF MINERALS THEREFROM, UNTIL THE ROYALTY CLAIM IS EXTINGUISHED BY LAPSE OF TIME OR IS FULLY PAID.

(D) THIS ARTICLE IS NOT TO BE CONSTRUED AS IMPOSING ANY OBLIGATION ON THE OPERATOR OR THE OPERATOR'S SUCCESSOR IN INTEREST TO ENGAGE IN ANY MINING OR PRODUCTION OPERATIONS.

TITLE TO AND DISPOSITION OF PROPERTY. ALL FACILITIES, BUILDINGS, FIXTURES, EQUIPMENT, OR OTHER ITEMS COSTING MORE THAN $50.00 EACH, PAID FOR OR PURCHASED WITH FUNDS CONTRIBUTED JOINTLY BY THE OPERATOR AND THE GOVERNMENT, ALTHOUGH TITLE MAY BE TAKEN IN THE NAME OF THE OPERATOR, SHALL BELONG TO THE OPERATOR AND THE GOVERNMENT JOINTLY, IN PROPORTION TO THEIR RESPECTIVE CONTRIBUTIONS, AND UPON THE COMPLETION OF THE WORK OR THE TERMINATION OF THE CONTRACT SHALL BE DISPOSED OF PROMPTLY BY THE OPERATOR FOR THE JOINT ACCOUNT OF THE GOVERNMENT AND THE OPERATOR, EITHER BY RETURN TO THE VENDOR, BY SALE TO OTHERS, OR PURCHASE BY THE OPERATOR AT A PRICE AT LEAST AS HIGH AS COULD OTHERWISE BE OBTAINED, AS MAY APPEAR TO BE FOR THE BEST INTEREST OF THE GOVERNMENT, UNLESS THE GOVERNMENT, IN WRITING, WAIVES ITS INTEREST IN ANY SUCH ITEM. IF NECESSARY TO ACCOMPLISH SUCH DISPOSITION, THE OPERATOR SHALL DISMANTLE, SEVER FROM THE LAND, AND REMOVE ANY SUCH ITEM, THE COST THEREOF TO BE FOR THE JOINT ACCOUNT OF THE PARTIES IN PROPORTION TO THEIR RESPECTIVE INTERESTS. IF THE OPERATOR, WITHIN 90 DAYS AFTER THE RECEIPT OF WRITTEN NOTICE FROM THE GOVERNMENT, FAILS, NEGLECTS, OR REFUSES TO DISPOSE OF SUCH PROPERTY, THE GOVERNMENT MAY ITSELF ENTER UPON THE LAND, TAKE POSSESSION OF, AND REMOVE AND DISPOSE OF ANY SUCH PROPERTY AS ABOVE PROVIDED.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, THE UNDERSIGNED, AS OWNER, CO-OWNER, LESSOR, OR SELLER HAS AN INTEREST IN CERTAIN PROPERTY IN THE STATE OF Montana, COUNTY OF Beaverhead, DESCRIBED ~~XX~~ ~~FOLLOWS~~ 1/ in a lease dated November 15, 1949 and recorded in Book 72, Page 562 to 567 official record of said ~~county.~~ Amendment to lease dated May 1, 1952 and recorded in Book 72, Page 560 to 561 official record of said county.

WHICH IS THE SUBJECT OF A PROPOSED EXPLORATION PROJECT CONTRACT, HEREINAFTER CALLED THE "CONTRACT", BETWEEN THE UNITED STATES OF AMERICA, HEREINAFTER CALLED THE "GOVERNMENT", AND

2/ H. & S. LEASING COMPANY

HEREINAFTER CALLED THE "OPERATOR"; AND

WHEREAS, UNDER CERTAIN PROVISIONS OF SAID CONTRACT WHICH ARE SET FORTH ON THE REVERSE SIDE HEREOF THE GOVERNMENT IS ENTITLED TO A PERCENTAGE ROYALTY ON PRODUCTION AND TO CERTAIN OTHER RIGHTS AND EQUITIES WHICH DO OR MAY CONFLICT WITH OR BE ADVERSE TO THE INTEREST OF THE UNDERSIGNED IN SAID PROPERTY;

NOW THEREFORE, THE UNDERSIGNED, IN CONSIDERATION OF SAID CONTRACT AND AS AN INDUCEMENT TO THE GOVERNMENT TO ENTER INTO SAME, UNDERTAKES AND AGREES AS FOLLOWS:

1. THE GOVERNMENT'S EQUITY IN AND RIGHT TO DISMANTLE, SEVER, TAKE POSSESSION OF, AND REMOVE AND DISPOSE OF FACILITIES, BUILDINGS, FIXTURES, EQUIPMENT, OR OTHER ITEMS AS PROVIDED IN THE CONTRACT, OR ANY AMENDMENT THEREOF, SHALL PREVAIL OVER AND BE PRIOR AND SUPERIOR TO ANY CONFLICTING OR ADVERSE RIGHTS OF THE UNDERSIGNED, AND THE GOVERNMENT IS AUTHORIZED TO ENTER UPON THE LAND FOR SUCH PURPOSES.

2. TO SECURE THE PAYMENT TO THE GOVERNMENT OF THE PERCENTAGE ROYALTY ON PRODUCTION 3/ PROVIDED FOR UNDER THE TERMS OF SAID EXPLORATION PROJECT CONTRACT, OR ANY AMENDMENT THEREOF WHICH DOES NOT INCREASE THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CLAIM HERE STATED OR ALTER THE PROVISIONS FOR REPAYMENT, THERE IS HEREBY GRANTED TO THE GOVERNMENT A LIEN UPON THE LAND HEREIN DESCRIBED AND UPON ANY PRODUCTION OF MINERALS THEREFROM, UNTIL THE ROYALTY CLAIM IS FULLY PAID IN THE AMOUNT OF THE GOVERNMENT'S CONTRIBUTION, NOT IN EXCESS OF 4/$ 10,023.75, OR TEN YEARS HAVE ELAPSED FROM THE DATE OF THE CONTRACT.

3. THE UNDERSIGNED SHALL COMMIT NO ACT NOR ASSERT ANY CLAIM THAT MAY CONTRAVENE OR CONFLICT WITH THE LIEN, CLAIM, OR RIGHTS OF THE GOVERNMENT UNDER THE PROVISIONS OF SAID CONTRACT. THIS AGREEMENT SHALL BE BINDING UPON THE HEIRS, EXECUTORS, ADMINISTRATORS, SUCCESSORS, AND ASSIGNS OF THE UNDERSIGNED.

DATED THIS 4th DAY OF August, 1952.

B. St. Stars [SEAL]

[SEAL]

[SEAL]

1/ EITHER (A) INSERT THE LEGAL DESCRIPTION OF THE LAND, OR (B) STRIKE OUT THE WORDS "AS FOLLOWS" AND INSERT "IN A LEASE [OR CONTRACT, DEED, OR OTHER DOCUMENT] DATED _____, AND RECORDED IN BOOK _____ PAGE _____ OFFICIAL RECORDS OF SAID COUNTY." IF (B) IS USED, THE BOOK AND PAGE OF RECORDATION CANNOT BE DISPENSED WITH. IF THE SPACE PROVIDED IS INSUFFICIENT, USE AN ANNEX, AND REFER TO THE ANNEX IN THE SPACE.

2/ INSERT THE NAME OF THE OPERATOR AS IT WILL APPEAR IN THE EXPLORATION PROJECT CONTRACT.

3/ MINING OR PRODUCTION FROM THE LAND IS NOT REQUIRED, AND IN THE ABSENCE OF PRODUCTION THERE IS NO OBLIGATION TO REPAY THE GOVERNMENT.

4/ INSERT THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CONTRIBUTION.

RELEVANT CONTRACT PROVISIONS

REPAYMENT BY OPERATOR. (A) IF, AT ANY TIME, THE GOVERNMENT CONSIDERS THAT A DISCOVERY OR A DEVELOPMENT FROM WHICH PRODUCTION MAY BE MADE HAS RESULTED FROM THE EXPLORATION WORK, THE GOVERNMENT, AT ANY TIME NOT LATER THAN SIX MONTHS AFTER THE OPERATOR HAS RENDERED THE REQUIRED FINAL REPORT AND FINAL ACCOUNT, MAY SO CERTIFY IN WRITING TO THE OPERATOR. THE CERTIFICATION SHALL DESCRIBE BROADLY OR INDICATE THE NATURE OF THE DISCOVERY OR DEVELOPMENT. IN THE EVENT OF SUCH CERTIFICATION, ANY MINERALS MINED OR PRODUCED FROM THE LAND DESCRIBED IN ARTICLE 2 WITHIN 10 YEARS FROM THE DATE OF THIS CONTRACT, INCLUDING ANY MINED OR PRODUCED BEFORE THE CERTIFICATION, SHALL BE SUBJECT TO A PERCENTAGE ROYALTY WHICH THE OPERATOR OR HIS SUCCESSOR IN INTEREST SHALL PAY TO THE GOVERNMENT, UPON THE NET SMELTER RETURNS, THE NET CONCENTRATOR RETURNS, OR OTHER NET AMOUNTS REALIZED FROM THE SALE OR OTHER DISPOSITION OF ANY SUCH PRODUCTION, IN WHATEVER FORM DISPOSED OF, INCLUDING ORE, CONCENTRATES, OR METAL, UNTIL THE TOTAL AMOUNT CONTRIBUTED BY THE GOVERNMENT, WITHOUT INTEREST, IS FULLY REPAID, OR SAID 10 YEARS HAVE ELAPSED, WHICHEVER OCCURS FIRST, AS FOLLOWS:

(1) ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS NOT IN EXCESS OF EIGHT DOLLARS ($8.00) PER TON.

(2) ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS, PLUS ONE-HALF ($\frac{1}{2}$) PER CENT SUCH NET AMOUNTS FOR EACH ADDITIONAL FULL FIFTY CENTS ($0.50) BY WHICH SUCH NET AMOUNTS EXCEED EIGHT DOLLARS ($8.00) PER TON, BUT NOT IN EXCESS OF FIVE (5) PER CENT OF SUCH NET AMOUNTS.

(FOR INSTANCE: THE PERCENTAGE ROYALTY ON A NET AMOUNT OF FIVE DOLLARS ($5.00) PER TON, WOULD BE ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT; ON A NET AMOUNT OF TEN DOLLARS ($10.00) PER TON, THREE AND ONE-HALF ($3\frac{1}{2}$) PER CENT.)

(B) AS HERE USED, "NET SMELTER RETURNS", "NET CONCENTRATOR RETURNS", AND "OTHER NET AMOUNTS REALIZED FROM THE SALE OR OTHER DISPOSITION", MEAN GROSS REVENUE FROM SALES; OR IF NOT SOLD, THE MARKET VALUE, THE MARKET VALUE OF THE MATERIAL AFTER IT IS MINED IN THE FORM IN WHICH AND THE PLACE WHERE IT IS HELD. IN THE CASE OF INTEGRATED OPERATIONS IN WHICH THE MATERIAL IS NOT DISPOSED OF AS SUCH, THESE TERMS MEAN WHAT IS OR WOULD BE GROSS INCOME FROM MINING OPERATIONS FOR PERCENTAGE DEPLETION PURPOSES IN INCOME TAX DETERMINATION.

(C) TO SECURE THE PAYMENT OF ITS PERCENTAGE ROYALTY, THE GOVERNMENT SHALL HAVE AND IS HEREBY GRANTED A LIEN UPON THE LAND DESCRIBED IN ARTICLE 2 AND UPON ANY PRODUCTION OF MINERALS THEREFROM, UNTIL THE ROYALTY CLAIM IS EXTINGUISHED BY LAPSE OF TIME OR IS FULLY PAID.

(D) THIS ARTICLE IS NOT TO BE CONSTRUED AS IMPOSING ANY OBLIGATION ON THE OPERATOR OR THE OPERATOR'S SUCCESSOR IN INTEREST TO ENGAGE IN ANY MINING OR PRODUCTION OPERATIONS.

TITLE TO AND DISPOSITION OF PROPERTY. ALL FACILITIES, BUILDINGS, FIXTURES, EQUIPMENT, OR OTHER ITEMS COSTING MORE THAN $50.00 EACH, PAID FOR OR PURCHASED WITH FUNDS CONTRIBUTED JOINTLY BY THE OPERATOR AND THE GOVERNMENT, ALTHOUGH TITLE MAY BE TAKEN IN THE NAME OF THE OPERATOR, SHALL BELONG TO THE OPERATOR AND THE GOVERNMENT JOINTLY, IN PROPORTION TO THEIR RESPECTIVE CONTRIBUTIONS, AND UPON THE COMPLETION OF THE WORK OR THE TERMINATION OF THE CONTRACT SHALL BE DISPOSED OF PROMPTLY BY THE OPERATOR FOR THE JOINT ACCOUNT OF THE GOVERNMENT AND THE OPERATOR, EITHER BY RETURN TO THE VENDOR, BY SALE TO OTHERS, OR PURCHASE BY THE OPERATOR AT A PRICE AT LEAST AS HIGH AS COULD OTHERWISE BE OBTAINED, AS MAY APPEAR TO BE FOR THE BEST INTEREST OF THE GOVERNMENT, UNLESS THE GOVERNMENT, IN WRITING, WAIVES ITS INTEREST IN ANY SUCH ITEM. IF NECESSARY TO ACCOMPLISH SUCH DISPOSITION, THE OPERATOR SHALL DISMANTLE, SEVER FROM THE LAND, AND REMOVE ANY SUCH ITEM, THE COST THEREOF TO BE FOR THE JOINT ACCOUNT OF THE PARTIES IN PROPORTION TO THEIR RESPECTIVE INTERESTS. IF THE OPERATOR, WITHIN 90 DAYS AFTER THE RECEIPT OF WRITTEN NOTICE FROM THE GOVERNMENT, FAILS, NEGLECTS, OR REFUSES TO DISPOSE OF SUCH PROPERTY, THE GOVERNMENT MAY ITSELF ENTER UPON THE LAND, TAKE POSSESSION OF, AND REMOVE AND DISPOSE OF ANY SUCH PROPERTY AS ABOVE PROVIDED.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, THE UNDERSIGNED, AS OWNER, CO-OWNER, LESSOR, OR SELLER HAS AN INTEREST IN CERTAIN PROPERTY IN THE STATE OF Montana, COUNTY OF Beaverhead, DESCRIBED ~~AS FOLLOWS:~~ 1/ in a lease dated November 15, 1940 and recorded in Book 72, Page 562 to 567 of official record of said county, [illegible] dated [illegible], [illegible] and recorded in Book 72, Page 560 to 561 of official record of said county.

WHICH IS THE SUBJECT OF A PROPOSED EXPLORATION PROJECT CONTRACT, HEREINAFTER CALLED THE "CONTRACT", BETWEEN THE UNITED STATES OF AMERICA, HEREINAFTER CALLED THE "GOVERNMENT", AND

2/ U. S. [illegible]

HEREINAFTER CALLED THE "OPERATOR"; AND

WHEREAS, UNDER CERTAIN PROVISIONS OF SAID CONTRACT WHICH ARE SET FORTH ON THE REVERSE SIDE HEREOF THE GOVERNMENT IS ENTITLED TO A PERCENTAGE ROYALTY ON PRODUCTION AND TO CERTAIN OTHER RIGHTS AND EQUITIES WHICH DO OR MAY CONFLICT WITH OR BE ADVERSE TO THE INTEREST OF THE UNDERSIGNED IN SAID PROPERTY;

NOW THEREFORE, THE UNDERSIGNED, IN CONSIDERATION OF SAID CONTRACT AND AS AN INDUCEMENT TO THE GOVERNMENT TO ENTER INTO SAME, UNDERTAKES AND AGREES AS FOLLOWS:

1. THE GOVERNMENT'S EQUITY IN AND RIGHT TO DISMANTLE, SEVER, TAKE POSSESSION OF, AND REMOVE AND DISPOSE OF FACILITIES, BUILDINGS, FIXTURES, EQUIPMENT, OR OTHER ITEMS AS PROVIDED IN THE CONTRACT, OR ANY AMENDMENT THEREOF, SHALL PREVAIL OVER AND BE PRIOR AND SUPERIOR TO ANY CONFLICTING OR ADVERSE RIGHTS OF THE UNDERSIGNED, AND THE GOVERNMENT IS AUTHORIZED TO ENTER UPON THE LAND FOR SUCH PURPOSES.

2. TO SECURE THE PAYMENT TO THE GOVERNMENT OF THE PERCENTAGE ROYALTY ON PRODUCTION 3/ PROVIDED FOR UNDER THE TERMS OF SAID EXPLORATION PROJECT CONTRACT, OR ANY AMENDMENT THEREOF WHICH DOES NOT INCREASE THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CLAIM HERE STATED OR ALTER THE PROVISIONS FOR REPAYMENT, THERE IS HEREBY GRANTED TO THE GOVERNMENT A LIEN UPON THE LAND HEREIN DESCRIBED AND UPON ANY PRODUCTION OF MINERALS THEREFROM, UNTIL THE ROYALTY CLAIM IS FULLY PAID IN THE AMOUNT OF THE GOVERNMENT'S CONTRIBUTION, NOT IN EXCESS OF 4/$ 10,23.75, OR TEN YEARS HAVE ELAPSED FROM THE DATE OF THE CONTRACT.

3. THE UNDERSIGNED SHALL COMMIT NO ACT NOR ASSERT ANY CLAIM THAT MAY CONTRAVENE OR CONFLICT WITH THE LIEN, CLAIM, OR RIGHTS OF THE GOVERNMENT UNDER THE PROVISIONS OF SAID CONTRACT. THIS AGREEMENT SHALL BE BINDING UPON THE HEIRS, EXECUTORS, ADMINISTRATORS, SUCCESSORS, AND ASSIGNS OF THE UNDERSIGNED.

DATED THIS 4th DAY OF August, 1952.

Bert Stevens [SEAL]

[SEAL]

[SEAL]

1/ EITHER (A) INSERT THE LEGAL DESCRIPTION OF THE LAND, OR (B) STRIKE OUT THE WORDS "AS FOLLOWS" AND INSERT "IN A LEASE [OR CONTRACT, DEED, OR OTHER DOCUMENT] DATED _____, AND RECORDED IN BOOK _____ PAGE _____ OFFICIAL RECORDS OF SAID COUNTY." IF (B) IS USED, THE BOOK AND PAGE OF RECORDATION CANNOT BE DISPENSED WITH. IF THE SPACE PROVIDED IS INSUFFICIENT, USE AN ANNEX, AND REFER TO THE ANNEX IN THE SPACE.

2/ INSERT THE NAME OF THE OPERATOR AS IT WILL APPEAR IN THE EXPLORATION PROJECT CONTRACT.

3/ MINING OR PRODUCTION FROM THE LAND IS NOT REQUIRED, AND IN THE ABSENCE OF PRODUCTION THERE IS NO OBLIGATION TO REPAY THE GOVERNMENT.

4/ INSERT THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CONTRIBUTION.

RELEVANT CONTRACT PROVISIONS

REPAYMENT BY OPERATOR. (A) IF, AT ANY TIME, THE GOVERNMENT CONSIDERS THAT A DISCOVERY OR A DEVELOPMENT FROM WHICH PRODUCTION MAY BE MADE HAS RESULTED FROM THE EXPLORATION WORK, THE GOVERNMENT, AT ANY TIME NOT LATER THAN SIX MONTHS AFTER THE OPERATOR HAS RENDERED THE REQUIRED FINAL REPORT AND FINAL ACCOUNT, MAY SO CERTIFY IN WRITING TO THE OPERATOR. THE CERTIFICATION SHALL DESCRIBE BROADLY OR INDICATE THE NATURE OF THE DISCOVERY OR DEVELOPMENT. IN THE EVENT OF SUCH CERTIFICATION, ANY MINERALS MINED OR PRODUCED FROM THE LAND DESCRIBED IN ARTICLE 2 WITHIN 10 YEARS FROM THE DATE OF THIS CONTRACT, INCLUDING ANY MINED OR PRODUCED BEFORE THE CERTIFICATION, SHALL BE SUBJECT TO A PERCENTAGE ROYALTY WHICH THE OPERATOR OR HIS SUCCESSOR IN INTEREST SHALL PAY TO THE GOVERNMENT, UPON THE NET SMELTER RETURNS, THE NET CONCENTRATOR RETURNS, OR OTHER NET AMOUNTS REALIZED FROM THE SALE OR OTHER DISPOSITION OF ANY SUCH PRODUCTION, IN WHATEVER FORM DISPOSED OF, INCLUDING ORE, CONCENTRATES, OR METAL, UNTIL THE TOTAL AMOUNT CONTRIBUTED BY THE GOVERNMENT, WITHOUT INTEREST, IS FULLY REPAID, OR SAID 10 YEARS HAVE ELAPSED, WHICHEVER OCCURS FIRST, AS FOLLOWS:

(1) ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS NOT IN EXCESS OF EIGHT DOLLARS ($8.00) PER TON.

(2) ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS, PLUS ONE-HALF ($\frac{1}{2}$) PER CENT SUCH NET AMOUNTS FOR EACH ADDITIONAL FULL FIFTY CENTS ($0.50) BY WHICH SUCH NET AMOUNTS EXCEED EIGHT DOLLARS ($8.00) PER TON, BUT NOT IN EXCESS OF FIVE (5) PER CENT OF SUCH NET AMOUNTS.

(FOR INSTANCE: THE PERCENTAGE ROYALTY ON A NET AMOUNT OF FIVE DOLLARS ($5.00) PER TON, WOULD BE ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT; ON A NET AMOUNT OF TEN DOLLARS ($10.00) PER TON, THREE AND ONE-HALF ($3\frac{1}{2}$) PER CENT.)

(B) AS HERE USED, "NET SMELTER RETURNS", "NET CONCENTRATOR RETURNS", AND "OTHER NET AMOUNTS REALIZED FROM THE SALE OR OTHER DISPOSITION", MEAN GROSS REVENUE FROM SALES; OR IF NOT SOLD, THE MARKET VALUE, THE MARKET VALUE OF THE MATERIAL AFTER IT IS MINED IN THE FORM IN WHICH AND THE PLACE WHERE IT IS HELD. IN THE CASE OF INTEGRATED OPERATIONS IN WHICH THE MATERIAL IS NOT DISPOSED OF AS SUCH, THESE TERMS MEAN WHAT IS OR WOULD BE GROSS INCOME FROM MINING OPERATIONS FOR PERCENTAGE DEPLETION PURPOSES IN INCOME TAX DETERMINATION.

(C) TO SECURE THE PAYMENT OF ITS PERCENTAGE ROYALTY, THE GOVERNMENT SHALL HAVE AND IS HEREBY GRANTED A LIEN UPON THE LAND DESCRIBED IN ARTICLE 2 AND UPON ANY PRODUCTION OF MINERALS THEREFROM, UNTIL THE ROYALTY CLAIM IS EXTINGUISHED BY LAPSE OF TIME OR IS FULLY PAID.

(D) THIS ARTICLE IS NOT TO BE CONSTRUED AS IMPOSING ANY OBLIGATION ON THE OPERATOR OR THE OPERATOR'S SUCCESSOR IN INTEREST TO ENGAGE IN ANY MINING OR PRODUCTION OPERATIONS.

TITLE TO AND DISPOSITION OF PROPERTY. ALL FACILITIES, BUILDINGS, FIXTURES, EQUIPMENT, OR OTHER ITEMS COSTING MORE THAN $50.00 EACH, PAID FOR OR PURCHASED WITH FUNDS CONTRIBUTED JOINTLY BY THE OPERATOR AND THE GOVERNMENT, ALTHOUGH TITLE MAY BE TAKEN IN THE NAME OF THE OPERATOR, SHALL BELONG TO THE OPERATOR AND THE GOVERNMENT JOINTLY, IN PROPORTION TO THEIR RESPECTIVE CONTRIBUTIONS, AND UPON THE COMPLETION OF THE WORK OR THE TERMINATION OF THE CONTRACT SHALL BE DISPOSED OF PROMPTLY BY THE OPERATOR FOR THE JOINT ACCOUNT OF THE GOVERNMENT AND THE OPERATOR, EITHER BY RETURN TO THE VENDOR, BY SALE TO OTHERS, OR PURCHASE BY THE OPERATOR AT A PRICE AT LEAST AS HIGH AS COULD OTHERWISE BE OBTAINED, AS MAY APPEAR TO BE FOR THE BEST INTEREST OF THE GOVERNMENT, UNLESS THE GOVERNMENT, IN WRITING, WAIVES ITS INTEREST IN ANY SUCH ITEM. IF NECESSARY TO ACCOMPLISH SUCH DISPOSITION, THE OPERATOR SHALL DISMANTLE, SEVER FROM THE LAND, AND REMOVE ANY SUCH ITEM, THE COST THEREOF TO BE FOR THE JOINT ACCOUNT OF THE PARTIES IN PROPORTION TO THEIR RESPECTIVE INTERESTS. IF THE OPERATOR, WITHIN 90 DAYS AFTER THE RECEIPT OF WRITTEN NOTICE FROM THE GOVERNMENT, FAILS, NEGLECTS, OR REFUSES TO DISPOSE OF SUCH PROPERTY, THE GOVERNMENT MAY ITSELF ENTER UPON THE LAND, TAKE POSSESSION OF, AND REMOVE AND DISPOSE OF ANY SUCH PROPERTY AS ABOVE PROVIDED.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, THE UNDERSIGNED, AS OWNER, CO-OWNER, LESSOR, OR SELLER HAS AN INTEREST IN CERTAIN PROPERTY IN THE STATE OF _____, COUNTY OF _____, DESCRIBED AS FOLLOWS: 1/ [illegible]

72 562 to 567 [illegible]

[illegible] 72

560 to 561 [illegible]

WHICH IS THE SUBJECT OF A PROPOSED EXPLORATION PROJECT CONTRACT, HEREINAFTER CALLED THE "CONTRACT", BETWEEN THE UNITED STATES OF AMERICA, HEREINAFTER CALLED THE "GOVERNMENT", AND

2/ _____

HEREINAFTER CALLED THE "OPERATOR"; AND

WHEREAS, UNDER CERTAIN PROVISIONS OF SAID CONTRACT WHICH ARE SET FORTH ON THE REVERSE SIDE HEREOF THE GOVERNMENT IS ENTITLED TO A PERCENTAGE ROYALTY ON PRODUCTION AND TO CERTAIN OTHER RIGHTS AND EQUITIES WHICH DO OR MAY CONFLICT WITH OR BE ADVERSE TO THE INTEREST OF THE UNDERSIGNED IN SAID PROPERTY;

NOW THEREFORE, THE UNDERSIGNED, IN CONSIDERATION OF SAID CONTRACT AND AS AN INDUCEMENT TO THE GOVERNMENT TO ENTER INTO SAME, UNDERTAKES AND AGREES AS FOLLOWS:

1. THE GOVERNMENT'S EQUITY IN AND RIGHT TO DISMANTLE, SEVER, TAKE POSSESSION OF, AND REMOVE AND DISPOSE OF FACILITIES, BUILDINGS, FIXTURES, EQUIPMENT, OR OTHER ITEMS AS PROVIDED IN THE CONTRACT, OR ANY AMENDMENT THEREOF, SHALL PREVAIL OVER AND BE PRIOR AND SUPERIOR TO ANY CONFLICTING OR ADVERSE RIGHTS OF THE UNDERSIGNED, AND THE GOVERNMENT IS AUTHORIZED TO ENTER UPON THE LAND FOR SUCH PURPOSES.

2. TO SECURE THE PAYMENT TO THE GOVERNMENT OF THE PERCENTAGE ROYALTY ON PRODUCTION 3/ PROVIDED FOR UNDER THE TERMS OF SAID EXPLORATION PROJECT CONTRACT, OR ANY AMENDMENT THEREOF WHICH DOES NOT INCREASE THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CLAIM HERE STATED OR ALTER THE PROVISIONS FOR REPAYMENT, THERE IS HEREBY GRANTED TO THE GOVERNMENT A LIEN UPON THE LAND HEREIN DESCRIBED AND UPON ANY PRODUCTION OF MINERALS THEREFROM, UNTIL THE ROYALTY CLAIM IS FULLY PAID IN THE AMOUNT OF THE GOVERNMENT'S CONTRIBUTION, NOT IN EXCESS OF 4/$ [illegible], OR TEN YEARS HAVE ELAPSED FROM THE DATE OF THE CONTRACT.

3. THE UNDERSIGNED SHALL COMMIT NO ACT NOR ASSERT ANY CLAIM THAT MAY CONTRAVENE OR CONFLICT WITH THE LIEN, CLAIM, OR RIGHTS OF THE GOVERNMENT UNDER THE PROVISIONS OF SAID CONTRACT. THIS AGREEMENT SHALL BE BINDING UPON THE HEIRS, EXECUTORS, ADMINISTRATORS, SUCCESSORS, AND ASSIGNS OF THE UNDERSIGNED.

DATED THIS 4th DAY OF August, 1952.

[illegible] [SEAL]

_____ [SEAL]

_____ [SEAL]

1/ EITHER (A) INSERT THE LEGAL DESCRIPTION OF THE LAND, OR (B) STRIKE OUT THE WORDS "AS FOLLOWS" AND INSERT "IN A LEASE [OR CONTRACT, DEED, OR OTHER DOCUMENT] DATED _____, AND RECORDED IN BOOK _____ PAGE _____ OFFICIAL RECORDS OF SAID COUNTY." IF (B) IS USED, THE BOOK AND PAGE OF RECORDATION CANNOT BE DISPENSED WITH. IF THE SPACE PROVIDED IS INSUFFICIENT, USE AN ANNEX, AND REFER TO THE ANNEX IN THE SPACE.

2/ INSERT THE NAME OF THE OPERATOR AS IT WILL APPEAR IN THE EXPLORATION PROJECT CONTRACT.

3/ MINING OR PRODUCTION FROM THE LAND IS NOT REQUIRED, AND IN THE ABSENCE OF PRODUCTION THERE IS NO OBLIGATION TO REPAY THE GOVERNMENT.

4/ INSERT THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CONTRIBUTION.

RELEVANT CONTRACT PROVISIONS

REPAYMENT BY OPERATOR. (A) IF, AT ANY TIME, THE GOVERNMENT CONSIDERS THAT A DISCOVERY OR A DEVELOPMENT FROM WHICH PRODUCTION MAY BE MADE HAS RESULTED FROM THE EXPLORATION WORK, THE GOVERNMENT, AT ANY TIME NOT LATER THAN SIX MONTHS AFTER THE OPERATOR HAS RENDERED THE REQUIRED FINAL REPORT AND FINAL ACCOUNT, MAY SO CERTIFY IN WRITING TO THE OPERATOR. THE CERTIFICATION SHALL DESCRIBE BROADLY OR INDICATE THE NATURE OF THE DISCOVERY OR DEVELOPMENT. IN THE EVENT OF SUCH CERTIFICATION, ANY MINERALS MINED OR PRODUCED FROM THE LAND DESCRIBED IN ARTICLE 2 WITHIN 10 YEARS FROM THE DATE OF THIS CONTRACT, INCLUDING ANY MINED OR PRODUCED BEFORE THE CERTIFICATION, SHALL BE SUBJECT TO A PERCENTAGE ROYALTY WHICH THE OPERATOR OR HIS SUCCESSOR IN INTEREST SHALL PAY TO THE GOVERNMENT, UPON THE NET SMELTER RETURNS, THE NET CONCENTRATOR RETURNS, OR OTHER NET AMOUNTS REALIZED FROM THE SALE OR OTHER DISPOSITION OF ANY SUCH PRODUCTION, IN WHATEVER FORM DISPOSED OF, INCLUDING ORE, CONCENTRATES, OR METAL, UNTIL THE TOTAL AMOUNT CONTRIBUTED BY THE GOVERNMENT, WITHOUT INTEREST, IS FULLY REPAID, OR SAID 10 YEARS HAVE ELAPSED, WHICHEVER OCCURS FIRST, AS FOLLOWS:

(1) ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS NOT IN EXCESS OF EIGHT DOLLARS ($8.00) PER TON.

(2) ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS, PLUS ONE-HALF ($\frac{1}{2}$) PER CENT SUCH NET AMOUNTS FOR EACH ADDITIONAL FULL FIFTY CENTS ($0.50) BY WHICH SUCH NET AMOUNTS EXCEED EIGHT DOLLARS ($8.00) PER TON, BUT NOT IN EXCESS OF FIVE (5) PER CENT OF SUCH NET AMOUNTS.

(FOR INSTANCE: THE PERCENTAGE ROYALTY ON A NET AMOUNT OF FIVE DOLLARS ($5.00) PER TON, WOULD BE ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT; ON A NET AMOUNT OF TEN DOLLARS ($10.00) PER TON, THREE AND ONE-HALF ($3\frac{1}{2}$) PER CENT.)

(B) AS HERE USED, "NET SMELTER RETURNS", "NET CONCENTRATOR RETURNS", AND "OTHER NET AMOUNTS REALIZED FROM THE SALE OR OTHER DISPOSITION", MEAN GROSS REVENUE FROM SALES; OR IF NOT SOLD, THE MARKET VALUE, THE MARKET VALUE OF THE MATERIAL AFTER IT IS MINED IN THE FORM IN WHICH AND THE PLACE WHERE IT IS HELD. IN THE CASE OF INTEGRATED OPERATIONS IN WHICH THE MATERIAL IS NOT DISPOSED OF AS SUCH, THESE TERMS MEAN WHAT IS OR WOULD BE GROSS INCOME FROM MINING OPERATIONS FOR PERCENTAGE DEPLETION PURPOSES IN INCOME TAX DETERMINATION.

(C) TO SECURE THE PAYMENT OF ITS PERCENTAGE ROYALTY, THE GOVERNMENT SHALL HAVE AND IS HEREBY GRANTED A LIEN UPON THE LAND DESCRIBED IN ARTICLE 2 AND UPON ANY PRODUCTION OF MINERALS THEREFROM, UNTIL THE ROYALTY CLAIM IS EXTINGUISHED BY LAPSE OF TIME OR IS FULLY PAID.

(D) THIS ARTICLE IS NOT TO BE CONSTRUED AS IMPOSING ANY OBLIGATION ON THE OPERATOR OR THE OPERATOR'S SUCCESSOR IN INTEREST TO ENGAGE IN ANY MINING OR PRODUCTION OPERATIONS.

TITLE TO AND DISPOSITION OF PROPERTY. ALL FACILITIES, BUILDINGS, FIXTURES, EQUIPMENT, OR OTHER ITEMS COSTING MORE THAN $50.00 EACH, PAID FOR OR PURCHASED WITH FUNDS CONTRIBUTED JOINTLY BY THE OPERATOR AND THE GOVERNMENT, ALTHOUGH TITLE MAY BE TAKEN IN THE NAME OF THE OPERATOR, SHALL BELONG TO THE OPERATOR AND THE GOVERNMENT JOINTLY, IN PROPORTION TO THEIR RESPECTIVE CONTRIBUTIONS, AND UPON THE COMPLETION OF THE WORK OR THE TERMINATION OF THE CONTRACT SHALL BE DISPOSED OF PROMPTLY BY THE OPERATOR FOR THE JOINT ACCOUNT OF THE GOVERNMENT AND THE OPERATOR, EITHER BY RETURN TO THE VENDOR, BY SALE TO OTHERS, OR PURCHASE BY THE OPERATOR AT A PRICE AT LEAST AS HIGH AS COULD OTHERWISE BE OBTAINED, AS MAY APPEAR TO BE FOR THE BEST INTEREST OF THE GOVERNMENT, UNLESS THE GOVERNMENT, IN WRITING, WAIVES ITS INTEREST IN ANY SUCH ITEM. IF NECESSARY TO ACCOMPLISH SUCH DISPOSITION, THE OPERATOR SHALL DISMANTLE, SEVER FROM THE LAND, AND REMOVE ANY SUCH ITEM, THE COST THEREOF TO BE FOR THE JOINT ACCOUNT OF THE PARTIES IN PROPORTION TO THEIR RESPECTIVE INTERESTS. IF THE OPERATOR, WITHIN 90 DAYS AFTER THE RECEIPT OF WRITTEN NOTICE FROM THE GOVERNMENT, FAILS, NEGLECTS, OR REFUSES TO DISPOSE OF SUCH PROPERTY, THE GOVERNMENT MAY ITSELF ENTER UPON THE LAND, TAKE POSSESSION OF, AND REMOVE AND DISPOSE OF ANY SUCH PROPERTY AS ABOVE PROVIDED.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, THE UNDERSIGNED, AS OWNER, CO-OWNER, LESSOR, OR SELLER HAS AN INTEREST IN CERTAIN PROPERTY IN THE STATE OF _____, COUNTY OF _____, DESCRIBED AS FOLLOWS: 1/

72 562 to 567

72

560 to 561

WHICH IS THE SUBJECT OF A PROPOSED EXPLORATION PROJECT CONTRACT, HEREINAFTER CALLED THE "CONTRACT", BETWEEN THE UNITED STATES OF AMERICA, HEREINAFTER CALLED THE "GOVERNMENT", AND

2/ _____

HEREINAFTER CALLED THE "OPERATOR"; AND

WHEREAS, UNDER CERTAIN PROVISIONS OF SAID CONTRACT WHICH ARE SET FORTH ON THE REVERSE SIDE HEREOF THE GOVERNMENT IS ENTITLED TO A PERCENTAGE ROYALTY ON PRODUCTION AND TO CERTAIN OTHER RIGHTS AND EQUITIES WHICH DO OR MAY CONFLICT WITH OR BE ADVERSE TO THE INTEREST OF THE UNDERSIGNED IN SAID PROPERTY;

NOW THEREFORE, THE UNDERSIGNED, IN CONSIDERATION OF SAID CONTRACT AND AS AN INDUCEMENT TO THE GOVERNMENT TO ENTER INTO SAME, UNDERTAKES AND AGREES AS FOLLOWS:

1. THE GOVERNMENT'S EQUITY IN AND RIGHT TO DISMANTLE, SEVER, TAKE POSSESSION OF, AND REMOVE AND DISPOSE OF FACILITIES, BUILDINGS, FIXTURES, EQUIPMENT, OR OTHER ITEMS AS PROVIDED IN THE CONTRACT, OR ANY AMENDMENT THEREOF, SHALL PREVAIL OVER AND BE PRIOR AND SUPERIOR TO ANY CONFLICTING OR ADVERSE RIGHTS OF THE UNDERSIGNED, AND THE GOVERNMENT IS AUTHORIZED TO ENTER UPON THE LAND FOR SUCH PURPOSES.

2. TO SECURE THE PAYMENT TO THE GOVERNMENT OF THE PERCENTAGE ROYALTY ON PRODUCTION 3/ PROVIDED FOR UNDER THE TERMS OF SAID EXPLORATION PROJECT CONTRACT, OR ANY AMENDMENT THEREOF WHICH DOES NOT INCREASE THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CLAIM HERE STATED OR ALTER THE PROVISIONS FOR REPAYMENT, THERE IS HEREBY GRANTED TO THE GOVERNMENT A LIEN UPON THE LAND HEREIN DESCRIBED AND UPON ANY PRODUCTION OF MINERALS THEREFROM, UNTIL THE ROYALTY CLAIM IS FULLY PAID IN THE AMOUNT OF THE GOVERNMENT'S CONTRIBUTION, NOT IN EXCESS OF 4/$ 1,200, OR TEN YEARS HAVE ELAPSED FROM THE DATE OF THE CONTRACT.

3. THE UNDERSIGNED SHALL COMMIT NO ACT NOR ASSERT ANY CLAIM THAT MAY CONTRAVENE OR CONFLICT WITH THE LIEN, CLAIM, OR RIGHTS OF THE GOVERNMENT UNDER THE PROVISIONS OF SAID CONTRACT. THIS AGREEMENT SHALL BE BINDING UPON THE HEIRS, EXECUTORS, ADMINISTRATORS, SUCCESSORS, AND ASSIGNS OF THE UNDERSIGNED.

DATED THIS 4th DAY OF August, 1952.

Ben H Stars [SEAL]

_____ [SEAL]

_____ [SEAL]

1/ EITHER (A) INSERT THE LEGAL DESCRIPTION OF THE LAND, OR (B) STRIKE OUT THE WORDS "AS FOLLOWS" AND INSERT "IN A LEASE [OR CONTRACT, DEED, OR OTHER DOCUMENT] DATED _____, AND RECORDED IN BOOK _____ PAGE _____ OFFICIAL RECORDS OF SAID COUNTY." IF (B) IS USED, THE BOOK AND PAGE OF RECORDATION CANNOT BE DISPENSED WITH. IF THE SPACE PROVIDED IS INSUFFICIENT, USE AN ANNEX, AND REFER TO THE ANNEX IN THE SPACE.

2/ INSERT THE NAME OF THE OPERATOR AS IT WILL APPEAR IN THE EXPLORATION PROJECT CONTRACT.

3/ MINING OR PRODUCTION FROM THE LAND IS NOT REQUIRED, AND IN THE ABSENCE OF PRODUCTION THERE IS NO OBLIGATION TO REPAY THE GOVERNMENT.

4/ INSERT THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CONTRIBUTION.

RELEVANT CONTRACT PROVISIONS

REPAYMENT BY OPERATOR. (A) IF, AT ANY TIME, THE GOVERNMENT CONSIDERS THAT A DISCOVERY OR A DEVELOPMENT FROM WHICH PRODUCTION MAY BE MADE HAS RESULTED FROM THE EXPLORATION WORK, THE GOVERNMENT, AT ANY TIME NOT LATER THAN SIX MONTHS AFTER THE OPERATOR HAS RENDERED THE REQUIRED FINAL REPORT AND FINAL ACCOUNT, MAY SO CERTIFY IN WRITING TO THE OPERATOR. THE CERTIFICATION SHALL DESCRIBE BROADLY OR INDICATE THE NATURE OF THE DISCOVERY OR DEVELOPMENT. IN THE EVENT OF SUCH CERTIFICATION, ANY MINERALS MINED OR PRODUCED FROM THE LAND DESCRIBED IN ARTICLE 2 WITHIN 10 YEARS FROM THE DATE OF THIS CONTRACT, INCLUDING ANY MINED OR PRODUCED BEFORE THE CERTIFICATION, SHALL BE SUBJECT TO A PERCENTAGE ROYALTY WHICH THE OPERATOR OR HIS SUCCESSOR IN INTEREST SHALL PAY TO THE GOVERNMENT, UPON THE NET SMELTER RETURNS, THE NET CONCENTRATOR RETURNS, OR OTHER NET AMOUNTS REALIZED FROM THE SALE OR OTHER DISPOSITION OF ANY SUCH PRODUCTION, IN WHATEVER FORM DISPOSED OF, INCLUDING ORE, CONCENTRATES, OR METAL, UNTIL THE TOTAL AMOUNT CONTRIBUTED BY THE GOVERNMENT, WITHOUT INTEREST, IS FULLY REPAID, OR SAID 10 YEARS HAVE ELAPSED, WHICHEVER OCCURS FIRST, AS FOLLOWS:

(1) ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS NOT IN EXCESS OF EIGHT DOLLARS ($8.00) PER TON.

(2) ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS, PLUS ONE-HALF ($\frac{1}{2}$) PER CENT SUCH NET AMOUNTS FOR EACH ADDITIONAL FULL FIFTY CENTS ($0.50) BY WHICH SUCH NET AMOUNTS EXCEED EIGHT DOLLARS ($8.00) PER TON, BUT NOT IN EXCESS OF FIVE (5) PER CENT OF SUCH NET AMOUNTS.

(FOR INSTANCE: THE PERCENTAGE ROYALTY ON A NET AMOUNT OF FIVE DOLLARS ($5.00) PER TON, WOULD BE ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT; ON A NET AMOUNT OF TEN DOLLARS ($10.00) PER TON, THREE AND ONE-HALF ($3\frac{1}{2}$) PER CENT.)

(B) AS HERE USED, "NET SMELTER RETURNS", "NET CONCENTRATOR RETURNS", AND "OTHER NET AMOUNTS REALIZED FROM THE SALE OR OTHER DISPOSITION", MEAN GROSS REVENUE FROM SALES; OR IF NOT SOLD, THE MARKET VALUE, THE MARKET VALUE OF THE MATERIAL AFTER IT IS MINED IN THE FORM IN WHICH AND THE PLACE WHERE IT IS HELD. IN THE CASE OF INTEGRATED OPERATIONS IN WHICH THE MATERIAL IS NOT DISPOSED OF AS SUCH, THESE TERMS MEAN WHAT IS OR WOULD BE GROSS INCOME FROM MINING OPERATIONS FOR PERCENTAGE DEPLETION PURPOSES IN INCOME TAX DETERMINATION.

(C) TO SECURE THE PAYMENT OF ITS PERCENTAGE ROYALTY, THE GOVERNMENT SHALL HAVE AND IS HEREBY GRANTED A LIEN UPON THE LAND DESCRIBED IN ARTICLE 2 AND UPON ANY PRODUCTION OF MINERALS THEREFROM, UNTIL THE ROYALTY CLAIM IS EXTINGUISHED BY LAPSE OF TIME OR IS FULLY PAID.

(D) THIS ARTICLE IS NOT TO BE CONSTRUED AS IMPOSING ANY OBLIGATION ON THE OPERATOR OR THE OPERATOR'S SUCCESSOR IN INTEREST TO ENGAGE IN ANY MINING OR PRODUCTION OPERATIONS.

TITLE TO AND DISPOSITION OF PROPERTY. ALL FACILITIES, BUILDINGS, FIXTURES, EQUIPMENT, OR OTHER ITEMS COSTING MORE THAN $50.00 EACH, PAID FOR OR PURCHASED WITH FUNDS CONTRIBUTED JOINTLY BY THE OPERATOR AND THE GOVERNMENT, ALTHOUGH TITLE MAY BE TAKEN IN THE NAME OF THE OPERATOR, SHALL BELONG TO THE OPERATOR AND THE GOVERNMENT JOINTLY, IN PROPORTION TO THEIR RESPECTIVE CONTRIBUTIONS, AND UPON THE COMPLETION OF THE WORK OR THE TERMINATION OF THE CONTRACT SHALL BE DISPOSED OF PROMPTLY BY THE OPERATOR FOR THE JOINT ACCOUNT OF THE GOVERNMENT AND THE OPERATOR, EITHER BY RETURN TO THE VENDOR, BY SALE TO OTHERS, OR PURCHASE BY THE OPERATOR AT A PRICE AT LEAST AS HIGH AS COULD OTHERWISE BE OBTAINED, AS MAY APPEAR TO BE FOR THE BEST INTEREST OF THE GOVERNMENT, UNLESS THE GOVERNMENT, IN WRITING, WAIVES ITS INTEREST IN ANY SUCH ITEM. IF NECESSARY TO ACCOMPLISH SUCH DISPOSITION, THE OPERATOR SHALL DISMANTLE, SEVER FROM THE LAND, AND REMOVE ANY SUCH ITEM, THE COST THEREOF TO BE FOR THE JOINT ACCOUNT OF THE PARTIES IN PROPORTION TO THEIR RESPECTIVE INTERESTS. IF THE OPERATOR, WITHIN 90 DAYS AFTER THE RECEIPT OF WRITTEN NOTICE FROM THE GOVERNMENT, FAILS, NEGLECTS, OR REFUSES TO DISPOSE OF SUCH PROPERTY, THE GOVERNMENT MAY ITSELF ENTER UPON THE LAND, TAKE POSSESSION OF, AND REMOVE AND DISPOSE OF ANY SUCH PROPERTY AS ABOVE PROVIDED.

H. & S. LEASING COMPANY
Kellogg Idaho

FORM MF-103

3. (a) Legal description:

Claim	Book Number	Page Number
H & S	101	266 to 267
H & S No. 1	101	281 to 284
" 2	101	281 to 284
" 3	101	281 to 284
" 5	101	338 to 339
" 6	108	333 to 334
" 7	108	335 to 336
H & S Millsite	126	497 to 498

(b) H & S mine, once known as the Hamilton mine

(c) The property is leased

(d) Copy of lease attached

H. & S. LEASING COMPANY
Kellogg Idaho

FORM MF-103

3. (a) Legal description:

Claim	Book Number	Page Number
H & S	101	266 to 267
H & S No. 1	101	281 to 284
" 2	101	281 to 284
" 3	101	281 to 284
" 5	101	338 to 339
" 6	108	333 to 334
" 7	108	335 to 336
H & S Millsite	126	497 to 498

(b) H & S mine, once known as the Hamilton mine

(c) The property is leased

(d) Copy of lease attached

H. & S. LEASING COMPANY
Kellogg Idaho

FORM MF-103

3. (a) Legal description:

Claim	Book Number	Page Number
H & S	101	266 to 267
H & S No. 1	101	281 to 284
" 2	101	281 to 284
" 3	101	281 to 284
" 5	101	338 to 339
" 6	108	333 to 334
" 7	108	335 to 336
H & S Millsite	126	497 to 498

(b) H & S mine, once known as the Hamilton mine

(c) The property is leased

(d) Copy of lease attached

H. & S. LEASING COMPANY
Kellogg Idaho

FORM MF-103

3. (a) Legal descriptions

Claim	Book Number	Page Number
H & S	101	266 to 267
H & S No. 1	101	281 to 284
" 2	101	281 to 284
" 3	101	281 to 284
" 5	101	338 to 339
" 6	108	333 to 334
" 7	108	335 to 336
H & S Millsite	126	497 to 498

(b) H & S mine, once known as the Hamilton mine

(c) The property is leased

(d) Copy of lease attached

LEASE AND OPTION

THIS AGREEMENT, Made and entered into this 15th day of November, 1949, by and between BEN H. DAVIS and WILLIAM STEFLE, both of Dillon, Montana (hereinafter called the Lessors) and parties of the first part, and C. MAC DYE of Butte, Montana, and EARL CHILCOTT of Kellogg, Idaho, (hereinafter called the Lessees) parties of the second part, WITNESSETH:

It is mutually agreed by and between the parties hereto as follows:

1. The Lessors, for and in consideration of the sum of TWO THOUSAND ($ 2,000) DOLLARS to them paid, the conditions and covenants hereinafter contained, to be observed, kept and performed by the Lessees, do hereby lease, demise and let unto the Lessees for the period of ten (10) years from the date hereof, all of the following described quartz lode mining claims and millsite, situate in Beaverhead County, State of Montana, to-wit:

H & S LODE MINING CLAIM;
H & S LODE MINING CLAIM Number 1;
H & S LODE MINING CLAIM Number 2;
H & S LODE MINING CLAIM Number 3;
H & S LODE MINING CLAIM Number 5;
H & S LODE MINING CLAIM Number 6;
H & S LODE MINING CLAIM Number 7; and
H & S MILLSITE, all being unpatented claims, and all of the same being situated in the Chinatown unorganized mining district, Beaverhead County, Montana.

2. The Lessees shall be entitled to immediate possession of the demised premises upon the signing hereof, and shall, on or before thirty (30) days of such date begin active mining work upon said demised premises and shall thereafter continue said work with a force sufficient to do not less than fifty (50) shifts per month except that the said work will be computed on a quarterly basis, that is, at the rate of one hundred and fifty (150) shifts per three month period.

3. The Lessees shall enter upon the demised premises and work the same in a manner necessary to good and economical mining so as to take out the greatest possible amount of commercial ore free from waste, having due regard to the safety, development and preservation of said premises as a workable mine.

4. The Lessees shall pay to the Lessor, as royalty, ten per centum (10%) of the net mill or smelter returns on all ores extracted and shipped from said property during the continuance of this lease; by (net

mill or smelter returns" is meant the amount received from such ores after deducting therefrom the cost of smelting and freight or hauling charges from the mine to the smelter.

5. The Lessees will furnish to the Lessor a copy of the smelter statement on each and every such shipment of ore immediately upon the issuance of the same by the smelter treating such ore, and will cause such mill or smelter to pay directly to the Lessor the royalty to which they may be entitled on such shipment.

6. The Lessor or their agents shall at all times during the term of this lease have the right to enter upon and inspect the demised premises and all the workings thereon, either for the purpose of checking the amount of ores mined or to examine the physical condition of the premises.

7. The Lessees shall, at Lessees' own cost and expense, furnish all labor, material and supplies necessary for the proper operation of the demised premises under this lease.

8. (a) The Lessees shall, when due, pay in full all persons who perform labor upon said premises, and sahll not permit or suffer any liens of any kind or nature to be enforced against said premises for any work done or machinery, equipment or materials placed thereon on Lessees' behalf.

(b) The Lessees will occupy and hold all cross and parallel veins, leads, dips, spurs, feeders, crevices or mineral deposits of any kind which may be discovered in working under this agreement, or in any development work connected with the working of said premises by said Lesees, or by any person or persons under said lesees, in any manner and will not during the term of this agreement locate or attempt to locate or record the same, or allow the same to be located or recorded except in the name of the Lessors.

9. The Lessees shall comply with all applicable Federal and State Laws and will procure in behalf of their employees upon said premises Industrial Accident Insurance, or other insurance, in compliance with the Workmens' Compensation Laws.

10. Time is of the essence of this agreement, and in case the Lessees shall fail to keep and perform the covenants and agreements herein written to be by them performed in the manner, form or at the time as herein agreed, then the Lessors may, at their option, and upon thirty (30) days' notice in writing to the Lessees, declare this agreement terminated and at an end, and all the rights of the Lessees shall be terminated and at an end; a waiver by the Lessor of any particular breach of this agreement shall not be deemed to be a waiver of any other breach or impair their rights resulting therefrom.

11. Upon the termination of this agreement for any cause, The Lessees shall immediately surrender unto the Lessor all of the premises herein demised without delay or hindrance, and the Lessor shall have the right, immediately upon the expiration or termination howsoever of this agreement, to enter upon and take possession of said premises without declaration of forfeiture, act of re-entry or process of law.

12. The Lessees shall have the right to remove from the demised premises all machinery, tools and other equipment placed upon the demised premises by them during the life of this agreement within thirty (30) days of the termination hereof.

13. The Lessees shall, on and after the effective date of this agreement, assume all payments now being made by the Lessor towards the purchase of a Worthington Compressor, a jackhammer and a Dodge pick-up truck, and upon the payment of the full purchase price all right, title and interest to the said articles shall be, and remain, the Lessees.

14. The Lessees shall have the right to assign or transfer this agreement at any time, subject to the terms herein agreed upon, without the consent of the Lessor.

15. This agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns.

16. In consideration of the sum of TWO THOUSAND ($2,000) DOLLARS, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, paid to the Lessor, and in consideration of the foregoing agreement, and at any time said agreement shall continue in force, the Lessor agrees to sell and convey the herein-

before described property, and all thereof, with a good marketable title to the Lessees, their successors or assigns, for the sum of ONE HUNDRED THOUSAND ($100,000) DOLLARS, after deducting therefrom the sum of TWO THOUSAND ($2,000) DOLLARS, herewith paid to and acknowledged by the Lessor, and after further deducting therefrom the sum of the royalties paid to the Lessor, but upon the termination of this agreement for any cause this option to purchase shall thereupon be terminated and at an end.

IN WITNESS WHEREOF, the parties hereunto have set their hands and seals hereon, the day and year in this agreement first above written.

S/ Ben H. Davis

S/ William Steele
LESSORS

S/ C. Mac Dye

S/ Earl Chilcott
LESSEES

STATE OF MONTANA)
: ss.
COUNTY OF BEAVERHEAD)

On this _____ day of November, in the year 1949, before me, the undersigned, a Notary Public within and for said County and State, personally appeared Ben H. Davis, William Steele, C. Mac Dye and Earl Chilcott, known to me to be the persons whose names are subscribed to the within agreement, and acknowledged to me that they had executed the same.

Notary Public for the State of Montana.
Residing at Dillon, Montana.
My Commission expires_____

THIS AGREEMENT, made and entered into this 1st day of May, 1952, by and between BEN H. DAVIS, of Dillon, Montana, party of the first part, hereinafter called the Lessor, and C. MAC DYE, of Butte, Montana, and EARL CHILCOTT, of Kellogg, Idaho, parties of the second part, hereinafter called the Lessees, WITNESSETH:

It is mutually agreed by and between the parties hereto that certain contract of lease and option made and entered into by and between Ben H. Davis and William Steele of Dillon, Montana, as parties of the first part, therein called the Lessors, and C. Mac Dye of Butte, Montana, and Earl Chilcott of Kellogg, Idaho, as parties of the second part, therein called the Lessees, dated the 15th day of November, 1949, be, and the same is, hereby modified and amended to read as follows, to-wit:

1. That the said Lessor, his heirs, executor or administrator, at the cost and charge of the said Lessees, their heirs, executors, administrators, or assigns, if thereto requested by them (Lessees) 30 days before the expiration of the term hereby demised, shall and will grant a further lease of the aforesaid premises to the said Lessees, their heirs, administrators, executors, or assigns, for the further term of 5 years, to commence from the expiration of the term hereby granted, at and under the same terms and conditions, and containing therein the like covenants and agreements, including option to purchase during said additional term of lease, as are in these presents contained.

2. In consideration of the sum of Two Thousand ($2,000.00) Dollars, the receipt of which is hereby acknowledged, paid to the Lessor, and in consideration of the foregoing agreement, and at any time this agreement shall continue in force, including upon renewal of lease, the Lessor agrees to sell and convey the hereinabove described property, and all thereof, with a good and marketable title to the Lessees, their successors or assigns, for the sum of One Hundred Thousand ($100,000.00), after deducting therefrom the sum of Two Thousand ($2,000.00) Dollars, herewith paid to and acknowledged by the Lessor, and after further deducting therefrom the sum of royalties paid to the Lessor; and after further deducting therefrom the amount the Lessees, their successors or assigns, may have spent for development of property, after the date of this amended agreement, up to, but not exceeding, the sum of Ten Thousand ($10,000.00) Dollars.

3. That this amended and modified agreement shall be attached to the original agreement hereinabove mentioned and by this reference made a part thereof and that said original agreement shall remain in full force and effect except as to the amendments and modifications herein contained.

4. That the terms of this amended agreement, as well as said original agreement, shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals hereon, the day and year first above written.

/s/ Ben H. Davis
LESSOR

/s/ C. Mac Dye

/s/ Earl Chilcott
LESSEES

A S S I G N M E N T

O F

L E A S E

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned do by these presents bargain, sell, assign, and set over unto THE H & S LEASING COMPANY, A co-partnership, the within written indenture of lease and all our estate, right, title interest, claim, property, and demand of, in, and to the lands, rights, properties, recoveries of metals or minerals tenements, herditaments and premises therein mentioned, which we have by means of said indenture, subject to the terms, covenants and conditions of said lease.

Dated this 3rd day of May, 1952.

/s/ Earl Chilcott

/s/ Eula Chilcott

/s/ G. Mac Dye

/s/ Jackie Dye

STATE OF IDAHO)
: ss.
County of Shoshone)

On this 3 day of May, 1952 , before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared Earl Chilcott and Eula Chilcott, husband and wife, known to me to be the persons whose names are subscribed to the within and foregoing instrument and acknowledged to me that executed the same.

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

(SEAL)

/s/ Ronald E. Eggart
Notary Public for the State of Idaho
Residing at Kellogg, Idaho

STATE OF MONTANA)
: ss.
County of Beaverhead)

On this 3rd day of May, 1952, before me, the undersigned, a Notary Public in and for the State of Montana personally appeared C. Mac Dye and Jackie Dye, husband and wife, known to me to be the persons whose names are subscribed to the within and foregoing instrument and acknowledged to me that executed the same.

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

(SEAL)

Notary Public for the State of Montana
Residing at Dillon, Montana
My Commission expires June 24, 1952

EXPLORATION

Subject: DMEA-2640
Re: Exploration Loan
H. & S. Mine
August 5, 1952

Mr. Earl Chilcott
H. & S. Leasing Company
112 S. Division
Kellogg, Idaho

My dear Mr. Chilcott:

This will acknowledge receipt of your application dated July 21, 1952, for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2640 and referred to the Base Metals Division.

Kindly refer to DMEA-2640 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams
Chief, Operation's Control
and Statistics Division

7862

August 5, 1952

Memorandum

To: Executive Officer, DMEA Field Team, Region II

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned Docket Number to an application recently submitted from Region II.

DMEA-2640 - H. & S. Leasing Company

ROBERT E. ADAMS

Robert E. Adams
Chief, Operation's Control and
Statistics Division

DMEA-2640

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

So. 157 Howard Street
Spokane 4, Washington

July 31, 1952

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

Dear Mr. Johnson:

Enclosed are the original and two copies of an application for exploration assistance, H & S Leasing Co., Kellogg, Idaho. The property is in Beaverhead County, Montana. The fourth copy of this application and the company's private engineering report are being retained to facilitate an early field examination.

The applicant has been asked for a subordination agreement.

Very truly yours,

S. Warren Hobbs

S. Warren Hobbs
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures
cc: USBM

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

So. 157 Howard Street
Spokane 4, Washington

July 31, 1952

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

Dear Mr. Johnson:

Enclosed are the original and two copies of an application for exploration assistance, H & S Leasing Co., Kellogg, Idaho. The property is in Beaverhead County, Montana. The fourth copy of this application and the company's private engineering report are being retained to facilitate an early field examination.

The applicant has been asked for a subordination agreement.

Very truly yours,

S. Warren Hobbs
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures
cc: USBM

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

July 28, 1952

G. C. Reed, Mining Engineer, Mining Division
Region II

Application for exploration assistance, H & S Leasing Co.,
Kellogg, Idaho

The captioned application concerning an unpatented claim group in Beaverhead County, Montana, is enclosed herewith for transmittal to Washington, D. C. The fourth copy of this application, together with company's private engineering report is being retained by this office to facilitate an early field examination.

I am advising the applicant this day that an appropriate subordination agreement must be furnished.

G. C. Reed

Enclosures

CC: S. M. Shelton, Albany
DMEA

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. DMEA-2640
Metal or Mineral
Date Received 8-4-52
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: H. & S. Leasing Company (A Partnership)
112 So. Division
Kellogg, Idaho (see attached - for partners names)

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract

(*b*) State any mine name by which the property is known.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) S[illegible] the mineral or minerals for which you wish [illegible] explore ----

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within 10 days and be completed within 6 months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

[X] Money [X] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated July 21, 1952

H. & S. Leasing Company
(Applicant)

By Earl Shilcett

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

H. & S. Leasing Company
112 So. Division
Kellogg Idaho

Form - MF 103

---

1. (d) Earl Chilcott, Kellogg, Idaho
C. Mac Dye, Armstead, Montana
Doran Robinson, Kellogg, Idaho
Wm H. Kempfer, Kellogg, Idaho
A. L. Osborn, Kellogg, Idaho
John Chisholm, Kellogg, Idaho
Glen M. Whitesel, Kellogg, Idaho
Frank Prendergast, Kellogg, Idaho
Louis Pack, Kellogg, Idaho

H. & S. Leasing Company
Kellogg Idaho

Form MF - 103

3. (a) Legal description:
H. & S., H.& S. No. 1, H. & S. No. 2, H. & S. No. 3, H. & S. No. 5 H. & S. No. 6, and H. & S. No. 7, situated in Beaverhead County, Montana, and in the Chinatown Mineral District, Section 9, Township 11 South, Range 13 West.

(b) H. & S. Mine, once known as the Hamilton Mine.

(c) The property is leased.

(d) Copy of lease attached.

H. & S. Leasing Company
Kellogg Idaho

Form - MF 103

4. (a) See engineer's report, attached.

(b) See engineer's report, attached.

(c) See engineer's report (with maps), attached.

(d) See engineer's report, attached.

(e) Availability of manpower, supplies, equipment, and water is adequate. See engineer's report.

not received by USGS, Reports [illegible] say it was not sent [illegible] with the docket material 8-6-52

H. & S. Leasing Company
Kellogg Idaho

Form MF-103

5. (a) Applicant expects to find lead and silver ore.

(b) The proposed work is set forth in the following steps.

Step 1. Widen first 185 feet of present tunnel an additional 2 feet. At present is only 3 feet.

Step 2. Install 850 feet of pipe and pumps, from water source to water tank.

Step 3. Extend tunnel an additional 250 feet along present low grade structure, the objective being to further develop it and to reach the area in which the high grade ore lenses exposed on the surface should be encountered, as well as a possible intersection at right angles with another low grade ore structure also exposed on the surface.

Step 4. Install 900 feet of track from portal to face.

Step 5. If warranted by step 3, complete drifting and crosscutting necessary to develop the ore encountered and prepare stopes for mining.

(c) The work will start within 10 days and be completed within 6 months from the date of granting ore exploration project contract.

(d) Applicant is leasing property from company formed by nine partners of varied business experience

C. Mac Dye will manage the operations. He is a graduate engineer from Colorado School of Mines. He has had engineering work in office and field for Anaconda Copper Mining Company.

H. & S. Leasing Company
Kellogg Idaho

Form - Mf 103

6. Estimated costs

(a) Independent contracts

Step 3.	Tunneling - 250 feet at $30.00/ft.		$7,500.00
Step 5.	Drifting and crosscutting - 50 feet at $30.00/ft.		1,500.00

(b) Labor, supervision, consultants

Step 2.	850 feet of pipe and installing at $.75/ft.		637.50
Step 1.	Widening of tunnel		
	20 days @ $12.00	240.00	
	Supplies	240.00	480.00
Step 4.	Installing 900 feet of track		
	10 days @ $12.00		120.00
	Supervisory and engineering		
	6 months @ $500.00		3,000.00

(c) Operating materials and supplies

Step 2.	Pump - 300 foot head	350.00
Step 4.	900 feet of track and supplies @ $.75	738.00
	Small tools	200.00
	Gas and oil	150.00
	Miscellaneous supplies	150.00

H. & S. Leasing Company
Kellogg Idaho

Form MF 103

6. (d) Operating equipment

(1) Rental - equipment rented would be included in cost of contracting at $30.00 per foot.

(2) Purchased-

1 Swede drill (new)	$800.00
1 Air receiver tank (used)	150.00
2 Mine cars (used)	100.00
1 Water tank (used)	100.00

(3) Furnished by H. & S. Leasing Company-
1 Worthington 105 Cu. Ft. compressor
1 Ratchet Jim Crow
1 Worthington jack hammer

Item	Replacement Cost	Monthly Rent	Number Months	Total
Worthington Compressor	$4,000.00	$160.00	6	$960.00
Jack hammer	300.00	60.00	6	360.00
Jim Crow	30.00	2.50	6	15.00

H. & S. Leasing Company
Kellogg Idaho

Form MF 103

6.	(e) Rehabilitation and repairs:	
	(1) Convert frame house into a bunkhouse cost	250.00
	(2) Repairs to cabin - 2 days @ $12.00	24.00
	(f) New buildings, improvements, installations:	
	(1) Build compressor and tool house - cost	300.00
	(g) Miscellaneous:	
	(1) Payroll taxes and insurance	500.00
	(2) Office supplies and accounting	750.00
	(h) Contingencies (10% of $19,134.50)	1,913.00
	Total cost	$20,047.50
	H. & S. Leasing Company 1/2	$10,023.75

H. & S. Leasing Company
Kellogg Idaho

Form - MF 103

7. (a) Yes

(b) Money and equipment rental

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. DMEA-264D
Metal or Mineral
Date Received 8-4-52
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: H. & S. Leasing Company (A Partnership)
112 So. Division
Kellogg, Idaho (see attached - for partners names)

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract

(*b*) State any mine name by which the property is known.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore _____

_____

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within ___10___ days and be completed within ___6___ months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

[x] Money [x] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated ___July 21,___, 1952

H. & S. Leasing Company
(Applicant)

By Earl Chilcott

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

H. & S. Leasing Company
112 So. Division
Kellogg Idaho

Form - MF 103

---

1. (d) Earl Chilcott, Kellogg, Idaho
C. Mac Dye, Armstead, Montana
Doran Robinson, Kellogg, Idaho
Wm H. Kempfer, Kellogg, Idaho
A. L. Osborn, Kellogg, Idaho
John Chisholm, Kellogg, Idaho
Glen M. Whitesel, Kellogg, Idaho
Frank Prendergast, Kellogg, Idaho
Louis Pack, Kellogg, Idaho

H. & S. Leasing Company
Kellogg Idaho

Form MF - 103

3. (a) Legal description:
H. & S., H.& S. No. 1, H. & S. No. 2, H. & S. No. 3, H. & S. No. 5 H. & S. No. 6, and H. & S. No. 7, situated in Beaverhead County, Montana, and in the Chinatown Mineral District, Section 9, Township 11 South, Range 13 West.

(b) H. & S. Mine, once known as the Hamilton Mine.

(c) The property is leased.

(d) Copy of lease attached.

H. & S. Leasing Company
Kellogg Idaho

Form - MF 103

---

4. (a) See engineer's report, attached.

   (b) See engineer's report, attached.

   (c) See engineer's report (with maps), attached.

   (d) See engineer's report, attached.

   (e) Availability of manpower, supplies, equipment, and water is adequate. See engineer's report.

H. & S. Leasing Company
Kellogg Idaho

Form MF-103

5. (a) Applicant expects to find lead and silver ore.

(b) The proposed work is set forth in the following steps.

Step 1. Widen first 185 feet of present tunnel an additional 2 feet. At present is only 3 feet.

Step 2. Install 850 feet of pipe and pumps, from water source to water tank.

Step 3. Extend tunnel an additional 250 feet along present low grade structure, the objective being to further develop it and to reach the area in which the high grade ore lenses exposed on the surface should be encountered, as well as a possible intersection at right angles with another low grade ore structure also exposed on the surface.

Step 4. Install 900 feet of track from portal to face.

Step 5. If warranted by step 3, complete drifting and crosscutting necessary to develop the ore encountered and prepare stopes for mining.

(c) The work will start within 10 days and be completed within 6 months from the date of granting ore exploration project contract.

(d) Applicant is leasing property from company formed by nine partners of varied business experience

C. Mac Dye will manage the operations. He is a graduate engineer from Colorado School of Mines. He has had engineering work in office and field for Anaconda Copper Mining Company.

H. & S. Leasing Company
Kellogg Idaho

Form - Mf 103

6. Estimated costs

(a) Independent contracts

Step 3.	Tunneling - 250 feet at $30.00/ft.		$7,500.00
Step 5.	Drifting and crosscutting - 50 feet at $30.00/ft.		1,500.00

(b) Labor, supervision, consultants

Step 2.	850 feet of pipe and installing at $.75/ft.		637.50
Step 1.	Widening of tunnel		
	20 days @ $12.00	240.00	
	Supplies	240.00	480.00
Step 4.	Installing 900 feet of track		
	10 days @ $12.00		120.00
	Supervisory and engineering		
	6 months @ $500.00		3,000.00

(c) Operating materials and supplies

Step 2.	Pump - 300 foot head	350.00
Step 4.	900 feet of track and supplies @ $.75	738.00
	Small tools	200.00
	Gas and oil	150.00
	Miscellaneous supplies	150.00

H. & S. Leasing Company
Kellogg Idaho

Form MF 103

6. (d) Operating equipment

(1) Rental - equipment rented would be included in cost of contracting at $30.00 per foot.

(2) Purchased-

1 Swede drill (new)	$800.00
1 Air receiver tank (used)	150.00
2 Mine cars (used)	100.00
1 Water tank (used)	100.00

(3) Furnished by H. & S. Leasing Company-
1 Worthington 105 Cu. Ft. compressor
1 Ratchet Jim Crow
1 Worthington jack hammer

Item	Replacement Cost	Monthly Rent	Number Months	Total
Worthington Compressor	$4,000.00	$160.00	6	$960.00
Jack hammer	300.00	60.00	6	360.00
Jim Crow	30.00	2.50	6	15.00

H. & S. Leasing Company
Kellogg Idaho

Form MF 103

6.	(e) Rehabilitation and repairs:	
	(1) Convert frame house into a bunkhouse cost	250.00
	(2) Repairs to cabin - 2 days @ $12.00	24.00
	(f) New buildings, improvements, installations:	
	(1) Build compressor and tool house - cost	300.00
	(g) Miscellaneous:	
	(1) Payroll taxes and insurance	500.00
	(2) Office supplies and accounting	750.00
	(h) Contingencies (10% of $19,134.50)	1,913.00
	Total cost	$20,047.50
	H. & S. Leasing Company 1/2	$10,023.75

H. & S. Leasing Company
Kellogg Idaho

Form - MF 103

7. (a) Yes

(b) Money and equipment rental

LEASE AND OPTION

THIS AGREEMENT, Made and entered into this 15th day of November, 1949, by and between BEN H. DAVIS and WILLIAM STEELE, both of Dillon, Montana (hereinafter called the Lessors) and parties of the first part, and C. MAC DYE of Butte, Montana, and EARL CHILCOTT of Kellogg, Idaho, (hereinafter called the Lessees) parties of the second part, WITNESSETH:

It is mutually agreed by and between the parties hereto as follows:

1. The Lessors, for and in consideration of the sum of TWO THOUSAND ($ 2,000) DOLLARS to them paid, the conditions and covenants hereinafter contained, to be observed, kept and performed by the Lessees, do hereby lease, demise and let unto the Lessees for the period of ten (10) years from the date hereof, all of the following described quartz lode mining claims and millsite, situate in Beaverhead County, State of Montana, to-wit:

H & S LODE MINING CLAIM;
H & S LODE MINING CLAIM Number 1;
H & S LODE MINING CLAIM Number 2;
H & S LODE MINING CLAIM Number 3;
H & S LODE MINING CLAIM Number 5;
H & S LODE MINING CLAIM Number 6;
H & S LODE MINING CLAIM Number 7; and
H & S MILLSITE, all being unpatented claims, and all of the same being situated in the Chinatown unorganized mining district, Beaverhead County, Montana.

2. The Lessees shall be entitled to immediate possession of the demised premises upon the signing hereof, and shall, on or before thirty (30) days of such date begin active mining work upon said demised premises and shall thereafter continue said work with a force sufficient to do not less than fifty (50) shifts per month except that the said work will be computed on a quarterly basis, that is, at the rate of one hundred and fifty (150) shifts per three month period.

3. The Lessees shall enter upon the demised premises and work the same in a manner necessary to good and economical mining so as to take out the greatest possible amount of commercial ore free from waste, having due regard to the safety, development and preservation of said premises as a workable mine.

4. The Lessees shall pay to the Lessor, as royalty, ten per centum (10%) of the net mill or smelter returns on all ores extracted and shipped from said property during the continuance of this lease; by (net

mill or smelter returns" is meant the amount received from such ores after deducting therefrom the cost of smelting and freight or hauling charges from the mine to the smelter.

5. The Lessees will furnish to the Lessor a copy of the smelter statement on each and every such shipment of ore immediately upon the issuance of the same by the smelter treating such ore, and will cause such mill or smelter to pay directly to the Lessor the royalty to which they may be entitled on such shipment.

6. The Lessor or their agents shall at all times during the term of this lease have the right to enter upon and inspect the demised premises and all the workings thereon, either for the purpose of checking the amount of ores mined or to examine the physical condition of the premises.

7. The Lessees shall, at Lessees' own cost and expense, furnish all labor, material and supplies necessary for the proper operation of the demised premises under this lease.

8. (a) The Lessees shall, when due, pay in full all persons who perform labor upon said premises, and sahll not permit or suffer any liens of any kind or nature to be enforced against said premises for any work done or machinery, equipment or materials placed thereon on Lessees' behalf.

(b) The Lessees will occupy and hold all cross and parallel veins, leads, dips, spurs, feeders, crevices or mineral deposits of any kind which may be discovered in working under this agreement, or in any development work connected with the working of said premises by said Lesees, or by any person or persons under said lesees, in any manner and will not during the term of this agreement locate or attempt to locate or record the same, or allow the same to be located or recorded except in the name of the Lessors.

9. The Lessees shall comply with all applicable Federal and State Laws and will procure in behalf of their employees upon said premises Industrial Accident Insurance, or other insurance, in compliance with the Workmens' Compensation Laws.

10. Time is of the essence of this agreement, and in case the Lessees shall fail to keep and perform the covenants and agreements herein written to be by them performed in the manner, form or at the time as herein agreed, then the Lessors may, at their option, and upon thirty (30) days' notice in writing to the Lessees, declare this agreement terminated and at an end, and all the rights of the Lessees shall be terminated and at an end; a waiver by the Lessor of any particular breach of this agreement shall not be deemed to be a waiver of any other breach or impair their rights resulting therefrom.

11. Upon the termination of this agreement for any cause, The Lessees shall immediately surrender unto the Lessor all of the premises herein demised without delay or hindrance, and the Lessor shall have the right, immediately upon the expiration or termination howsoever of this agreement, to enter upon and take possession of said premises without declaration of forfeiture, act of re-entry or process of law.

12. The Lessees shall have the right to remove from the demised premises all machinery, tools and other equipment placed upon the demised premises by them during the life of this agreement within thirty (30) days of the termination hereof.

13. The Lessees shall, on and after the effective date of this agreement, assume all payments now being made by the Lessor towards the purchase of a Worthington Compressor, a jackhammer and a Dodge pick-up truck, and upon the payment of the full purchase price all right, title and interest to the said articles shall be, and remain, the Lessees.

14. The Lessees shall have the right to assign or transfer this agreement at any time, subject to the terms herein agreed upon, without the consent of the Lessor.

15. This agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns.

16. In consideration of the sum of TWO THOUSAND ($2,000) DOLLARS, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, paid to the Lessor, and in consideration of the foregoing agreement, and at any time said agreement shall continue in force, the Lessor agrees to sell and convey the herein-

before described property, and all thereof, with a good marketable title to the Lessees, their successors or assigns, for the sum of ONE HUNDRED THOUSAND ($100,000) DOLLARS, after deducting therefrom the sum of TWO THOUSAND ($2,000) DOLLARS, herewith paid to and acknowledged by the Lessor, and after further deducting therefrom the sum of the royalties paid to the Lessor, but upon the termination of this agreement for any cause this option to purchase shall thereupon be terminated and at an end.

IN WITNESS WHEREOF, the parties hereunto have set their hands and seals hereon, the day and year in this agreement first above written.

S/ Ben H. Davis

S/ William Steele
LESSORS

S/ C. Mac Dye

S/ Earl Chilcott
LESSEES

STATE OF MONTANA)
: ss.
COUNTY OF BEAVERHEAD)

On this _____ day of November, in the year 1949, before me, the undersigned, a Notary Public within and for said County and State, personally appeared Ben H. Davis, William Steele, C. Mac Dye and Earl Chilcott, known to me to be the persons whose names are subscribed to the within agreement, and acknowledged to me that they had executed the same.

_____
Notary Public for the State of Montana.
Residing at Dillon, Montana.
My Commission expires_____

THIS AGREEMENT, made and entered into this 1st day of May, 1952, by and between BEN H. DAVIS, of Dillon, Montana, party of the first part, hereinafter called the Lessor, and C. MAC DYE, of Butte, Montana, and EARL CHILCOTT, of Kellogg, Idaho, parties of the second part, hereinafter called the Lessees, WITNESSETH:

It is mutually agreed by and between the parties hereto that certain contract of lease and option made and entered into by and between Ben H. Davis and William Steele of Dillon, Montana, as parties of the first part, therein called the Lessors, and C. Mac Dye of Butte, Montana, and Earl Chilcott of Kellogg, Idaho, as parties of the second part, therein called the Lessees, dated the 15th day of November, 1949, be, and the same is, hereby modified and amended to read as follows, to-wit:

1. That the said Lessor, his heirs, executor or administrator, at the cost and charge of the said Lessees, their heirs, executors, administrators, or assigns, if thereto requested by them (Lessees) 30 days before the expiration of the term hereby demised, shall and will grant a further lease of the aforesaid premises to the said Lessees, their heirs, administrators, executors, or assigns, for the further term of 5 years, to commence from the expiration of the term hereby granted, at and under the same terms and conditions, and containing therein the like covenants and agreements, including option to purchase during said additional term of lease, as are in these presents contained.

2. In consideration of the sum of Two Thousand ($2,000.00) Dollars, the receipt of which is hereby acknowledged, paid to the Lessor, and in consideration of the foregoing agreement, and at any time this agreement shall continue in force, including upon renewal of lease, the Lessor agrees to sell and convey the hereinabove described property, and all thereof, with a good and marketable title to the Lessees, their successors or assigns, for the sum of One Hundred Thousand ($100,000.00), after deducting therefrom the sum of Two Thousand ($2,000.00) Dollars, herewith paid to and acknowledged by the Lessor, and after further deducting therefrom the sum of royalties paid to the Lessor; and after further deducting therefrom the amount the Lessees, their successors or assigns, may have spent for development of property, after the date of this amended agreement, up to, but not exceeding, the sum of Ten Thousand ($10,000.00) Dollars.

3. That this amended and modified agreement shall be attached to the original agreement hereinabove mentioned and by this reference made a part thereof and that said original agreement shall remain in full force and effect except as to the amendments and modifications herein contained.

4. That the terms of this amended agreement, as well as said original agreement, shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals hereon, the day and year first above written.

/s/ Ben H. Davis
LESSOR

/s/ C. Mac Dye

/s/ Earl Chilcott
LESSEES

A S S I G N M E N T

O F

L E A S E

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned do by these presents bargain, sell, assign, and set over unto THE H & S LEASING COMPANY, A co-partnership, the within written indenture of lease and all our estate, right, title interest, claim, property, and demand of, in, and to the lands, rights, properties, recoveries of metals or minerals tenements, herditaments and premises therein mentioned, which we have by means of said indenture, subject to the terms, covenants and conditions of said lease.

Dated this 3rd day of May, 1952.

/s/ Earl Chilcott

/s/ Eula Chilcott

/s/ C. Mac Dye

/s/ Jackie Dye

STATE OF IDAHO)
: ss.
County of Shoshone)

On this 3 day of May, 1952 , before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared Earl Chilcott and Eula Chilcott, husband and wife, known to me to be the persons whose names are subscribed to the within and foregoing instrument and acknowledged to me that executed the same.

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

(SEAL)

/s/ Ronald E. Eggart
Notary Public for the State of Idaho
Residing at Kellogg, Idaho

STATE OF MONTANA)
: ss.
County of Beaverhead)

On this 3rd day of May, 1952, before me, the undersigned, a Notary Public in and for the State of Montana personally appeared C. Mac Dye and Jackie Dye, husband and wife, known to me to be the persons whose names are subscribed to the within and foregoing instrument and acknowledged to me that executed the same.

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

(SEAL)

Notary Public for the State of Montana
Residing at Dillon, Montana
My Commission expires June 24, 1952

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

1201 N. Division St.
Spokane 2, Wash.

July 28, 1952

Mr. Earl Chilcott
Kellogg, Idaho

Area - 2640

Subject: Application for exploration assistance, H & S Mining Claims, Beaverhead County, Montana

Dear Mr. Chilcott:

Receipt of your application for exploration assistance on the captioned claim is acknowledged.

Before further action can be taken, however, the owners consent to lien must be obtained. I am enclosing for your convenience six copies of Form MF-203 "Owners Consent to Lien" which should be completed and returned to this office. Inasmuch as the claims involved apparently are held by location, information giving the book and page number of the county recordings also are required.

A field examination of the property will be scheduled as soon as possible within the limits of current committments.

Sincerely yours,

G. C. Reed
Acting for M. E. Volin, Chief
Mining Division, Region II

Enclosures

GCR:kt

CC: 2-Washington

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

1201 N. Division St.
Spokane 2, Wash.

July 28, 1952

Mr. Earl Chilcott
Kellogg, Idaho

Dmea - 2640

Subject: Application for exploration assistance, H & S Mining Claims, Beaverhead County, Montana

Dear Mr. Chilcott:

Receipt of your application for exploration assistance on the captioned claim is acknowledged.

Before further action can be taken, however, the owners consent to lien must be obtained. I am enclosing for your convenience six copies of Form MF-203 "Owners Consent to Lien" which should be completed and returned to this office. Inasmuch as the claims involved apparently are held by location, information giving the book and page number of the county recordings also are required.

A field examination of the property will be scheduled as soon as possible within the limits of current committments.

Sincerely yours,

G. C. Reed
Acting for M. E. Volin, Chief
Mining Division, Region II

Enclosures

GCR:kt

CC: 2-Washington

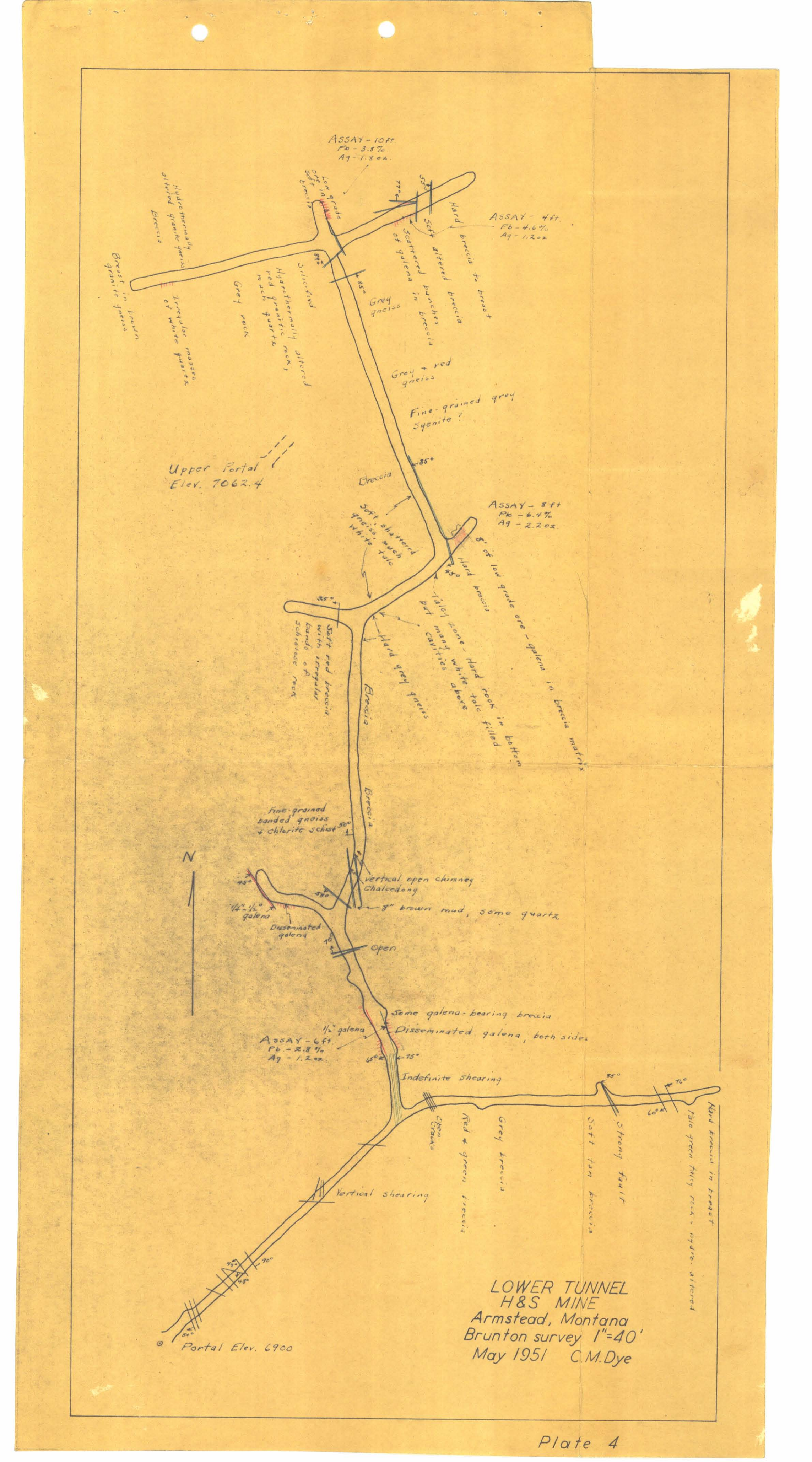

ASSAY - 10 ft.
Pb - 3.5%
Ag - 1.8 oz.
Low grade ore in soft breccia
Hydrothermally altered granite gneiss Breccia
Breast in granite gneiss
Brown
Irregular masses of white quartz
Grey rock
Silicified
Hydrothermally altered red granitic rock, much quartz
Grey gneiss
Scattered bunches of galena in breccia
Soft altered breccia
Hard breccia to breast
ASSAY - 4 ft.
Pb - 4.6%
Ag - 1.2 oz
Grey + red gneiss
Fine-grained grey syenite ?
Upper Portal
Elev. 7062.4
Breccia
Soft, shattered gneiss, much white talc
ASSAY - 8 ft
Pb - 6.4%
Ag - 2.2 oz.
8' of low grade ore - galena in breccia matrix
Hard breccia
Talcy zone - hard rock in bottom but most white talc filled cavities above
Hard grey gneiss
Soft red breccia with irregular bands of schistose rock
Breccia
Fine-grained banded gneiss + chlorite schist
N
vertical open chimney Chalcedony
8" brown mud, some quartz
1/4" - 1/2" galena
Disseminated galena
Open
Some galena-bearing breccia
1/2" galena
Disseminated galena, both sides
ASSAY - 6 ft.
Pb - 2.8%
Ag - 1.2 oz.
Indefinite shearing
Open Cracks
Red + green breccia
Grey breccia
Soft tan breccia
Strong fault
Hard breccia in breast
Pale green fairy rock - hydro. altered
Vertical shearing
Portal Elev. 6900
LOWER TUNNEL
H&S MINE
Armstead, Montana
Brunton survey 1"=40'
May 1951 C.M.Dye

Plate 4