MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE

Contract No. 14-23- 2121 Docket No. MME- 6082

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [x] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [x] Royalty Audits 5/10/63
- [x] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits
- [x] Termination Notice ~~xxxAgreement~~
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes 9-2-60
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments and amended application 5/17/60

9-13-63

9-23-63

Right Side

- [x] Project Summary (final)
- [x] Work Completed Analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab) 5/21/60
- [ ] Settlement Sheets
- [ ] Drill Logs

Trans.memo 6/3/60

Additional Folders:

Left Side

- [x] Folders No. 2 : Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual Report for Certified Project
- [x] Field Team Interim Reports
- [x] Operator's Monthly Reports with Transmittal, Narrative and Maps

Folders No. _____ : Maps (Use pocket folder or envelope)

Folders No. 3 : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty Material

52615

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Northern Milling Company, Inc.
c/o Alfred S. Ophus
Big Sandy, Montana

pertaining to Exploration Contract 14-23-090-2121, OME No. 6082, including Amendments Nos. 1, 2, and 3, and a Notice of Termination effective December 28, 1961, for December 1960 to June 16, 1962, inclusive, covering a lead-zinc project at the Marietta Mine, Broadwater County, Montana.

My review included an examination of the Monthly Vouchers (Forms MME-60) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, confirmation of work performed by reference to reports and correspondence, and a determination of the reasonableness and propriety of the costs.

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

All of the acceptable costs were under a contract provision for contribution by the Government on the basis of fixed unit costs of work performed.

The findings of this review are stated in the following summary and the attached schedule:

Total cost billed by Operator		$29,360.74
Exceptions:		
Prior to this review	$ -0-	
Herewith	1,258.00	1,258.00
Total acceptable cost		$28,102.74

The contract calls for a 50 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim	$14,051.37
Paid to date	14,051.37
Balance due Operator	$ -0-

E. D. Talbert

E. D. Talbert, OME Auditor

January 17, 1964

Exceptions herewith:

Stage II -	Drifting, 34 ft. @ $37.00, claimed by the Operator as performed between April 16 and June 16, 1962, whereas the September 23, 1963, Notice of Termination provides that the Government shall contribute only to the unit costs of work performed prior to December 28, 1961	$ 1,258.00

Acceptable costs:

Stage I -	Crosscutting, 490.02 ft. @ $37.00	$18,130.74
	Assay determinations, 35 ea. @ $1.00	35.00
Stage II -	Drifting, 266 ft. @ $37.00	9,842.00
	Assay determinations, 95 ea. @ $1.00	95.00
		$28,102.74

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract 14-23-090-2121, Docket OME-6082 (lead-zinc), dated September 2, 1960, with

Northern Milling Company, Inc.
c/o Alfred S. Ophus
Big Sandy, Montana

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Marietta Mine located in Broadwater County, Montana, during the period September 2, 1960, through May 10, 1963.

In accordance with Article 6, Annex I, and Amendment No. 2 of the contract, royalty is payable on all minerals: (1) produced from the land described in Article 2 and Annex I from the date of the contract until (a), irrespective of any certification of possible production, the lapse of time within which the Government may issue such certification or (b), if such certification is issued, the lapse of 11 years from the date of the contract or the total net amount contributed by the Government with interest at 5 3/4% is repaid, whichever occurs first, or (2), irrespective of such certification, transported through any workings to the cost of which the Government contributed for the same 11 year period or until the Government's contribution with interest is repaid. To date the Government has contributed $14,680.37, less $629.00 held in suspense, as 50% of the $29,360.74 claimed by the Operator as costs through June 16, 1962.

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

This review found the total sales subject to the Government's royalty for the period to be $8,784.03. Royalty payable to the Government at the 5% rate specified in the contract is $439.21. As of May 10, 1963, the royalty account of this project was found to be:

Total Royalty Payable	$439.21
Total Royalty Paid	439.21
Balance of Royalty Due	$ -0-

E. D. Talbert

E. D. Talbert, OME Auditor

May 10, 1963

14-23-090-2121 Northern Milling Company, Inc. GMK-6082

STATUS OF PROJECT, SCOPE OF REVIEW AND REASONS THEREFOR

This contract as amended provides that the Operator, whether or not the producer, shall pay to the Government a 5% royalty on all production from the land thereunder until the lapse of time within which the Government may issue a certification of possible production and, if such certification is issued, for a period of 11 years from the date of the contract or until the Government's contribution with interest is repaid. A special "Agreement Concerning Royalty" in Annex I further provides that irrespective of certification the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a 5% royalty on any production transported through any working or portions thereof to which the Government contributed or, in the event of production from outside of the land under the contract and neither the Operator or its successor has an interest therein, on the transportation charges received.

The land under the contract consists of 12 patented and 1 unpatented claims in secs. 10, 11, 14, and 15, T. 7 N., R. 1 W., in the Park or Hassel mining district, but, except for the special "Agreement Concerning Royalty", the Government's percentage royalty does not apply to developed ores from known veins above the Marietta No. 5 level. At the time the contract was executed the Operator held possession by virtue of a July 29, 1958, sales agreement executed by Albert and Jewell Dance and Harry Q. and Kathryn Anders. In consideration of the exploration contract, the vendors executed a Lien and Subordination Agreement on July 1, 1960.

Exploration work under the contract began about November 1, 1960, and was discontinued June 16, 1962. A recess from August 4, 1962, to November 4, 1962, was authorized by Amendment No. 3. Amendment No. 2 extended the date for completion of the contract to March 2, 1963. Due apparently to financial difficulties and loss of its rights to the property, the Operator has not resumed work and is presently in default under the terms of the exploration contract.

Production during the exploration period resulted in six shipments of concentrates to the East Helena Plant of the American Smelting and Refining Company during August, September, and October 1961 and one shipment to the Anaconda Sampler of The Anaconda Company during September 1961. This review included a recomputation and tabulation of the settlement sheets submitted in support of the royalty

payments remitted by the Operator. The tabulation, which is filed with my audit work papers, is summarized as follows:

Concentrates, Dry Lbs.		226,675
Contents:	Gold, Oz.	274.32
	Silver, Oz.	846.22
	Lead, Lbs.	16,590.80
	Copper, Lbs.	572.96
Proceeds:	Gross	$8,915.03
	Assay and Umpire Charges	131.00
	Subject to Royalty	$8,784.03
Royalty @ 5%		$ 439.21

By letter of January 29, 1962, remitting royalty on the last shipment included in the above summary, the Operator advised that such would be the last concentrate shipped to the smelter for some time as mining in the Mason Tunnel had been discontinued.

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

(1) The files indicate that all sales of production since the date of the contract have been reported and proper royalty thereon paid; and

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

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
9/13	Murphy	500
9/13	on leave	500
9/13	Talbitt	800
	GCS	130
9/13	on leave	110
"	" "	100
9/13	Cal	220
		500

SEP 13 1963

UNITED STATES OF AMERICA
CERTIFICATION OF POSSIBLE PRODUCTION
UNDER AN EXPLORATION CONTRACT

Northern Milling Company, Inc.
c/o Mr. Alfred S. Opus, Secretary
Big Sandy, Montana

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Gentlemen:

Pursuant to Article 6 of the contract, as amended, referred to above, the Government hereby certifies that mineral or metal production may be possible as a result of the exploration work.

Therefore, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from September 2, 1960, to September 2, 1971; or until the sum of $14,051.37 (subject to audit) is fully repaid with interest, at the rate of 5-3/4 percent per annum, whichever occurs first. The payment of royalties is secured by a lien upon the land and upon any production therefrom.

Royalty payments should be made in favor of the Office of Minerals Exploration, and should be mailed or delivered to the Field Officer, Office of Minerals Exploration, Region I, South 157 Howard Street, Spokane, Washington, ZIP Code 99204. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

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The Field Officer should be promptly notified upon the future commencement of any production and upon any extended cessation thereof. Production unsold or unused six months after extraction from the ground should be reported promptly to the Field Officer.

Attention is specifically invited to the provisions of Article 2(c) of the contract referring to the provisions of the Government's royalty rights. Two true copies of any instrument transferring, surrendering, or encumbering any of said rights shall be furnished to the Field Officer.

Dated this 13th day of September, 1963.

THE UNITED STATES OF AMERICA

By George C. Selfridge (pt)
ACTING Director, Office of Minerals Exploration

FMMurphy/mm
9/11/63
cc: Mrs. Jewell Dance, Townsend, Montana
Mr. and Mrs. Harry Q. Anders, Townsend, Montana
CA&A Division
Fiscal Section
Mr. Johnson
Director's Reading File
Review Committee
Region I
Docket
Code 500

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/1/71		120
		220

OCT 1 1971

~~SEP 30 1971~~

AIRMAIL

Mr. Harry Q. Anders
4834 Blue Ridge Drive
San Jose, California 95129

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Anders:

This letter refers to the Lien and Subordination Agreements signed July 1, 1960, by you and Kathryn Anders, Jewell Dance, Individually, and Jewell Dance, Executrix of the Last Will & Testament of Albert Dance, Deceased, under the subject contract.

By the terms of the Exploration Contract, as amended, and the Certification of Possible Production, dated September 13, 1963, all minerals mined or produced from September 2, 1960, to September 2, 1971, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region I
Branch of Budget and Finance
Mr. Kirkemo
130

GLAult/a 10-1-71

Government's Copy

NOTICE OF TERMINATION

OF

EXPLORATION CONTRACT

To: Northern Milling Company, Inc.
c/o Mr. Alfred S. Opus, Secretary
Big Sandy, Montana

Northern Milling Company, Inc.
Contract 2121
OME-6082

September 2, 1960
(Lead-Zinc)

1. The United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereby terminates the subject contract under the termination provisions of Article 7 on the following grounds:

Work was not resumed on the project on or before November 4, 1962, as required pursuant to the provisions of Amendment No. 3 to the contract dated September 12, 1962.

2. Effective December 28, 1961, the contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

3. The Government shall contribute only to the unit costs of the work performed prior to said effective date.

4. All rights of the Government provided for in the contract with respect to percentage royalty and liens to secure payment thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayment are hereby preserved.

Dated this 23rd day of September, 1963.

THE UNITED STATES OF AMERICA

By George Turnich
Director, Office of Minerals Exploration

Long
App'd. Sol. Off.
Murphey
Talbot
Selfridge
Johnson

Government's Copy

EXPLORATION CONTRACT
NORTHERN MILLING COMPANY
OME-6082

AMENDMENT NO. 3

It is agreed this 12th day of September, 1962, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Northern Milling Company, hereinafter referred to as the "Operator," that Contract No. 2121 (OME-6082), dated September 2, 1960, as amended, is further amended as follows:

1. (a) Work under the contract shall be suspended during the period beginning August 4, 1962, and ending not later than November 4, 1962.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of work.

(d) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. Article 10 of the Contract is deleted and the following is substituted in lieu thereof:

"Article 10. Nondiscrimination. The provisions governing performance of work under Government contracts, as set out in Section 301 of the Executive Order 10925, dated March 6, 1961 (a copy of which is attached hereto as Exhibit B and by reference hereby incorporated and made a part of this contract), shall be applicable to this contract.

"In compliance with the Rules and Regulations (41 CFR, Section 60-1.3(a)) issued under Executive Order 10925 of March 6, 1961, the Operator is hereby bound and agrees to include in each subcontract which it shall make with a subcontractor or supplier paragraphs (1) through (7) of Section 301 of said Executive Order, unless exempted pursuant to the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity.

RECEIVED
OCT 4 1962
U. S. G. S.
SPOKANE, WASH.

McPhillamy 9-10-62
App'd. Sol. Off.
Murphy
Talbert

"The Operator shall require each of its subcontractors (first tier) to include in every subcontract with each of its subcontractors (second tier) the following clause: The (here identify the second-tier subcontractor by name) shall incorporate by reference in each subcontract or purchase order with a subcontractor or supplier paragraphs (1) through (6) of Section 301 of Executive Order 10925 of March 6, 1961, unless exempted pursuant to the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity."

This amendment shall not be construed to increase the amount of any item designated as maximum, the fixed unit cost of any item of work, the estimated total cost of the contract, or the aggregate total amount which the Government may be required to contribute.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Director, Office of Minerals Exploration

NORTHERN MILLING COMPANY

By Paul L. Raber

Title Pres.

Presidential Documents

Title 3—THE PRESIDENT

Executive Order 10925

ESTABLISHING THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

WHEREAS discrimination because of race, creed, color, or national origin is contrary to the Constitutional principles and policies of the United States; and

WHEREAS it is the plain and positive obligation of the United States Government to promote and ensure equal opportunity for all qualified persons, without regard to race, creed, color, or national origin, employed or seeking employment with the Federal Government and on government contracts; and

WHEREAS it is the policy of the executive branch of the Government to encourage by positive measures equal opportunity for all qualified persons within the Government; and

WHEREAS it is in the general interest and welfare of the United States to promote its economy, security, and national defense through the most efficient and effective utilization of all available manpower; and

WHEREAS a review and analysis of existing Executive orders, practices, and government agency procedures relating to government employment and compliance with existing non-discrimination contract provisions reveal an urgent need for expansion and strengthening of efforts to promote full equality of employment opportunity; and

WHEREAS a single governmental committee should be charged with responsibility for accomplishing these objectives:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States by the Constitution and statutes of the United States, it is ordered as follows:

PART I—ESTABLISHMENT OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

SECTION 101. There is hereby established the President's Committee on Equal Employment Opportunity.

SEC. 102. The Committee shall be composed as follows:

(a) The Vice President of the United States, who is hereby designated Chairman of the Committee and who shall preside at meetings of the Committee.

(b) The Secretary of Labor, who is hereby designated Vice Chairman of the Committee and who shall act as Chairman in the absence of the Chairman. The Vice Chairman shall have general supervision and direction of the work of the Committee and of the execution and implementation of the policies and purposes of this order.

(c) The Chairman of the Atomic Energy Commission, the Secretary of Commerce, the Attorney General, the Secretary of Defense, the Secretaries of the Army, Navy and Air Force, the Administrator of General Services, the Chairman of the Civil Service Commission, and the Administrator of the National Aeronautics and Space Administration. Each such member may designate an alternate to represent him in his absence.

(d) Such other members as the President may from time to time appoint.

(e) An Executive Vice Chairman, designated by the President, who shall be *ex officio* a member of the Committee. The Executive Vice Chairman shall assist the Chairman, the Vice Chairman and the Committee. Between meetings of the Committee he shall be primarily responsible for carrying out the functions of the Committee and may act for the Committee pursuant to its rules, delegations, and other directives. Final action in individual cases or classes of cases may be taken and final orders may be entered on behalf of the Committee by the Executive Vice Chairman when the Committee so authorizes.

SEC. 103. The Committee shall meet upon the call of the Chairman and at such other times as may be provided by its rules and regulations. It shall (a) consider and adopt rules and regulations to govern its proceedings; (b) provide generally for the procedures and policies to implement this order; (c) consider reports as to progress under this order; (d) consider and act, where necessary or appropriate, upon matters which may be presented to it by any of its members; and (e) make such reports to the President as he may require or the Committee shall deem appropriate. Such reports shall be made at least once annually and shall include specific references to the actions taken and results achieved by each department and agency. The Chairman may appoint sub-committees to make special studies on a continuing basis.

PART II—NONDISCRIMINATION IN GOVERNMENT EMPLOYMENT

SECTION 201. The President's Committee on Equal Employment Opportunity established by this order is directed immediately to scrutinize and study employment practices of the Government of the United States, and to consider and recommend additional affirmative steps which should be taken by executive departments and agencies to realize more fully the national policy of nondiscrimination within the executive branch of the Government.

SEC. 202. All executive departments and agencies are directed to initiate forthwith studies of current government employment practices within their responsibility. The studies shall be in such form as the Committee may prescribe and shall include statistics on current employment patterns, a review of current procedures, and the recommendation of positive measures for the elimination of any discrimination, direct or indirect, which now exists. Reports and recommendations shall be submitted to the Executive Vice Chairman of the Committee no later than sixty days from the effective date of this order, and the Committee, after considering such reports and recommedations, shall report to the President on the current situation and recommend positive measures to accomplish the objectives of this order.

SEC. 203. The policy expressed in Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), with respect to the exclusion and prohibition of discrimination against any employee or applicant for employment in the Federal Government because of race, color, religion, or national origin is hereby reaffirmed.

SEC. 204. The President's Committee on Government Employment Policy, established by Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), as amended by Executive Order No. 10722 of August 5, 1957 (22 F.R. 6287), is hereby abolished, and the powers, functions, and duties of that Committee are hereby transferred to, and henceforth shall be vested in, and exercised by, the President's Committee on Equal Employment Opportunity in addition to the powers conferred by this order.

PART III—OBLIGATIONS OF GOVERNMENT CONTRACTORS AND SUBCONTRACTORS

SUBPART A—CONTRACTORS' AGREEMENTS

SECTION 301. Except in contracts exempted in accordance with section 303 of this order, all government contracting agencies shall include in every government contract hereafter entered into the following provisions:

"In connection with the performance of work under this contract, the contractor agrees as follows:

"(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

"(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor,

state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

"(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

"(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

"(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

"(6) In the event of the contractor's non-compliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled in whole or in part and the contractor may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, and such other sanctions may be imposed and remedies invoked as provided in the said Executive order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

"(7) The contractor will include the provisions of the foregoing paragraphs (1) through (6) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for non-compliance: *Provided, however*, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."

SEC. 302. (a) Each contractor having a contract containing the provisions prescribed in section 301 shall file, and shall cause each of its subcontractors to file, Compliance Reports with the contracting agency, which will be subject to review by the Committee upon its request. Compliance Reports shall be filed within such times and shall contain such information as to the practices, policies, programs, and employment statistics of the contractor and each subcontractor, and shall be in such form, as the Committee may prescribe.

(b) Bidders or prospective contractors or subcontractors may be required to state whether they have participated in any previous contract subject to the provisions of this order, and in that event to submit, on behalf of themselves and their proposed subcontractors, Compliance Reports prior to or as an initial part of their bid or negotiation of a contract.

(c) Whenever the contractor or subcontractor has a collective bargaining agreement or other contract or understanding with a labor union or other representative of workers, the Compliance Report shall include such information as to the labor union's or other representative's practices and policies affecting compliance as the Committee may prescribe: *Provided*, that to the extent such information is within the exclusive possession of a labor union or other workers' representative and the labor union or representative shall refuse to furnish such information to the contractor, the contractor shall so certify to the contracting agency as part of its Compliance Report and shall set forth what efforts he has made to obtain such information.

(d) The Committee may direct that any bidder or prospective contractor or subcontractor shall submit, as part of his Compliance Report, a statement in writing, signed by an authorized officer or agent of any labor union or other workers' representative with which the bidder or prospective contractor deals, together with supporting information, to the effect that the said labor union's or representative's practices and policies do not discriminate on the grounds of race, color, creed, or national origin, and that the labor union or representative either will affirmatively cooperate, within the limits of his legal and contractual authority, in the implementation of the policy and provisions of this order or that it consents and agrees that recruitment, employment, and the terms and conditions of employment under the proposed contract shall be in accordance with the purposes and provisions of the order. In the event that the union or representative shall refuse to execute such a statement, the Compliance Report shall so certify and set forth what efforts have been made to secure such a statement.

SEC. 303. The Committee may, when it deems that special circumstances in the national interest so require, exempt a contracting agency from the requirement of including the provisions of section 301 of this order in any specific contract, subcontract, or purchase order. The Committee may, by rule or regulation, also exempt certain classes of contracts, subcontracts, or purchase orders (a) where work is to be or has been performed outside the United States and no recruitment of workers within the limits of the United States is involved; (b) for standard commercial supplies or raw materials; or (c) involving less than specified amounts of money or specified numbers of workers.

SUBPART B—LABOR UNIONS AND REPRESENTATIVES OF WORKERS

SEC. 304. The Committee shall use its best efforts, directly and through contracting agencies, contractors, state and local officials and public and private agencies, and all other available instrumentalities, to cause any labor union, recruiting agency or other representative of workers who is or may be engaged in work under government contracts to cooperate with, and to comply in the implementation of, the purposes of this order.

SEC. 305. The Committee may, to effectuate the purposes of section 304 of this order, hold hearings, public or private, with respect to the practices and policies of any such labor organization. It shall from time to time submit special reports to the President concerning discriminatory practices and policies of any such labor organization, and may recommend remedial action if, in its judgment, such action is necessary or appropriate. It may also notify any Federal, state, or local agency of its conclusions and recommendations with respect to any such labor organization which in its judgment has failed to cooperate with the Committee, contracting agencies, contractors, or subcontractors in carrying out the purposes of this order.

SUBPART C—POWERS AND DUTIES OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY AND OF CONTRACTING AGENCIES

SEC. 306. The Committee shall adopt such rules and regulations and issue such orders as it deems necessary and appropriate to achieve the purposes of this order, including the purposes of Part II hereof relating to discrimination in government employment.

SEC. 307. Each contracting agency shall be primarily responsible for obtaining compliance with the rules, regulations, and orders of the Committee with respect to contracts entered into by such agency or its contractors, or affecting its own employment practices. All contracting agencies shall comply with the Committee's rules in discharging their primary responsibility for securing compliance with the provisions of contracts and otherwise with the terms of this Executive order and of the rules, regulations, and orders of the Committee pursuant hereto. They are directed to cooperate with the Committee, and to furnish the Committee such information and assistance as it may require in the performance of its functions under this order. They are further directed to appoint or designate, from among the agency's personnel, compliance officers. It shall be the duty of such officers to seek compliance with the objectives of this order by conference, conciliation, mediation, or persuasion.

SEC. 308. The Committee is authorized to delegate to any officer, agency, or employee in the executive branch of the

Government any function of the Committee under this order, except the authority to promulgate rules and regulations of a general nature.

SEC. 309. (a) The Committee may itself investigate the employment practices of any government contractor or subcontractor, or initiate such investigation by the appropriate contracting agency or through the Secretary of Labor, to determine whether or not the contractual provisions specified in section 301 of this order have been violated. Such investigation shall be conducted in accordance with the procedures established by the Commitee, and the investigating agency shall report to the Committee any action taken or recommended.

(b) The Committee may receive and cause to be investigated complaints by employees or prospective employees of a government contractor or subcontractor which allege discrimination contrary to the contractual provisions specified in section 301 of this Order. The appropriate contracting agency or the Secretary of Labor, as the case may be, shall report to the Committee what action has been taken or is recommended with regard to such complaints.

SEC. 310. (a) The Committee, or any agency or officer of the United States designated by rule, regulation, or order of the Committee, may hold such hearings, public or private, as the Committee may deem advisable for compliance, enforcement, or educational purposes.

(b) The Committee may hold, or cause to be held, hearings in accordance with subsection (a) of this section prior to imposing, ordering, or recommending the imposition of penalties and sanctions under this order, except that no order for debarment of any contractor from further government contracts shall be made without a hearing.

SEC. 311. The Committee shall encourage the furtherance of an educational program by employer, labor, civic, educational, religious, and other nongovernmental groups in order to eliminate or reduce the basic causes of discrimination in employment on the ground of race, creed, color, or national origin.

SUBPART D—SANCTIONS AND PENALTIES

SEC. 312. In accordance with such rules, regulations or orders as the Committee may issue or adopt, the Committee or the appropriate contracting agency may:

(a) Publish, or cause to be published, the names of contractors or unions which it has concluded have complied or have failed to comply with the provisions of this order or of the rules, regulations, and orders of the Committee.

(b) Recommend to the Department of Justice that, in cases where there is substantial or material violation or the threat of substantial or material violation of the contractual provisions set forth in section 301 of this order, appropriate proceedings be brought to enforce those provisions, including the enjoining, within the limitations of applicable law, of organizations, individuals or groups who prevent directly or indirectly, or seek to prevent directly or indirectly, compliance with the aforesaid provisions.

(c) Recommend to the Department of Justice that criminal proceedings be brought for the furnishing of false information to any contracting agency or to the Committee as the case may be.

(d) Terminate, or cause to be terminated, any contract, or any portion or portions thereof, for failure of the contractor or subcontractor to comply with the nondiscrimination provisions of the contract. Contracts may be terminated absolutely or continuance of contracts may be conditioned upon a program for future compliance approved by the contracting agency.

(e) Provide that any contracting agency shall refrain from entering into further contracts, or extensions or other modifications of existing contracts, with any non-complying contractor, until such contractor has satisfied the Committee that he has established and will carry out personnel and employment policies in compliance with the provisions of this order.

(f) Under rules and regulations prescribed by the committee, each contracting agency shall make reasonable efforts within a reasonable time limitation to secure compliance with the contract provisions of this order by methods of conference, conciliation, mediation, and persuasion before proceedings shall be instituted under paragraph (b) of this section, or before a contract shall be terminated in whole or in part under paragraph (d) of this section for failure of a contractor or subcontractor to comply with the contract provisions of this order.

SEC. 313. Any contracting agency taking any action authorized by this section, whether on its own motion, or as directed by the Committee, or under the Committee's rules and regulations, shall promptly notify the Committee of such action or reasons for not acting. Where the Committee itself makes a determination under this section, it shall promptly notify the appropriate contracting agency of the action recommended. The agency shall take such action and shall report the results thereof to the Committee within such time as the Committee shall provide.

SEC. 314. If the Committee shall so direct, contracting agencies shall not enter into contracts with any bidder or prospective contractor unless the bidder or prospective contractor has satisfactorily complied with the provisions of this order or submits a program for compliance acceptable to the Committee or, if the Committee so authorizes, to the contracting agency.

SEC. 315. Whenever a contracting agency terminates a contract, or whenever a contractor has been debarred from further government contracts, because of noncompliance with the contractor provisions with regard to nondiscrimination, the Committee, or the contracting agency involved, shall promptly notify the Comptroller General of the United States.

SUBPART E—CERTIFICATES OF MERIT

SEC. 316. The Committee may provide for issuance of a United States Government Certificate of Merit to employers or employee organizations which are or may hereafter be engaged in work under government contracts, if the Committee is satisfied that the personnel and employment practices of the employer, or that the personnel, training, apprenticeship, membership, grievance and representation, upgrading and other practices and policies of the employee organization, conform to the purposes and provisions of this order.

SEC. 317. Any Certificate of Merit may at any time be suspended or revoked by the Committee if the holder thereof, in the judgment of the Committee, has failed to comply with the provisions of this order.

SEC. 318. The Committee may provide for the exemption of any employer or employee organization from any requirement for furnishing information as to compliance if such employer or employee organization has been awarded a Certificate of Merit which has not been suspended or revoked.

PART IV—MISCELLANEOUS

SECTION 401. Each contracting agency (except the Department of Justice) shall defray such necessary expenses of the Committee as may be authorized by law, including section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691): *Provided*, that no agency shall supply more than fifty per cent of the funds necessary to carry out the purposes of this order. The Department of Labor shall provide necessary space and facilities for the Committee. In the case of the Department of Justice, the contribution shall be limited to furnishing legal services.

SEC. 402. This order shall become effective thirty days after its execution. The General Services Administration shall take appropriate action to revise the standard Government contract forms to accord with the provisions of this order and of the rules and regulations of the Committee.

SEC. 403. Executive Order No. 10479 of August 13, 1953 (18 F.R. 4899), together with Executive Orders Nos. 10482 of August 15, 1953 (18 F.R. 4944), and 10733 of October 10, 1957 (22 F.R. 8135), amending that order, and Executive Order No. 10557 of September 3, 1954 (19 F.R. 5655), are hereby revoked, and the Government Contract Committee established by Executive Order No. 10479 is abolished. All records and property of or in the custody of the said Committee are hereby transferred to the President's Committee on Equal Employment Opportunity, which shall wind up the outstanding affairs of the Government Contract Committee.

JOHN F. KENNEDY

THE WHITE HOUSE,
March 6, 1961.

[F.R. Doc. 61-2093; Filed, Mar. 7, 1961; 10:06 a.m.] 90048

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code

August 15, 1962

Memorandum to the file

From: F. M. Murphy, Mining Engineer,
Division of Minerals

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company
Marietta Mine
Broadwater County, Montana
Contract 2121

JUSTIFICATION FOR AMENDMENT NO. 3

In a letter, dated August 4, 1962, to the OME Field Officer, the Operator advised that it had some property and finance problems and, therefore, requested a three-months' recess of the contract work.

Region I recommended that the Operator's request be granted. Because the Operator has been very cooperative with the OME field team, the writer concurs in this recommendation.

F M Murphy

FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION 3/19/62

TO:	DATE	INITIALS
1. Chief, Div. of Field Operations		
Re: OME-6082 (Lead-Zinc)		
2. Northern Milling Co., Inc.		
Marietta Mine		
3. Broadwater County, Montana		
Contract 2121		
4.		
Donald R. MacLaren		
5. Donald R. MacLaren		
FROM: Acting Field Officer, Region I		

FOR: Check items for action desired

X Action	____ Reply for signature of ____	
____ Approval	____ Investigate	____ Surname
____ Comment	____ Recommendations	____ Signature
____ Conference	____ Rewrite	____ File
____ Instructions	Your information	

REMARKS:

Transmittal of Amendment No. 2 signed by the Operator in accordance with the instructions contained in your memo of 3/8/62.

MAR 21 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 21 1962

DATE	INITIALS	CODE
		170
3/22	Murphy	500

Government's Copy

EXPLORATION CONTRACT
NORTHERN MILLING COMPANY, INC.
OME-6082

AMENDMENT NO. 2

It is agreed this 7th day of March, 1962, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government", and Northern Milling Company, Inc., hereinafter called the "Operator", that Exploration Contract No. 2121 (OME-6082), dated September 2, 1960, as amended, hereinafter called the "Contract," is further amended effective March 2, 1962, as follows:

1. In Article 1(a) of the Contract the period for completion of the work is increased from 18 months to 30 months.

2. In Article 6(b) of the Contract the period of repayment by the Operator is increased from 10 years to 11 years.

This amendment shall not be construed to increase the amount of any item designated as maximum, the fixed unit cost of any item of work, the estimated total cost of the Contract, or the aggregate total amount which the Government may be required to contribute.

Executed in quintuplicate the day and year first above written.

Seller
Brown
App'd. Sol. Sol.
Talbert
Livermore
Selfridge
Johnson

THE UNITED STATES OF AMERICA

By George Turnick
Director, Office of Minerals Exploration

NORTHERN MILLING COMPANY, INC.

By Paul S. Roher

Title President

NOTE: Govt's, Audit's, & Fiscal Section's copies received in Code 130. Distribution made to respective offices.

3/22/62 H Berry

February 28, 1961

OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

JUSTIFICATION FOR AMENDMENT NO. 2

In a letter, dated February 20, 1962, to Region I, the Operator detailed causes that have held back the advance of the crosscut to the Marietta vein, such as severe weather, high pressure water in drill holes, and bands of hard andesite that cut progress from the anticipated 6 feet to 1 foot per shift. In view of these conditions, the Operator requested a 12-month extension of the contract period.

There remains about 400 feet of crosscut and 1,000 feet of drifting on the Marietta vein to be completed.

The Operator has made a sincere effort to complete the work in the required 18 months; therefore, the writer concurs in D. R. MacLaren's recommendation of February 26, 1962, that the requested extension of time be approved.

F M Murphy

F. M. Murphy, Mining Engineer
Division of Minerals

Government's Copy

EXPLORATION CONTRACT
NORTHERN MILLING COMPANY, INC.
OME-6082

AMENDMENT NO. 1

It is agreed this 12th day of October, 1961, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and the Northern Milling Company, Inc., hereinafter called the "Operator," that Exploration Contract No. 2121 (OME-6082), dated September 2, 1960, is amended, effective September 2, 1960, as follows:

1. In EXHIBIT A, under General Provisions, the last unnumbered paragraph is amended to read as follows:

"The work shall be performed in two stages. The Operator shall perform all of Stage I work and as much of Stage II work as may be approved in advance and confirmed in writing by the Government."

2. In EXHIBIT A, under Description of the Work, Stage I, the second unnumbered paragraph is amended to read as follows:

"If the above-estimated footages are not sufficient to intersect the Marietta vein, then with prior Government approval, confirmed in writing, such footage as may be required may be transferred from Stage II with a corresponding reduction in that stage."

This amendment shall not be construed to increase the amount of any item designated as maximum, the fixed unit cost of any item of work, the estimated total cost of the contract, or the aggregate total amount which the Government may be required to contribute.

Executed in quintuplicate the day and year first above written.

Sellers
Brown
App'd. Sol. Off.
Selfridge
Johnson
Talbert

THE UNITED STATES OF AMERICA

By George Turnich
Director, Office of Minerals Exploration

NORTHERN MILLING COMPANY, INC.

By Paul J. Baker

Title Pres.

October 6, 1961

OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

JUSTIFICATION FOR AMENDMENT NO. 1

The contract requires advance approval in writing for work under Stage II of the contract.

When the Acting Field Officer inspects the property, new work is discussed with the Operator and agreed upon. Quite often the Field Officer visits other OME or DMEA projects in the area and it may be a week or more before he can have a "Work Authorization" typed out and mailed to the Operator. In many cases, the new work should be s tarted immediately after the field officer's inspection.

The proposed Amendment No. 1 will allow such work to be started as soon as approval is given by the Field Officer and will allow him time to confirm such work in writing for OME records when he returns to his office.

F M Murphy

F. M. Murphy

Government's copy

2 10-10/21/6

MME Form 51
Feb. 1959

RECEIVED
SEP 6 1960
U. S. G. S.
SPOKANE, WASH.

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OCT 20 1960
O.M.E.

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME 6082	Lead-Zinc	14-23-090-2121	Broadwater	Montana

It is agreed 2 SEP 1960 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Northern Milling Company, Inc., a corporation organized in Montana

whose mailing address is P. O. Box 361, Townsend, Montana, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before ~~Nov.~~ Oct. 24-1960 (Date) and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 18 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ 102,300.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $ 51,150.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually at the rate of 5 - % percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

Interest of Vendors

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

Vendors of the land (see Annex I)

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the ~~operating~~ gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

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

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.

The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

See Annex I

Executed in quintuplicate the day and year first above written.

NORTHERN MILLING COMPANY, INC.
(Operator)

By Paul Rabes

Title President

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Office of
Minerals Exploration

Sellers
App'd. Sol. Off.
Murphy
Lawson
Fisher
Selfridge
Johnson

I, Alfred S Ogkus (Name), certify that I am the secretary of the corporation named as Operator herein; that Paul Rabes (Name), who signed this contract on behalf of the Operator, was then President (Title) 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.

Alfred S Ogkus

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 52375

EXPLORATION CONTRACT
NORTHERN MILLING COMPANY, INC.
OME-6082

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract, consists of thirteen (13) mining claims situate in secs. 10, 11, 14, and 15, T. 7 N., R. 1 W., Broadwater County, Montana. The claims are recorded in the land office records and the records of the County Clerk and Recorder of Broadwater County as follows:

Patented Mining Claims

Claims	Registered number	Registered in Name of:
Switzerland	4746	Dance & Anders
Gold Dust	2824	" "
Marietta	8226	" "
New Era	4946	" "
Crowbar	4947	" "
Venezuela	5205	" "
Big Jack	10840	Albert Dance
Little Joe	10840	" "
Jack Smart	10840	" "
Sitting Bull	10840	" "
Anna	10840	" "
Alice	10840	" "

Unpatented Mining Claim

Claim	Book of Mines	Page	Registered in Name of:
Porcupine	20	223	Albert Dance

The locations of the above-listed claims are shown on the map entitled, "Northern Milling Co., Marietta Mine, T. 7 N., R. 1 W., Broadwater County, Montana, Map 10 - etc.," attached hereto and made part hereof.

The Operator has rights to the above-listed claims under the terms of an "Agreement for Sale of Real Property," executed July 29, 1958, by Albert Dance and his wife, Jewell Dance, and by Harry Q. Anders and his wife, Kathryn Anders, as "Vendors," and by officers of Northern Milling Company as "Vendee."

Liens and Subordination Agreements relating to the above-listed claims and executed by the "Vendors" are attached hereto and made part hereof.

The Government's percentage royalty on production as stated in Article 6 of the contract will not apply to production from developed ores in presently known veins above the Marietta No. 5 level (elevation approximately 7,145 feet) shown on Map 10 previously referred to in this Annex I, except as provided below:

A special "Agreement Concerning Royalty" is added as follows:

> Notwithstanding the certification provisions of Article 6, and with no further action required on the part of the Government, the Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, or its successor, shall pay to the Government a royalty on any production from within the boundaries of the land described in Article 2 that is transported through any new workings to the cost of which the Government has contributed, or any portion of said workings, for the same period as is described in 6(b)(2) of the contract and pursuant to the terms of Article 6(c) et seq. However, in no event shall more than one royalty be due on or paid on the same production.

In the event that production from outside the boundaries of the land described in Article 2 is transported through the workings described above, and neither the Operator nor its successor has any interest in said production, the Government shall be paid by the Operator the fixed rate of 5 percent of the total transportation charges received by the Operator.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator Northern Milling Company, Inc.
Docket No. OME – 6082
Contract No. 14-23-090 – 2121
Contract Date 2 SEP 1960

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Broadwater, State of Montana;

described as follows:[2] in the Annex attached hereto and made a part hereof.

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

Northern Milling Company, Inc.[3]

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same.[4]

2. Undertakes and agrees that property in which the Government may acquire an interest or equity under the Contract may be dismantled, severed from the land, and removed as may be provided in the Contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

None

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ 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 must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions None (State "None" or "See Annex No.____".)

Dated this 1st day of July, 19 60.

Jewell Dance	(Seal)	Townsend, Montana	(Street) (City & State)
Jewell Dance, Individually			
Jewell Dance	(Seal)	Townsend, Montana	(Street) (City & State)
Jewell Dance, Executrix of the Last Will & Testament of Albert Dance, Dec'd			
Harry Q. Anders	(Seal)	Townsend, Montana	(Street) (City & State)
Kathryn Anders	(Seal)	Townsend, Montana	(Street) (City & State)
	(Seal)		(Street) (City & State)
	(Seal)		(Street) (City & State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
(Corporate Seal)

ANNEX TO LIEN AND SUBORDINATION AGREEMENTS

Patented Mining Claims

Claims	Registered Number	Registered in Name of
Switzerland	4746	Dance & Anders
Gold Dust	2824	" "
Marietta	8226	" "
New Era	4946	" "
Crowbar	4947	" "
Venezuela	5205	" "
Big Jack	10840	Albert Dance
Little Joe	10840	" "
Jack Smart	10840	" "
Sitting Bull	10840	" "
Anna	10840	" "
Alice	10840	" "

Unpatented Mining Claim

Claims	Book of Mines	Page	Registered in Name of:
Porcupine	20	223	Albert Dance

EXPLORATION CONTRACT
NORTHERN MILLING COMPANY, INC.
OME-6082

EXHIBIT A

The purpose of this project is to explore for ore bodies in the downward and lateral extensions of a series of lead-zinc-bearing veins by means of crosscutting, drifting, and raising.

General Provisions

The coordinates and bearings of the crosscuts and drifts referred to in Exhibit "A" of this contract are approximate and are with respect to those shown on Map 10 mentioned in Annex I. The extents of the crosscuts and drifts are shown in red color on this map.

The crosscuts and drifts shall be of a minimum size of 5 by 7 feet in the clear of timber and shall be timbered as necessary, using standard drift sets with a minimum timber size of 8 by 8 inches, or equivalent round timber. The raises shall be of a minimum size of 4 by 6 feet in the clear of timber and timbered as necessary. All significantly mineralized areas encountered in the crosscutting, drifting, and raising shall be sampled normal to their trends, at linear intervals of not more than 10 feet. Such samples shall be split; the Operator shall have one-half assayed for its lead, zinc, gold, or silver content as may appear desirable; and the other half shall be stored in a suitable container properly identified as to the location where it was procured. The stored samples are for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples.

Assay certificates of all samples shall be submitted with the Operator's monthly progress report, which shall also include a map or sketch showing the work completed during the reporting period and the locations where samples were procured and their assay values.

The Operator shall provide such technical services as may be required to complete the project in a satisfactory manner.

The locations, directions, and extent of all the project work are subject to Government approval.

The work shall be performed in two stages. The Operator shall perform all of Stage I work and as much of Stage II work as is approved in writing by the Government, in advance.

Description of the Work

Stage I

Stage I shall consist of extending the Mason Tunnel about 200 feet from coordinates 9870N-10265E in a N. 5° E. direction to intersect the Gold Dust vein at about coordinates 10090N-10280E and then continuing the Tunnel from this point in a N. 45° W. direction an additional estimated 700 feet to intersect (1) the Little Anne vein and (2) the Marietta vein.

If the above-estimated footages are not sufficient to intersect the Marietta vein, then with prior written Government approval such footage as required may be transferred from Stage II with a corresponding reduction in that stage.

The Government will contribute to the costs of not to exceed 100 assay determinations under this Stage I of the contract.

Stage II

Stage II shall consist of drifting not to exceed 400 feet along the Gold Dust vein, 200 feet along the Little Anne vein, and 1,000 feet along the Marietta vein. However, these distances are estimates and may be changed with prior written Government approval. To further explore significantly mineralized sections of such veins that are exposed by the drifts and crosscuts, 200 feet of raising shall be performed. Except with prior Government approval, no individual raise shall exceed 100 feet in length measured from the back of the drift or crosscut from where it starts or shall be closer than 150 feet horizontally from any other raise driven under this contract.

The Government will contribute to the costs of not to exceed 1,600 feet of drifting, 200 feet of raising, and 900 assay determinations under this Stage II of the contract.

Estimated Cost of Project

Fixed Unit Costs

Stage I

900 feet of crosscutting @ $37.00/ft.	$33,300.00	
40 feet of timbering @ $7.00/ft.	280.00	
100 determinations for the lead, zinc, gold, or silver content of samples, @ $1.00 for each metal	100.00	
Total Estimated Cost of Stage I		$33,680.00

Stage II

1,600 feet of drifting @ $37.00/ft.	$59,200.00	
160 feet of timbering in crosscuts and drifts @ $7.00/ft.	1,120.00	
200 feet of raising @ $37.00/ft. 1/	7,400.00	
900 determinations for the lead, zinc, gold, or silver content of samples, @ $1.00 for each metal	900.00	
Total Estimated Cost of Stage II		$68,620.00
Total Estimated Cost of the Project		$102,300.00
Government Participation @ 50%		$51,150.00

1/ Includes cost of timbering

NORTHERN MILLING COMPANY, INC.
P. O. Box 361
Townsend, Montana
May 17, 1960

U. S. DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration
South 157 Howard Street
Spokane 4, Washington

Att: Mr. D. R. MacLaren
Acting Field Officer
Region I

Dear Sir:

The Applicant wishes to amend his application for an exploration loan which has been assigned Docket Number OME-6082, as per the following:

1st The Applicant to pay all the opening costs, track laying, pipe etc. for the present Mason Tunnel to its present face.

2nd To get a loan assistance to sink a 670 foot Two (2) compartment winze from the Marietta Number 5 level and to do 600 feet of drifting at the bottom thereof, to explore the Marietta vein in depth. Step "A"

? No. Not in [illegible] from Mason [illegible]

3rd To get a loan assistance to explore the Gold Dust and Little Annie veins on this level. Step "B" Mason level.

OK

Northern Milling Company, Inc.
P. O. Box 361
Townsend, Montana

RECEIVED
MAY 25 1960
U. S. G. S.
SPOKANE, WASH.

see 3 maps in pocket

Maps and sections herewith submitted illustrate this proposed work.

S T E P "A"

Winze 2 Compartments 4' x 5' timbered, outside in rock 11' x 7½'.

Cutting hoist station 24'x12'x7½'	$1,250.00
Widening around collar	350.00
Back drift to loading pocket in footwall	2,925.00
Cutting pocket and installing arc gate chute	500.00
Widening present raise and straightening, timbering for skip track, installing sheave wheel, cost of same, dumping horns, 100' of rail	1,500.00
	$6,525.00

Equipment Needed Not Possessed by Applicant

Electric sinking pumps and station pumps including power cable down the winze and starters - NEW	$3,800.00
75 H.P. USED single drum Ottawa hoist with grids and drum controller reversible, 5,000 lbs. rope pull speed 495' per minute with 75 H.P. slip ring motor, quoted FOB Denver	4,850.00
Freight estimated at	300.00
Hoisting cable 19 wire 7 strand ¾" non spin plow steel	400.00
20 cubic ft. Timken roller bearing wheels skip 32" guage	450.00
2,000 feet of 3 conductor rubber covered electric cable size of wires double ought to operate hoist, pumps and blower (needed 60 to 70 amperes continuous and 120 more intermittent for hoist). Used cable price estimate $2.00 per foot. Probably be better to purchase 4,000 feet of #2 size and parallel phase them or use 7,100 volt parkway	4,000.00
Lead covered cable and inside transformer (3) 50KVA. One 8,000 to 10,000 cu. ft. blower 12" water pressure and motor about 20 H.P. USED	1,000.00
	$14,800.00

Northern Milling Company, Inc.
P. O. Box 361
Townsend, Montana

Other equipment needed - cars, mucker, drills, slusher, tugger hoists, steel, shovels, tools, etc., locomotive are now owned by Applicant and will be furnished by applicant.

Sinking Winze

Sinking winze if dry (and it must be hand mucked) and making a 5 foot set completed and timbered each 24 hours with air, water, vent pipes and track installed using two 8 hour shifts, 2 men in bottom and 1 man working as top man when lowering supplies but helping in bottom when mucking, drilling or timbering. One hoist man on each shift. Train crew to keep ore pocket pulled, bring in timber and supplies. Engineers, bosses, etc. only charged as a portion of their time. Figures following are cost per Five (5) feet. For One (1) foot divide by Five (5) feet.

Timber (sawed) required per 5 foot set 500 Board feet at $90.00 per thousand		$ 45.00
2 Hoist men at $20.00 each and insurance, S. S. etc. 20%		48.00
(Employers Accident Insurance, Social Security Old Age, Unemployment amounts to 20% of the payroll in Montana for Mines)		
BUTTE SCALE FOR WINZE SINKING:		
Breaking	$14.60	
Mucking	33.30	
Insurance	9.58	
Timbering	4.00	
	$61.48 per ft.	307.40
Train crew on each shift part time emptying pocket and supplies, locomotive operating costs, maintenance, depreciation		40.00
Pipe for drill water, compressed air, pump column 18" air vent tube, skip rails, track splice plates, track spikes etc. at $8.00 per foot		40.00
2 to 3 rock drills, repairs, drill steel, carbide bits, compressed air, depreciation at $10.00 per shift per machine (2 machines)		20.00
Explosives and electric delay caps, water proof low fume gelatine powder per 5' set		50.00

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P. O. Box 361
Townsend, Montana

Electric power per shift for hoist, blower etc. $5.00	$ 10.00
Timber framer, carpenter wages & insurance	24.00
Foremen, bosses, engineers, geologist, supervising the 2 shifts, part-time only	25.00
Sampling and assaying per set	5.00
Compressor rental per 24 hours as Applicant does not have enough compressed air	10.00
Wedges, hanger bolt rods, blocking, grease, oil, electric miners' lamps, rubber boots for shaft men, picks, shovels, air and water hose, wrenches, saws, axes, 8-pound hammers and handles, spikes and nails and other miscellaneous items	10.00
	$634.40
For unforseen delays, emergencies, cave-ins, running ground, accidents to equipment, strikes, extra hard rock, increases in labor or supply costs add about 10% or	63.44
	$697.84

Cost per foot estimate $139.57 per foot dry or practically so.

If pumps are needed and the amount of water does not exceed 60 to 70 gallons per minute the cost would probably be about $159.57 per foot.

Drifting on the Vein

Drifting at the bottom of the winze on the vein will cost about $70.00 per foot, and the cost will not be much different wet or dry after the station pumps are installed and operating. At the bottom of the winze (after allowing for a sump about 12 feet)at Elevation 6,856 a station will cust in the hanging wall and a drop run each way on the Marietta vein. About 200 feet to the South and 400 feet to the North less about 15 feet consumed in cutting station, and widening out to make room for centrifugal pump.

Northern Milling Company, Inc.
P. O. Box 361
Townsend, Montana

Drifting Cost (Including Station)

Size 6' x 7½'

600 feet at $70.00 per foot $42,000.00

"A" TOTAL COST OF STEP "A" (WINZE) SUMMARY

pocket and Dump Head room, sheave, etc.		$ 6,525.00
Sinking wet winze	*Note	106,911.90
600 feet drifting including station		42,000.00
		$155,436.90

*About $13,000.00 less cost if winze is dry

Capital investment in Equipment needed 14,800.00

"B" Step "B" MASON TUNNEL

This is to explore the Gold Dust through the Mason Tunnel. This tunnel is about 300 feet below Number 5 level. (See Map and Section). These proposed drifts are mostly in the vein structures and they are much shorter than the work proposed in the original application, therefore they do not need to be 8 feet wide with large drainage ditch to one side, but standard - 6 feet wide. They do not have as long a haul, and they do not have the more difficult problem of removing the blasting fumes. There is a raise proposed on the Gold Dust and this can be kept down in size to one and a half compartments using stulls and lagging to line of the rock chute.

The necessary percentage to be allowed for unforseen conditions can be reduced from 25 percent to 10 percent. Without going into all the details of this drifting and raising costs the total is estimated at $65.50 per foot.

Northern Milling Company, Inc.
P. O. Box 361
Townsend, Montana

Cost of Step "B" MASON TUNNEL

Rehabilitation paid for by Applicant Drive cross-cut B 200 feet to Gold Dust vein and drift 200 feet to point for raise. Run raise up vein 536 feet; total 836 feet at $65.50	$54,758.00

Summary

Capital Investment in Equipment	$ 14,800.00
Cost of Step "A"	155,436.90
Cost of Step "B"	54,758.00
	$ 224,994.90

If the Little Annie is cut in the Gold Dust raise we can consider cross-cutting to it later on the Mason Tunnel level. It has been suggested that some deep (about East 700 feet) vertical diamond drills be put down from the surface on the Marietta. These would cost $15,000.00 to $20,000.00, and it is the opinion of the Applicant the money can be spent to much better advantage sinking on the vein itself from the Number 5 level. The winze starts in ore, and is to follow down in the vein in the ore.

Since the first of the year the new Mill has been producing concentrate averaging from Marietta ore: -

Low		High	
21	to	29 oz.	Gold
51	to	64 oz.	Silver
23	to	30%	Lead
5	to	10%	Zinc
2.69	to	4.8%	Arsenic
.1	to	.4	Antimony
.03	to	.25	Bismuth
.5	to	1.4	Copper

Northern Milling Company, Inc.
P. O. Box 361
Townsend, Montana

The Gold is paid for at $33.03 per ounce; Silver less one (1) ounce at 95% at $.9137; Lead wet assay less 1½ percent 90% at New York price less $.02; Zinc, no pay and no penalty under 10%. Arsenic and Antimony and Bismuth penalties combined on the concentrate average from $1.42 per ton to $2.86 per ton.

Treatment $10.00 per ton with credit for lead over 20%

Trucking 3.50 " " " " " " " " "

The value of the concentrates at these settlement prices bring $800.00 up to $1,063.00 per dry ton at East Helena, Montana, after freight, treatment and deductions net. The Gold in the ore has no relationship to the lead or the pyrite or the arsenic. The Silver is about half related to the lead and the other half independent. For example, a 30.6% lead concentrate ran 46.1 oz. Silver and a 19.8% lead concentrate ran 64.4 oz Silver.

Yours very truly,
NORTHERN MILLING COMPANY, INC.

Paul I. Raber

Paul I. Raber, President

PR/b
Encl.

Northern Milling Company, Inc.
P. O. Box 361
Townsend, Montana

MME Form 40
Dec. 1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1963

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85-701 (72 Stat. 700; 30 U.S.C. 641)

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*

Northern Milling Co.
Box 361
Townsend
Montana

RECEIVED
APR 4 1960
U. S. G. S.
SPOKANE, WASH.

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: OME-6087

DATE RECEIVED: 4-11-60

REGION: I

DIVISION CODE: 500

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [x]
- PARTNERSHIP [ ]
- OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED: Montana

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Paul Raber	Townsend, Montana	President
Loren Anderson	Bismarck, N.D.	Vice President
Palmer C. Bakken	Bismarck N.D.	Treasurer
Alfred Ophus	Big Sandy, Montana	Secretary

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Lead and zinc

ESTIMATED COST OF PROJECT: $337,280.00

PROPERTY NAME: Marietta Mine

LOCATION — COUNTY, STATE: Broadwater County, Montana

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME Field Office.*

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, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

March 16, 1960
DATED

Northern Milling Co.
BY *(Signature)* Paul Raber
President
TITLE

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. Physical Description:

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves, giving quantities and grades and sampling methods used. Support your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *land boundaries* or to the closest identifiable corner.

(b) If an access road must be built, show the proposed location on the property map and state the length, type and construction methods proposed.

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. (*Note*—If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant which will be used in the exploration work.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration work, stating specifications and cost including labor, materials, and supervision.

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(e). Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories. [*Note*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

INT.-DUP. SEC., WASH., D.C. 50399

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERAL EXPLORATION

1. FINANCIAL ELIGIBILITY

   a. (1) Letters from: Northern Montana State Bank, Big Sandy, Montana

   The State Bank of Townsend, Townsend, Montana

   Union Bank and Trust Company, Helena, Montana

   (2) Sum - $400,000.00; terms 4% ten (10) years

   (3) Use of funds

   (4) Reply refusal

   b. Affiliates or parent or controlling companies - None; not applicable.

   c. Applicant proposes to furnish its share of the cost of the proposed exploration work from earnings derived from the Marietta Mine production.

2. APPLICANT'S RIGHTS IN LAND

   a. Applicant holds a purchase contract on the Marietta Mine consisting of twenty (20) patented claims and seventeen (17) unpatented claims. The total price is Four-hundred-ninety-three-thousand-five-hundred dollars ($493,500.00) of which Seventy-five thousand dollars ($75,000.00) has already been paid, with Fifty-thousand dollars ($50,000.00) due each year on July 29th until paid in full. The veins to be explored are covered by certain of these claims.

   Four (4) true copies of this contract are submitted herewith. The names of the patented claims

C O P Y

NORTHERN MILLING COMPANY, INC.
P. O. Box 361
Townsend, Montana
March 17, 1960

Mr. John Carlson, President
UNION BANK AND TRUST COMPANY
Helena, Montana

Dear Sir:

We have a mining property called The Marietta consisting of thirty-six claims which is located approximately fifteen (15) miles west of Townsend, Montana. We have concluded that a development plan should be started to determine if the ore on the Gold Dust vein and the Venezuela vein extends to a greater depth. We have a tunnel called the Mason tunnel which is three-hundred feet (300') below our Number 5 level. We propose to extend the Mason tunnel to a point which would intersect the Venezuela and Gold Dust veins and raise to the surface on both veins.

We cannot undertake the expense of this exploration without obtaining additional financial assistance, so we would like to borrow Four-hundred-thousand dollars ($400,000.00) for a ten (10) year period at four percent (4%) interest. We propose to repay the loan by assigning five percent (5%) of the smelter returns derived from the sale of ore discovered by this exploration plan.

I would be glad to furnish any other information you may feel necessary, including information regarding past production from the Gold Dust and Venezuela veins.

Yours very truly,
NORTHERN MILLING COMPANY, INC.

PR/b

Paul I. Raber, President

Unreasonable as to interest and method of repayment, also no offer of collateral. Letter sent

Northern Milling Company, Inc.
P. O. Box 361
Townsend, Montana

1a

UNION
BANK AND TRUST COMPANY
HELENA, MONTANA

March 18, 1960

Mr. Paul I. Raber, President
Northern Milling Company, Inc.
Townsend, Montana

Dear Mr. Raber:

Our Discount Committee has reviewed your application for a loan of $400,000, repayable over a ten year period, to be secured by assignment of five percent of the smelter returns from sale of ore to be discovered by your proposed exploration plan as outlined in your application.

The Committee has requested me to advise you that under present conditions we will be unable to assist in this financing.

Very truly yours,

John Carlson

John Carlson
President

JC:ekr

#1A

C O P Y

NORTHERN MILLING COMPANY, INC.
P. O. Box 361
Townsend, Montana
March 17, 1960

Mr. James W. Kearns, president
STATE BANK OF TOWNSEND
Townsend, Montana

Dear Sir:

We have a mining property called The Marietta consisting of thirty-six claims which is located approximately fifteen (15) miles west of Townsend, Montana. We have concluded that a development plan should be started to determine if the ore on the Gold Dust vein and the Venezuela vein extends to a greater depth. We have a tunnel called the Mason tunnel which is three-hundred (300') feet below our Number 5 level. We propose to extend the Mason tunnel to a point which would intersect the Venezuela and Gold Dust veins and raise to the surface on both veins.

We cannot undertake the expense of this exploration without obtaining additional financial assistance, so we would like to borrow Four-hundred-thousand dollars ($400,000.00) for a ten (10) year period at four percent (4%) interest. We propose to repay the loan by assigning five percent (5%) of the smelter returns derived from the sale of ore discovered by this exploration plan.

I would be glad to furnish any other information you may feel necessary, including information regarding past production from the Gold Dust and Venezuela veins.

Yours very truly,
NORTHERN MILLING COMPANY, INC.

PR/b

Paul I. Raber, President

Same as letter to Union Bank & Trust Co. Lakeport

Northern Milling Company, Inc.
P. O. Box 361
Townsend, Montana

1a

(C O P Y)

March 18, 1960.

Paul Raber, President
Northern Milling Company, Inc.,
Townsend, Mont.

Dear Mr. Raber:

I received to-day your letter of March 17, 1960 inquiring about a loan in the amount of $400,000.00 for exploration work in your mining operation.

As our type of banking operation does not permit us to make a loan of this nature it is necessary that we turn down this application for the above mentioned loan.

Yours very truly,

James W. Kearns

James W. Kearns,
President.

#1A

C O P Y

NORTHERN MILLING COMPANY, INC.
P. O. Box 361
Townsend, Montana
March 21, 1960

NORTHERN MONTANA STATE BANK
Big Sandy, Montana

Gentlemen:

We have a mining property called The Marietta consisting of thirty-six claiis which is located approximately fifteen (15) miles west of Townsend, Montana. We have concluded that a development plan should be started to determine if the ore on the Gold Dust vein and the Venezuela vein extends to a greater depth. We have a tunnel called the Mason tunnel which is three-hundred feet (300') below our Number 5 level. We propose to extend the Mason tunnel to a point which would intersect the Venezuela and Gold Dust veins and raise to the surface on both veins.

We cannot undertake the expense of this exploration without obtaining additional financial assistance, so we would like to borrow Four-hundred-thousand dollars ($400,000.00) for a ten (10) year period at four percent (4%) interest. We propose to repay the loan by assigning five percent (5%) of the smelter returns derived from the sale of ore discovered by this exploration plan.

I would be glad to furnish any other information you may feel necessary, including information regarding past production from the Gold Dust and Venezuela veins.

Yours very truly,
NORTHERN MILLING COMPANY, INC.

PR/b

Paul I. Raber, President

Same as ltr to Union Bank & Trust Co. Helena

Northern Milling Company, Inc.
P. O. Box 361
Townsend, Montana

1a

NORTHERN MILLING COMPANY, INC.
P. O. Box 361
Townsend, Montana
March 31st, 1960

Gentlemen:

The reply for request of loan from Northern Montana State Bank, Big Sandy, Montana, has been mislaid. The request was denied.

A duplicate letter with copies attached will be forwarded to your office within the next few days.

Northern Milling Co., Inc.
P. O. Box 361
Townsend, Montana

#1A

HELEN J. BROWN, PRESIDENT CHARLES W. RUBIE, VICE-PRESIDENT JOHN B. BUETTNER, CASHIER

NORTHERN MONTANA STATE BANK

BIG SANDY, MONTANA

March 22, 1960

Paul Raber
Northern Milling Co.
Box 361
Townsend, Montana

Dear Mr. Raber:

We have received your application for loan to your company for development and exploration. We note that the time requested is ten years. After a duscussion with the loan committee, I regret to say that we are unable to undertake this loan. It is felt that this is not the type of loan which we are set up to handle. You can realize that liquidity is our main concern, and, with the length of time needed by you as ten years, that we could not grant this loan on a basis suitable to both parties.

I regret that we could not grant this application, but if you have any needs for shorter term funds, feel free to call upon us and we will give it every consideration.

Sincerely,

John B. Buettner
Cashier

#1A

no. 2 a

AGREEMENT FOR SALE OF REAL PROPERTY

THIS AGREEMENT, Made and entered into this 29 day of July, 1958, by and between ALBERT DANCE and JEWELL DANCE, his wife; HARRY Q. ANDERS and KATHRYN ANDERS, his wife, all of Townsend, Montana, hereinafter referred to as "Vendors", and NORTHERN MILLING COMPANY, a Montana corporation, with principal office at Zortman, Montana, hereinafter referred to as "Vendee", -

W I T N E S S E T H :

1. That the said Vendors, for and in consideration of the covenants and agreements on the part of Vendee, hereinafter contained, agree to sell and convey unto Vendee, and said Vendee agrees to buy, all of Vendors' right, title and interest in the following parcels of land situate in the County of Broadwater, State of Montana, described as follows:

PATENTED MINING CLAIMS

Patented Claims:	Registered Number	Registered in Name of:
Mountain Queen	8221	Dance & Anders
Switzerland	4746	" "
Gold Dust	2824	" "
Queen of the Park	8222	" "
Marietta	8226	" "
New Era	4946	" "
Crowber	4947	" "
Venezuela	5205	" "
Big Jack	10840	Albert Dance
Virginia	10840	" "
Little Joe	10840	" "
Jack Smart	10840	" "
Alberta	10840	" "
Sitting Bull	10840	" "
Anna	10840	" "
Alice	10840	" "
[illegible]	10840	" "
[illegible]	10840	" "
[illegible] of the West	[illegible]	" "
[illegible]	4744	" "

[illegible] Milling Co. [illegible]

UNPATENTED MINING CLAIMS

Unpatented Claims	Book of Mines	Page	Registered in Name of:
Jack Smart Extension	21	85	Harry Q. Anders
Venezuela Extension	21	77	"
Porcupine	20	223	Albert Dance
Johnson	19	500	"
Lookout	20	5	"
Timberline	21	165	"
Evening Star	20	4	"
Prospect	19	501	"
Kathryn Extension	19	140	Jewell Dance
Badger	19	234	"
Big Chief	19	237	"
Little Chief	19	236	"
Dixie Extension	19	232	"
Hard Cash	18	585	"
Emma	19	499	"
White Horse	19	235	"
Hope	19	233	"

DMBA-1132

(All references above are to land office records and the records of the County Clerk and Recorder of Broadwater County, and for convenience said properties are hereinafter referred to as "Mining Property".)

For the total sum of FOUR HUNDRED NINETY-~~SIX~~ THREE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS ($4~~96~~,500.00), lawful money of the United States; and Vendee, in consideration of the premises, agrees to pay Vendors, the said sum of Four Hundred Ninety-~~Six~~ Three Thousand Five Hundred and no/100 Dollars ($4~~96~~,500.00) in lawful money of the United States, as follows:

BR
JHE
JMS

The sum of Forty-~~Six~~ Three Thousand Five Hundred Dollars ($4~~6~~,500.00) upon the execution of this contract, receipt of which is hereby acknowledged by Vendors;

The sum of Fifty-Thousand Dollars ($50,000.00) on the 1st day of July, 1950; and

The sum of Fifty-Thousand Dollars ($50,000.00) on the 1st day of July of each and every succeeding year thereafter until the total sum of ~~Four~~ Hundred Ninety-~~Six~~ Three Thousand Five Hundred Dollars ($4~~96~~,500.00) has been paid to Vendors by Vendee.

2. The term "mining property" shall mean the lode mining claims described above together with all and singular the mines, minerals, lodes and veins within the lines of said claims, and the dips, spurs, and angles, and of the rights, privileges and appurtenances thereunto in anywise belonging, including extra lateral rights, easements, rights of way, surface and timber rights (to the extent allowed by U.S. Government) and water rights, if any, pertaining to or connected with said mining claims.

3. Immediately upon the execution of this contract and the receipt by Vendors of the initial payment of Forty-Three Thousand Five Hundred Dollars ($43,500.00), the Vendee shall be entitled to take possession of all the above described property, and may continue in possession of said property during the period this contract remains in effect, and may develop, mine, extract, process, treat, mill, market and sell any and all minerals and ores, at such time and in such place and manner as Vendee shall deem best.

4. The Vendee agrees that it shall maintain, throughout the life of this contract, Workmen's Compensation insurance in such amount and upon such terms as may be required by the laws of the State of Montana. Vendee is bound to keep the mine property free from all mechanic's and materialman's liens and Vendee shall pay all federal, state and county taxes assessed upon the mine property or the improvements thereon or the production therefrom during the life of this contract; and Vendee shall keep posted on said mine property such notices of non-liability of Vendors as may be supplied by Vendors. In this connection, Vendee agrees it shall defend at its own cost, any action or actions that may be brought against it to enforce any claim or claims or lien or liens because of materials

or labor furnished to or performed for Vendee and shall pay any judgment or judgments that may be entered in any such action or actions.

5. Vendee agrees to carry on all of its work to be done under this contract in a good and minerlike manner with due regard to the safety, development and preservation of the premises as a workable mine, and to carry on development work in a workmanlike manner and to sufficiently timber the mine at all points where proper and keep all active workings open.

6. Vendee shall perform at its own expense such annual assessment work as may be required and not excused by applicable moratorium law now or subsequently enacted on the above described mining property; this work will commence with the assessment work for the mining assessment year which begins July 1, 1958, and shall continue thereafter during each succeeding mining assessment year during the life of this contract, provided that if notice of withdrawal be given by Vendee prior to May 1st of any year, then Vendee shall not be obligated to perform the annual assessment work for the then current mining assessment year ending on the next June 30th. It is intended that after giving notice of withdrawal Vendee shall be obligated to perform the annual assessment work for the then current mining assessment year only if notice of withdrawal is given between the 1st day of May and June 30th of any year.

7. The parties hereto agree that in case of disagreement, or if a difference shall arise between them or between any person claiming under them in relation to this agreement or arising therefrom, SAVE AND EXCEPT AS TO THE YEARLY PAYMENTS, THE PAYMENT OF TAXES AND PERFORMANCE OF ASSESSMENT WORK AS

REQUIRED BY LAW, whether as to the construction or operation thereof or the respective rights and liability thereunder, such disagreement or difference shall be referred to a board of three (3) arbitrators (each of whom shall be a qualified mining engineer or mine operator), one to be appointed by Vendors, one to be appointed by Vendee, and the third to be appointed by the two so by the parties appointed; in case the two arbitrators cannot agree on the third arbitrator, then the District Court of the County of Broadwater, State of Montana, shall appoint the third arbitrator. The decision of the arbitrators so appointed shall be in writing and shall be final and binding upon the parties. Should one of the parties hereto desire a matter submitted to arbitration and name their candidate as an arbitrator and the other party should refuse to appoint an arbitrator, then it is agreed that the party desiring arbitration may apply to the District Court to appoint an arbitrator for and on the part of the party declining to name an arbitrator and when the two are so named, they shall select a third arbitrator, and in case they cannot agree then the District Court of Broadwater County, Montana, shall appoint the third arbitrator. The decision of the arbitrators so appointed shall be in writing and shall be final and binding upon the parties.

8. In the event of termination of this agreement Vendee shall have the right to remove from the property all machinery and equipment it placed thereon, except pipes, railway tracks and structures. In the event Vendee wishes to sell any part or all of said machinery and equipment, it shall be appraised by two (2) disinterested persons in the business of selling like machinery and equipment. Vendors will then have the right to purchase the machinery and equipment offered for

sale at the appraised value. This right to purchase must be exercised by Vendors within ninety (90) days after receipt of notice from Vendee of its election to sell. If not so purchased, Vendee will have ninety (90) days thereafter to remove the machinery and equipment from the premises. In any event, pipes, railway tracks and structures shall become, upon annexation to the real property, and remain, the property of Vendors.

9. Should Vendee fail in any respect to comply fully with the terms and provisions of this instrument, and should Vendors notify Vendee in writing of the matters in regard to which default is asserted, and if Vendee does not either: (1) cure such default within thirty (30) days after the giving of such notice; or (2) commence within said thirty (30) day period to correct such default, and continue thereafter to use due diligence to correct such default until it is fully corrected or cured; then Vendors may terminate this contract at any time thereafter during the continuance of such default, by giving written notice to Vendee of Vendors' election to terminate this contract, and in event of such termination Vendors shall be entitled to retain all payments theretofore made to them by Vendee as liquidated damages for breach of contract, and as rental for said premises.

It is expressly understood and agreed that default in making the yearly payments, payment of taxes and the doing of the required assessment work shall not be subject to this paragraph, as default in any of said matters shall entitle Vendors to forthwith terminate this contract and retain all payments theretofore made them as liquidated damages for breach of contract and as rental for said property.

10. It is expressly understood and agreed, anything hereinto the contrary notwithstanding, that the continuation

of this contract is optional with Vendee. At any time said Vendee may withdraw by giving written notice not less than thirty (30) days prior to the date of withdrawal which date is to be specified in said written notice. Upon the giving of such written notice of withdrawl this agreement and all rights and liabilities hereunder, shall terminate at the effective date of the termination as specified in said written notice. It is further agreed that in the event Vendee terminates this contract Vendors shall retain all payments theretofore made them as liquidated damages for breach of contract and for rental of the property.

11. Any notice of termination or communication required or permitted hereunder shall be effective when personally delivered, or shall be effective when addressed to Vendors, Albert Dance and Harry Q. Anders, at Townsend, Montana, and to Vendee, Northern Milling Company, at ZORTMAN MONTANA, which notice shall be deposited with postage prepaid and registered in the United States mail. Either party may, by notice to the other given as aforesaid, change its mailing address for future notices hereunder.

12. Vendee is hereby given the right to sell, assign and transfer this contract.

13. Vendee agrees that at all times during the life of this contract that Vendors, their agents, engineers, accountants, or attorneys may enter upon said mining premises and into all of the workings to ascertain if the conditions of this contract are being complied with by Vendee. PROVIDED, ALWAYS, HOWEVER, such entry and inspection shall be at reasonable times and shall not materially interfere with the work being carried on on said premises by Vendee or its workmen.

14. The parties hereto mutually agree that the STATE BANK OF TOWNSEND, Townsend, Montana, is hereby appointed

as the escrow agent of the parties, and in this connection, Vendors agree they will, immediately after the receipt of the initial payment, prepare and execute as grantors, a warranty deed to the mentioned patented mining claims, and a quitclaim deed to the mentioned unpatented mining claims naming Vendee or its assigns as the grantee therein, and will deposit said deeds together with a fully executed copy of this contract with said escrow agent, and said escrow agent so designated is hereby instructed to receive all payments from Vendee to the credit of Vendors, and upon the completion of the full purchase price being paid to said escrow agent for the credit of Vendors, to deliver said deeds to Vendee or its successors; Vendee instructs said bank that if it, Vendee, fails to make any yearly payment when due to return said deeds and said contract to Vendors without demand from Vendors and without notice to Vendee. In connection with this escrow designation, the parties hereto agree that the said bank, its officers, agents and employees are not to be liable to either party hereto or to any successor of either of them, for or on account of any happening in connection with this escrow arrangement, save and except the failure of said bank, its officers, agents, or employees to strictly and fully account for all monies actually received by it or its officers, agents or employees, pursuant to the terms hereof. Vendors agree to pay all escrow fees and the cost of revenue stamps required to be affixed to the deeds conveying title to the mining property.

15. Vendors warrant they own the above described mining property free and clear of any and all claims, interests, liens and encumbrances subject only to this contract. In this connection, Vendors agree they will, on the execution of this contract and receipt of the mentioned payments, have

abstracts of title to said mines brought up to date by a licensed abstracter, and then deposit the same with the escrow agent, to-wit: the State Bank of Townsend, Townsend, Montana, and Vendee shall have the right to withdraw said abstracts from said escrow agent for a period of ninety (90) days for the purpose of having the title examined, and if, upon such examination, material defect or defects appear in said chain of title, then Vendors agree they will, at their own cost and expense, have such titles quieted by proper court procedure, and Vendee agrees to accept said title or titles if properly quieted.

In the event of failure of title to any of the foregoing mining properties it is agreed that the purchase price set forth in paragraph #1 shall be reduced by a sum equal to the appraised value of the mining properties as to which title fails. The appraised value shall be determined by the arbitrators chosen in accordance with paragraph #7 above, and such appraisal shall be final and binding on all parties hereto. Further, Vendors agree to reimburse Vendee for the cost and expense incurred by Vendee in mining and producing ores and minerals from claims to which title fails.

16. The obligation of Vendee to make annual payments under this agreement shall be suspended while, but only so long as and to the extent that Vendee is prevented from complying with such obligation, in whole or in part, by acts of God, unavoidable accidents, inability to obtain materials or inadequate facilities for transportation of materials or for disposition of products during time of war, and any state or federal law, regulation or order. In the event of such suspension the due date for payment of the next succeeding annual installment (which includes an installment payment date which would ordinarily fall within the period of suspension) shall be determined by adding to the ordinary installment due date under this agreement, a period of time equal to the period of time of the suspension.

Such suspension, if any, shall not relieve Vendee of its obligation to pay the required taxes when due or from performing the required assessment work or from the obligation of keeping the mining property in proper and safe condition so that operations may be resumed immediately upon the end of the suspension period.

17. By express agreement of the parties hereto, time is made expressly as of the essence of this contract and all of its terms.

18. All of the stipulations, conditions and terms of the foregoing contract shall be binding upon the heirs, administrators, executors and assigns of Vendors, and upon the successors and assigns of Vendee.

19. Vendors agree to pay all taxes on the "mining property" for the year 1958 and all prior years and Vendee agrees to pay all taxes on said mining property for the year 1959 and all subsequent years during the life of this contract.

IN WITNESS WHEREOF, Vendors have affixed their hands and seals and Vendee has hereunto caused its corporate name to be subscribed and its corporate seal to be affixed by proper officers thereunto duly authorized this 29 day of July, 1958.

Albert Dance
ALBERT DANCE

Jewell Dance
JEWELL DANCE, his wife

Harry Q. Anders
HARRY Q. ANDERS

Kathryn Anders
KATHRYN ANDERS, his wife

Vendors

NORTHERN MILLING COMPANY

BY Paul J. Kaler
President

Vendee.

ATTEST:

William C. Davis
Secretary.

STATE OF MONTANA, }
County of Broadwater. } ss.

I hereby certify that the instrument to which this certificate is affixed, is a true, correct and compared copy of the original on file in the office of the Clerk and Recorder.

Witness my hand and the seal of the County of Broadwater, this 14th day of March 1960.

Anne Marie Stoner
Clerk and Recorder.

By _____
Deputy

STATE OF MONTANA)
: ss.
County of Broadwater)

On this 29 day of July, 1958, before me, the undersigned, a Notary Public for the State of Montana, personally appeared ALBERT DANCE and JEWELL DANCE, his wife; HARRY Q. ANDERS and KATHRYN ANDERS, his wife, known to me to be the persons whose names are subscribed to the within instrument and each acknowledged to me that he or she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.

Notary Public for the State of Montana
Residing at: Townsend, Montana
My Commission expires: Sept. 30, [illegible]

STATE OF MONTANA)
: ss.
County of Broadwater)

On this 29 day of July, 1958, before me, the undersigned Notary Public for the State of Montana, personally appeared Paul I. Raber, known to me to be the President of NORTHERN MILLING COMPANY, the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.

Notary Public for the State of Montana
Residing at: Townsend, Montana
My Commission expires: Sept. 30, [illegible]

STATE OF MONTANA, }
County of Broadwater. } ss.

I hereby certify that the instrument to which this certificate is affixed is a true, correct and compared copy of the original on file in the office of the Clerk and Recorder.

Witness my hand and the seal of the County of Broadwater, this 14th day of March 1960.

Anna Marie Stoner
Clerk and Recorder.

By _____
Deputy

and their patent survey numbers are given in this contract. The names of the unpatented claims and the Book and page of Record in Broadwater County, Montana, are given in this contract.

b. The Marietta claims are situated approximately thirteen (13) miles west northwest of Townsend, Montana, at approximately Latitude 46°20' North and Longitude 111°40' East, in the Park or Hassel District, Sec. 10, 11, 14, 15, T7NR1W. The accompanying claim map gives names and patent survey numbers of the patented claims and a graphic description to scale of the unpatented claims, also the Township, Range, and Sections.

The Claims patented and unpatented to be explored under the loan are: New Era 4946; Marietta 8226; Gold Dust 2824; Big Jack 10840; Switzerland 4746; Venezuela 5205; and the unpatented Porcupine. This exploration is to be three-hundred-seven feet (307') below the productive workings on these same claims which above have combined produced approximately a million dollars in Lead, Gold and Silver.

c. MME Form 52 submitted herewith covers production from these claims of ore found by the exploration work from this loan assistance below the Number 5 level (elevation 7145 feet) with the exception of ore from a winze now being sunk near the north end of Number 5 about one-hundred feet (100') more or less south of Section line between Section 15 and Section 10.

b. (continued) All other claims shown on the map are to be excluded and all now-existing mine workings on these claims above the Number 5 level.

3. PHYSICAL DESCRIPTION

a. The Marietta group has been mined intermittently for sixty (60) or seventy (70) years; this includes

the Marietta vein (Lead, Zinc, Gold and Silver), the Gold Dust vein (Lead, Zinc, Gold and Silver), the Bullion King (Lead and Zinc), the Venezuela (Lead, Zinc, Gold and Silver), East Etta (Lead, Zinc, Gold and Silver), Little Annie or Anna (Lead, Zinc, Gold, Silver), New Era, and several others. About Nine-thousand feet (9000') of drifting has been done, the large portion of which is on the Marietta. The estimated production is about One-million dollars ($1,000,000.00) for the group. Active mining is being carried on at this time in the Mine working on Number 4 and Number 5 levels, mainly under the Switzerland, Jack Smart and Mountain Queen claims. The Two-hundred Ton (200T) flotation mill is running. The mine is equipped with a modern, first-class selective Two-hundred Ton (200T) per day mill, electrically driven, two electric and one diesel haulage locomotives, 600 cubic foot electric-driven compressor, many air drills, two (2) large diesel bull-dozers, diesel drag line, dump trucks, both side and end dump cars, several electric and air slushers, modern assay office, arc welders and gas welders, electric water pumps and other equipment needed for a first-class mining and milling operation. The accompanying mine maps marked 3a show the major workings, and the proposed exploration work from the Mason Tunnel level Elevation 6844 feet.

b. All equipment and operations described above are owned by the applicant except, of course, the claims which are held under the purchase contract

shown in 2a, and on which payments are up to date.

c. This loan application is to explore the lead and zinc ores in the Gold Dust, Marietta and Little Annie veins below the Number 5 level, that is below Elevation 7145 feet above Sea Level. The accompanying sheets marked 3c show copies of a few of the Smelter returns, 1st. Gold Dust, 2nd. Little Annie, 3rd. Marietta. They also show some shipments from the Bullion King and Venezuela - shipments from these last two, while not in this program, are shown as supporting evidence of the lead content from the area. These are only a very few returns of the great number of shipments made over the long period of time. Several hundred shipments have been made, for example, from the combined Marietta and Gold Dust veins.

d. There are some known ore reserves in the Marietta and Gold Dust above the Number 5 level, and these are now being milled. However, the important exploration in both veins is downward to the Mason Tunnel level, as they both show increasing lead in depth between the surface down to the Number 5 level.

e. The country rock at the property is andesite. The rock is older than the Boulder Batholith, which is a quartz diorite. Tongues and cupolas, off shoots from the Boulder Batholith, intruded the andesite and brought lead, zinc. gold, silver, copper and other minerals into favorable fissures and beddings in the andesite.

The sulphides of lead, zinc, iron, copper and silver were introduced first and at a higher temperature than the gold which came later. The iron occurs

A. V. TRENT,
Owner-Manager

GOODALL BROTHERS

ASSAYERS AND METALLURGICAL CHEMISTS

46 South Main Street, Helena, Montana

TEL. HI 2-3770
P. O. BOX 537

Date Mar 26-1963

UMPIRE ASSAY_____ CONTROL ASSAY_____ HAND SAMPLE_____

ASSAYED FOR: Northern Milling Co.

MARKS:

Sample No.	DESCRIPTION	GOLD Ozs. Per Ton	SILVER Ozs. Per Ton	WET LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	IRON Per Cent	INSOL. Per Cent	Per Cent	Total Value Per Ton
	North WINZ rock pile	0.27	3.0	6.6		2.4				

Northern Milling Co., Inc.
P. O. Box 361
Townsend, Montana

Gold not deducted:_____

Charges $ 3.00

GOODALL BROS.

By A. V. Trent

3c

STATEMENT OF SHIPMENTS
FROM
"LITTLE ANNIE"
TOWNSEND, MONTANA

Shipper	Date	Wet Weight	Gold	Silver	% Lead	Gross Proceeds
Al Dance	8/18/1933	4,946	1.15	11.7	9.0	$ 56.72
Al Dance	10/28/1933	15,260	1.1675	13.55	7.5	239.39
Al Dance	12/27/1933	3,674	1.665	20.75	13.2	102.83
R. J. Sarbu	2/5/1934	8,546	1.87	9.1	7.6	245.90
R. J. Sarbu	4/17/1934	24,340	1.96	6.2	4.6	715.23
R. J. Sarbu	6/8/1934	30,020	1.215	19.5	11.4	714.69
R. J. Sarbu	6/20/1934	11,558	0.47	5.0	3.4	64.83
R. J. Sarbu	6/20/1934	25,940	0.93	5.3	3.8	330.02
R. J. Sarbu	7/3/1934	14,020	0.71	1.3	2.4	108.33
R. J. Sarbu	7/10/1934	23,340	1.08	15.3	10.0	468.93
R. J. Sarbu	8/4/1934	20,586	0.50	5.1	3.5	122.49
R. J. Sarbu	8/4/1934	20,586	0.50	5.1	3.5	122.49
R. J. Sarbu	8/4/1934	19,712	1.24	18.8	11.3	458.68
R. J. Sarbu	9/1/34	20,692	0.48	3.9	2.6	101.14
R. J. Sarbu	9/12/1934	11,340	1.15	16.9	10.4	240.82
R. J. Sarbu	10/12/1934	12,140	1.785	14.7	8.6	259.09
R. J. Sarbu	11/23/1934	12,700	1.825	6.5	3.3	332.84
R. J. Sarbu	11/28/1934	17,960	0.68	8.35	5.5	186.28
R. J. Sarbu	12/21/1934	11,529	0.89	18.6	10.9	201.90
John Sarbu	5/7/1935	11,649	1.27	11.8	7.0	246.08
R. J. Sarbu	5/8/1935	11,747	0.68	3.4	6.0	101.84
R. J. Sarbu	5/25/1935	24,860	0.52	5.2	4.3	179.60
R. J. Sarbu	6/14/1935	40,340	1.0075	13.95	8.0	785.76
John Sarbu	8/9/1935	15,225	0.78	10.55	7.0	218.88
R. J. Sarbu	8/21/1935	21,518	0.61	7.1	4.9	140.15
Zimmerman & Shea	5/18/36	49,240	0.8425	8.10	6.0	649.27
" " "	7/9/1936	47,528	0.68	6.3	9.5	491.99
" " "	8/18/1936	82,800	.97	3.35	3.8	1051.36
" " "	11/3/1936	40,040	0.995	3.80	2.2	475.65
" " "	12/15/1936	46,340	1.385	6.10	3.4	881.66
Carl Kolberg	9/22/1941	7,020	1.36	11.4	6.6	151.85
" " "	11/24/1941	5,190	1.62	10.7	4.2	130.96

American Smelting & Refining Company
East Helena Plant
East Helena, Montana
June 16, 1943

Northern Milling Company, Inc.
P. O. Box 361
Townsend, Montana

3c

East Helena, Montana

SHIPPING RECORDS - AMERICAN SMELTING AND REFINING COMPANY

GOLD DUST

Date	Proceeds per Ton	Dry Weight	Gold	Silver	Lead	Zinc	Shipper
8/25/31	$242.30	13,295	1.72	15.0	16.7	1.0	Kimpton-Williams
9/22/31	205.17	14,541	1.275	13.2	18.0	1.0	" " " "
10/7/41	258.19	15,681	1.11	7.5	6.2	5.3	Dance
10/10/41	266.03	15,681	1.11	7.5	6.2	5.3	" "

* * * * * * * *

VENEZUELA

9/1/36	223.81	5,351	2.46	12.4	9.5	-	Bish Williams
4/23/38	211.79	5,840	2.20	10.9	8.7	1.0	McFaugen
6/29/38	362.07	5,026	4.365	13.2	10.2	-	" " "
11/15/38	212.77	7,303	1.62	15.5	12.3	-	" " "
12/24/38	281.38	11,371	1.445	13.65	9.5	-	" " "
1/24/39	546.78	11,555	2.38	31.35	24.3	-	" " "
3/24/39	670.67	17,020	2.225	16.3	13.9	-	McFaggen-Gabisch
4/8/39	416.72	9,166	2.47	19.6	15.9	-	" " "
4/19/39	116.01	6,694	1.09	8.1	7.7	1.0	" " "
5/13/39	181.04	5,045	2.04	14.4	12.3	1.0	" " "
7/24/39	476.43	8,800	3.125	14.0	11.8	1.0	Penn Gray
10/14/39	43.33	1,606	1.67	7.8	8.0	2.1	McFaggen-Gabisch
3/30/40	88.15	6,005	1.0425	4.45	3.4	1.0	McFaggen-J. A. Hunt
5/4/40	176.89	6,814	1.03	24.275	17.3	-	" " "
6/28/40	91.03	9,443	0.60	7.8	6.5	-	McFaggen - L. Green
8/13/40	225.71	9,014	1.7375	5.15	3.75	1.0	" " "
8/28/40	296.34	9,811	2.0475	6.55	4.55	-	" " "
10/21/40	51.49	4,412	0.8125	4.8	4.825	1.5	" " "

Northern Milling Company, Inc.
P. O. Box 361
Townsend, Montana

SHIPPING RECORDS - AMERICAN
SMELTING AND REFINING COMPANY
East Helena, Montana

Venezuela (continued)

Date	Proceeds per Ton	Dry Weight	Gold	Silver	Lead	Zinc	Shipper
10/29/40	$ 74.95	4,960	0.925	6.2	6.7	1.0	McFadgen - L. Green
11/30/40	155.25	6,504	1.36	10.05	9.0	1.0	" " "
12/13/40	26.62	1,842	0.7875	9.5	8.2	1.5	" " "
1/10/41	170.59	7,393	1.3075	9.75	9.05	1.2	" " "
6/26/41	211.41	5,098	2.475	11.5	9.1	1.0	Mike Sass
7/26/41	357.38	2,025	10.15	20.1	16.6	6.2	" " "

BULLION KING

6/30/1889	23.34	11,229	.02	9.002 per Ton	46.2460 (Dry)	-	J.F.Rabdan
10/2/1900	30.60	2,338	0.05	13.0	62.6	Trace	Park Con. Co.
8/7/1918	50.42	15,808	0.04	8.0	46.6	Trace	C.S.Muffly

Northern Milling Company, Inc.
P. O. Box 361
Townsend, Montana

3 c

SHIPPING RECORDS -

American Smelting and Refining Co.
East Helena, Montana

Marietta Mine - Shipper, Al Dance

Date	Dry Weight	Gold	Silver	% Wet Lead	Copper	% Zinc	Arsenic	Antimony
1/28/54	55,928	2.240	6.1	4.8	0.10	3.2	10.7	0.49
3/2/54	61,310	1.910	5.2	3.1	0.05	2.3	9.90	0.41
6/22/54	90,010	1.930	5.4	1.4	0.05	1.4	8.1	0.65
10/13/54	101,752	2.510	8.6	2.2	0.10	1.5	9.2	0.20
2/28/56	93,448	1.235	5.75	4.1	0.02	2.7	7.70	0.16

Northern Milling Co., Inc.
P. O. Box 361
Townsend, Montana

about equally as pyrite and as arsenopyrite. The lead as galena, the zinc as sphalerite, the copper as chalcopyrite, the silver as antimonides of silver. While there is some gold in minor amounts locked in the pyrite and arsenopyrite, 80% to 75% of all the gold is free gold deposited in micro fractures in the pyrite and arsenopyrite. This is proved in milling these ores. Most of the arsenic and pyrite goes into the tailings, leaving a high-grade Lead and Gold concentrate with 25% to 30% lead, and 20 to 30 ounces of gold per ton of concentrate. The Lead, Zinc, Copper, Pyrite and Arsenopyrite are mesothermal and will extend downward to considerable depth. The present mine workings have only reached the top of the lead zone, and several hundred feet of depth of increasing lead values lie below Number 5 level. The gold was deposited later at lower temperatures and is Epithermal. Its downward range will not be as far as the earlier minerals. Probably Fifteen-hundred feet (1500') to Twenty-five-hundred feet (2500') down the dip will bottom the pay gold, and as the gold veins dip at 20° to 45° this will be Six-hundred feet (600') to One-thousand feet (1000') vertically below Number 5 level. There has been relatively little of the tops of the veins lost by erosion. There is good geological reason to expect a considerable increase in Lead, Zinc and Copper as depth is gained. Erosion on the Gold Dust and Marietta has just barely cut down to the top of the Lead Zone, and there should be considerable increase in Lead for the next One-thousand feet (1000') or more in depth.

Northern Milling Co., Inc.
P. O. Box 361
Townsend, Montana

There are two major vein systems on the property. One system striking 5° to 15° west of North and the other 45° to 70° east of North. We will call the 5° to 10° west if North, the North and South System, and the other the East and West System. The Marietta belongs to the North and South System and dips 15° to 25° West. This vein varies in thickness from one (1) to eight (8) feet and averaging about four (4) feet. It has an average grade of 1 to 2 oz. in gold, 1 to 8 oz. silver, 1 to 6% lead, and about 1 to 3% zinc with .1 to .2% copper. The Marietta vein dips 15 to 25 degrees West following a bedding in the andesite and is the strongest vein as far as is now known on the property. Its past production is estimated at Five-hundred-thousand dollars ($500,000.00) but it probably exceeds that figure.

The Little Annie strikes N.E. and is the East and West System - dips N.W. at 10° to 30° averaging 26°. It is developed by a 480 foot incline shaft now caved at the collar. The vein is one (1) to four (4) feet thick. Grade - 1 to 1.5 oz. gold, 8 to 10 oz. silver, 8 to 12% lead. The Little Annie has been reported to have produced Two-hundred-thousand dollars ($200,000.00). This vein parallels the Marietta, but dips at 60° in the reverse direction. The vein is stated to vary from one (1) to three (3) feet in width averaging around one (1) foot. The outcrop of this vein is largely covered by deep soil. The partial shipping record marked 3c is from the American Smelting and Refining Company, East Helena, Montana Smelter.

The grade of ore from the Venezuela in the past has been approximately per ton: - Gold 1.5 to 1.7 oz.; Silver 10 to 12 oz.; Lead 10% and Zinc 1%. As the

Venezuela parallels the Marietta and dips toward the Marietta it is expected that below the junction they will combine as one vein following the Venezuela downward and have the quartz diorite as the footwall, with andesite as the hanging wall. The mineral solutions from the quartz diorite probably came up the Venezuela and then travelled into Little Annie, Gold Dust, Marietta, etc.

A quartz diorite intrusive plug lies west of and forms the footwall of the Venezuela and is the probably source of the ore in the veins in the district.

Gold Dust Vein. This vein belongs to the East and West System. It strikes northeasterly and dips 45 degrees to the southeast. The Mason Tunnel will intersect this vein in a comparatively short distance. The vein is from one (1) to four (4) feet wide averaging three (3) feet. An analysis of the ore from this vein taken on the Number 5 level as a general sample for metallurgical test work gave per ton: -

Gold	.25 oz.
Silver	6.2 oz.
Copper	0.10 %
Lead	6.12 %
Zinc	7.78 %
Iron	19.41 %
Arsenic	6.21 %
Sulphur	21.6 %
Antimony	0.2 %
Insoluble	34.6 %

This vein was stoped from the Number 5 level to the surface many years ago and shipped to the Smelter. The only records now available to the applicant of

A. V. TRENT,
Owner-Manager

GOODALL BROTHERS

ASSAYERS AND METALLURGICAL CHEMISTS

46 South Main Street, Helena, Montana

TEL. HI 2-3770
P. O. BOX 537

Date MAR 23 1960

UMPIRE ASSAY _____ CONTROL ASSAY _____ HAND SAMPLE _____

ASSAYED FOR Northern Milling Co. | MARKS: Townsend

Sample No.	DESCRIPTION	GOLD Ozs. Per Ton	SILVER Ozs. Per Ton	WET LEAD Per Cent	COPPER Per Cent	ZINC Per Cent	IRON Per Cent	INSOL. Per Cent	Per Cent	Total Value Per Ton
1	Gold Dust 12" sample	0.97	12.9	13.0						
2	" 24" "	1.18	7.9	7.8						
3	" 24" "	0.64	5.6	4.2						
4	" 24" "	0.34	3.5	3.2						
5	" 20" "	0.33	4.8	3.2						

Northern Milling Co., Inc.
P. O. Box 361

Northern Milling Co., Inc.
P. O. Box 361

Gold not deducted: _____

Charges $ 17.50

GOODALL BROS. Townsend, Montana

By A. V. Trent 39

these shipments that can be identified as Gold Dust ore are shown on sheet marked 3c. They show much higher gold, lead and zinc. namely: Gold 1.25; Silver 11.00; Lead 11.5%; Zinc 3.1% as an approximate average. It is expected a considerable block of this combined lead and zinc ore can be found between the Number 5 level and the Mason Tunnel. Five samples recently cut along the side of Number 5 tunnel show .33 to 1.18 oz. gold, 3.5 to 12.9 oz. silver and 3.2 to 13% lead.

f. Little Annie. The reason it is expected to find ore exploring the Little Annie vein in depth is because ore has been shipped from surface working (see copy of American Smelting and Refining Co. returns marked 3c included in this application). Moreover, the Marietta vein should strike into and join the Little Annie at Mason level and this should increase the amount of mineralization. Moreover, the vein is credited with Two-hundred-thousand dollars ($200,000.00) production in the past.

g. There are no engineers' reports available that deal only with the veins and area the applicant wishes to explore, nor geological reports covering these veins. The maps and cross sections submitted herewith illustrate the general geological relationships. The Gold Dust Number 5 level shows assays recently taken by the applicant of this vein and copies of the assay certificates are submitted herewith.

4. ACCESSIBILITY OF THE PROPERTY

a. Automobile road goes to mine fifteen (15) miles from Townsend, Montana. Mine has a short wave radio telephone - Call Townsend number 175 for Northern Milling

Company. Operator at 175 telephone will talk to Mine and arrange for someone to drive down from Mine and meet O.M.E. representative.

b. Railroad shipping point is Townsend, Montana, fifteen (15) miles by road from the property. This is also the supply point. The nearest smelter is the American Smelting and Refining Company at East Helena, Montana, forty-five (45) miles, and concentrates are now being hauled there by truck.

5. EXPLORATION WORK

a. It is proposed to reopen, repair, place track, air, water and ventilation lines in the Mason Tunnel, now Fifteen-hundred-eighty feet (1580') long; drive this tunnel to cut the Gold Dust vein, Little Annie and the Marietta veins, raise and drift on these veins; The Mason Tunnel is approximately three-hundred-seven feet (307') vertically below the Gold Dust Number 5 level.

The Mason Tunnel which is a long haulage and drainage tunnel and now some Fifteen-hundred-eighty feet (1580') long will be continued Seven and one-half feet (7½) high, Eight feet (8') wide with a drainage ditch on one side.

<u>Proposal</u> (These distances are estimated from present known dips)

A.	Extend East Branch Mason to Gold Dust vein estimated	200 feet
B.	Drift on Gold Dust 200 feet to Raise	200 "
C.	Raise on Gold Dust to Number 5 level	436 "
D.	Extend main Mason to Gold Dust Vein and Marietta	400 "
E.	Drift on Marietta 300 feet to Little Annie and continue 1500 more	1800 "
F.	Drift N.E. from Raise on Gold Dust	400 "

G.	Drift S.W. on Little Annie	400 feet
H.	Drift N.E. on Little Annie	400 "
		4,236 feet

The long raise will cost practically the same or more per foot than the drifts, as it has to be divided into two (2) compartments and require a hoist for men, supplies and forced ventilation. Cost of this footage is estimated at Seventy-nine dollars and seventy-six cents ($79.76) per foot. The necessary preliminary work in the Mason Tunnel including rail, pipe, general repairs is estimated at Twenty-thousand-one-hundred dollars ($20,100.00) total. The mill water supply now comes from the Mason, but a new sump and sand settling bay will be needed. Cost - One-thousand dollars ($1000.00). The applicant will need to increase the size of the present power line capacity. Cost - Twelve-hundred dollars ($1200.00); 40 HP ventilation fan and electric motor - Cost - One-thousand dollars ($1000.00).

The applicant has large electric storage battery locomotive, and charger, mucking machine, slushers, mine cars, air drills etc. available for this job at the property.

The maps and cross sections submitted herewith show the proposed work.

b. Access road not needed. One already there. Not applicable.

c. <u>Time required</u>

Repair Mason Tunnel etc. getting supplies and equipment and other preliminary work	60 days
Driving tunnel and drifts average 7 feet (3½ ft. per shift) per day counting delays and about the same in raises	605 days
	665 days

This work time can be materially reduced by driving two headings and raising at the same time and finish the whole job in twelve (12) months to fourteen (14) months preliminary work and delay in getting equipment and building up a good crew.

6. EXPERIENCE

William Rogers Wade will be Consulting Engineer for this work. His experience is as follows: -

Graduate Harvard 1904 Cum Laude in Mining & Metallurgy

Assistant Shift-boss New Jersey Zinc Company (Franklin Mine)

Manager Azure Mining Company in New Mexico

Three (3) years with Phelps Dodge Corporation in charge of Pilares Copper Mine, Moctezuma Copper Company, Sonora, Mexico

Manager Northern Ore Company and New York Zinc Company, Edwards, New York (Now St. Joseph Lead Company)

Manager for American Metal Company, Ltd. of Vermont (Copper)

Consulting Engineer, Engineers Exploration Syndicate, New York City

Consulting Engineer and Partner John Hays Hammond, New York City

President Park City Consolidated Mines (Lead - Silver)

President Golden Charriott Mines, Idaho (Gold)

Consulting Engineer Leviathan Sulphur Company, California, (Now owned by A.C.M.)

Consulting Engineer in general practice in San Francisco, California

Partner Courageous Mining Company (Gold)

Owner Montana Rainbow Mining Company (Gold)

Consulting Engineer American Sulphur Company

Consulting Engineer Cia Minerva Buena Vista S. A. (Copper)

Consulting Engineer Northern Milling Company, Montana

General Consulting Practice, Mill and Metallurgical Plant Design

Legion of Honor, American Institute of Mining, Metallurgical and Petroleum Engineers

Member Northwest Mining Association

Member American Mining Congress

Member Montana Society of Professional Engineers

Member American Society of Professional Engineers

Registered Engineer in Montana and New York

Paul I. Raber, President Northern Milling Company, Inc. Marietta Mine, Townsend, Montana. His experience is as follows: -

Graduate of Coyne Electrical School, Chicago, Illinois

Three year College technical education as Mechanical and Electrical Engineer

Seventeen years experience as Plant Engineer for Sweetheart Bakeries in charge of plants and all equipment in North Dakota and Montana

Six years experience as Manager of Gold Mines and Mills. Has been opening the Marietta Mine and constructing a Two-hundred Ton (200T) selective gold, silver, lead mill for the past 1½ years as President and General Manager of Northern Milling Company, Inc., and is in direct over-all charge on the ground of Marietta Mine and Mill.

Edward F. Wieglenda, Mine Superintendent at Marietta Mine has had many years underground experience as a miner, shift-boss, foreman and superintendent in various mining camps.

Peter H. Sweeney, Geological Engineer, geologist for Marietta Mine. Several years underground experience with Ruby Valley Development Company, Sheridan, Montana, as Geologist. Graduate Montana School of Mines, Butte, Montana, 1959.

Northern Milling Co., Inc.
P. O. Box 361
Townsend, Montana

Tan Lee, Mining Engineer and Assistant Superintendnet of Marietta Mine. Graduate 1955 B.S. in Mining Engineering from Montana School of Mines. From that time until November, 1959, he was employed in the Mining Engineering Dept. of The Anaconda Company. Since November 1959 he has been with the Northern Milling Company, Inc. at the Marietta Mine, Townsend, Montana.

7. ESTIMATE OF COSTS

a. Independent Contractors
None. Not applicable

b. Personal Services (Technical and Labor)

Time and one-half over 40 hrs. per week. 2 headings going	Drifting and Raising Rate per Month	400 ft. per Mo. per Foot
1. Consulting Engineer per Mo. 1 man	$ 500.00	
2. Engineering & surveying, part time, 1 man & helper	475.00	
3. Shift bosses - 2 shifts - 2 men $850 per month	1750.00	
4. Motormen - 2 shifts - 2 men $600 per month	1200.00	
5. Trainman - 2 shifts - 2 men	1000.00	
6. Pipe, track, ventilation, repairs; mechanic & helper	1300.00	
7. Mucking machine operators - 2 men	1200.00	
8. Machine men - 2 shifts - 4 men	2400.00	
9. Timberman and helper - 2 men	1200.00	
Note: Rates are figured at $2.50 and $3.00 per hour. 200 hours per month with overtime.		
Sub-total	$11,025.00	$27.50
Employers liability and accident insurance, old age, unemployment etc. @ 16%	1,764.00	4.15

	Drifting and Raising Rate per Month	400 ft. per Mo. per Foot
Transporting men up and down from town to mine - 2 shifts of bus drivers	$ 900.00	
Insurance, old-age, unemployment etc. @ 8%	72.00	
Bus mileage @ .15 per mile	270.00	
	$1,242.00	3.10
Assaying	600.00	1.50
Labor & employers liability insurance per month	$14,631	$36.25
Labor cost is based on advancing 2 headings at 200 ft. per month for each heading		
Total for 4236	$153,555.00	

c. and d. Based on 4236 feet: -

Materials	Total Amount	Total Cost	Per Foot
1" water pipe @ 50¢	4236 '	$ 2128.00	.50
4" pipe @ $2.00	4236 '	8472.00	2.00
24 lb. rail at $250 T	34 T	3500.00	2.00
24" vent tube @ $1.98	4236 '	8388.00	1.98
powder 25 lbs. per ft. @ 28¢	52 T	29344.00	7.00
Fuse 8 ft. per hole @ 2¢	160,000 '	3200.00	.75
8x Caps @ 9¢	21,180	1906.00	.45
Fish plates & bolts @ 30¢	1,000 lb.	300.00	.07
Track spikes @ 20¢	2,000 lb.	400.00	.10
Track ties 4"x6"x36" - 18" centers @$100 per MBS 6BF per tie	3,000 ties	1800.00	.43
Drill steel broken @ $400 T	4 T	1600.00	.40
Carbide bits @ $15	500	7500.00	1.76

Materials	Total Amount	Total Cost	Per Foot
Rock drill repairs, parts Air & water hose; drill parts		$5000.00	$1.18
Mucking machine parts; chains, bucket, gears, wheels etc.		2000.00	.47
Locomotive & battery repairs to batteries & replacements & electric current		2400.00	.56
Air compressor rental 2400 KWH per day; $15 per day		4500.00	1.06
Electric power (air & ventilation) 2400 KWH per day	720,000 KWH	7200.00	1.70
Mine cars upkeep & repair		425.00	.10
Picks & shovels used and broken		425.00	.10
Pipe wrenches, hammers etc.		425.00	.10
Outside blacksmithing		212.00	.05
Travel, telephone & Misc. estimate		1000.00	.25 X
Mine timber @ $100 MBF	30 MBF	3000.00	.75
		$100,125.00	$23.76
Unforseen conditions such as heavy water flow or running ground or caving ground add 25% for labor and material		63,500.00	15.00 X
Track, pipe, vent. pipe etc. Mason tunnel 1700 ft. and clean up bottom - Labor $3500 & $11000 material		14,500.00 X	
New pump sumps for Mill water pump		1,000.00 X	
Power line		1,200.00 X	
			3.90

e. Not applicable

f. 1. Small combination compressor house, tool house, minor repair shop - light wooden frame and siding; roof covered with 90 pound paper roofing; size - 14' x 24' with 8 foot studs 2"x 4" on 18" centers and A roof with 2"x6" rafters,

HR 120

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

August 14, 1973

Mr. Harry Q. Anders
4834 Blueridge Drive
San Jose, California 19529

Re: OME-6082 (lead-zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Anders:

Enclosed are items we discussed in our telephone conversation yesterday. Luckily, our supply of Professional Paper 665 was renewed today, otherwise it would have been necessary for you to request it from Washington, D. C. which might have meant a wait of 60 days.

Plate 3 in the Professional Paper will be of particular interest to you for it contains underground maps of the Marietta mine.

I do hope these copies of the Operator's monthly reports during the course of the OME contract work at the Marietta mine will be of use. The bills for reproducing the monthly reports and the receipt for the Professional Paper are attached to the documents. Kindly remit to me the payment for these.

Ordinarily, I would send you only the instructions for obtaining the reproductions. However, as summer is coming to an end, I hope that, by getting the enclosed at my own expense and forwarding to you, it will expedite your efforts to reopen the Marietta Mine.

Sincerely,

Willard P. Puffett
Field Officer, Region I

Enclosures

cc: OME
DRF

Puffett/at

FILE COPY

August 13, 1973

Mr. Harry Q. Anders
4834 Blueridge Drive
San Jose, California 95129

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Anders:

This is in reply to your letter of August 4, 1973, requesting progress reports and geological information submitted by Mr. Paul Baker in the course of Contract 2121 (OME-6082), with the Northern Milling Company, Townsend, Montana.

We are referring your request to Mr. W. F. Puffett, Field Officer, OME Region I, U.S. Geological Survey, U.S. Courthouse, Room 656, West 920 Riverside Avenue, Spokane, Washington 99201. Mr. Puffett will review the docket material and advise you what reports, maps and data are available, and how you can procure copies.

Mr. Puffett will write to you within the next several weeks.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Copy to: Region I

cc: DRF
MR Rdg.
OME Rdg./OME Files/Mr. Kirkemo

HKirkemo/gpw

8-4-73

OFFICE OF MINERAL EXPLORATION
GENTLEMEN,

WILL YOU PLEASE SEND ME COPIES OF PROGRESS REPORTS & GEOLOGICAL INFORMATION MADE BY MR. PAUL LABER - NORTHERN MILLING CO. TOWNSEND, MONT. CONTRACT # OME 6082.

THIS CONTRACT COVERED WORK DONE AT MARIETTA MINE TOWNSEND, MONT., OF WHICH I AM THE OWNER.

I HAVE NO INFORMATION ON ANY OF THE WORK DONE & WOULD APPRECIATE YOUR ASSISTANCE IN THIS MATTER.

YOU MAY SEND INFORMATION TO ME COLLECT FOR ANY CHARGES, OR BILL ME DIRECT.

SINCERELY

HARRY Q. ANDERS
4834 BLUERIDGE DR.
SAN JOSE, CA. 95129.

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 3 1973
INITIALS | CODE
| 120

October 11, 1972

AIRMAIL

Mr. W. T. Davis
6348 Vivian Street
Arvada, Colorado 80004

Re: DMEA-2654 (Tungsten)
McRae Tungsten Corporation
Red Bluff Group
Valley County, Idaho
Contract Idm-2406

Dear Mr. Davis:

We acknowledge receipt of a recent letter from Mr. Wilbur Wiles, P. O. Box 12, Yellowpine, Idaho 83677, requesting that maps from our records on the subject property be sent to you. The following material is available:

1. Map No. 1, Red Bluff Property. Surface Trenches, Diamond Drill Plan, Underground Plan, Size 16" x 17".

2. Map No. 2, The Red Bluff Vein. Plan, Red Bluff Mine, Vertical Section through Vein, and End Views at Diamond Drill Holes, Size 12" x 16".

3. Map No. 2, Red Bluff Mine. Proposed Underground Development, McRae Tungsten Corporation, Size 15" x 18".

4. McRae Tungsten Corporation, Red Bluff Mine Map. Surface Detail, Size 17" x 20".

5. Mill Flow Sheet, McRae Tungsten Corporation, Size 18" x 19-1/2".

6. McRae Tungsten Corporation. Vertical sections of drill holes, Red Bluff numbers 1 thru 5, 4 pages, Size 8-1/2" x 11".

7. Assays, holes P-2 and P-3, and logs of drill hole numbers 1 thru 5 (Red Bluff holes), and hole numbers P-1, P-2, P-3, P-4, and P-6 (DMEA holes), 15 pages, Size 8-1/2" x 11".

Material returned
16/10/72

Copies of this material may be obtained by contacting:

Cooper-Trent, Inc.
1521 North Danville Street
Arlington, Virginia 22201
Attention: Mr. Marvin Mundy

Please send the enclosed copy of this letter to Cooper-Trent with your letter of instructions when ordering copies of the above material. Cooper-Trent will contact you regarding cost of reproductions. All further correspondence relating to procurement of copies of the material should be with the above company and not with this office.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosure

Copy to: Mr. Wilbur Wiles
P. O. Box 12
Yellowpine, Idaho 83677

For the attention of Mr. Mundy:

Please return the enclosed material to:

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
U. S. Geological Survey
Room 365, Natomic Building
1717 H Street, N. W.
Washington, D. C. 20006

cc: Director's Reading File
Mineral Resources
OME File
OME Reading File
OME Region I w/copy incoming letter
Robert A. Weeks
Harold Kirkemo

RAWeeks/gla 10-11-72

United States Department of the Interior

GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

September 21, 1971

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MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field O,ficer, Region I

Subject: Annual Royalty Inspection
OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

On my way to visit the Marietta mine Sept. 14, 1971, I stopped to visit briefly with Mr. Fred Schreiner, who lives a short distance south of the mine. Mr. Schreiner told me that recently the mill at the Marietta mine had been dismantled and shipped by truck to a mine near Twin Bridges. He said that there had been no production at the Marietta the past year. I did not consider it necessary to finish my trip up the hill to the mine. Later, Mr. Bill Hand of Dillon, Montana, confirmed the fact that a mill had been shipped to a copper property near Twin Bridges, Montana.

It appears that there is only a very remote possibility that exploration will be resumed at the Marietta mine. The Government's lien on production from the Marietta mine expired September 2, 1971.

Willard P. Puffett
Willard P. Puffett

cc: Director

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

September 2, 1970

MINERALS
COPY
O. & G. S.
RECEIVED
SEP 8 1970
INITIALS | CODE
bsl | 120
HK | 120
JL | 130
| 220

Memorandum

To: Chief, OME

From: Field Officer, Region I

Subject: Royalty inspection
OME-6082 (Lead-zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

I visited the Marietta mine on Thursday afternoon, August 27, 1970. On the way from Townsend, Montana, I stopped briefly to get instructions for reaching the mine at the cabin of Mr. Fred P. Schreiner (DMEA 4884), who accompanied me to the mine. From Mr. Schreiner I learned something of the recent activities in the area.

All indications at the mine are that there has been no recent production. The primary crusher has been removed from the mill; however, the rest of the mill is in good condition. An old bulldozer had recently been transported to the mine area and perhaps some exploration will resume.

The Government's lien on production from the property extends until September 2, 1971.

Willard P. Puffett

Willard P. Puffett

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

September 1, 1971

Mr. Harry Q. Anders
4834 Blue Ridge Drive
San Jose, California 95129

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Anders:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

OCT 7 1971

1.30
HK ~~1.20~~

Closing letter mailed October 1, 1971

Copy MME Form 63 sent to Region I

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. ~~Since~~ From May 6, 1970, to September 2, 1971, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☑

2. ~~Since~~ From May 6, 1970, to September 2, 1971 has there been any production from the land subject to the contract? Yes ☐ No ☑

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser (*name and address*)	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity (*tons*)	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since workings (*see* , has any production been transported through *of contract*)? Yes ☐ No ☑

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by: Harry A. Anders

Name HARRY A. ANDERS	*Title*
Address 4834 BLUERIDGE DR. SAN JOSE, CA 95129	*Date*

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/6/71		120
		220
		130

August 6, 1971

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

As noted in your royalty inspection memorandum, dated September 2, 1970, reporting that there had been no recent production from the subject property, the Government's lien on production from the property extends until September 2, 1971.

As you indicated at that time that there was possibility of resumption of some exploration activity, we would appreciate a further report at your convenience. We are preparing an MME Form 63 * inquiry to be sent to Mr. Harry Q. Anders, owner, whose last address was 4834 Blue Ridge Drive, San Jose, California 95129.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Mr. Kirkemo
130

GLAult/a 8-6-71

*to be mailed September 1, 1971

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

April 28, 1970

AIRMAIL
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 18 1970

INITIALS	CODE
Jr	130
DHK	130
	770

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Mr. Harry Q. Anders
~~1464 Molehu~~
~~Honolulu, Hawaii 96792~~
4834

See reverse side for current address

Dear Mr. Anders:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

This inquiry relates to the Lien and Subordination Agreements signed by you and others on July 1, 1960, in connection with the subject contract.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since December 9, 1968, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since December 9, 1968, has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☑

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name [signature] Title OWNER

Address 4834 BLUE RIDGE DR. Date 5-6-70

SAN JOSE, CAL. 95129

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom, date, and address where delivered ☐ Deliver ONLY to addressee

(Additional charges required for these services)

RECEIPT

Received the numbered article described below.

REGISTERED NO.
133056

CERTIFIED NO.

INSURED NO.

DATE DELIVERED
5-4-70

(1) SIGNATURE OR NAME OF ADDRESSEE (*Must always be filled in*)

Bruno Ly

(2) SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

HARRY ANDERS

(3) SHOW WHERE DELIVERED (*only if requested*)

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

U.S. POSTAL SERVICE
MAY 1970
A EMILE RUSSELL

INSTRUCTIONS: Show name and address below and complete instructions on other side, where applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article *RETURN RECEIPT REQUESTED.*

RETURN TO

NAME OF SENDER U. S. Geological Survey
Office of Minerals Exploration

STREET AND NO. OR P.O. BOX
Department of Interior Building

POST OFFICE, STATE, AND ZIP CODE
Washington, D. C. 20242

POD Form 3811 Apr. 1967 c55—16—71548-10

6082-Anders

OME-6082, Contract 2121, Northern Milling Company

MME Form 63 sent April 28, 1970

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
September 29, 1969

OCT 3 1969
(Dispatched)

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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, OME, Region I

Subject: Summary Final Report
OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

FI FINAL REPORT

INTRODUCTION

This report summarizes an OME exploration project for lead-zinc ore at the Marietta mine, Broadwater County, Montana. The contract was dated September 2, 1960, and was for a total of $102,300.00, of which the Government would contribute 50 percent or $51,150.00. Work began on October 21, 1960, and the contract was terminated on September 23, 1963; the effective termination date was December 28, 1961. The work completed under terms of the contract included 490.02 feet of crosscutting, 266 feet of drifting, and 130 assays. The total accepted cost of the work was $28,102.74, of which the Government contributed 50 percent or $14,051.37. A Certification of Possible Production was issued on September 13, 1963; terms of the certification stated that royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from September 2, 1960, to September 2, 1971; or until the total amount contributed by the Government with interest at 5-3/4 percent per annum is paid, whichever occurs first. Royalty payments through February 8, 1962, amounted to $439.21. The mine has been closed since some time in 1962, as the Northern Milling Company failed to fulfill their obligations to make periodic payments to the owners according to their purchase agreement and became bankrupt.

OPERATOR

The address of the Operator during the time of the contract was:

Northern Milling Company
P. O. Box 361
Townsend, Montana

In December 1968, the address of one of the owners and signer of the Lien and Subordination Agreements was:

Mr. Harry Q. Anders
1464 Molehua
Honolulu, Hawaii 96792

The address of the other signer of the Lien and Subordination Agreements is unknown. It is believed that the Northern Milling Company no longer exists.

PROPERTY

The land consists of 12 patented and 1 unpatented claim in secs. 10, 11, 14, and 15, T. 7 N., R. 1 W., Broadwater County, Montana (fig. 1). The claims are recorded in the land office records and the records of the County Clerk and Recorder of Broadwater County as follows:

Patented Mining Claims

Claims	Registered Number	Registered in Name of:
Switzerland	4746	Dance & Anders
Gold Dust	2824	Do.
Marietta	8226	Do.
New Era	4946	Do.
Crowbar	4947	Do.
Venezuela	5205	Do.
Big Jack	10840	Albert Dance
Little Joe	10840	Do.
Jack Smart	10840	Do.
Sitting Bull	10840	Do.
Anna	10840	Do.
Alice	10840	Do.

Unpatented Mining Claim

Claim	Book of Mines	Page
Porcupine	20	223

The Operator had rights to the above-listed claims under the terms of an "Agreement for Sale of Real Property," executed July 29, 1958, by Albert Dance and his wife, Jewell Dance, and by Harry Q. Anders and his wife, Kathryn Anders, as "Vendors," and by officers of Northern Milling Company as "Vendee." The Government's percentage royalty on production does not apply to production from developed ores in presently known veins above the Marietta No. 5 level (elevation approximately 7,145 feet).

The property can be reached from Townsend, Montana, by going northerly for 1 mile on U. S. Highway 12, thence turn left just after crossing a concrete bridge, and following a gravel surfaced road about 14 miles up Indian Creek Canyon.

Other than the OME work that was done, there are about 12,500 feet of drifts and crosscuts that are on 4 main levels and 1 intermediate level; these are developments on the Marietta, Gold Dust, and the Blue veins. The Mason Tunnel, about 300 feet below the lowest working level, included about 1,695 feet of crosscut prior to being extended by the OME work.

PURPOSE OF PROJECT

The purpose of the project was to explore for ore bodies in the downward and lateral extensions of a series of lead-zinc-bearing veins by means of crosscutting, drifting, and raising.

GEOLOGIC JUSTIFICATION

The rocks in the mine area are part of the lower member of the Elkhorn Mountains volcanic series. They are mainly pyroclastic rocks that have been mapped as andesite; chemically, they are chiefly rhyodacite and rhyobasalt. The andesite has been moderately folded, faulted, and intruded by small stocks that range in composition from granite to gabbro. The pyroclastic rocks are Cretaceous and the intrusives are late Cretaceous in age. Veins contain pyrite, galena, sphalerite, arsenopyrite, chalcopyrite, and tetrahedrite, with values in gold and silver. Gangue minerals are quartz, ankerite, siderite, calcite, and dolomite. For the most part, the veins are replacements and partly banded fracture fillings in silicified, sericitized, clay-altered, and pyritized rock, typically consisting of broken altered rock laced with lenses and stringers of sulfides, gangue minerals, and gouge. In places the veins are clean cut fracture fillings with little or no gouge. The veins are as much as several feet thick and a few thousand feet long.

There are two major vein systems on the property; one strikes N. 5°-15° W., the other N. 45°-70° E. The Marietta vein is northerly striking and dips 15°-25° W.; it is from 1 to 8 feet thick, averages about 4 feet, and contains on an average 1-2 ounces gold and 1-8 ounces silver per ton, 1-6 percent lead, and 1-3 percent zinc. This vein had been developed for a horizontal distance of 1,000 feet and a vertical distance of 300 feet. Total production from it is at least $500,000.00. The Gold Dust vein and the Little Annie vein are easterly striking veins. The Little Annie dips about 26° NW., is 1-4 feet thick, and contains 1-1.5 ounces gold and 8-10 ounces silver per ton, and 8-12 percent lead. Production from this vein totals about $200,000.00. The Gold Dust vein strikes northeasterly and dips 45° SE. It is from 1 to 4 feet thick, averaging 3 feet. Ore in the Gold Dust vein contained 1.29 ounces gold and 10.5 ounces silver per ton, 11.4 percent lead, and 3.2 percent zinc.

The proposed work was to explore the downdip extensions of the Little Annie, Gold Dust, and the Marietta veins on the level of the Mason Tunnel.

CONTRACT

The contract, no. 2121, was dated September 2, 1960, and work was to start on or before October 24, 1960. Work was to be completed within 18 months from the date of the contract. The estimated costs of the original contract work were as follows:

Fixed Unit Costs

Stage I

900 feet of crosscutting @ $37.00/ft	$33,300.00	
40 feet of timbering @ $7.00/ft	280.00	
100 determinations for the lead, zinc, gold, or silver content of samples, @ $1.00 for each metal	100.00	
Total Estimated Cost of Stage I		$33,680.00

Stage II

1,600 feet of drifting @ $37.00/ft	$59,200.00	
160 feet of timbering in crosscuts and drifts @ $7.00/ft	1,120.00	
200 feet of raising @ $37.00/ft (includes cost of timbering)	7,400.00	
900 determinations for the lead, zinc, gold, or silver content of samples, @ $1.00 for each metal	900.00	
Total Estimated Cost of Stage II		$68,620.00
Total Estimated Cost of the Project		$102,300.00
Government Participation @ 50%		$51,150.00

Description of the Work

Stage I was to consist of extending the Mason Tunnel about 200 feet to intersect the Gold Dust vein, and then continue the Tunnel an estimated 700 feet to intersect the Little Annie vein and the Marietta vein.

Stage II was to consist of drifting not to exceed 400 feet along the Gold Dust vein, 200 feet along the Little Annie vein, and 1,000 feet along the Marietta vein. To further explore significantly mineralized sections of such veins exposed by the drifts and crosscuts, 200 feet of raising was planned. No individual raise was to exceed 100 feet in length nor was to be closer than 150 feet horizontally from any other raise driven under the contract.

The contract was amended four times as follows:

Amendment No. 1, dated October 12, 1961, changed the requirement that Stage II work shall have prior approval in writing to "may be done with prior approval confirmed in writing," and authorized, with prior approval, the use of Stage II footage to reach the Marietta vein if Stage I footage was insufficient.

Amendment No. 2, dated March 7, 1962, extended the period for completion of the contract from 18 months to 30 months, and the royalty period from 10 to 11 years.

Amendment No. 3, dated September 12, 1962, granted a period of recess from August 4, 1962, to November 4, 1962, and substituted an amended Article 10--Nondiscrimination--for the one in the original contract.

Amendment No. 4, dated December 21, 1962, extended the time within which to complete the contract from 30 to 38 months and extended until June 1, 1963, the period of recess authorized in Amendment No. 3; provided for mandatory termination of the contract if work were not resumed by June 1 or completed by November 2, 1963; and included a pseudo-certification if these time specifications were not met. This amendment was never signed by the Operator.

PROJECT WORK

The Operator rehabilitated the Mason Tunnel on his own account. Preparatory work, including the widening of the tunnel was started on October 21, 1960, and crosscutting was started November 9, 1960. The ground proved tough to break as the first four shifts made a total advance of only 6 feet. The time required to drill a 24- to 28-hole round was 6-1/2 hours. It became necessary to change to a 32-hole round with a 6-hole burn; using nearly 100 pounds of powder, advance per round was sometimes only 2 feet. The carbide bits were only good for 160 feet of hole instead of a normal 400-500 feet. A change to electric blasting caps improved the footage per round. Apparently, the tough-breaking rock was andesite that dipped flatly into the face of the crosscut.

A narrow and steeply dipping vein was intersected about 150 feet from the starting point (fig. 2). The crosscut was turned to the northwest to follow this vein, but as it veered too much to the west, the vein was not followed very far.

A vein that was considered to be the downdip extension of the Gold Dust vein was intersected in the crosscut on April 6, 1961. The vein was 3-1/2-4 feet thick, dipped about 55°, and assayed 1.06 ounces gold, 1.50 ounces silver per ton, and 2.6 percent lead. This

vein was drifted on to the east and to the west. To the west, the vein structure was strong, but the gold, silver, and lead values were spotty. A sample in the face at 48 feet west of the crosscut assayed 0.31 ounce gold and 0.76 ounce silver per ton across 14 inches. Another sample near this and across 12 inches assayed 0.07 ounce gold, 0.10 ounce silver per ton, no lead, and only a trace of zinc (fig. 2). The drift to the east on the vein found that the vein was cut by a northwest-trending fault.

On his own account, the Operator extended the drifts on the vein to the east and west beyond the distance authorized by the contract. Two raises were driven, 1 in the east drift to a height of 35 feet, and 1 in the west drift to a height of 110 feet. Several holes were diamond drilled from the east drift to search for the offset parts of the vein. Additional drifting found the offset segment of the vein, and it was learned that the fault had displaced the vein about 20 feet (fig. 2). During this time, the main crosscut was extended to the northwest.

The purchase contract between the Operator and the owners of the property was terminated during the summer of 1962. Obviously, Northern Milling Company had failed to fulfill their financial obligations to the owners. Efforts to renegotiate the contract failed, and the Northern Milling Company was legally declared bankrupt on December 6, 1963.

The contract was terminated by notice to the Operator from the Government dated September 23, 1963. According to this notice, the contract was terminated as of December 28, 1961, after which the Government would not contribute to the costs of exploration work.

The Operator did considerable work on his own account during the life of the contract and also milled some ore that was mined from the Mason Tunnel. The acceptable work and approved costs of the contract are as follows:

Stage I -	Crosscutting, 490.02 ft @ $37.00/ft	$18,130.74
	Assay determinations, 35 ea. @ $1.00	35.00
Stage II -	Drifting, 266 ft @ $37.00	9,842.00
	Assay determinations, 95 ea. @ $1.00	95.00
	Total	$28,102.74

The Government has no equity in any equipment at the property.

The completed work explored a part of the Gold Dust vein and found that it contained small minable ore bodies on the level of the Mason Tunnel. The crosscut was not extended to the northwest far enough to explore the downdip extension of the Little Annie and Marietta veins.

REPORTS

The Operator did not submit a final report. This requirement was never waived by the Government, but as the Operator became bankrupt, it is obvious that they effectively ceased to exist and no personnel remained with the company who were able to compile a final report.

A Report of Review was issued on January 17, 1964, and the allowable costs as set forth above were approved.

The Report of Royalty Review was issued on May 10, 1963. This report stated that the total royalty payable had been received by the Government and no balance of royalty was due.

PROJECT RESULTS

Ore from the Gold Dust vein was stoped from the drift west from the main crosscut. About 350 tons of ore were mined and milled. The average grade of the concentrates of six shipments to East Helena, Montana, was 2.42 ounces gold and 7.45 ounces silver per ton, 7.71 percent lead, and 5.33 percent zinc. Five channel samples taken from a 40-foot length of vein below the stoped area averaged 0.72 ounce gold, 1.33 ounces silver per ton, 1.1 percent lead, and 12.69 percent zinc across an average width of 16 inches. The memorandum from the Acting Field Officer, Region I, dated August 2, 1963, concluded that there was an indicated ore zone about 75 feet long that extended west from the crosscut. If this ore extended 50 feet along dip, it would contain 937.50 tons containing 0.72 ounce gold and 1.33 ounces silver per ton, 1.1 percent lead, and 12.96 percent zinc.

A Certification of Possible Production was issued by the Government on September 13, 1963. According to the terms of this Certification, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from September 2, 1960, to September 2, 1971; or until the sum of $14,051.37 is fully repaid with interest, at the rate of 5-3/4 percent per annum, whichever occurs first.

PRODUCTION

The ore that was mined during the life of the contract was concentrated in the Operator's mill, and the concentrates were sold to the East Helena Smelter of the American Smelting and Refining Company. Production data are tabulated in Table 1.

Table 1.--Production data from Marietta Mine
[Compiled from smelter settlement sheets]
All ore shipped to smelter was in form of concentrates from mill at the mine.

Date of shipment	Dry tons	Gold oz/ton	Silver oz/ton	Lead %	Copper %	Zinc %	Arsenic %	Antimony %	Bismuth %
8/10/61	18.527	2.8675	6.6175	6.8	0.20	7.2	5.41	0.25	0.030
9/11/61	5.8	2.310	7.70		0.18				
9/13/61	14.058	2.255	7.5	7.55	0.20	1.7	5.95	0.25	0.030
9/22/61	18.251	2.485	9.4	10.0	0.30	6.6	4.115	0.08	0.04
9/28/61	15.111	2.445	8.6	8.7	0.40	6.7	5.405	0.25	0.04
10/12/61	27.039	2.31	6.4	6.5	0.30	4.9	5.44	0.33	0.04
10/20/61	14.553	2.1525	6.8	7.4	0.10	5.5	5.33	0.16	0.03
	113.339	16.8250							

Total metal content of concentrates: (226,775 dry pounds of concentrate)

Gold, ounces	274.32
Silver, ounces	846.22
Lead, lbs	16,590.80
Copper, lbs	572.96

No payment was made for the zinc.

Proceeds from shipments:

Date	To shipper	OME (5 percent)
8/10/61	$1,580.63	$ 82.64
9/11/61	424.03	21.20
9/13/61	948.92	50.20
9/22/61	1,495.96	78.38
9/28/61	1,162.15	61.13
10/12/61	1,924.81	96.24
10/20/61	988.30	49.42
Total	$8,524.80	$439.21

SUMMARY

Only a small part of the proposed exploration was completed before the Operator went bankrupt. The work that was completed proved that the Gold Dust vein extended down to the level of the Mason Tunnel and that it contained ore on this level. The Marietta vein and Little Annie veins were not reached in the crosscut; further exploration will be necessary to prove its downdip extension.

Assay data and smelter settlement sheets indicate that even though lead and zinc sulfides are present the values in the ore of the Gold Dust vein are mainly in gold and silver.

Willard P. Puffett

Willard P. Puffett

Enclosures
Distribution:
OME
USGS(SRO)
Docket
Puffett

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

220

December 4, 1968

Mr. Harry Q. Anders
13618 Kiowa Road
Apple Valley, California 92307

See new address reverse

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Anders:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

This inquiry relates to the Lien and Subordination Agreements signed by you and others on July 1, 1960, in connection with the subject contract.

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy To R-I

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since January 15, 1968, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since January 15, 1968, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☒

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by

Name [illegible] Title OWNER.

Address 1464 MOLEHU Date 12-9-68

HONOLULU, HI.

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom and date delivered ☐ Show to whom, date, and address where delivered ☐ Deliver ONLY to addressee

(*Additional charges required for these services*)

RECEIPT

Received the numbered article described below.

REGISTERED NO.
500616

CERTIFIED NO.

INSURED NO.

1 SIGNATURE OR NAME OF ADDRESSEE (*Must always be filled in*)

2 SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED
1-15-68

SHOW WHERE DELIVERED (*only if requested*)

o55—16—71548-9 GPO

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

APPL... CA
JAN 15 P.M. 1968
92307

INSTRUCTIONS: Show name and address below and complete instructions on other side, where applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article *RETURN RECEIPT REQUESTED.*

RETURN TO

NAME OF SENDER U.S.Geological Survey
Office of Minerals Exploration

STREET AND NO. OR P.O. BOX
Dept. of the Interior Building

POST OFFICE, STATE, AND ZIP CODE
Washington, D. C. 20242

POD Form 3811 June 1966

6082

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

January 12, 1968

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Mr. Harry Q. Anders
13618 Kiowa Road
Apple Valley, California 92307

OFFICIAL COPY
O. M. E.
RECEIVED
N 22 1968

INITIALS	CODE
gla	130
	~~120~~ ~~110~~
FEJ	140
	~~130~~
	220

Dear Mr. Anders:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

This inquiry relates to the Lien and Subordination Agreements signed by you and others on July 1, 1960, in connection with the subject contract.

Sincerely yours,

Frank E. Johnson
Frank E. Johnson
Chief, Office of
Minerals Exploration

copy to R-I

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since February 1967, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since February 1967, has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☑

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name [illegible] Title OWNER

Address 13618 KIOWA RD Date 1-15-68

APPLE VALLEY, CAL

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom and when delivered ☐ Show to whom, when, and address where delivered ☐ Deliver ONLY to addressee

(Additional charges required for these services)

RECEIPT

Received the numbered article described below.

REGISTERED NO.

CERTIFIED NO.

INSURED NO.

SIGNATURE OR NAME OF ADDRESSEE (*Must always be filled in*)

1 Kathryn Anders

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

2

DATE DELIVERED

3-2-87

MAR 2 1987

SHOW WHERE DELIVERED (*only if requested*)

6082

OM E-6082

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

REGISTERED MAIL
RETURN RECEIPT REQUESTED

New address

February 23, 1967

Mr. and Mrs. Harry Q. Anders
~~Townsend, Montana 59644~~

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 15 1967
INITIALS | CODE
120

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. and Mrs. Anders:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

This inquiry relates to the Lien and Subordination Agreements signed by you on July 1, 1960, in connection with the subject contract. Under this agreement you are liable for payment of any royalty due the Government on production from your property. Therefore, please complete, sign, and return two copies of this form letter to this office.

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **February 1965**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since **February 1965**, has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

3. Since has any production been transported through workings (see of contract)? Yes ☐ No ☑

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name [illegible] Title OWNER

Address 13648 KIOWARD Date 3-2-67

APPLE VALLEY, CALIF. 92307

220

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom and when delivered ☐ Show to whom, when, and address where delivered ☐ Deliver ONLY to addressee

(Additional charges required for these services)

RECEIPT

Received the numbered article described below.

REGISTERED NO. 500157

CERTIFIED NO.

INSURED NO.

(1) SIGNATURE OR NAME OF ADDRESSEE (*Must always be filled in*) Mrs Harry Anders

(2) SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED 11-22-66

SHOW WHERE DELIVERED (*only if requested*)

6082

c55—16—71548-8 GPO

~~OME~~

OME 6082

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

(See Signature)

September 14, 1966

Mrs. Jewell Dance

Townsend, Montana

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 12 1966
FILE CODE
1.20 m
120 m
220

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mrs. Dance:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

P.S. This relates to the Lien and Subordination Agreements signed by you on July 1, 1960, in connection with the subject contract.

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **February 1965**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [ ] No [X]

2. Since **February 1965**, has there been any production from the land subject to the contract? Yes [ ] No [X]

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

   _____ Quantity _____ Value _____

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since _____, has any production been transported through workings (see _____ of contract)? Yes [ ] No [XX]

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name HARRY Q. ANDERS Title Partner

Address 13618 Yakima Road Date 9-26-66

Apple Valley, Calif.

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

February 8, 1965

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Mr. and Mrs. Harry Q. Anders

Townsend, Montana

Dear Mr. and Mrs. Anders:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

This inquiry relates to the Lien and Subordination Agreements signed by you on July 1, 1960, in connection with the subject contract.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 15 1965

INITIALS	CODE
ama	800
	100
	110
	120
	130

MME Form 63
Revised 3-62

OME-6082
2121

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since July 1963 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since July 1963 , has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since July 1963 , has any production been transported through workings (see enclosed ~~XXXXXXXXXXXX~~ copy of our letter dated December 2, 1963, to Mr. Patrick F. Hooks. Yes ☐ No ☑

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name [signature] Title CO-OWNER

Address TOWNSEND, MONT. Date 2-11-65

4511

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

February 8, 1965

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc
Marietta Mine
Broadwater County, Montana
Contract 2121

Mrs. Jewell Dance

Townsend, Montana

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 15 1965

INITIALS	CODE
ama	800
	~~700~~
	~~110~~
	~~120~~
	~~120~~

Dear Mrs. Dance:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

This inquiry relates to the Lien and Subordination Agreements signed by you on July 1, 1960, in connection with the subject contract.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

MME Form 63
Revised 3-62

OME-6082
2121

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **July 1963**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since **July 1963**, has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since **July 1963**, has any production been transported through workings (see **enclosed copy** ~~of contract~~) of our **letter dated December 2, 1963, to Mr. Patrick F. Hoots.** Yes ☐ No ☑

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by

Name [signature] Title CO-OWNER

Address TOWNSEND, MONT. Date 2-11-65

4511

PROJECT SUMMARY REPORT

By: F. M. Murphy May 1, 1964

1. OME-6082 (Lead-Zinc)
Contract 2121

Operator - Northern Milling Company, Inc.
Declared Bankrupt Dec. 6, 1963, by U.S. District Court, U. S. Post Office, Great Falls, Montana

Property - Marietta Mine
Broadwater County, Montana

Operator's Property Rights - The Operator has rights to 12 unpatented and 1 patented lode claims under the terms of a sales agreement, executed July 29, 1958, by Albert and Jewell Dance and Harry Q. and Kathryn Anders, the owners. Lien and Subordination Agreements, dated July 1, 1960, were executed by the above-mentioned parties.

NOTE: The Government's percentage royalty under the contract does not apply to production from developed ores known to exist prior to the date of the contract above the Marietta No. 5 level.

2. Contract dated September 2, 1960.

Work Authorized -

The work was divided into two stages as follows:
Stage I consisted of extending the existing Mason Tunnel (adit) an estimated 900 feet to traverse the Gold Dust, Little Anne, and Marietta veins.
Stage II consisted of 1600 feet of drifting and crosscutting, and 200 feet of raising on the three veins. The total estimated cost of the work amounted to $102,300.00.

Amendments -

No. 1, Oct. 12, 1961, changes work authorizations from advance approval in writing to advance approval confirmed in writing, and allows transfer of drift footage to complete the adit to the Marietta vein.

No. 2, March 12, 1962, extends completion date to 30 months and the royalty period to 11 years.

No. 3, Sept. 12, 1962, allows recess period from August 4 to November 4, 1962.

Work Completed -

Stage I

490.02 feet crosscutting @ $37.00/ft.	$18,130.74
35 assays @ $1.00	35.00

Stage II

266 feet drifting @ $37.00/ft.	9,842.00
95 assays @ $1.00	95.00
Total Acceptable Costs	$28,102.74
Government Participation @ 50%	$14,051.37

Final Reports -

Operator did not submit a final report.
Region I - No final report submitted to date.

3. Report of Review, dated January 17, 1964

4. Certification of Possible Production issued September 13, 1963.

5. A proposed mutual termination agreement was forwarded to the Operator by Region I. It was returned with the notation "refused" on August 27, 1963. In view of this, the Government issued a unilateral "Notice of Termination of Exploration Contract," dated September 23, 1963.

6. Comments -

The Marietta mine is in an area of andesite tuffs that are intruded by a few small bodies of diorite porphyry. On the property there are at least four veins from which ore has been mined, the Marietta, Gold Dust, Little Anne, and the Blue veins. The veins are in shear zones and contain pyrite, galena, sphalerite, arsenopyrite, and small amounts of chalcopyrite. Gold occurs in combination with the pyrite and arsenopyrite and also as free gold in micro-fractures in these two minerals.

The lowest working level on the veins is the 500 level. The contract work was confined to the Mason Tunnel level about 300 vertically below the 500 level.

The Mason Tunnel (adit) was advanced 490.2 feet making the total distance from the portal of the adit about 2,185 feet. At about 350 feet from the starting point of the contract work, the Gold Dust vein was intersected. From the adit, drifts were driven easterly about 200 feet and westerly about 140 feet to explore the vein. The Government contributed to only 266 feet of this drifting.

Some ore was found in the east drift; however, no stoping was done there. Ore in the west drift was mined through 3 raises spaced about 12 apart and from a smaller stope through a raise on the main adit. About 350 tons of ore were milled at the property and the concentrates valued at $8,784.03 were shipped to be smelted. The Government's royalty amounting to $439.21 on these concentrates was paid.

On July 1, 1962, the agreement for sale of the property was cancelled by the claim owners because payments were in default and because the company failed to carry out some lease provisions. According to Mr. Anders (one of the owners) if the Operator had proceeded with the work rather than try to keep the mill running with depleted reserves and some custom milling, the default in payments would have been overlooked.

About 40 feet from the adit, a strong fault was found in the east drift. Drag ore on or near the fault was followed by continuing the drift in a southeasterly direction but no formal vein was found. The Operator on its own account drilled 4 long holes from the face of the drift. One hole LH #4 bearing S. 35° E. from 56' to 60' depth cut material assaying 4.2 oz. Au. and 10.5 oz. Ag. The Operator then advanced the drift 65 feet in the direction of this hole but apparently did not find ore. Assays from a hole drilled to the north from the same place as the others showed 0.25 oz. Au. from 52 to 56 feet and 0.13 oz. Au. from 56 to 60 feet. About this time the project was recessed.

MacLaren suggests three possibilities regarding the location of the vein: (1) The dip of the Gold Dust vein has flattened considerably below the No. 5 level, and the vein east of the fault is beyond the end of L.H. No. 1; (2) A reverse movement east of the fault which would place the vein north of the present drift; (3) The vein bottomed above the Mason adit level. In view of the ore found in the west drift, the writer would be inclined to accept MacLaren's premise (2).

F M Murphy

F. M. Murphy

FMMurphy/mm
cc: Director's Reading File
F. E. Johnson
Docket

MME Form 17
Mar. 59

OFFICE OF MINERALS EXPLORATION

WORK COMPLETED ANALYSIS

X Certified — After final audit or review report is received, prepare in duplicate. File original in official docket. Send copy to Code 210.

Operator: Northern Milling Co., Inc.
Actual Cost:
State: Montana
Agreed Unit Cost: X
Final Report of Audit:
Commodity: Lead-Zinc
Docket No.: OME 6082
Final Report of Review: Jan. 17, 1964
Contract No.: 2121

Type of Work (Use these categories only)	Authorized by Contract and Amendments		Completed and Paid for		Net cost after sale of Gov't. Property
	Units	Cost 1/	Units	Cost 1/	
Drifting & Crosscutting	2,500	93,900	756.2	27,973	27,973
Raising	200	7,400	—	—	
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Assays		1000		130	130
Totals		$ 102,300		28,103	2/ 28,103

1/ Round off to dollars.
2/ Net cost total must agree with final report of audit or review.

Prepared by F. M. Murphy Date 5/1/64

41725

One (2)

No. 157 Howard Street
Spokane, Washington 99204
January 27, 1964

OFFICIAL FILE COPY
FILE
DATE
.04
H30 Finnigan 500

Air Mail

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Washington, D. C.

From: Acting Field Officer, Region I

Subject: OMS-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

There is enclosed the original of a Report of Review dated January 17, 1964, for December 1960 to June 16, 1962, inclusive, covering a lead-zinc project at the Marietta Mine, Broadwater County, Montana.

One copy of the report has been sent to the Operator and one copy retained in the Spokane office files.

D. R. Maclaren

Enclosure

cc: OMS(2)
CABA
Voucher file

Director's Reading File
Resources Research Branch Chief
MLSmelzer
~~DRMaclaren:mls~~

Mic (2)

OFFICIAL FILE COPY
RECEIVED JAN 30 1964
DATE
1/30 Murphy 500

So. 157 Howard Street
Spokane, Washington 99204
January 27, 1964

Certified Mail--RRR

Mr. Alfred S. Opus, Secretary
Northern Milling Company
Big Sandy, Montana

Re: OME-6002 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Opus:

There is enclosed one copy of a Report of Review, in lieu of a final audit, dated January 17, 1964, for December 1960 to June 16, 1962, inclusive, covering a lead-zinc project at the Marietta Mine, Broadwater County, Montana.

Sincerely yours,

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

Enclosure

cc: OME(2)
CA&A Div.
Voucher file

DRF
RRBC

MLMaclaren:mls

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE ~~OF MINERALS EXPLORATION~~

OFFICIAL FILE COPY

TO:		DATE	INITIALS
1.	Chief, Div. of Exploration Operations	9/21/64	
2.	Re: OME-6082 (Rev.) Northern Milling Co., Inc. Marietta Mine Broadwater County, Montana Contract 2121		
3.			
4.			
5.	D. R. MacLaren		
FROM:	Acting Fld. Offr., Region I		

RECEIVED SEP 23 1964 O. M. E.

DATE	INITIALS	CODE
		~~200~~
9/21	mlearn	120 m
		~~120~~

FOR: Check items for action desired

____ Action ____ Reply for signature of 200

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS: Transmittal of legal document "In Bankruptcy No. BK-63-174-G - Notice to Creditors" dated 9/17/64. This is the only copy sent to this office.

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MONTANA
GREAT FALLS DIVISION
* * * * * *

IN THE MATTER OF NORTHERN MILLING COMPANY, a corporation, Bankrupt	In Bankruptcy No. BK-63-174-G NOTICE TO CREDITORS

To the Creditors and other parties in interest:

NOTICE IS HEREBY GIVEN that petition filed herein on August 31, 1964, by Philip Strope, Esq., attorney for Hugh Spall, trustee in the above entitled matter, requests as follows:

1. Authority for trustee to compromise and settle all claims that bankrupt corporation might have had, might now have and might acquire in the future, to the mill, mill property and the Compressor Building for the sum of $100.00 which is recommended on the ground and for the reason that the property would not bring at a public sale the value of the cost of moving it from the premises owned by Jewell Dance, Harry Q. Anders and Kathryn Anders, his wife.

2. Authority for trustee to sell certain personal property, appraised at a value of $1735.00, free and clear of all Federal, State or County taxes, real, personal or mixed, due and owing for the year 1963 and prior thereto, for not less than 75% of the appraised value, all as more fully set out in said petition.

3. Allowance of trustee fees in the amount of $150.00, and expenses in the amount of $152.63.

4. Allowance of fees for attorney for trustee in the amount of $300.00, and expenses in the amount of $248.00.

Estimated court costs are $77.32 - Appraiser fees - $10.00.

Said petition, appraisal, and the files and records herein are available for inspection by any creditor for further details and information in the office of the undersigned Referee, and unless objections are filed IN WRITING to any of the above requests on or before September 28, 1964, at 2:30 o'clock P.M., order will be made granting each of the above requests.

NOTICE IS FURTHER GIVEN that final meeting of creditors of said bankrupt corporation will be held at ROOM 312 MONTANA BUILDING, 503 FIRST AVENUE NORTH, GREAT FALLS, MONTANA, on September 28, 1964, at 2:30 o'clock P.M., for the purpose of examining and passing on said petition, allowing fees and expenses of trustee and trustee's attorney, ordering dividend to creditors, if any, and transacting such other business as may properly come before said meeting.

Total receipts (estimated)	$1956.62
Total disbursements (if above allowed)	937.95
Balance (estimated)	$1018.67

Claims filed, Priority - $5075.88 Unsecured. $20,315.65

Dated this 11th day of September, 1964
312 Montana Building,
Great Falls, Montana

GRVILLE GRAY
Referee in Bankruptcy

RECEIVED
SEP 21 1964
OME
SPOKANE, WASHINGTON

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/17	Talbert	800
1/17	Murphy	500
	[illegible]	130
1/17	Johnson	110
	[illegible]	100
1/20	[illegible]	220
		500

JAN 2 0 1964

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

By memorandum dated January 14 you request advice as to the work which may be accepted under the terms of the referenced contract, as amended, and the September 23, 1963, Notice of Termination. Your doubts in the matter are due to the fact that the termination was effective December 28, 1961, although otherwise acceptable work was performed and vouchered after that date.

This Operator was in default under the contract and demand for repayment of the Government's contribution was considered. It was concluded, however, that termination by agreement was preferable. Delivery of a proposed Termination Agreement, which included the usual requirement of a final report, was refused by the Operator. Our only recourse was termination by notice and, in consideration of the Operator's default, the refusal of the agreement, and the improbability of obtaining a final report, it was decided that equitably no further payments to the Operator should be made by the Government. On this basis, the termination date was set at December 28, 1961, and no work after that date may be accepted.

In anticipation of your request, the Contract Administration and Audit Division has prepared a Report of Review and the original and two copies thereof are enclosed. If you concur in the facts stated in this Report of Review, please make the distribution authorized by section 4 of OME Circular 2 dated February 17, 1960. As evidence of your concurrence, a copy of your letter transmitting the Operator's copy of the Report of Review should be furnished to the Contract Administration and Audit Division. If for any reason you do not concur, the original and both copies should be returned to the Contract Administration and Audit Division with your comments.

Enclosures

George C. Seeridge

cc: Docket
Director's Reading File
CA & A Division
Review Committee
Mr. Talbert
Fiscal Section

EDTalbert/ama
1-17-64

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
January 14, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 3 1964

DATE		
1/16	new	800
		520
		500

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

The Field Office Copy of the Notice of Termination relative to the subject contract was received September 30, 1963, and was filed without study. However, in preparing a request for a Report of Review in accordance with your memorandum of January 9, 1964, I have reviewed the contract and amendment terms and am confused as to a cutoff date for work to be included as satisfactorily completed.

The original contract termination date was set at 18 months from September 2, 1960, or March 2, 1962. By Amendment No. 2 this was extended to 30 months, or March 2, 1963.

The first recess period, granted in Amendment No. 3, begins August 4, 1962. This amendment does not include any reference to "Time is the essence, etc.," and the Operator vouchered for the period April 16 - June 16, 1962, albeit the voucher was not received until October 4, 1962. The April 16 - June 16 voucher is acceptable and would have been paid had it been received promptly and had not Amendment No. 3 been in the works by October 4. It appears that the termination should properly be effective August 4, 1962.

The work completed, vouchered, and accepted between December 28, 1961, and August 4, 1962, the date the recess granted by Amendment No. 3, was 34 feet of drifting under Stage II. Therefore, it also appears that this previously approved advance should be deleted from the approved work to be listed in a request for a Report of Review since it was done after the effective termination date. Please advise.

D R MacLaren

D. R. MacLaren

E Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/8	Talbert	800
1/8	Murphy	500
	GCS	130
1/8	Johnson	110
	Frank	100
1/9	cal	220
		500

JAN 9 1964

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

The subject contract was terminated effective December 28, 1961, by Notice of Termination dated September 23, 1963. A Certification of Possible Production was issued on September 13, 1963. To date, however, a Report of Review in lieu of a final audit has not been prepared.

In order to clarify the accounting status of this contract, submission of the memorandum required by section 1 of OME Circular 2 is suggested. The Acting Director approves the waiver of the requirement of an Operator's final report.

George C. Selfridge (gla)

EDTalbert/ama 1-8-64

cc:
Docket
Director's Reading File
CA & A Division
Review Committee

43683

OME-6082 (Lead-zinc) Contract 2121

Northern Milling Company, Inc.

Operator declared bankrupt Dec. 6, 1963.

by U.S. District Court - Great Falls, Montana.

Contract date Sept. 2, 1960

Certified Sept 13, 1963

Royalty period ends Sept 2, 1971.

Govt. Contribution $14,051.37

Total Royalty paid $439.21

Last shipment Sept 1961

Lien and Subordination Agreements, dated July 1, 1960, executed by owners Mrs. Terrell Dance, individually and also as Executrix of Last Will & Testament of Albert Dance, Harry Anders, and Kathryn Anders.

Contract excludes Mineral above Moreno's 5th Level

Date Maclaren visited Townsend, Montana.

Production and transportation since July 26, 1963.

Ownership since 7/31/62 — Owners terminated their contract with operator effective July 31, 1962

Contract has a transportation clause

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MONTANA
GREAT FALLS DIVISION

THE MATTER OF NORTHERN MILLING COMPANY, a corporation, Bankrupt	)	IN BANKRUPTCY NO. BK-63-174-G

NOTICE OF FIRST MEETING OF CREDITORS and
NOTICE OF ORDER FIXING TIME FOR FILING OBJECTIONS TO DISCHARGE

To the creditors and other parties in interest of NORTHERN MILLING COMPANY, Townsend, Montana and Zortman, Montana, bankrupt corporation:

NOTICE IS HEREBY GIVEN that said NORTHERN MILLING COMPANY has been duly adjudged a bankrupt corporation on a petition filed by its treasurer on December 3, 1963, and that the first meeting of creditors will be held IN THE UNITED STATES DISTRICT COURT, UNITED STATES POST OFFICE BUILDING, IN THE COURTROOM, GREAT FALLS, MONTANA, on DECEMBER 17, 1963, at 10:30 o'clock A.M., at which place and time the said creditors may attend, prove their claims, appoint a trustee, appoint a committee of creditors, examine the bankrupt corporation officers, and transact such other business as may properly come before said meeting.

ALSO, NOTICE IS HEREBY GIVEN that on the 6th day of December, 1963, an order was made in the above entitled proceeding, fixing the 17th day of June, 1964, as the last day for filing objections to the discharge of said bankrupt corporation.

DATED this 6th day of December, 1963
312 Montana Building, Great Falls, Montana

ORVILLE GRAY
Referee in Bankruptcy

SCHEDULES SHOW TOTAL LIABILITIES $1,383,675.32
Total Assets $13,201.12

RECEIVED
DEC 11 1963

OFFICIAL FILE COPY
C. M. E
RECEIVE DEC 13 1963

DATE		CODE
		120
		800
		500

P.O. BOX 88

LAW OFFICES
PATRICK F. HOOKS
218 BROADWAY
TOWNSEND, MONTANA

TELEPHONES
266-3342 OFFICE
266-3495 RESIDENCE
AREA CODE 406

December 7, 1963.

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 10 1963

DATE	INITIALS	
12/10	[illegible]	800
		120
12/11	Murphy	500
		110
		500

Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Attention: Acting Director

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Sir:

Thank you for your letter of December 2, 1963, with respect to the above designated mine and contract number.

With respect to your statement that the government does look to the operator for repayment, I wish to report that Northern Milling Company has filed a petition in bankruptcy court, No. BK-63-174-G, in the District Court for the District of Montana, Great Falls Division, Great Falls, Montana.

We have not as yet been favored with a petition filed by the bankrupt and we do not know whether or not the schedules list this contract as an indebtedness and liability of the bankrupt corporation. Likewise, I am not familiar with the policy of your department with respect to bankruptcy actions.

?

Nevertheless, the people in the Spokane office indicated to Mr. Anders, at the time the lien and subordination agreement was signed, that the government would exercise great diligence in collecting from the operator, rather than relying upon the lien against the owner. We therefore notify you of the bankruptcy matter to the end that your efforts to collect from Northern Milling Company might be expedited.

Yours very truly,

Patrick F. Hooks

PATRICK F. HOOKS

PFH:VA

MME Form 7
(10-58)

DEC 2 1963

OFFICIAL FILE COPY

Date	Surname	Code
11/26	Murphy	500
11/27	Long	140
12/2	Talbert	800
	Selmeyer	120
12/2	Johnson	110
	Fumich	100
12/2		220
		500

Mr. Patrick F. Hooks
218 Broadway
Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

INTERIOR DEPT.
NOV 26 1963
SOLICITOR

Dear Mr. Hooks:

In response to the request in your recent undated letter, we are enclosing copies of the contract form executed by Northern Milling Company, Inc. and the Office of Minerals Exploration, Annex I of the contract, and of the Lien and Subordination Agreement signed by your clients.

Under an OME contract the obligation to pay royalties on production from the property described remains as a lien against such production and the property for the period specified in the contract or until the amount of the Government's participation is repaid with interest, whichever occurs first. If there is no production there is no obligation to pay royalties to the Government.

Ordinarily, we first look to the Operator for payment of such royalties; but when the owners of the property, as in this case, have regained possession of the property or their rights thereto, we also look to the owners who have signed the Lien and Subordination Agreement for payment of royalties since they have control of the property and are in a position to produce or lease the property to others who might produce.

The Government's Lien applies only to the land described in the contract and the production therefrom, and not to any other assets of the operator. The royalty does not apply to production from developed ores in presently known veins above the Marietta No. 5 level or to production from outside the boundaries of the land under the contract, unless such is transported through any new workings to the cost of which the Government has contributed.

We trust the foregoing will be of assistance to you in clarifying the matter of the obligation to pay royalty to the Government.

Sincerely yours,

George Fumich, Jr.
Acting Director

Enclosures

cc: Assoc. Solicitor, 6042 w/cy of incoming letter
Region I w/cy of incoming letter
Docket
Director's reading

FEJohnson/bih/mm
11/26/63

RECEIVED
NOV 27 1963
ASSOC. SOLICITOR
MINERAL RESOURCES

LAW OFFICES
PATRICK F. HOOKS
218 BROADWAY
TOWNSEND, MONTANA

P.O. BOX 88

TELEPHONES
266-3342 OFFICE
266-3495 RESIDENCE
AREA CODE 406

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 15 1963

DATE	INITIALS	CODE
		120
11/18		800
11/20	Murphy	500
		110
		500

United States Department of Interior
Office of Minerals Exploration
Washington, 25, D. C.

Attention: Mr. George C. Selfridge, Acting Director

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Selfridge:

This will acknowledge letter over your signature of September 13, 1963, with respect to the government loan on the above described properties.

Mr. and Mrs. Harry Q. Anders are owners of a partial interest in and to the mine properties, and Mrs. Albert Dance is the owner of the remaining portion of said properties. This office represents all owners.

With respect to the official notification by your office of the existance of the lien on the properties for the ten year period, we wish to observe and point out that at the time of the execution of the Lien and Subordination Agreement in question, conversation was had with the head of your Spokane office. At that time, it was the distinct understanding of the owners, my clients, that in the event that the operator, Northern Milling Company, did not perform according to their contract with the government, that the government would first take recourse against the said operators. In other words, if no payments of royalty were made as contracted, or in the event the operator ceased operations, the owners were lead to understand that the government would proceed to recover the indebtedness owing from Northern Milling Company. At the present time, I am advised that there are assets of Northern Milling Company within the County of Broadwater, and that the mine property itself, which could be proceeded against to reduce the indebtedness owing to the government. From your letter, it would appear that the government now intends to sit back and assert its lien for the full contractual period and we would appreciate very greatly your comments with respect to what action, if any, the government intends to take against Northern Milling Company.

While I do not have a copy of the Lien and Subordination Agreement as fully executed, the copy of the contract between Northern Milling Company and the United States Department of Interior, my file reflects that at the time of negotiation of these agreements, it was provided therein, that the agreement did not pertain to or apply to "presently known veins upon the property above the Marietta No. 5 level. (Elevation approximately 7145 feet)". In this connection, it would be appreciated if you would cause to have forwarded to us a copy of the Lien and Subordination Agreement and a copy of any contract, as executed, between Northern Milling Company and the Department of Interior.

Yours very truly,

Patrick F. Hooks

PATRICK F. HOOKS

PFH:VA

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
9/11	Murphy	500
9/12	Talbert	800
		520
9/13	on leave	110
"	" "	100
		520

SEP 13 1963

Mrs. Jewell Dance

Townsend, Montana

Re: OMZ-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mrs. Dance:

Enclosed is a copy of a certification of possible production which has been issued pursuant to the terms of the subject contract. This relates to the Lien and Subordination Agreement signed by you on July 1, 1960.

The Government's prior lien on the land and any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of certification to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any interest in the land or any production therefrom.

Sincerely yours,

George C. Selfridge

ACTING Director

Enclosure

FMMurphy/mm
9/11/63
cc: Director's Reading File
CA&A Division
Region I
Docket
Code 500
Identical letter to Mr. and Mrs. Harry Q. Anders

43

DRAFT 1/11/63
FMMurphy/mm

800
130
500

NOTICE OF TERMINATION

OF

EXPLORATION CONTRACT

To: Northern Milling Company, Inc.
c/o Mr. Alfred S. Opus, Secretary
Big Sandy, Montana

Northern Milling Company, Inc.
Contract No. 2121 September 2, 1960
Docket No. OME-6082 (Lead-Zinc)

1. The United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereby terminates the subject contract on the following grounds:

The Operator has failed to resume work under the contract on or before November 4, 1962, as required under Amendment No. 3, dated September 12, 1962.

2. Effective December 28, 1961, the contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

3. The Government shall contribute only to the unit costs of the work performed prior to said effective date.

4. All rights of the Government respecting certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayment are hereby preserved.

Dated this _____ day of _____, 1963.

THE UNITED STATES OF AMERICA

By _____
Director, Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
August 30, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 3 1963

DATE		
9/4		800
		120
9/10	Murphy	500

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Enclosed are the original and four unsigned copies of a proposed Termination Agreement relating to the subject contract and the envelope in which they were mailed to the Operator.

On August 27, 1963, our Registered Letter to Alfred S. Opus, secretary of the company, was returned with both "Unclaimed" and "Refused" checked. The Spokane Post Office advised us to send the letter back to Big Sandy for clarification of why the letter was not delivered. It came back with the clear indication that it was refused.

Paul I. Raber, formerly president of the company, is already on record as being no longer connected with the company, at least as an officer. I have considered sending the agreement to Loren Anderson, Vice President, and finally to Palmer C. Bakken, Treasurer, before giving up at this end, but the only address I have for either of these gentlemen is simply Bismarck, North Dakota, which is probably too brief to expect delivery.

If the unilateral termination and the certification of discovery are mailed from your office, possibly Mr. Opus will accept them.

D. R. MacLaren

D. R. MacLaren

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OFFICIAL BUSINESS
S. 157 HOWARD ST.
Spokane 4, Wash.

REASON CHECKED
Unclaimed.....
Unknown.....

REGISTERED
NO. 8143

Returned TO Writer

Returned TO Writer

REASON CHECKED
Unknown.....
Refused.....
Insufficient address.....
Moved, Left no address.....
No such office in state.....
Do not remove in this envelope

Register

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF INTERIOR

Registered Mail
Return Receipt Requested

Mr. Alfred S. Opus, Secretary
Northern Milling Company
~~Big Sandy, Montana~~

13

REGISTRY DIV. USPO SPOKANE, WASH.
AUG 27 1963

REGISTRY DIV. USPO SPOKANE, WASH.
AUG 30 1963

REG. DIV. TOUR 1 TERM. ANNEX USPO SPOKANE, WASH.
AUG 27 1963

HAVRE MONT.
AUG 26 1963

REG. DIV. TOUR 1 TERM. ANNEX USPO SPOKANE, WASH.
AUG 30 1963

REGISTRY DIV. USPO SPOKANE, WASH.
AUG 27 1963

BIG SANDY MONT.
AUG 22 1963

1 copy

Government's Copy

EXPLORATION CONTRACT
NORTHERN MILLING COMPANY, INC.
OME-6082

TERMINATION AGREEMENT

It is agreed this 6th day of August, 1963, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Northern Milling Company, Inc., hereinafter called the "Operator," parties to that certain Exploration Contract No. 2121, (OME-6082), dated September 2, 1960, as amended, hereinafter called the "Contract," that

1. Effective August 4, 1962, the contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the unit costs of the work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the contract, including furnishing to the Government a final report (in addition to the final monthly report) which shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the related cost units thereof.

4. All rights of the Government respecting certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of the Operator's records) accounts, audits, and the right to recover any overpayment are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said contract except as otherwise provided in this termination agreement.

Long
Atty. Sol. Off.
Murphy
Selbert
Selfridge
~~Selbert~~
Johnson

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

THE UNITED STATES OF AMERICA

By George Turnick Jr
Director, Office of Minerals Exploration

NORTHERN MILLING COMPANY, INC.

By _____

Title _____

Mae (2)

8/22	Mag	800
	Grieved	500
8/23	Murphy	500

So. 157 Howard Street
Spokane, Washington 99204
August 21, 1963

Registered Mail
Return Receipt Requested

Mr. Alfred S. Opum, Secretary
Northern Milling Company
Big Sandy, Montana

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Opum:

Enclosed are the original and four copies of a proposed Termination Agreement to the subject contract, signed by the Director for the Government.

If the terms and conditions of this proposed Termination Agreement are satisfactory, please sign all copies, retain the Operator's Copy, and return the others to this office. If any part of the agreement does not meet with your approval, please return all copies unsigned.

As soon as we receive your final report as required in Article 5(c) of the contract, we will request a Report of Review in lieu of a final audit, after which any funds due you will be released.

Sincerely yours,

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

Enclosure

cc: OME(2)
MacLaren
Reading copies to:
Nolan
Killegnard
MLSumlear:mls

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/6	Murphy	500
	[illegible]	500
8/6	Talbert	800
	[illegible]	130
8/6	[illegible]	110
	[illegible]	100
8/6	[illegible]	220
		500

AUG 6 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: CME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Enclosed are the original and four copies of a proposed Termination Agreement to the subject contract, signed by the Director for the Government. An extra copy for field use is also enclosed.

If the proposed agreement is satisfactory to you and the Operator, all five copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

It is suggested you forward the copies to the Operator by registered mail with return receipt requested. If the executed agreement is not returned within a reasonable time, please advise this office and we will than terminate the contract unilaterally. In either event, we will issue a certification of possible production.

George C. Selfridge (glu)

Enclosure

FMMurphy/mm
8/6/63
cc: Director's Reading File
Review Committee
Docket

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
August 2, 1963

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 5 1963

DATE	INITIALS	CODE
8/5		800
	Howard	500
	Murphy	500

Air Mail

Memorandum

To: C Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

This is in further reference to my memorandum of July 16, and yours of June 26 and May 16, 1963.

The afternoon and evening of July 21, 1963, were spent in Townsend, Montana, in order to discuss fully the status of the property included in the subject contract with Harry Q. Anders, claim owner, and to bring up-to-date data relative to a Certification of Discovery by reviewing the project with Ed Wieglenda, formerly mine superintendent for the Operator. Approximately 1½ hours were spent with each man. Each subject will be discussed separately.

1. Certification of Discovery: Although I was certain that a Certification of Discovery was justified on the basis of ore found and mined in the drift west of the crosscut, I had never had sufficient time to go into and measure up the stope. The more complex problem of what happened to the Gold Dust vein east of the fault took up all the time available during each visit. As nearly as Wieglenda could recall, all the ore shipped came from the west drift on the Mason level. The total volume of the stoped area is about 4,200 cubic feet and at 12 cubic feet per ton is estimated to have produced about 350 tons. From settlement sheets, the 350 tons was concentrated to 113 tons, indication a concentration ratio of 1:3. The average grade of the concentrates of 6 shipments to East Helena is: 2.42 ounces gold and 7.45 ounces silver per ton, 7.71 percent lead and 5.33 percent zinc. Five channel samples taken from a 40-foot stretch of vein below the area stoped averaged 0.72 ounce gold and 1.33 ounces silver per ton, 1.1 percent lead and 12.69 percent zinc over an average width of 16 inches. Thus, it appears that the concentration ratio for gold content was 1:3, for silver 1:6, for lead 1:7, and for zinc minus 2:1.

Ore was developed and mined through three raises spaced 12 feet apart in the west drift plus a smaller stope developed through a raise from the main crosscut. The maximum stope width was 8 feet. The higher grade ore occurs in a somewhat sheeted zone and in a breccia zone up to 6 inches thick along the hanging wall; the sheeted zone contains one or more veins of galena and sphalerite from 1 to 3 inches thick. Although the sheeting appears to die out, there is a continuous vein 1 inch or more in width for the full 100 feet to which the first raise from the crosscut was driven.

Before stoping, there was an indicated ore zone from the crosscut to a point 40 feet west of the 100-foot raise, a total length of about 75 feet having an average width of about 3 feet and an estimated minimum height of 50 feet (25 feet above and 25 feet below). Therefore, $\frac{75 \times 50 \times 3}{12}$ or 937.50 tons of indicated ore with an average grade of 0.72 ounce gold and 1.33 ounces silver per ton, 1.1 percent lead, and 12.96 percent zinc was discovered.

On this basis it is recommended that a discovery be certified.

2. Status of Property: The leases conveying the property to the Operator were cancelled by the claim owners because payments were in default for an appreciable time and because the company failed to carry out some of the lease provisions regarding the work to be done. According to Mr. Anders, if the company had proceeded with the work rather than try to keep the mill running with depleted reserves and some custom milling, the default in payments would have been overlooked.

Should it be deemed necessary or advisable to attempt to recover part of the Government's investment, Anders listed certain equipment and its location. How much of it may have been attached he does not know, but he believes, as does Mr. Wieglanda, that the company assigned it all to Paul Raber as Trustee.

The following items are said to be at Caird Engineering Co. in Helena for reconditioning:

3 Eimco B-12 mucking machines

1 1-ton Mancha trammer

1 Mancha Mule trammer

1 Mancha diesel trammer

4 I. R. electric slushers

6 1½-ton rocker dump cars

At the mine are:

1 School bus - poor condition

1 $1\frac{1}{2}$-ton Chevrolet dump truck - poor-to-fair

1 I. R. 600 c.f. compressor

1 100 h.p. electric motor - for compressor

Concentrator and assay equipment

The Government has no equity in this equipment by virtue of the contract terms. It is listed for your information.

S D R MacLaren
D. R. MacLaren

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
July 16, 1963

OFFICIAL FILE COPY O. M. E. RECEIVED JUL 18 1963		
DATE	INITIALS	CODE
7/18		800
7/18		500

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

In reference to your memoranda of May 16 and June 26, 1963, the subject operator shipped 113.336 tons of concentrates from the land subject to OME royalty. How much of these were made from ore mined from the OME level and how much came from the old workings I do not know. I have delayed replying to your request until I can talk to Wieglanda, which I will do within the next week, so I cannot only estimate the tonnage discovered in the west drift but can determine whether the ore was all mined out.

Although the discovery will not be very great, in view of the operator's defaulting the contract, I believe a certification will be justified. If any ore was left in the stope, I will certainly recommend it.

D. R. MacLaren

D. R. MacLaren

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 15 1963

DATE	INITIALS	CODE
7/15	EW	800
7/16	Murphy	500

So. 157 Howard Street
Spokane, Washington 99204
July 12, 1963

Mr. Edward F. Wieglenda
Box 43
Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Wieglenda:

In answer to your letter of July 9, 1963, Mr. MacLaren is away but will return on Monday. To save a little time, in regard to Mr. MacLaren's itinerary on his forthcoming trip to Montana, he plans to arrive in Philipsburg the afternoon of July 18 and will be at the Pintler Hotel the remainder of that day and on the 19th.

I hope this information will enable you to contact him if you are there at the same time.

Sincerely yours,

Mary L. Smelser
For: D. R. MacLaren
Acting Field Officer, OME
Region I

MLS/smelser:mls

cc: OME w/cy incoming

Reading copies to:
Nelson
Kiilsgaard

Townsend, Mont.
July, 9. 1963

Department of the Interior
Office of Minerals Exploration
So. 157 Howard Street
Spokane 4, Washington

Dear Mr. MacLaren:

Yours of July 8th at hand, and am looking forward to your visit here and hope I can be of assistance.

There is a possibility that I may be at Phillipsburg, as I may go to work for Kaiser Engineers again. They are building a phosphate mill at Hall Montanaand my thought is if you should be in Pillipsburg it may be a good idea If I knew whom you contact there if anyone. One other alternative is to call Kaisers office at Hall and check if I have gone to work.

Regards

Edward F. Wieglenda
Box 47
Townsend, Montana.

One

So. 157 Howard Street
Spokane 4, Washington
July 8, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 10 1963

DATE	INITIALS	CODE
7/10	[illegible]	800
	Grimwell	~~720~~
		500
7/19	Murphy	500

Mr. Edward Wieglenda

Townsend, Montana

Re: OMB-6062 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Wieglenda:

I expect to be in Townsend the night of Sunday, July 21st, and hope we can get together to discuss certain aspects of the Northern Milling project.

Regards,

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

DRMacLaren:mls

cc: OME

Sending copies to:
Nolan
Killegaard

AEC Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/26	FMurphy	500
6/26	DW Lisac	500
6/26	" "	800
	Selfridge	130
6/26	Johnson	110
"	Hanly	100
6/26	CAC	220
		500

JUN 26 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

With reference to our memorandum of May 16, 1963, will you kindly submit your recommendations with regard to the mentioned certification.

George C. Selfridge (gla)

FMMurphy/mm
6/26/63
cc: Director's Reading File
Review Committee
Docket

43683

OMe

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 27 1963

DATE	INITIALS	NOTE
6/27		500
		500

So. 157 Howard Street
Spokane 4, Washington
June 24, 1963

Mr. Harry Q. Anders

Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Mariette Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Anders:

Your letter of June 1, 1963, is greatly appreciated and has been forwarded to our office in Washington, D. C. for their information.

I plan to be in Townsend the later afternoon and evening of Sunday, July 21, at which time I hope to be able to see Ed Wieglands. I would be glad to see you to discuss the matter of the Lien and Subordination Agreement or any other questions you might have.

Sincerely yours,

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

DRMacLaren:mls

cc: OME
Reading copies to:
Helms
McKelvey

DRAFT FMMurphy/mm
5/14/63

EXPLORATION CONTRACT
NORTHERN MILLING COMPANY, Inc.
OME-6082

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1963, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Northern Milling Company, Inc., hereinafter called the "Operator," parties to that certain Exploration Contract No. 2121, (OME-6082), dated September 2, 1960, hereinafter called the "Contract," that

1. Effective August 4, 1962, the contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the unit costs of the work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the contract, including furnishing to the Government ~~two copies of~~ a final report (in addition to the final monthly report) which shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the related cost units thereof.

4. All rights of the Government respecting certification of possible production, percentage royalty and liens to secure payment

thereof, reports (including preservation of the Operator's records) accounts, audits, and the right to recover any overpayment are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said contract except as otherwise provided in this termination agreement.

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

THE UNITED STATES OF AMERICA

By _____
Director, Office of Minerals Exploration

NORTHERN MILLING COMPANY, INC.

By _____

Title _____

MME FORM 6 REFERENCE SLIP

REV. 2 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
Chief, Div. of Field Operations	6/10/63	
1.		
2.		
3.		
4. Donald R. MacLaren		
5. D. R. MacLaren		
FROM: Acting Field Officer, Reg. I		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS: Re: OME-6082 (Lead-Zinc)
Northern Milling Co., Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121
Reply to my letter of May 31, 1963

Townsend, Montana
June 1, 1963

Mr. D. R. MacLaren
Office of Minerals Exploration
So. 157 Howard St.
Spokane 4, Washington

Dear Mr. MacLaren:

In answer to your letter of the 31st of May regarding the contract of Northern Milling Co., #2121.

My apologies for not having contacted you sooner. I discussed the matter with Mr. W. R. Wade, and my intention was to be in Spokane to go over the matter with you personally.

When Northern Milling defaulted their contract with on July 1, 1962, we gave them thirty days to correct and then terminated our arrangement. There were no negotiations for renewal of our contract after that time. Some discussion over removal of machinery.

Will you please bring me up to date as to amounts spent under your loan to Northern Milling and status of the contract as of this date. It also seems likely that something could be recovered from them on this contract in as much as there is a portion of this machinery being held for sale by Caird Engineering Co., 1311 Montana Ave., Helena, Montana.

There are also some small items at the Mine yet. If you contact Mr. Wieglanda, or myself, I will give you a key to the buildings. The snow is all gone now and the road, while rough in spots, is very passable.

We would like to settle this matter as it is a handicap in trying to get any one else interested in exploring the property with this lien on it. Please advise me if I can assist you in any way.

Sincerely,

Marietta Mines
Harry Q. Anders
Townsend, Montana

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 14 1963

DATE	INITIALS	CODE
6/14	CED	600
	Murphy	520

RECEIVED
JUN 4 1963

So. 157 Howard Street
Spokane 4, Washington
May 31, 1963

OFFICE
RECEIVED Jun
6/3 yes 800
6/4 Received 500
~~6/4 Murphy~~

Mr. Harry Q. Anders
Mrs. Kathryn Anders
Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. and Mrs. Anders:

In September, 1962, we were advised by Mr. Raber, at that time manager of the above-cited company, that the lease by which your claims were turned over to Northern Milling Company, Inc., had been terminated but that negotiations for renewal were being carried on. Since then, as you doubtlessly are aware, Mr. Raber has left the company.

Would you kindly advise us as to what, if any, progress has been made toward renewal of the lease by Northern Milling Company, Inc., and as to the present status of the claims covered by the Lien or Subordination Agreement which you executed July 6, 1960.

Sincerely yours,

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

DRMacLaren:ny

cc: OME
Reading copies to:
Malan
McKelvey

So. 157 Howard Street
Spokane 4, Washington
May 31, 1963

Jun 3
6/9 Lee 800
~~Greenwold~~ 500
6/4 Murphy

Mrs. Jewell Dance
Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mrs. Dance:

In September, 1962, we were advised by Mr. Raber, at that time manager of the above-cited company, that the lease by which your claims were turned over to Northern Milling Company, Inc., had been terminated but that negotiations for renewal were being carried on. Since then, as you doubtlessly are aware, Mr. Raber has left the company.

Would you kindly advise us as to what, if any, progress has been made toward renewal of the lease by Northern Milling Company, Inc., and as to the present status of the claims covered by the Lien or Subordination Agreement which you executed July 6, 1960.

Sincerely yours,

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

DRMacLaren:my

cc: OME
Reading copies to:
Malan
McKelvey

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 20 1963
DATE
Transmitted 500
J. F. Murphy

No. 157 Howard Street
Spokane 4, Washington
May 17, 1963

Memorandum

To: Fiscal Section, Division of Administrative Services,
Office of the Secretary, Washington 25, D. C.

From: Acting Field Officer, Region I

Subject: OMS-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Mariotta Mine
Broadwater County, Montana
Contract 2121

Enclosed is the original Report of Royalty Review, dated May 10, 1963, covering the subject contract for the period September 2, 1960, through May 10, 1963.

One copy of the report has been mailed to the Operator, and the remaining copy is being retained in the Spokane office files.

D. R. MacLaren

Enclosure

cc: OMS(2)
CAAA
CFP
Ranking copies to:
Nelson
McKelway

OFFICIAL FILE COPY O. M. E RECEIVED MAY 20 1963		
DATE	INITIALS	CODE
	Greenwald	500
	S.R. Murphy	

Spokane 4, Washington
So. 157 Howard Street
May 17, 1963

Mr. Alfred S. Ophus
Northern Milling Company
Big Sandy, Montana

Re: CMX-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Ophus:

There is enclosed a copy of a Report of Royalty Review, dated May 10, 1963, covering the subject contract for the period September 2, 1960, through May 10, 1963.

Sincerely yours,

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

Enclosure

cc: CMX(2)
CAAA
CPF

Sending copies to:
Nelson
McKelvey

Mr. Ginsworth

Re: OME-6082

I have "noted" in surnaming because this inquiry will only further delay emptying the water from our cisterns.

I know the purpose is for a decision as to "pseudo" certificates, however, all indications are that Cpr. will require a Term. Agree. & we will eventually give a Term. Notice which can not include a "pseudo".

Talbot

5/16/63

We should always get Hdq. opinion recommendation regarding an exception to policy

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/16	Murphy	500
	[illegible]	500
5/16	[illegible]	800
	[illegible]	130
5/16	Larson	110
5/16	[illegible]	100
5/16	Cole	220
		500

MAY 16 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

With reference to your memorandum of May 10, 1963, the subject contract should be terminated. However, before we act in this matter will you please submit your recommendations with regard to a certification of possible production, giving your estimate of reserve tonnage and grade.

Also, will you check with the Vendors of the property regarding the status of the negotiations with the Operator about the renewal of the lease.

[illegible] (gfa)

FMMurphy/mm
5/15/63
cc: Director's Reading File
Review Committee
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/13	cal	220
	Chrawsed	500
	~~Murphy~~	~~500~~

MAY 13 1963

Memorandum

To: Acting Field Officer, Region I

From: E. D. Talbert, Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

The original and two copies of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, U. S. Department of the Interior, Washington 25, D. C.;
(b) One copy for the Operator; and
(c) One copy for your files.

As evidence of your concurrence, a copy of your letter transmitting the Operator's copy should be furnished this Division. If for any reason you do not concur, the original and both copies of the report should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 5-10-63

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
May 10, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 13 1963

DATE	INITIALS	COL
5/14	[illegible]	800
	Granted	500
	Murphy	

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company
Marietta Mine
Broadwater County, Montana
Contract 2121

Amendment No. 3 4? was mailed to Mr. Paul Raber, formerly president of the company, at Worland, Wyoming, December 28, 1962, No reply was received, and a second letter was written to Mr. Raber by registered mail, return receipt requested. Raber returned the enclosed amendment with a letter dated February 27, 1963, in which he advised us that he was no longer connected with the company and recommended that we send the amendment to Alfred S. Ophus, Big Sandy, Montana, who is secretary of the company.

The amendment was sent, accordingly, to Mr. Ophus March 4, 1963, by registered mail, return receipt requested. A second letter was written to Mr. Ophus April 4, 1963, also by registered mail, return receipt requested. Both return receipts were received but no word from Mr. Ophus, nor has he returned the amendment. There is little more that can be done at this office; therefore, the matter is turned over to you for whatever action you consider advisable.

D. R. MacLaren

D. R. MacLaren

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 8 1963

DATE		
4/8		800
	Forwarded	500
4/9	Simply	300

So. 157 Howard Street
Spokane 4, Washington
April 4, 1963

Registered Mail
Return Receipt Requested

Mr. Alfred S. Ophus, Secretary
Northern Milling Company
Big Sandy, Montana

Re: OME-6082 (Lead-Zinc)
Northern Milling Company
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Ophus:

The OME contract cited above has been in default since November 4, 1962, when the period of recess authorized in Amendment No. 3 expired.

In a letter dated September 30, 1962, Mr. Raber notified us that the property contract (lease) had been terminated but that the company was negotiating for a renewal. It thus appears that the contract is also in default for violation of the terms of Article 2(e). The purpose of Amendment No. 3 was to give the company an opportunity to correct this default and attempt to solve financial problems mentioned in Mr. Raber's letter of August 4, 1962.

On March 4, 1963, we sent you a proposed Amendment No. 4 which would extend the recess period to June 1, 1963, but to date have received no reply. If the terms and conditions of the proposed amendment are satisfactory, please sign all copies, retain the Operator's copy, and return the other copies to this office.

If the terms of the proposed amendment are not satisfactory, kindly return all copies unsigned, with a statement of your proposed changes for consideration.

We cannot permit a contract to remain inactive or in default for an indefinite period of time. This one has been inactive since August 4, 1962, and, as stated above, in default since November 4, 1962. Therefore, if we do not receive a reply within thirty (30) days of the date of this letter, we will have no other recourse than to turn the matter over to our Washington, D. C., office for whatever action they may deem advisable.

Sincerely yours,

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

DRMacLaren:my
cc: OME
Remaining copies to: Nolan, McKelvey

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 8 1963

DATE	
3/6	Cert 800
3/7	Grounded 500
	Murphy 500

So. 157 Howard Street
Spokane 4, Washington
March 4, 1963

Registered Mail
Return Receipt Requested

Mr. Alfred S. Ophus, Secretary
Northern Milling Company
Big Sandy, Montana

Re: OME-6082 (Lead-Zinc)
Northern Milling Company
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Ophus:

Enclosed are the original and four copies of a proposed Amendment No. 4 (three pages) signed by the Acting Director of OME for the Government. These documents, which were sent to Mr. Paul Raber on December 28, 1962, have just been returned with a letter dated February 27, 1963, in which Mr. Raber advises us that he is no longer connected with the Northern Milling Company.

The purpose of Amendment No. 4 is to give Northern Milling Company more ample time to complete its negotiations with regard to financing the project as mentioned in Mr. Raber's letter to us dated August 4, 1962. In that letter Mr. Raber requested a recess of three months, which was authorized by Amendment No. 3.

In a letter dated September 30, 1962, Mr. Raber notified us that the property contract (lease) had been terminated and that the Company was still negotiating for a renewal, and asked that the recess be extended. Article 2(c) of the OME contract states in part, "The Operator shall preserve and maintain his right, title, or interest in the land, and his right to possession thereof, etc." From the statement in Mr. Raber's letter just cited, it appears that the Operator's right, title, or interest has not been maintained and therefore the OME contract is in default. If this is the case, Amendment No. 4 will give the Company more time to correct the default.

If the terms and conditions of the enclosed proposed Amendment No. 4 are satisfactory, please sign all copies, retain the Operator's copy, and return the other copies to this office.

If the proposed amendment is not satisfactory, please return all five copies unsigned with a statement of your proposed changes for consideration.

An early reply will be appreciated.

Sincerely yours,

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

Enclosures

DRMacLaren:my

cc: OME
Reading copies to:
Nolan
McKelvey

[illegible]

[illegible]

Re: [illegible] ([illegible])
[illegible] Milling Co.
[illegible]
[illegible] Co., [illegible]
Contract 2121

Dear Mr. [illegible]:

[illegible] it is impossible to arrive at any [illegible]

[illegible]

[illegible]

So. 157 Howard Street
Spokane 4, Washington
February 25, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 27 1963

DATE	INITIALS	CODE
2/27	[illegible]	800
	[illegible]	500
3/4	[illegible]	500

Registered Mail
Return Receipt Requested

Mr. Paul I. Raber, President
Northern Milling Company
919 Culbertson Street
Worland, Wyoming

Re: OME-6082 (Lead-Zinc)
Northern Milling Company
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Raber:

On December 28, 1962, we sent you the original and four copies of a proposed Amendment No. 4 (three pages), signed by the Acting Director of OME for the Government.

If the amendment is satisfactory, please sign all copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned with a statement of your proposed changes for consideration.

An early reply will be appreciated.

Sincerely yours,

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

DRMacLaren:my

cc: OME
Reading copies to:
Malan
McKelvey

OFFICIAL FILE COPY
O. M. E.
RECEIVED ... 2 1963
DATE
1/9 Lee 800
1/9 Murphy 500
500

So. 157 Howard Street
Spokane 4, Washington
December 28, 1962

Mr. Paul I. Raber, President
Northern Milling Company
919 Culbertson Street
Worland, Wyoming

Re: OME-6082 (Lead-Zinc)
Northern Milling Company
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Raber:

In order that Northern Milling Company may be given more ample time to complete its negotiation with regards to financing the property mentioned in your letter of August 4, 1962, OME has prepared an amendment to extend the period of recess authorized by Amendment No. 3.

Enclosed are the original and four copies of a proposed Amendment No. 4 (three pages) signed by the Acting Director of OME for the Government.

If the amendment is satisfactory, please sign all copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned with a statement of your proposed changes for consideration.

Sincerely yours

Enclosures

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

cc: OME
File

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/20	Murphy	500
	[illegible]	500
12/21	Talbutt	800
	[illegible]	130
		110
	On Leave	100
12/21	[illegible]	220
		500

DEC 21 1962

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OMK-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

In accordance with our memorandum of November 28, 1962, enclosed are the original and four copies of a proposed Amendment No. 4 (three pages) to the subject contract, signed by the*Director for the Government. An extra copy for field use is also enclosed.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by the Operator. Thereafter, please distribute the copies in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office with your comments.

George C. Selfridge (fa)

Enclosures

*Acting

FMMurphy/gla
12-20-62
cc to: Director's Reading File
Review Committee
Docket

43683

DRAFT 11/29/62
WMMurphy/mm

EXPLORATION CONTRACT
NORTHERN MILLING COMPANY
OME-6082

AMENDMENT NO. 4

It is agreed this _____ day of _____, 1962, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Northern Milling Company, hereinafter referred to as the "Operator," that Contract No. 2121 (OME-6082), dated September 2, 1959, as amended, is further amended effective August 4, 1962, as follows:

1. The period fixed in Amendment No. 2 of the Contract for completion of the work is increased from 30 months to 38 months from the date of the contract.

2. (a) Item 1(a) of Amendment No. 3 is revised to read: "Work under the contract shall be suspended during the period beginning August 4, 1962, and ending not later than June 1, 1963."

(b) The Government shall not contribute to any costs incurred by the Operator during the period of suspension nor to any costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of work.

(c) The Operator at its own cost and expense, without contribution by the Government, during the period of suspension

shall preserve and protect the project work ~~and any property in which the Government has an interest.~~

3. The maximum period for royalty payments and the lien to secure the payment thereof provided for in the contract and Amendment No. 2 is increased from eleven (11) to twelve (12) years from the date of the contract.

4. It is the essence of this amendment that the work be resumed before the termination of the period herein fixed for suspension, and be completed before the termination of the period herein fixed for completion, and if not so resumed and completed, in the manner required by the contract, the following provisions shall thereupon become effective:

(a) The contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated as follows:

(i) effective August 4, 1962, if the work has not been resumed.

(ii) effective November 2, 1963, if the work is resumed by June 1, 1963, but not completed by November 2, 1963.

(b) The Government will contribute only to allowable costs incurred prior to the relevant date set forth in 4(a) above.

(c) The Operator shall promptly perform all winding-up and settlement actions provided for in the contract, including the rendering of the final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain its interest in the land), shall pay to the Government the royalty on production provided for in the contract, as amended herein, as if certification of possible production had been made, such certification being hereby waived by the Operator. In addition all rights of the Government provided for in the contract with respect to a certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

(e) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or rising out of the contract, except as otherwise provided in this Amendment No. 4.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, ~~the amount of any item expressly designated as "maximum,"~~ nor the fixed unit cost of any item of work.

THE UNITED STATES OF AMERICA

By _____
Director, Office of Minerals
Exploration

NORTHERN MILLING COMPANY

By _____

Title _____

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/28	on leave	500
11/28	Murphy	500
11/28	Talbert	800
	Selfridge	130
11/28	Johnson	110
11/28	Franch	100
11/28	Coe	220
		500

NOV 28 1962

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

After reviewing the correspondence over the past two months relating to the subject contract, we believe the Operator should be granted sufficient time to complete its negotiations with regard to financing and the property.

In view of this we will prepare an Amendment No. 4, extending the present recess period to June 1, 1963. The amendment will include a special agreement on royalty in the event work is not resumed by that date.

FMMurphy/mm
11-28-62
cc: Director's Reading File
Review Committee
Docket

George C. Selfridge

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
November 19, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 21 1962

DATE	INITIALS	CODE
11/21	[illegible]	800
		~~400~~
	~~[illegible]~~	~~500~~
~~11/26~~	~~[illegible]~~	~~500~~
	6082	

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company
Marietta Mine
Broadwater County, Montana
Contract 2121

In a letter dated September 30, 1962, Paul Raber, president and manager of Northern Milling Company, stated that he was temporarily living in Lincoln, Montana. An attempt was made to call on him when I went through Lincoln on November 6. He had moved, leaving no forwarding address. On November 9, on passing through Townsend, an attempt was made to get in touch with Ed Wieglenda, formerly superintendent for Northern Milling. He was not in town, but Mrs. Wieglenda stated that Raber is now in Worland, Wyoming. She had no information as to what progress is being made by the company toward reorganizing, refinancing, or obtaining renewals or adjustments of the leases.

D. R. MacLaren

D. R. MacLaren

Extend to Terrel post pseudo in

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
October 4, 1962

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 8 1962

DATE	INITIAL	ACTION
10/8	Greavell	500
	Murphy	

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company
Marietta Mine
Broadwater County, Montana
Contract 2121

Enclosed are the Government's, Audit's, and Fiscal Section's copies of Amendment No. 3 to the cited contract, executed by the Operator.

Also enclosed are a letter dated September 30, 1962, from Paul Raber, President of Northern Milling Company, and my reply. Obviously, if the Company has not maintained its rights to the property, the contract is in serious default. How much time, if any, can be given to an Operator in this situation to complete lease renegotiation? It is evident that the Company is also in financial difficulties and is trying to interest other parties to make some sort of a financial arrangement.

Although Raber has not said so, I would guess that the lease renegotiations will depend upon the financial ones, which could result in a lengthy delay. Moreover, if this is the case, it is also possible that any interested persons might lease the property directly. If it would be proper to do so, I would be willing to request Raber for a full and frank statement of his hopes and his estimate of the probability of successfully renegotiating the lease and of continuing the project. How much his reply would actually be worth is something else.

D. R. MacLaren

D. R. MacLaren

Enclosures

So. 157 Howard Street
Spokane 4, Washington
October 4, 1962

Mr. Paul I. Raber, President
Northern Milling Company
P. O. Box 285
Lincoln, Montana

Re: OMM-6082 (Lead-Zinc)
Northern Milling Company
Mariette Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Raber:

This will acknowledge receipt of the executed copies of Amendment No. 3 to the cited contract and a voucher for the period April 16-June 16, 1962.

Your attention is directed to Article 2(c) of the contract, which states in part, "The Operator shall preserve and maintain his right, title, or interest in the land and his right to possession thereof, etc." From the statement in your September 30, 1962, letter, it appears that the Operator's right, title, or interest has not been maintained, and therefore the contract is in default. Under these circumstances, I do not know what can be done about extending the recess. I can only refer the matter to our Washington, D. C., office.

When I talked to you in Townsend the evening of August 27, it was my understanding that the leases were being renegotiated as to terms but that the Company would not give up its rights to the property. If I have misunderstood the statement in your letter that "The old property contract has been terminated," I urge you to so advise me and clarify the property right situation before any action is taken by OMM.

I do not expect to be in the vicinity of Lincoln in the foreseeable future, but one never knows from where the next application may come. If I do pass through town, I will surely look you up for a few minutes' chat at least.

Sincerely yours,

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

DRMacLaren:my
cc: OMM(2)

Reading copies to:
McKelvey, Nolan

P. O. Box [illegible]
Lincoln, Montana
September [illegible], [illegible]

[illegible] Acting Field Officer

[illegible] Dept of Interior
Minerals Exploration
[illegible] Street
[illegible] Washington

Re: [illegible] (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 3121

[illegible] Gentlemen:

[illegible] find attached the signed Amendment No. 3 to [illegible] Northern Milling Company [illegible] for the [illegible]

[illegible] old property contract has been terminated. We are still [illegible] with the property owners and it appears that it will [illegible] before any final answer is obtained. Please [illegible] to know about extension of this process.

[illegible] look forward to hearing from you. [illegible] Montana, for the present. Should you be [illegible] please plan to stop by for a meal or [illegible] "Jimmy Smith" house, which is approximately [illegible] street.

Sincerely yours,

Paul L. Baker, President
Northern Milling Company

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 20 1962

DATE		
9/20		800
9/21	Murphy	500

So. 157 Howard Street
Spokane 4, Washington
September 17, 1962

Mr. Paul I. Raber, President
Northern Milling Company
Lock Drawer "G"
Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Northern Milling Company
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Raber:

In accordance with your letter of August 4 and our reply of August 8, 1962, we are enclosing the original and four copies of a proposed Amendment No. 3 (two pages) signed by the Acting Director of OME for the Government.

If the amendment is satisfactory, please sign all copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned with a statement of your proposed changes for consideration.

Sincerely yours,

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

Enclosures

DRMacLaren:my
cc: OME
Reading copies to:
Nolan
McKelvey

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
9/11	Murphy	500
9/11	Talbot	800
9/12	Johnson	130
		110
9/12	Unseal	100
9/12	cal	220
		500

SEP 1 2 1962

Memorandum

To: Acting Field Officer, Region I

From: Acting Chief, Division of Field Operations

Subject: CMK-6082 (Lead-Zinc)
Northern Milling Company
Marietta Mine
Broadwater County, Montana
Contract 2121

With reference to your memorandum of August 9, 1962, enclosed are the original and four copies of a proposed Amendment No. 3 (two pages) signed by the Acting Director for the Government. Also enclosed is an extra copy of the amendment for your use.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by the Operator. Thereafter, please distribute the copies in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office together with the proposed changes for consideration.

W. R. Griswold (gla)

Enclosures

FMMurphy/gla
9-11-62
cc to: Director's Reading File
Review Committee
Docket

43683

DRAFT
8/15/62
FMMurphy/gla

EXPLORATION CONTRACT
NORTHERN MILLING COMPANY
OME-6082

AMENDMENT NO. 3

It is agreed this _____ day of _____, 1962, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Northern Milling Company, hereinafter referred to as the "Operator," that Contract No. 2121 (OME-6082), dated September 2, 1960, as amended, is further amended as follows:

1. (a) Work under the contract shall be suspended during the period beginning August 4, 1962, and ending not later than November 4, 1962.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of work.

(d) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

This amendment shall not be construed to increase the amount of any item designated as maximum, the fixed unit cost of any item of work, the estimated total cost of the contract, or

the aggregate total amount which the Government may be required to contribute.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Director, Office of Minerals Exploration

NORTHERN MILLING COMPANY

By_____

Title_____

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

August 9, 1962

OFFICIAL FILE COPY O. M. E. RECEIVED AUG 13 1962		
DATE	INITIALS	CODE
8/13	[illegible]	800
		120
"	Received	500
	Murphy	

Memorandum

To : Chief, Division of Field Operations

From : Acting Field Officer, Region I

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company
Marietta Mine
Broadwater County, Montana
Contract 2121

Enclosed is a copy of a letter dated August 4, 1962, from the subject operator and our reply.

It is recommended that a three-month recess be authorized from August 4, 1962, to November 4, 1962.

D. R. MacLaren

D. R. MacLaren

Enclosure

So. 157 Howard Street
Spokane 4, Washington
August 8, 1962

Mr. Paul I. Raber, President
Northern Milling Company
Lock Drawer "G"
Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Raber:

In accordance with your letter of August 4, 1962, I am requesting an amendment authorizing a three-month recess.

The contract allows 400 feet of drifting on the Gold Dust vein but only if approved in writing. Work Authorizations dated April 14, 1961, June 16, 1961, and October 3, 1961, gave approval for a total of 300 feet of drifting on this vein. At my last inspection on April 24, 1962, a total of 306 feet had been completed (98 feet to the west and 208 to the east). In the last paragraph of my letter of May 17, 1962, I stated that there remain only 100 feet of drifting on the Gold Dust that can be authorized but that I was reluctant to authorize it at that time.

The last voucher you submitted was for the period November 28 to December 28. In that voucher you claimed 266 feet of drifting. Therefore there remain 34 feet of drifting on the Gold Dust that may be claimed.

The 8 feet averaging .19 ounce gold and .155 ounce silver worth about $8.25 per ton is interesting. If there should have been reverse movement along the fault near the sharp bend in the drift east, it could be the Gold Dust vein.

I plan to make an inspection August 28 at which time we can take a very close look at the fault. Also, if you will save the pulps of the two samples I will have them run for lead.

Sincerely yours

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

cc: OME(2) w/cpy incoming

NORTHERN MILLING COMPANY
Lock Drawer "G" - formerly
P. O. Box 361
Townsend, Montana
August 4, 1962

Mr. D. R. MacLaren, Acting Field Officer,
OME Region I
United States Dept. of Interior
Office of Minerals Exploration
South 157 Howard Street
Spokane 4, Washington

Re: OME-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. MacLaren:

Please find enclosed a map of our progress in the Mason Tunnel.

Ed has drilled numerous holes in the Mason Tunnel and we have been advancing quite slowly because of finances, so there was very little to report from time to time. Ed drilled the hole north as you suggested and at 52'-56' he intersected a structure assaying .25 Gold, and .25 Silver. At 56' - 60' the structure assayed .13 Gold and .06 Silver. You will note that on the end of the right drift we were following a structure which was curving to the left. There were no large gold assays and very little lead present. I would like your suggestion as to the number of feet that can be vouchered on the new work shown.

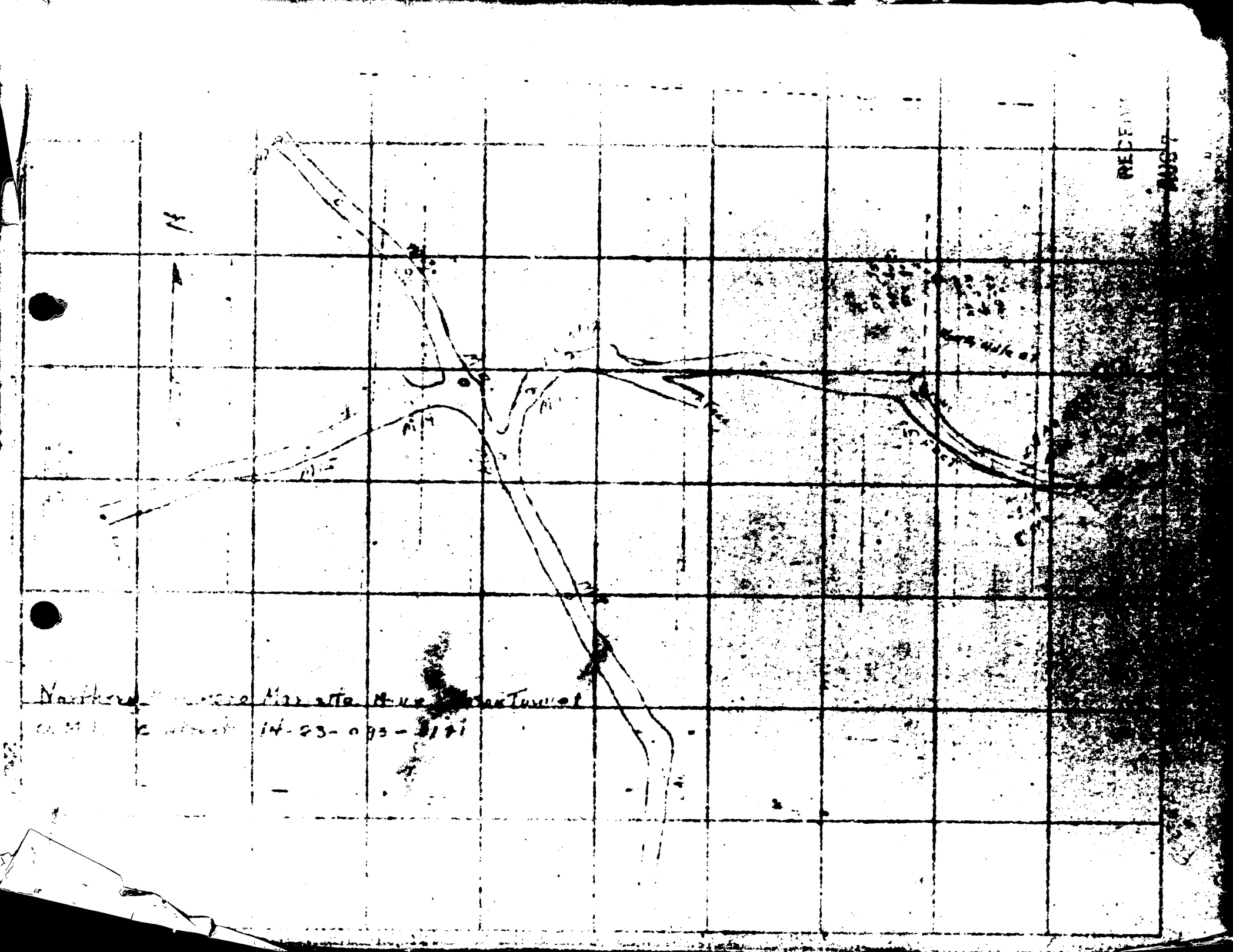
Since we have some property and finance problems I think it best to request a three month recess on the OME Contract.

If you need any more information, please feel free to call upon me, and I thank you for your past courtesies.

Sincerely yours,
NORTHERN MILLING COMPANY

Paul I. Raber, President

PR/b
Encl.


N
Northern Pacific Missoula Hydroelectric Tunnel
14-23-0093-3191

So. 157 Howard Street
Spokane 4, Washington
July 26, 1962

7/30 [illegible] 800
120
7/31 Edwards 500
7/31 Murphy

Mr. Paul Raber, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Raber:

The last voucher and progress report we have received was for the period November 28-December 28, 1962. While it is not required that an operator submit a voucher every month he should submit a monthly progress report.

Will you please submit a progress report covering the work performed since December 28, 1962, giving the monthly advance, a description of any structures encountered, and the assays of any samples that are chargeable to the OME contract.

If it has been necessary to discontinue OME work, please request a recess giving the reason therefor, the last date of OME work, and the date on or before which work will be resumed.

An early reply will be greatly appreciated.

Sincerely,

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

cc: OME
Reading copies to:
Nolan
McIlvey
DRMacLaren:lr

MME Form 7
(10-58)

OFFICIAL FILE

Date	Surname	
5/23	Murphy	500
	Meyers	500
5/24	Talbot	800
5/24	[illegible]	130
	Vrlease	110
5-24	Fernich	100
5/24	Cole	220
		500

MAY 24 1962

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

This is with reference to the third paragraph of your letter of May 17, 1962, to the Operator regarding long-hole drilling.

As noted in this letter and prior letters, it appears that you consider some long-hole drilling necessary to locate the eastern extension of the Gold Dust vein.

Although it is too late now to amend the contract to allow for such drilling, it is suggested that, if you anticipate additional long-hole drilling may be required in exploring the Little Anne and Marietta veins, you recommend an amendment to the contract to cover such long-hole drilling. Such recommendation should include a breakdown of the costs of such drilling and, if necessary, additional sample determinations.

George C. Selfridge

(24B)

FMMurphy/gla
5-23-62
cc to: Director's Reading File
Review Committee
Docket

43683

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~120~~		
2. 500		
3.		
4.		
5.		
FROM: 800		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____
____ Approval ____ Investigate ____ Surname
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
Instructions Your information

REMARKS:
If drilling is necessary for purpose of contract, why not an authorizing amendment?

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 21 1962

DATE	INITIALS	CODE
5/21		800
		500
5	Murphy	

So. 157 Howard Street
Spokane 4, Washington
May 17, 1962

Mr. Paul Raber, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Raber:

Enclosed is a sketch of the workings, illustrating the efforts to locate the eastern extension of the Gold Dust vein. The map was prepared from a Brunton and tape survey which I made during several recent inspections, and the long holes are plotted from the respective collar locations at the bearings, inclinations, and depths as furnished by Mr. Wieglenda. Assays of sludge samples were also furnished by Mr. Wieglenda. In hole No. 4, sludge from 56 feet to 60 feet assayed 4.2 ounces gold and 10.5 ounces silver per ton, but in hole No. 3 sludge from 56 feet to 60 feet assayed only 0.05 ounce gold and 0.06 ounce silver per ton. Only 3 feet to 4 feet separates the sources of the two sludges. In hole No. 2, sludge from 32 feet to 36 feet assayed 0.02 ounce gold and 1.98 ounces silver per ton, but in hole No. 1, which is between holes Nos. 2 and 4, only two small calcite stringers were encountered, neither of which could be related to the showings in holes Nos. 3 and 4. Moreover, there are two faults between the area explored by holes Nos. 1 and 2 and most of the area explored by holes Nos. 3 and 4, including the sources of sludges mentioned above.

There appear to be three possibilities: (1) the dip of the Gold Dust vein has flattened considerably below the No. 5 level, and the vein east of the fault is beyond the end of long hole No. 1; (2) there has been reverse movement east of the fault striking N. 50° W. and dipping 75° S.W., which would place the Gold Dust vein north of the bend in the drift at B; (3) the Gold Dust vein has pinched out between the Mason tunnel and the No. 5 level.

Unfortunately, long hole drilling was not included in the OME contract, and therefore I can only suggest that before drifting further to the southeast you drill a horizontal long hole due north from the

vicinity of B, being sure that the hole starts on the east side of the 75° southwesterly-dipping fault. If there has been relief movement along this fault, the vein should be cut within 80 feet and probably well within that distance.

There remains only 100 feet of drifting that can be authorized for the Gold Dust vein. This might reach the vein if it is not far beyond the end of long hole No. 1. However, I am reluctant to authorize this footage until the possibility of the vein being north of B has been checked by the suggested long hole, to the cost of which OME cannot contribute.

Sincerely yours,

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

Enclosure

DRMacLaren:my
cc: OME
Reading copies to:
Nolan
Hobbs
Guild

Northern Milling Company
Mason Tunnel Level
Marietta Mine

N

LH #1 S55°E Hor. 100 ft
LH #2 S75°E +10° 48 ft
LH #3 S30°E +43° 80 ft
LH #4 S35°E +43° 64 ft

face 4-25-62
face 12-8-61
M-13
M-12
M-10
M-11
M-9
98' end OMS
Gold Dust vein
DDH 26 ft Horiz.
Start of SE drift 100 ft to here
12" 1.84 Au 2.0 Ag 4.6 Pb 3.0 Zn
8" 0.04 Au 0.2 Ag Pb and Zn no assay
Pt. A
Pt. B
face 12-8-61
DDH 164 ft S 88°E Horiz.
DDH's 83 ft +15° and 64 ft horizont.
S 88°E
55°
85°
67
79
35
10200 N
LH #2
LH #4
LH #3
Gold Dust projected from No 5 level at 45° dip
50 25 0 50 feet

So. 157 Howard Street
Spokane 4, Washington
March 14, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED
DATE
3/16
3/14

Mr. Paul Huber, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Huber:

We are enclosing the original and four copies of a proposed Amendment No. 2 to the subject contract, signed by the Director for the Government. This amendment has been drawn up in accordance with the request made in your letter of February 20, 1962, to this office for an extension of time within which to complete the project. The period for completion of the work is increased from 18 to 30 months.

If the proposed amendment is satisfactory to you, please sign all copies, retain the Operator's Copy and return the others to this office. If any part of the proposed amendment does not meet with your approval, please return all copies unsigned to this office with your comments.

Sincerely yours,

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

Enclosures

MLSuclser:mls
cc: OME; Maclaren
Reading copies to:
Nelson
Robbs
Guild

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/7	On leave	500
	Russell	500
3/7	Talbert	800
3/7	[illegible]	130
"	Johnson	110
3/8	Cae	220
/		500
3/7	Francis	

MAR 8 1962

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

As recommended in your February 26 memorandum, we are enclosing the original and four copies of a proposed Amendment No. 2 to the subject contract, signed by the Director for the Government.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by the Operator. Thereafter, please distribute the copies in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office together with the proposed changes for consideration.

An extra copy of the amendment is also enclosed for your use.

George C. Selfridge

(262)

Enclosures

GLAult/a
3-7-62
cc to: Director's Reading File
Review Committee
Docket

43683

DRAFT
2/28/62
FMMurphy/gla

Docket copy

EXPLORATION CONTRACT
NORTHERN MILLING COMPANY, INC.
OME-6082

AMENDMENT NO. 2

It is agreed this _____ day of _____, 1962, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the Operator, that Exploration Contract No. 2121 (OME-6082), dated September 2, 1960, as amended, hereinafter called the "Contract," is further amended effective March 2, 1962, as follows:

1. In Article 1(a) of the Contract the period for completion of the work is increased from 18 months to 30 months.

2. In Article 6(b) of the Contract the period of repayment by the Operator is increased from 10 years to 11 years.

This amendment shall not be construed to increase the amount of any other item designated as maximum, the fixed unit cost of any item of work, the estimated total cost of the Contract, or the aggregate total amount which the Government may be required to contribute.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Director, Office of Minerals Exploration

NORTHERN MILLING COMPANY, INC.

By_____

Title_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
February 26, 1962

OFFICE FILE COPY
O. M. E.
RECEIVED FEB 28 1962

DATE		
2/28		800
"	Granted	500
2/28	Morgan	

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Enclosed are two copies of a self-explanatory letter from the subject Operator requesting an extension of time within which to complete the project.

The difficulties recounted by Paul Raber, president of the company, have materially affected the progress of the work. It is recommended that the requested extension of time be approved.

D R MacLaren
D. R. MacLaren

Enclosures

Contract - Sept 2, 1960 -
Completion - 18 months - Mar. 2, 1962
Amend. No. 2 - 12 months Mar 2, 1963

NORTHERN MILLING COMPANY
P. O. Box 361
Townsend, Montana
February 20, 1962

Mr. D. R. MacLaren, Acting Field Officer OME
Region I
United States Dept. of Interior OME
South 157 Howard Street
Spokane 4, Washington

Re: OME-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. MacLaren:

Thank you for your letter of January 29th discussing the OME contract. It was my intention when I talked with you to speed up the operations in the Mason Tunnel, but the next day we were called to Minneapolis because of the death of my wife's father. Since I had to leave that quickly I was not able to put my plans into effect.

We are beginning to recondition some of the equipment used in the Mason Tunnel and do plan to push the complete program soon. We are extremely anxious to continue this contract to completion since it is very important to the economics of ourselves as well as to the surrounding area.

Our Mine Superintendent and I have gone over the Mason Tunnel project and thought it best to ask for a twelve (12) month extension of our present contract. We expect that it may be completed earlier, but, as you know, there are many things that could retard our progress. We have been retarded on this project this year by an extremely rough winter - heavy snows and cold temperatures - which made it impossible to carry on the work as usual. During a good part of the drifting we encountered wide bands (40-60 feet) of extremely hard andesite which cut down our progress to a foot of advance rather than an expected six feet in many instances. We also encountered areas with a considerable amount of water under high pressure causing a great amount of trouble in loading the holes. Even with relief holes drilled next to the holes carrying a large amount of water there were times when we had to wait until the next day to load the round.

Ed has drilled the holes you asked for in the East Drift and will send the information to you as soon as the assays have been made.

We hope that this request meets with your approval and we will do everything within our power to proceed more rapidly with the project.

Sincerely yours,
NORTHERN MILLING COMPANY

Paul I. Raber, President

PR/b
Encl.

RECEIVED
FEB 23 1962
U.S.G.S.
SPOKANE, WASH.

One (2)

OFFICIAL FILE COPY
RECEIVED
FEB 31 1962

1/2 i 800
Murphy 500

No. 157 Howard Street
Spokane 4, Washington
January 29, 1962

Mr. Paul Raber, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2181

Dear Mr. Raber:

It was a pleasure to talk to you on Friday morning and to hear that you are about to start pushing the crosscut northwesterly to the Marietta mine.

As you pointed out, it will be unlikely that you can complete the remaining 410 feet of crosscut (approximate) by March 2, 1962, and certainly not the drifting on the Marietta vein. However, by pushing the work, you should be able to complete a good part of the crosscut. By the middle of February, you should have a better idea of how much time will be required to complete the project.

You should request by letter, in triplicate, an extension of the contract period. Your request should include a brief statement of why the work has been delayed and give a specific date within reason by which you estimate the work can be completed. Although I cannot give any assurance as to what the decision may be, I do not foresee any difficulty as long as there is evidence of a sincere effort to carry on the project.

Sincerely yours,

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

DRMacLaren:mls
cc: OME(2); MacLaren
Reading copies to:
Nolan; Bobby; Guild

Done

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 28 1962
DATE

NORTHERN MILLING COMPANY
P. O. box 361
Townsend, Montana
January 29, 1962

Mr. D. R. MacLaren, Acting Field Officer
OME, Region I
Office of Minerals Exploration
South 157 Howard Street
Spokane 4, Washington

OME-6082

Dear Mr. MacLaren:

Please find enclosed checks in the amount of Nine-dollars and ninety-four cents ($9.94) for royalty due on hauling which had been deducted on Lots 1050-1, 1220-2, and 1264-3, and Two-hundred-six dollars and seventy-nine cents ($206.79) royalty due on Lots 1283-4, 1334-5, and 1375-6; smelter return sheets on the last three lots are also enclosed.

Lot 1375-6 will be the last concentrate shipped to the smelter for some time as we are not mining the ore in the Mason Tunnel at present.

As I mentioned in our telephone conversation, we are planning to push the cross-cut to the Marietta and the drift along the Marietta vein. The time that it would take us to finish the drift would exceed the completion date on the contract, so I am requesting information regarding the procedure for obtaining an extension of the completion-date time so that we may complete the work outlined in OME Contract #2121.

Ed has drilled some of the holes recommended by you, but still has some to drill. He has been delayed in drilling because of snow-blocked roads and minus 30° weather.

We will be looking forward to your next visit.

Sincerely yours,
NORTHERN MILLING COMPANY

Paul I. Raber, President

PR/b
Encl.

One (2)

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 16 1962

DATE		
1/16		
1/17		
1/19		

So. 137 Howard Street
Spokane 4, Washington
January 11, 1962

Mr. Paul Baker, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2181

Dear Mr. Baker:

A review of the settlement sheets submitted in support of royalty payments indicates hauling costs paid by Northern Milling Company have been deducted in determining gross proceeds subject to royalty. Article 6(e) of the contract allows the deduction of only the "charges of the buyer arising in the regular course of business * * *" and, specifically, "freight payable by the buyer to a carrier (not the Operator)."

It is requested that payment be made of additional royalty due the Government in the aggregate amount of $9.94 on proceeds from the following American Smelting and Refining Company settlements:

Smelter Lot	Mine Lot	Hauling	Royalty Due
1050	1	$ 72.58	$ 3.62
1080	2	54.95	2.74
1264	3	71.34	3.56
		$198.87	$ 9.94

It is also requested that Article 6(f) of the contract be complied with. If the ASAR Co. East Helena Smelter declines to deduct the royalty and make the payment directly to the Government, as they have in the past, they will at least submit copies of the settlement sheets if requested to do so by the seller.

Sincerely yours,

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

Sending copies to:
Helena, Butte, Butte

DRMacLaren:mls
cc: OME(2) MacLaren
CFY

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/4	Talbert	800
1/4	Murphy	500
	Fitzgerald	500
1/8	[illegible]	130
1/8	[illegible]	110
1/8	Turner	100
1/8	[illegible]	220
		[illegible]

JAN 8 1962

AIR MAIL

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Our copy of the settlement on the subject Operator's mine lot 1, smelter lot 1050, includes as explanation for the $72.38 charge the words "Hauling $3.50 Wet ton Northern Milling Co." This is interpreted to mean that the $72.38 was paid to the Operator by the smelter and was not "a charge of the buyer", as stated in your January 2 teletype.

Payment of the applicable royalty should be requested. If the Operator protests and provides an explanation, the matter will be given further consideration.

/s/ George C. Selfridge

(263)

EDTalbert/ama 1-4-61

cc:
Docket
Director's Reading File
CA & A Division
Review Committee

43683

RECEIVED
JAN 3 2 08 PM '62
GENERAL SERVICES ADMIN.
PUBLIC BLDGS. SERVICE
BMD - COMMUNICATIONS

MME

C.O.T.L

XDXXXXXXB068K

YWA050-RUSH WAF SP 16 SVC

RE OUR WZZ SP 51 I-GS-G TO GEORGE C SELFRIDGE SGD MACLAREN DATED 1-2 CTN PLS LINE 6 TEXT LAST GRP SHUD READ OPERATOR RPT THE OTHER TWO HAULAGE CHARGES WERE PAID BY OPERATOR ---

SP 1-3

BJR 1100U

Attn Mr. Selfridge

OFFICIAL File
O. M. E
RECEIVED JAN 3 1962

DATE	INITIAL	CODE
1/4		800
		500

RECEIVED
JAN 3 8 10 AM '62
GENERAL SERVICES ADMIN.
PUBLIC BLDGS. SERVICE
BMD - COMMUNICATIONS

XDXXXXXXB184K

YWB241-WZZ P 51 I-GS-G

SPOKANE WASH 1-2-62 1707U

GEORGE C. SELFRIDGE CHIEF DIVISION OF FIELD OPERATIONS

OFFICE OF MINERALS EXPIRATION DEPT OF INTERIOR WASH D C

REURLET DECEMBER 29, 1961, OME-6082, LEAD-ZINC, NORTHERN MILLING CO. INC, MARIETTA MINE, BROADWATER COUNTY, MONTANA, CONTRACT 2121. OUR COPY OF SMELTER SHEET COVERING SMELTER LOT 1050, MINE LOT 1, INDICATES THAT HAULAGE CHARGE OF $72.38 WAS A CHARGE OF THE BUYER. PLEASE CHECK AND ADVISE BEFORE I REQUEST PAYMENT FROM OPERATOR. THE OTHER TWO HAULAGE CHARGES WERE PAID BY ~~BUSER~~ operator AND AND SHOULD NOT HAVE BEEN DEDUCTED FROM SETTLEMENT FOR ROYALTY CALCULATION.

D R MACLAREN ACTG FIELD OFCR OME REGION 1

CFM 29 1961 OME-6082 2121 1050 1 $72.38 HLC 1709U

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/29	Talbert	700
12/29	[illegible]	
12/29	[illegible]	210
		500

DEC 29 1961

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

A review of the settlement sheets submitted in support of the subject Operator's royalty payments indicates that hauling costs paid by or for the account of the Operator have been deducted in determining the gross proceeds subject to royalty. Article 6(c) of the contract allows the deduction of only the "charges of the buyer arising in the regular course of business" and, specifically, "freight payable by the buyer to a carrier (not the Operator)."

Please request the Operator to pay the aggregate of $9.94 in additional royalty due the Government on the proceeds from the following American Smelting & Refining Co. settlements:

Smelter Lot	Mine Lot	Hauling	Royalty Due
1050	1	$ 72.38	$ 3.62
1220	2	54.95	2.74
1264	3	71.54	3.58
		$198.87	$ 9.94

Also, please request the Operator to comply with Article 6(f) of the contract.

George C. Selfridge

(242)

EDTalbert/hb (12/29/61)
cc to: Docket OME-6082
Director's Reading File
CA & A Division (2)

43683

OMe (2)

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 4 1961

DATE	INITIALS	CODE
12/4		800
"		500
12/5		500
		128

NORTHERN MILLING COMPANY
P. O. Box 361
Townsend, Montana
November 28, 1961

OME-6082
Contract 2121

UNITED STATES DEPT. OF THE INTERIOR
Office of Minerals Exploration
South 157 Howard Street
Spokane 4, Washington

Att: Mr. D. R. MacLaren,
Acting Field Officer
Region II

Dear Mr. MacLaren:

I wish to congratulate you on picking the exact spot to start the easterly drift which would connect with the faulted end of the Gold Dust vein. If we had deviated a foot or two from your recommended starting point we would still have had to find the vein after the drift was advanced, but, as it was, the drift was located right on the vein.

After eight (8) feet of advance the typical Gold Dust hi-grade was dipping across the face of the drift. At that point the vein was eight to ten inches (8-10") wide and has been gradually increasing in width to approximately thirty inches (30") as of today. You should be complimented for this display of geological genius. Since this is the segment of the Gold Dust vein that has been traced on #5 Level for over six-hundred feet (600') we have every reason to expect good production as a result of this intersection.

We are in the process of financial reorganization and improvement of our company, which has taken much of my time away from the Mine and has placed the responsibility of the Mine on the shoulders of Ed Wieglenda.

I had been planning to attend the mining meeting in Spokane as you suggested, but, as of today, I am not sure whether I can make it or not. I will make every effort to be there if at all possible, however.

Thank you again for your help and interest.

Sincerely yours,
NORTHERN MILLING COMPANY

Paul I. Rabes, President

PR/b
Encl.

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 20 1961

DATE	INITIALS	
10/20	FW	800
"	Woodwell	100
10/23	Murphy	100

So. 157 Howard Street
Spokane 4, Washington
October 18, 1961

Mr. Paul Baker, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Baker:

Enclosed are the original and four copies of a proposed Amendment No. 1 to the subject contract, signed by the Director for the Government.

The original contract requires advance approval in writing for work under Stage II and for a part of Stage I. This proposed amendment will allow approval of such work verbally in the field and the written confirmation of it after return to the office. It is necessary that we have these confirmations in our files.

If the proposed amendment is satisfactory to you, please sign all copies, retain the Operator's Copy and return the others to this office. If any part of the proposed amendment does not meet with your approval, please return all copies unsigned to this office with your comments.

Sincerely yours,

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

Enclosures

ML Smelser

cc: OME; Maclaren
Reading copies to: Nolan, Hobbs, Guild

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/11	Murphy	500
	Murphy	500
10/12	Talbert	800
10/11	[illegible]	130
"	Johnson	110
10-12	Franch	100
10-12	gad	220
		500

OCT 1 2 1961

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: CMK-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Enclosed are the original and four copies of a proposed Amendment No. 1 to the subject contract, signed by the Director for the Government.

If the proposed amendment is satisfactory to you and the Operator, kindly have an authorized representative of the corporation sign the original and all copies. Thereafter, please distribute the copies in the usual manner.

The original contract requires advance approval in writing for work under Stage II and for a part of Stage I. This proposed amendment will allow you to approve such work verbally on your field inspections and then confirm it in writing when you return to your office. It is important that we have these confirmation letters for our files.

/s/ George C. Selfridge

(343)

Enclosures

FMMurphy/gla
10-11-61
cc to: Director's Reading File
Review Committee
Docket

43683

DRAFT
10/6/61
FMMurphy/gla

Copy of draft for docket

EXPLORATION CONTRACT
NORTHERN MILLING COMPANY, INC.
OME-6082

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1961, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and the Northern Milling Company, Inc., hereinafter called the "Operator," that Exploration Contract No. 2121 (OME-6082), dated September 2, 1960, is amended as follows:

1. In Exhibit A, under General Provisions, the last paragraph is deleted and replaced as follows:

"The work shall be performed in two stages. The Operator shall perform all of Stage I work and as much of Stage II work as may be approved in advance and confirmed in writing by the Government."

This amendment shall not be construed to increase the amount of any item designated as maximum, the fixed unit cost of any item of work, the estimated total cost of the contract, or the aggregate total amount which the Government may be required to contribute.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Director, Office of Minerals Exploration

NORTHERN MILLING COMPANY, INC.

By_____
Title (Time)

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. 190		
2. 500	confirmed	in writing
3. Amendment		
4. ? to prior approval		
5.		
FROM: 800		

FOR: Check items for action desired

___ Action	___ Reply for signature of ___	
___ Approval	___ Investigate	___ Surname
___ Comment	___ Recommendations	___ Signature
___ Conference	___ Rewrite	___ File
Instructions	✓ Your information	

REMARKS: Re: OME 6082
This contract requires advance approval in writing, not confirmation.

Talbert
10/5/61

INT.-DUP. SEC., WASH., D.C. M56300-59

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 5 1961

DATE	INITIALS	CODE
10/5	[illegible]	800
"	Greiner	500
	Murphy	500

So. 157 Howard Street
Spokane 4, Washington
October 3, 1961

Mr. Paul Raber, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: Work Authorization
OME-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Raber:

This will confirm oral authorization given during my inspection of September 14, 1961, to drive the east drift on the Gold Dust vein an additional 150 feet, following the footwall or east side of the mineralized fault to the offset portion of the Gold Dust vein. Any of this footage remaining when the Gold Dust vein is encountered may be used to drift along the vein.

Careful appraisal will have to be made of any apparent mineralized splits that may break away into the left-hand wall to determine which represents the main vein. A probable indicator will be cessation of mineralization in the shear zone.

Sincerely yours,

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

DRMacLaren:mls
cc: OME(2); MacLaren
Reading copies to:
Nolan
Hobbs
Guild

Mae (2)

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 22 1961

DATE	INITIALS	C.
9/22		800
9/22		100
		100

Sw. 157 Howard Street
Spokane 4, Washington
September 19, 1961

Mr. Paul Huber, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Huber:

We thank you for your letter of September 13 enclosing your check in the amount of $79.03 covering royalty due the Government on concentrates shipped to the American Smelting & Refining Company, East Helena, Montana.

However, it is necessary that we have two legible copies of all settlement sheets and related information or one reproducible copy for processing these royalty payments. We would appreciate receiving another conlid copy of the settlement sheet for Mine Lot No. 1.

Sincerely yours,

Mary L. Sanlser
For: D. R. Maclaren
Acting Field Officer, OME
Region I

MLSmelser:mls
cc: OME(2)
Reading copies to:
Nolan
Hobbs
Guild

Done

OFFICIAL FILE COPY
RECEIVED SEP 5 1961

DATE	INITIALS	AMOUNT
9/5	[illegible]	800
	c/o Grover	500
	c/o Murphy	500

So. 157 Howard Street
Spokane 4, Washington
August 31, 1961

Mr. Paul Baker, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: OME-6062 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Baker:

I expect to reach Townsend the end of the afternoon or early evening of September 13 and to visit the Marietta mine Thursday, the 14th.

In my letter of August 21, 1961, on page 2, I mentioned that I had "approved 'total units to date' as follows: Drilling, 150 feet." This, of course, was a typographical error as there is no provision in the contract for drilling; the approval was for 150 feet of drifting.

Sincerely yours,

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

DRMacLaren:mls
cc: OME
MacLaren
Voucher File
Reading copies to:
Nolan, Hobbs, Guild

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/29	Talbert	800
8/29	Murphy	500
	[illegible]	500
8/29	[illegible]	130
"	on leave	110
8/29	Tirnoff	100
8/29	gad	220

AUG 2 9 1961

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Total costs to date of $22,034.74 are reported and claimed by the subject Operator's June and July 1961 MME Forms 60 and 61. On the other hand, total costs to date of $22,515.30 are indicated in pencil as being approved by you for the Government.

As was stated in Mr. Griswold's August 16 and my August 3 memoranda pertaining to costs under Contract 2125, OME-6111, Emerald Empire Mining Company, neither the Field Officer nor Certifying Officer may approve costs in excess of the total costs claimed by an Operator. Accordingly, the Department's Fiscal Section has scheduled this voucher for payment in the amount of $359.27. This amount, when added to the aggregate of $10,658.10 paid on previous vouchers, represents the Government's 50% contribution to the $22,034.74 total costs to date claimed by the Operator.

The difference between your approved totals and the Operator's claimed totals is due to a difference of 4.88 feet in the Operator's reported crosscutting and your apparently measured footage. Properly, in this case, the approved units and costs should have been those claimed by the Operator. An explanation should have been given in the remarks space that your measurement of the advance indicated an additional 4.88 feet.

Please be governed by these instructions in the future. Also, please make all entries in the "For Government Use" columns and spaces in ink.

/s/ George C. Selfridge (GCS)

EDTalbert/ama
August 29, 1961

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Rothrock
Mr. Talbert
Review Committee

43683

One

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 23 1961

DATE	INITIALS	CODE
8/24	[illegible]	800
"	[illegible]	500
8/24	Murphy	500

No. 157 Howard Street
Spokane 4, Washington
August 21, 1961

Mr. Paul Raber, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: OSE-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Raber:

I have received your MMS Forms 60 and 61 for work done in June and July 1961, and your request for authorization to do additional drifting to the east on the Gold Dust Vein.

The raise at station M-12 was not accessible during my last inspection, but Ed advised me that the raise except for the lowermost few feet was in the fault zone and contained no mineralization. Projection of the rather strong fault seen in the crosscut about 10 feet southerly from station M-13 passes close to or within the raise and lines up with the mineralized shear zone followed by the final 50 feet or so of the right drift. The side swipe just west of the raise did not indicate a continuation of the Gold Dust Vein beyond the fault. There was a diamond drill station about 35 feet easterly from the raise from which Ed said he was about to drill a hole to the north. If you have since found new evidence that the vein continues through the fault, a 20-foot hole north from that station would either justify or condemn drifting easterly from the raise at M-12. However, as the contract does not contain provision for any drilling, I cannot authorize or even request that this hole be drilled.

As you know, the crosscut intersected the Gold Dust Vein about 130 feet north of where we had expected to cut it. This could well be because of the vein being offset by the fault. Admittedly, it could also be because the vein steepened considerably between the No. 5 and Manos Levels, but that still leaves the question of why the vein turns so sharply and follows the fault zone unless the mineral in that part of the fault zone is drag material between the two vein segments. The 64-foot S. 74° E. flat hole is so nearly parallel to the fault that the mineral encountered could have come from the fault. The same could apply to the S. 74° E.

up hole. It is possible that the S. 88° E. flat hole is not quite long enough. This is the line of thought that prompted me to send you the sketch with the notations on it, and this is the reason I cannot at this time authorize the drifting you request.

If you should drill the north hole that Ed mentioned to me and it indicates the continuation of the Gold Dust Vein east of the fault, I would then be able to justify a drifting authorization at that point. If the north hole does not indicate the continuation of the Gold Dust Vein east of the fault and the hole between the two drilled from the easterly breast as I suggested in my notation on the map I sent you* I would be equally justified in recommending additional drifting easterly from the present breast.

On your Forms MME 60 and 61, I have approved "total units to date" as follows:

Drilling	150
Crosscutting	446.9
Assaying	130 determinations

The difference between your claim for 442.02 feet of crosscutting and the 446.9 feet approved is based on my measurements because there are still some minor disagreements as indicated in the following table:

	Your measurements	My measurements
Start to 7	151.16 (167.16 less 16.0)	152.5
7 - - 9	155.99	159.2 (7-8 95.7) (8-9 63.5)
9 - 10	38.65	38.0
10 - 13	52.02	52.7
13 - face	44.20	44.5
Total	442.02	446.9

The principal differences are between start to 7 and 7 to 9 which we can recheck the next time I get over to the mine. I will also check the bearing of the west drift as I found it to be about S. 75° W. and your sketch shows it as being about S. 70° W. Otherwise, we now have a very close agreement.

Sincerely yours,

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

*should do so

Reading copies to:
Nolan
Guild
Hobbs

DRMacLaren:mls
cc: OME w/cy incoming
Voucher File w/cy incoming
MacLaren w/cy incoming

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 23 1961

DATE	INITIALS	CODE

NORTHERN MILLING COMPANY
P. O. Box 361
Townsend, Montana
August 14, 1961

U. S. DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration
South 157 Howard Street
Spokane 4, Washington

Att: Mr. D. R. MacLaren,
Acting Field Officer, OME
Region I

Dear Mr. MacLaren:

Thank you for the map and suggestions regarding the drilling at the end of the right drift.

After several delays I am able to give you the transit survey we were discussing during your visit to Marietta Mine. The narrative covers our operation to date, and we hope that we will be able to keep the measurements in order from now on.

Ed and I have examined the area which would be the extension of the Gold Dust in the right drift and find that the water, which has washed the drift walls, has helped us to form the conclusion that the raise at M-12 was in the hanging wall. Starting at the sill of the raise and measuring down to the foot wall we find approximately four (4) feet of ore, and we feel that a drift should be advanced in an easterly direction from M-12 through the side-swipe shown on the map. I believe this side-swipe was made at your suggestion, and we feel sure that if this were extended we would be extending it in the Gold Dust structure. I would like to request an approval for some drifting in that area.

I should have mentioned that the ore in the raises M-14 and M-15 starting at twelve (12) feet above the sill varies from 3' - 5' as the raise advances, averaging approximately .35 gold, .8 silver and .8% in lead. We are having some trouble with a high recovery because of a mineral which we identify as Tennantite persists in the tailings. We are having additional meta-

RECEIVED
Air Mail
AUG 16 1961
Sent, Mail RRR
U.S.G.S.
SPOKANE WASH.

lurgical work performed on the ore at the present time.
We will be looking forward to your next visit to the Mine.

Sincerely yours,
NORTHERN MILLING COMPANY

PR/b
Encl.

Paul I. Raber, President

OMEP

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 19 1961

DATE	INITIALS	CODE
6/19	gad	110
		110
6/20		800
"	Granted	500
	Murphy	500

So. 157 Howard Street
Spokane 4, Washington
June 16, 1961

Mr. Paul Raber, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: Work Authorization
OME-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Raber:

By "Work Authorization" dated April 14, 1961, you were authorized to drift a total of 100 feet east and/or west on the Gold Dust vein. When I visited the property on May 18, 1961, you had already drifted 114.5 feet easterly and 48 feet westerly, but only 100 feet of drifting had prior written approval as required by the contract. You were advised to discontinue drifting east of the crosscut and to slab the northerly wall of this drift near where the strike of the vein swung sharply to the southeast. You were also advised that you could continue the drift westerly unless the vein made another sharp departure from the strike as it then was.

Of the 100 feet authorized, 48 feet has been credited to the drift west and 52 feet to the drift east, the balance of the drifting easterly being for company account. To clarify the amount of drifting that the Government will support, authorization is hereby given to drift an additional 50 feet westerly. Any drifting on the Gold Dust vein in excess of the authorized total of 150 feet will be at the company's expense unless prior written approval for additional drifting is given. As of your May 1961 voucher, 22 feet of authorized drifting remains to be completed in the west drift.

The crosscut should be continued on a bearing of N. 45° W. as provided in Stage I of the contract.

Assays of samples taken from the crosscut are charged against the 100 determinations provided in Stage I; those from the drift are charged to the 900 determinations provided in Stage II.

Sincerely yours,

D. R. MacLaren

Acting Field Officer, OME
Region I

DRMacLaren:mls
cc: 1/OME(2); MacLaren
Reading copies to: Nolan, Hobbs, Guild

OFFICIAL FILE COPY O. M. E. RECEIVED JUN 19 1961		
DATE	INITIALS	
6/19	gad	1100
6/20	[illegible]	800
"	[illegible]	1100
6/21	[illegible]	1100
		1100

No. 157 Howard Street
Spokane 4, Washington
June 15, 1961

Mr. Paul I. Huber, President
Northern Milling Company
P. O. Box 361
Townsend, Montana

Re: OME-608
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Paul:

Enclosed are six months' supply of MSE Forms 60 and 61.

Gold and silver have not yet been added to the list of minerals eligible for OME aid but their addition is still under consideration. As soon as I learn the decision, I will advise you.

I will not be over your way until about the middle of July. In the meantime, when you have used up the 150 feet of OME authorized drift, keep pushing the crosscut--unless of course you wish to drift for company account. There is still a discrepancy between my measurement and yours of the crosscut footage as when I come over, I will measure from sta 4-3 at the intersection of the Main Haulage Tunnel and the NE turn to the face as shown on the 1" = 50' map and will re-establish the starting point. Then, I will remeasure from there to the face.

Regards,

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

Enclosures

cc: OME w/cy incoming
MacLaren w/cy incoming
Reading copies to:
Nolan
Robbs
Guild

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 19 1961

DATE	INITIALS	CODE

NORTHERN MILLING COMPANY
P. O. Box 361
Townsend, Montana
June 7th, 1961

U. S. DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration
South 157 Howard Street
Spokane 4, Washington

Att: Mr. D. R. MacLaren,
Acting Field Officer, OME
Region I

Dear Mr. MacLaren:

Please find enclosed report on the Mason Tunnel work for May 1st through June 6th.

With this voucher we will go over the 100 assays as part of the contract of Stage I, but since you approved additional drifting on the vein I assume you will approve additional assays necessary to keep track of the vein development.

Please advise whether the Exploration Assistance Program for Gold and Silver has been approved and is in effect. If it is in effect, please send literature regarding the program.

We will be looking forward to your next visit.

Sincerely yours,
NORTHERN MILLING COMPANY

Paul I. Raber

Paul I. Raber, President

PR/b
Encl.

P. S. We have drifted more than the 100 feet which you approved - also, we have vouchered for the complete amount of drifting. If you wish, you may deduct the amount of drifting on the vein which is over 100 feet. The vouchering for the footage over the approved amount was an oversight on our part, and I just realized the error after the report was completed. We have exhausted our supply of forms with this report, or we would have re-vouchered the footage. Will you please send us a new supply at your convenience? Thanks.

RR

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/8	Murphy	500
	[illegible]	500
6/8	[illegible]	800
6/8	[illegible]	130
"	Johnson	110
6/8	[illegible]	100
6/9	gad	220
		500

JUN 9 1961

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

In reviewing your memorandum of May 31, 1961, we note that 162.5 feet of drifting have been completed on the Gold Dust vein.

The contract allows 400 feet of drifting on the Gold Dust vein if approved in writing by the Government, in advance. We have a copy of your letter of April 14, 1961, approving 100 feet of drifting on the Gold Dust vein; however, to date we have not received a copy of your letter authorizing the additional footage.

(s) George C. Selfridge

(242)

FMMurphy/gla
6-8-61
cc to: Director's Reading File
Review Committee
Docket

43683

OMG (3)

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 17 1961

DATE	INITIALS	CODE
4/17	gad	1200
4/17	[illegible]	800
"	Murphy	500

So. 157 Howard Street
Spokane 4, Washington
April 14, 1961

Mr. Paul Raber, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: Work Authorization
OME-6662 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Raber:

I was glad to learn from your letter of April 10, 1961, that you have cut the Gold Dust vein and that the gold and silver assays are so promising; I am most anxious to see the lead and zinc assays.

In accordance with your request and to get a good look at the vein you are hereby authorized to do a total of 100 feet of drifting on the Gold Dust vein. Although I am inclined to favor drifting to the east, you may drift either way or both as long as the total drifting does not exceed 100 feet, measured from the sides of the crosscut. Channel samples should be cut across the significantly mineralized parts of the vein at intervals of not more than 10 feet. When this drifting is completed and the samples have been assayed, we will be better able to decide how much more drifting should be done and in which direction.

If feasible, I urge that the crosscutting be continued but on a bearing of N. 45° W. to intersect the projected positions of the Little Annie and the Marietta veins while you are drifting on the Gold Dust vein.

Sincerely yours,

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

DRMacLaren:mls
cc: OME(3) w/cys incoming
MacLaren do.

Reading copies to:
Nolan Guild
Robbs

OFFICIAL FILE
O. M. E
RECEIVED APR 17 1961

DATE	INITIALS	CODE

NORTHERN MILLING COMPANY
P. O. Box 361
Townsend, Montana
April 10th, 1961

Mr. D. R. MacLaren, Acting Field Officer
Region I OME
U. S. DEPARTMENT OF THE INTERIOR
Office of Mineral Exploration
South 157 Howard Street
Spokane 4, Washington

Dear Mr. MacLaren:

I thought I would send you a note advising you that two rounds after your visit we intersected the Gold Dust vein in the Mason Tunnel. It is approximately four (4) feet thick and contains real good values as evidenced by the enclosed assay sheet. Tan hasn't had a chance to run the lead assays as yet, but in the higher grade samples the lead content as evidenced by the galena in the ore will be good.

I was wondering if we could begin drifting both ways on the vein in order to prove that we are not in a pocket.

I recall your statement as you were looking at the face in the Mason Tunnel-that it appeared as though we should hit something very shortly. Apparently you have been holding back on us, because you must have X-ray eyes to arrive at that conclusion.

We are looking forward to your next visit to our property.

Sincerely yours,
NORTHERN MILLING COMPANY

Paul I. Raber, President

PR/b
Encl.

P. S. Bill Wade asked us to send a copy of the enclosed letter to you.

APR

DATE April 9, 1961 ASSAYED BY [illegible]

No.	Wt.	Ing.	DESCRIPTION	Gross Wt. Dwt	Oz./Ton Gold	Oz./Ton Silver
1	Tex	Eng	Mason Tunnel: Minus Fault N. of Fault, 4'x1' Rip. Sept. 1945	2.68	2.10	.68
2	"	"	" " " 4-6' of Blended Pile of Ore N. of Fault Sample	1.92	.85	.97
3	"	"	" " " Ripsaw One S. Fault	5.01	1.17	3.14
4	"	"	" " " Ripsaw in Off Vein 1' wide	5.49	2.69	2.90
5	"	"	" " " 1' of Fault Clay w/ sand	.43	.11	.32
6	"	"	" " " 1' of Oxidized Vein	1.67	.29	1.21
7	"	"	" " " 1' of Fault in Mason Off.	1.20	.28	.92

Tonnage contained within of 3.5' or 14'.

OFFICIAL FILE COPY
C. M. E.
RECEIVED APR 17 1961
DATE INITIALS

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERAL EXPLORATION

TO:	DATE	INITIALS
1. Mr. Selfridge		
2.		
3.		
4.		
5.		
FROM:		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ✓ Your information

REMARKS: Re: OME-6082

I thought you'd be interested in this ltr.

Talbot

12/4/61

DUP. SEC., WASH., D.C. M56300-59

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION 4/18/61

TO:	DATE	INITIALS
1. Chief, Division of Field Operations		
2. Re: OME-6082 (Lead-Zinc) ~~Northern Milling Co., Inc.~~ Marietta Mine		
3. ~~Broadwater County, Montana~~ Contract 2121		
4.		
5.		

FROM: ~~Acting Field Officer, Region I~~ Donald R. MacLaren

FOR: Check items for action or information

____ Action	____ Reply for signature of		
____ Approval	____ Investigate		
____ Comment	____ Recommendations		
____ Conference	____		
____ Instructions	X		

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 20 1961

Remarks	INITIALS	Surname Signature File Code
4-20	gad	120
4/20	JEJ	110
		120
4/21	[illegible]	500
4/21	[illegible]	500

REMARKS:

Attached is an article in The Townsend Star under date of April 13, 1961, re. the above-referenced contract.

INT.-DUP. SEC., WASH., D.C. M50943

OFFICIAL FILE COPY
M. E
RECEIVED APR 20 1961
DATE | INITIALS | CODE

The Townsend Star

The Only Newspaper in the World that Constantly Works for the Interest of Broadwater County

Thursday, April 13, 1961 THE TOWNSEND STAR Volume 63, Number 52

Rich Gold Strike at Marietta Mine

Above is a picture of the Gold Dust vein as it appears in the extension of the Mason tunnel on the Marietta mining property, located 15 miles northwest of Townsend. Dark seams in the center is the gold bearing ore. The picture was taken Monday night when G. Z. and Jerry Brammer of the Star force went into the tunnel to see the discovery. Paul I. Raber, president of Northern Milling, Frank Griffin and Clarence Peterson of Helena were in the party. Ed Messerly and Fred Schneider Jr. were miners working on the job during the inspection trip.

"They struck it rich" was the word passed around town late Sunday night in describing a new find at the Marietta mine. Monday morning when the Star reporter contacted Paul I. Raber, president and general manager of the Northern Milling Company, he confirmed the report and invited us to make a trip up to the Marietta that night to see the strike.

The strike proves to be the Gold Dust vein, and is 300 feet below present mining operations of the Marietta, in what is known as the old Mason tunnel. In 1906 Allen C. Mason put the tunnel back into the mountain 1700 feet in search of this vein. Last October Mr. Raber started clearing debris from the old tunnel and planned to extend the excavation another 200 feet. Surveys in his office indicated the Gold Dust vein could be contacted in that distance, but when the 200 foot extension was completed they still had not found it.

So sure was Mr. Raber that the gold was in that vicinity he extended the tunnel still further, and the Saturday night shift struck the gold bearing ore just 300 feet further than the point where Mr. Mason gave up in 1906.

Tan Lee, assayer for the company, ran seven tests Sunday from the vein which measures from 3½ to 4 feet thick, showed the following contents:

No. 1 test—2.10 oz gold, .58 oz silver, 3.5% lead.

No. 2 test—.95 oz gold, .97 oz silver, 1.5% lead.

No. 3—1.17 oz gold, 3.84 oz silver, 7.8% lead.

No. 4—2.59 oz gold, 2.90 oz silver, 3.3% lead.

No. 5—.11 oz. gold, .32 oz silver, .9% lead.

No. 6—.29 oz gold, 1.28 oz. silver, 1.0% lead.

No. 7—.38 oz gold, .92 oz. silver and 3.5% lead.

(Note—the above figures are ounces per ton of gold and silver, but the lead is the percentage of a ton.)

The new strike at the Marietta is heralded by local businessmen as "the best news we've heard in years" for it means many more jobs. A year ago Mr. Raber had a crew of 35 men working at the Marietta, and as soon as he can get production started in this new find, within about a month, he plans to put on several more men and will soon have a crew even larger than was employed last year.

Here we might give our readers some background of the Marietta properties. In July of 1958 Northern Milling bought the properties, 36 claims, from the late Al Dance and his son-in-law, Harry Anders. Mr. Dance spent many years acquiring these claims, all in one group, and Harry had been associated with him since 1945. Later Northern Milling acquired other claims so that they now have some 800 acres of mining properties at the head of Indian Creek.

Known producing veins of gold on the properties are the Gold Dust, Marietta, Little Annie and Venzuela. Mr. Raber has some assay reports of gold shipped from No. 1 tunnel (Marietta) by Mr. Dance in 1936 which showed the ore to be worth $193, $378 and $711 per ton. Other records show, Mr. Raber stated, that some $400 ore was shipped by Dance from that tunnel.

There are five tunnels on the Marietta which have been worked in past years. Northern Milling has worked only No. 5 to date, Last fall they opened up No. 1 but have not started mining it, and they have not yet mined No. 2, 3, and 4 tunnels. No. 4 tunnel is to be developed further to intersect the ore that can be seen in No. 1 tunnel.

Since acquiring the Marietta properties in 1958 Mr. Raber has added extensive facilities, including a $350,000 mill which is capable of handling 300 tons of ore daily. Last year when they were working No. 5 tunnel the mill was running 150 tons per day. Eventually he hopes to get the mill up to capacity.

Last fall he was forced to shut down mining operations, as this phase of the operation caught up with exploration. Since shutting down most of the work at the Marietta has been opening up or extending present tunnels. In October they secured a loan from the government Office of Mineral Exploration to assist in this development. This loan, at the time was for lead and zinc.

D. R. MacLaren, acting field officer for Region 1, Office of Mineral Exploration at Spokane, makes periodic inspection of the work and was here *just the day* before the strike was made. After inspecting the work he expressed his opinion that it looked very favorable (and how right he was).

March 28 this year Secretary of the Interior Stewart L. Udall, proposed to add gold, silver and iron ore to the list of metals for which exploration assistance is provided. Previously the OMS would share exploration costs up to 50%, and now propose to raise this to 75% of authorized exploration costs. This assistance is intended to increase employment in many distressed mining areas and will help small operators find new deposits of ore.

Recently the mill has been operating one shift a day, partly on stockpiled ore at the Marietta and also ore from the Miller mine in the Confederate Gulch area and from the Strawberry mine near Pony. Exploration operations at the Miller mine is still going on in hopes of finding ore sufficiently rich to make it worth while to mill. It has in the past produced some very rich ore.

Mr. Raber gives much credit for the successful operation of the Marietta properties to Wm. R. Wade, consulting mining engineer for the company. Wednesday the Star contacted Mr. Wade and he told us the find was well above all expectations, both as to richness of the vein at that depth, and width of the vein. The usual trend, he stated, was for an ore vein to be thinner than the Gold Dust in the Mason tunnel, and also that there is a tendency for the gold and silver content to diminish with depth.

Mr. Wade's opinion is highly respected as he is noted to be one of the outstanding mining engineers of the Rocky Mountain region. Last year he was elected to the Legion of Honor of American Society of Mining and Metallurgical and Petroleum Engineers.

Raber still has the nucleus of his crew who have been with him for some time—Ed Wieglenda, mine superintendent; Fred Box, mill superintendent, Tan Lee, metallurgical engineer in charge of assays; Joe Merritt, Rudy Puttin, Ed Messerly and Fred Schneider Jr., miners. Puttin and Merritt were working when they blasted into the Gold Dust vein Saturday night. It is reported that Tan Lee was so excited after making assays Sunday he couldn't sleep that night. Who wouldn't be excited after discovering such a rich vein of ore?

one-third of the land surface of the world and one third of the people on the earth (9,000,000,000) are controlled by the world-wide Communist bloc. Since 1917 more people have been converted to communism than have been converted to Christanity since the birth of Christ. You may ask what is the appeal to Communism. They promise only two things, peace and prosperity. Communism is also a religion for the people under its rule. They don't believe in a supreme God, but they practice what they are told very diligently. They hope to convert the whole world to their belief.

Matt Cvetic in his autobiography, "The Big Decision", explains his experiences for the nine years he worked as a counter spy for the F.B.I. After these nine years his conclusions are: 3. "We need adequate laws, NOW, not when it's too late, which would punish conspiracy, sedition, and treason —in peacetime—as well as in war time. We must support our F.B.I., the Senate Committee on Internal Security, the House Un-American Activities, and all government agencies which help combat the Reds. We must begin the fight against Communism in our homes, schools, and churches. We must acquaint ourselves, our children, and our neighbors with the true menace of Communism".

The work of the Communist spies in America has been made easy through several factors, namely:

1. Lack of adequate legislation to deal with Red agents, their aides, and abbetors.

2. The greed of some American businessmen, bankers and industrialists, who would do anything for gold, including selling our nation down the river. It is beyond their comprehension that by trading with the Reds they are sowing the seeds of their own destruction.

3. Because of the immunity the Reds enjoy as a result of the diplomatic recognition we so foolishly extended to them in 1933.

These spies relate information back to the Communist party. They also practice their way of life in America and try to convert the American people to their convictions.

Let's look at how far the United States has progressed in its surrender to Socialism, Godless Communism, and the forces of World Government, which of course would be a Communist affair.

The biggest mistake was rehabilitation of Soviet Russia by extending her the formal recognition of the United States, also the insane sending of Harry Hopkins to Moscow in 1941, begging Stalin to accept without strings, what became eleven million dollars of lend-lease. That was Soviet Russia's great start on her modern development. This money helped her in the space race and development of her industries. Unless the American people rise unexpectedly and demand a prompt return to the old America the United States will be swallowed up by Communism.

Communism is the idea of a man put into practice and then made into an economic system. This man, Karl Marx, took the idea of a philosopher and materialized it. This is how the Communnist party was organized.

The Pilgrims at Jamestown started the American way of life. They set forth a Constitution that was improved and developed throughout the years to follow.

Are you going to throw away the heritage that our forefathers fought for? You ask what can I do? I'm tied down with professional duties which I cannot shirk. Much of all America is in this same position. The Russians can give all the time necessary to further Soviet plans in America, but most people with families to support and business and professional obligations to fulfill, have no time even to help save their country—and their own liberty.

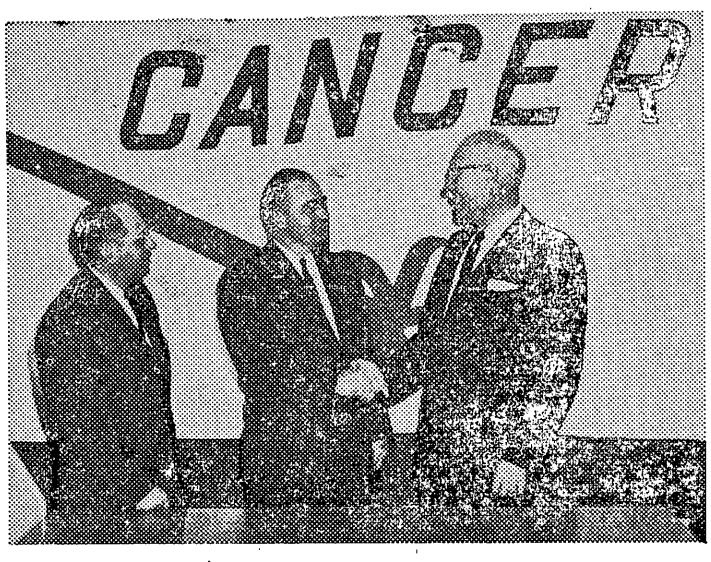
Part of Citizenship is to assume responsibilities and earn the right to our heritage. I urge every citizen to pursue with vigor the basic responsibilities of citizenship. We need to appreciate more fully our heritage of freedom, to count our blessings, and to rededicate ourselves to active participation in preserving the principles upon which our Republic was founded.

Young people have a special stake in the outcome of the current attempt by some people to change our economic system and our form of self-government. They need to learn the great truths underlying our American system and participate actively in programs designed to strengthen it. It is therefore important that parents assume greater responsibility and that teachers, clergymen, and all who help to shape the character of young people, be adequately and properly trained.

Now is the time for Americans to act, "Know the truth, and the truth shall set you free."

Quotations taken from the following references:

1. Col. Victor J. Fox, "The Pen-



Soon after proclaiming April as Cancer Control Month, Governor Donald G. Nutter, center, congratulated his predecessor, J. Hugo Aronson of Big Fork who will serve as the 1961 Montana Crusade Chairman. At the left is shown Dr. N. A. Franken of Havre who is president of the American Cancer Society, Montana Division

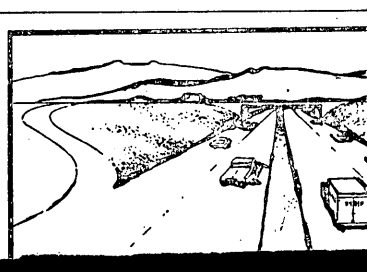
As president of the organization, Dr. Franken guides the activities of more than 10,500 Cancer volunteers who serve the organization throughout the state on a year 'round education and Cancer Control program.

reductions required of cooperators in the emergency program apply only to corn and grain sorghums. A producer who grew either of these crops for any use in either 1959 or 1960 may participate in the program by reducing this acreage by 20 per cent of his feed grain base. The base is, in general, the average of the corn or grain sorghum acreages on the farm in the past two years.

Farmers who have not grown corn or grain sorghums on their farms in the past two years are not required to make a reduction in acreage to secure price support, he explained, provided they do not grow corn or grain sorghums this year or have an interest in the corn or grain sorghum crop on any other farm where an acreage reduction is not made.

Cooperators in the program will be entitled to price support on the normal production of their corn and grain sorghum acreage and on

FREE! FR
20 TI
To the Johansso
and "JU
To be giv
LUNDY'S
Drawing at 3
Saturday,
Fight Pictures will be
FRIDAY and
REX T



Do You Get Tired of Housework by the End of a Busy Day?

Here's an interesting discovery that might help lighten your load around the house.

We recently asked an independent research organization to visit with 100 active housewives about extension telephones. A few ladies without a second phone said they would get one *if their houses weren't so "small."* And that puzzled us.

Just what is a "small" house? As a matter of fact, as long as you're making beds, washing dishes, getting children ready for school, and fixing meals, there's no such thing as a "small" house.

So why deprive yourself of a useful extension phone? Properly located (in the kitchen or bedroom for example), it will make your work a little easier, save you time and steps. And the values of a second phone don't stop there, either.

Consider privacy. Phoning's no pleasure when you're standing up in the hall or sitting in an intersection of noise and confusion in the living room. With a bedroom extension, you enjoy your calls in a quiet oasis of calm.

And economy. All the luxurious features of an extension phone can be yours at the utilitarian cost of only pennies a day. As we said, why deprive yourself of another phone—especially at that price?

Talk it over with your family tonight. Then, tomorrow, order an extension phone either from our business office or a telephone serviceman if you spot his truck in your neighborhood.

Presenting the Bell Chime!

You get three distinctive rings, including a melodious chime. Call us for details.

Mountain States Telephone

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 20 1961

DATE	INITIAL	CODE
4/20	gad	V-V0
		1-V0
4/20	[illegible]	800
	Murphy	500

So. 157 Howard Street
Spokane 4, Washington
April 18, 1961

Mr. W. R. Wade
Consulting Mining Engineer
and Geologist
Marysville, Montana

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Bill:

Thank you for your letter of April 15, 1961, telling me about the finding of the Gold Dust vein.

I have authorized drifting a total of 100 feet on the structure to take a good look at it and advised that channel samples be cut across the vein at intervals of not less than 10 feet. When we have had a good look at the vein and have the assays, we will be better able to decide whether it should be followed further at this time. I also urged that the crosscut be continued simultaneously with the drifting.

With kindest regards,

Sincerely yours,

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

DHMacLaren:mls
cc: OME(2) w/cys incoming
MacLaren w/cy incoming
Reading copies to:
Nolan
Hobbs
Guild

WILLIAM ROGERS WADE
CONSULTING MINING ENGINEER
AND GEOLOGIST
MARYSVILLE, MONTANA

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 20 1961

DATE	INITIALS	CODE

One (2)

April 15, 1961

Mr. D. R. MacLaren
O.M.E.
157 South Howard St.
Spokane 4
Wash.

Dear Mac:

The next shift after you were at the Marietta theycut the Gold Dust or if not the Gold Dust a vein anyway. It dipped the right way. It most likely is the Gold Dust.

The vein 3½ to 4 feet wide,
It has 2.59 oz. gold high grade streak
7.8% high grade lead
But if a general average is taken across the vein from the samples taken at the mine the results are

Gold 1.05 oz.
Silver 1.5% oz.
Lead 2.6 %

The vein is reported dipping 55 degrees

I have not seen the discovery as yet nor did I take the samples and the assays were made at the mine.

They are very pleased at the mine with the vein.

I have told them now to drift on it and mill the ore and the government gets their 5 % royalty out of the shipments. I assume this is correct and meets your approval.

With the very best of personal regards, I remain,

Yours most sincerely

W. R. Wade

You deserve all the credit for finding this vein when you said to continue after they past the point where it was supposed to be.
Bill

Via
Air Mail

Mac (3)

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 13 1961

DATE	INITIALS	CODE
4-13	gad	VVO
4/13	dem	800
4/14	Murphy	500

No. 137 Howard Street
Spokane 4, Washington
April 11, 1961

Mr. Paul I. Raber, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: OMM-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Raber:

I have received your voucher for March 1961 and have approved for payment 94.5 feet of drift instead of the 108 feet claimed for the following reason:

According to our records the distance from the starting point to point M-7 is 232.5 feet and the distance from point M-7 to the face is 164 feet and the previous measurement for which payment was made is 302 feet. I believe that you have added the 164 feet from M-7 to 166 feet which is the distance from the starting point to the breast of the crosscut before it was turned to the new bearing and did not allow for the fact that most of the extra footage makes up the width of the opening on the new bearing and part represents the width on the old bearing.

I will remeasure the point-to-point distance with Mr. Tax the next time I come over and any indicated adjustment will be made at this time.

Sincerely yours,

D. E. Shelmerdine
Acting Field Officer, OME
Region I

cc: OME(3)
Voucher File
Director
Econ. Anal.
DAFM
Fiscal Section
Office of the Secretary

Orme (3)

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 30 1961

DATE	INITIALS	CODE
3/30	Coe	210
3/30	[illegible]	800
	~~Murphy~~	~~500~~

No. 137 Howard Street
Spokane 4, Washington
March 27, 1961

Mr. Paul Huber, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: [illegible] (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract [illegible]

Dear Mr. Huber:

We have received your voucher for February 1961 and note that on the MSE Form 61 you show "units to date" as 188. This figure apparently should be 202 as:

January "units to date"	170
Units vouchered for Feb.	32
	202

Also, 188 times the unit price of $37.00 per foot would be $4,736.00, whereas 202 times $37.00 would be $8,214.00 which you show as "costs to date."

I have forwarded your voucher to the Fiscal Section pointing out the error, but whether they are authorized to make the correction I do not know. If not, they will request an amended voucher.

Regarding payment for 14 assays vouchered in January, the contract provides an allowable cost of $1.00 per determination, therefore,

14 assay determinations at $1.00 each = $14.00

With the Government participating to the extent of 50 percent of the approved cost, the $7.00 which you were reimbursed for these assays is correct.

I plan to visit the Marietta mine Wednesday, April 5, weather

permitting and will be happy to discuss any further questions you may have at that time.

Sincerely yours,

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

cc: CMR(3) w/cys incoming
Voucher file w/cy incoming
Director
Econ. Geol.
MAPM

R.

Ore (3)

NORTHERN MILLING COMPANY
P. O. Box 361
Townsend, Montana
March 23, 1961

U. S. DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
South 157 Howard Street
Spokane 4, Washington

Att: Mr. D. R. MacLaren
Acting Field Office, OME
Region I

Dear Mr. MacLaren:

Please find enclosed maps showing the revised strike of the drift and map showing the advance as of March 8th, 1961.

We originally thought that we would be making a turn of from 20-25°, but in order to stay with the small vein it was necessary to turn 40° to the left.

If the Gold Dust vein should steepen, it would, of course, be necessary to revise the original distance to the Gold Dust. I was wondering whether after we have passed the 200 feet mark we would have to have your approval to extend the drift to the Gold Dust. If that is necessary, I will contact you as soon as we reach the 200 feet measurement.

In our last month's voucher we submitted a bill for $14.00 for 7 assays, and we received $7.00. Do you read the Contract to read that you pay half of the contract price of $1.00 per metal?

Sincerely yours,
NORTHERN MILLING COMPANY

Paul I. Haber, President

PH/b
Enclosures

RECEIVED
MAR 27 1961

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 23 1961

DATE	INI	
2-23	gad	2-20
2/23	ice	800
	Murphy	500

No. 157 Howard Street
Spokane 4, Washington
February 20, 1961

Mr. Paul Baker, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: GMR-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Baker:

We have received your voucher for January 1961 and note that the accompanying sketch does not show "the locations where samples were procured and their assay values" as stipulated in Exhibit A, General Provisions, paragraph 3, attached to the contract. From the distances given in the assay report it appears likely that the sample at 75 feet was taken from the second cross-structure, right wall and that at 39 feet from the same structure left wall; that at 78.5 feet could have been taken from either wall or the center of the third cross-structure; the first sample at 157 feet presumably was taken from *the fourth cross-structure and the other from the left wall, but none of these locations are certain. If these assumptions are correct, then it would appear that neither the right wall nor the left wall samples at 161 feet were taken from the fifth structure although I feel quite sure that they were taken from the vein. I trust this will show why the contract specifies that the location of the samples be shown on the sketch.

As this slight deviation from the contract requirement can be corrected on the map submitted with your next voucher, I will not recommend withholding of payment for these samples, but please show their locations as well as those of any samples that may be vouchered for February.

*the right wall of

Sincerely yours,

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

cc: Fiscal Section
Office of the Secretary
OME(5); BME Form 60 & 61 File; Director; Reco. Geol.; BLM

Mel

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 13 1961

DATE	INITIALS	CO
2-13	gad	2V0
		1V0
2/13	[illegible]	800
2/14	Murphy	500

No. 157 Bennett Street
Spokane 4, Washington
February 10, 1961

Mr. Paul Baber, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: Work Authorization
OME-6088 (Lead-Zinc)
Marlotte Mine
Broadwater County, Montana
Contract No. 2121

Dear Mr. Baber:

This refers to your telephone call of February 8, 1961, in which you requested authorization to turn the Mason crosscut 20°-25° to the left in order to follow a vein--the name of which I could not get clearly but which sounded like "Robinson"--to the Gold Dust vein. You pointed out that this change would reduce the remaining distance to the Gold Dust vein by about 12 feet and that because of the shearing along the vein the ground would not be so hard to drill and break, resulting in faster progress.

Oral authorization given at that time is hereby confirmed.

Sincerely yours,

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

cc: OME(3)
Director
Econ. Geol.
MPM
Maclaren

Mre (2)

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 19 1961

DATE	INITIALS	CODE
1-19	gad	VVO
1/19	[illegible]	800
1/23	[illegible]	500

No. 157 Howard Street
Spokane 4, Washington
January 17, 1961

Mr. Edward F. Wieglenda
Mine Superintendent
Northern Milling Company, Inc.
P. O. Box 361
Townsend, Montana

Re: Docket No. OME-6002 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract No. 2121

Dear Mr. Wieglenda:

Yesterday, by Certified Mail I returned the tracing you so kindly let me have.

Enclosed is an extra set of the Operator's Monthly Voucher forms together with the December narrative which we received for OME work at the Marietta mine.

As we only require four copies of these forms, we are returning this set to you for your files. I believe we sent you six copies of each form having in mind that you use one set as a working copy and the other for your files.

Many thanks for the tracing.

Sincerely yours,

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

Enclosures

cc: OME(2)
Voucher File
Director
Econ. Geol.
B&FM

Dna (2)

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 17 1960

DATE	INITIALS	CODE
11-17	gad	VVO
11/17	[illegible]	200
11/21	[illegible]	500

NORTHERN BILLING COMPANY, INC.
P. O. Box 361
Townsend, Montana
November 11, 1960

Mr. [illegible] MacLaren, Acting Field Officer, OME
Region 1
United States Dept. of the Interior
South 127 Howard Street
Spokane, 1, Washington

Dear Mr. MacLaren:

I have just returned from a business trip and note your letter of November 7th.

Yes, we have begun work under our Contract No. 2121 (OME-80)J. I shall be looking forward to seeing you on Wednesday, November 16th.

Yours very truly,
NORTHERN BILLING COMPANY, INC.

[illegible]

[illegible] L. [illegible], President

RECEIVED
NOV 14 1960
[illegible]

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 10 1960

DATE	INITIALS	CODE
11-10	gad	VVO
11/10	[illegible]	800
	Murphy	500

So. 157 Howard Street
Spokane 4, Washington
November 7, 1960

Mr. Paul Raber, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract No. 2121

Dear Mr. Raber:

I plan to leave for Montana on Monday, November 14, 1960, and to inspect progress at the Marietta mine on Wednesday, the 16th. I will call the Townsend office the evening of the 15th to learn whether the work has started. If it has not yet been started, of course, there would be no point in going to the mine, but in that event you should request an amendment postponing the starting date. Your letter should state why it was impossible to start by October 24, 1960--the starting date indicated in Artcle 1 of the contract and designate a date on or before which work will start.

Sincerely yours,

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

cc: OME(2)
DRF
Hobbs

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 24 1960

DATE	INIT.	CODE
10/24	Cal	210
10/24	4W7	800
~~10/24~~	~~Mp Monthly~~	~~500~~

So. 157 Howard Street
Spokane 4, Washington
October 21, 1960

Mr. Paul Raber, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Raber:

We are forwarding a 3-month supply of Operator's Monthly Voucher and Progress Report, MME Forms 60 and 61.

The completed report forms MME 60 and 61, as well as the narrative, maps, assays and all technical data, should be submitted in quadruplicate for each month in which costs have been incurred under the contract.

Delays in processing can be avoided if reports are submitted promptly to this office.

Sincerely yours,

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

Enclosures

cc: OME(2)
DRF

OFFICE OF MINERALS EXPLORATION

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 10/18/60

REFERRED TO: Chief, Div. of Field Operations

Re: OME-6082 (Lead-Zinc)
Northern Milling Co., Inc.
Marietta Mine
Broadwater County, Montana
Contract No. 2121

FOR:

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

REMARKS: Transmittal of contract documents (Gov't., F. O., and Audit Copies) in accordance with OME Circular 3 (Rev.)

Check (X) before the items needing attention.

Donald R. MacLaren
Initials of sender.
Acting Field Officer, OME
Region I

GPO 16—63815-1

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
October 12, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 17 1960

DATE	INITIALS	CODE
10-17	gad	VVO
	~~Murphy~~	100

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana

Shortly before leaving for Idaho and Montana, a letter was received from the subject applicant advising that the proposed contract would be signed. As my trip took me through Townsend, I visited the property and established a measuring point in the Mason Tunnel 42 feet from the initial point of the project work.

Paul Raber, president of the company, said the Lien and Subordination Agreements had been signed and the contract forwarded to the company secretary for execution. We should receive the signed copies soon.

D R MacLaren

D. R. MacLaren

Bne (2)

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 3 1960

DATE		
10-3	gad	VVO
~~10/4~~	~~Murphy~~	~~OO~~

NORTHERN MILLING COMPANY, INC.
P. O. Box 361
Townsend, Montana
September 29, 1960

Mr. D. R. MacLaren
Acting Field Officer, OME
Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. CPL-0062 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana

Dear Mr. MacLaren:

I have just now been able to get the Lien and Subjugation Agreement signed, so within the very near future I will be sending you the signed papers and contract.

I wish to thank you for your assistance in obtaining this contract.

We will be looking forward to seeing you from time to time.

Yours very truly,
NORTHERN MILLING COMPANY, INC.

PR/b

Paul I. Raber, President

RECEIVED

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 9 1960

DATE	INITIALS	
9-9	gad	VVO
	~~Murphy~~	

Se. 157 Howard Street
Spokane 4, Washington
September 6, 1960

Mr. Paul Raber, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: OME-6082 (Lead-zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana

Dear Mr. Raber:

Enclosed are five copies of a revised Lien and Subordination Agreement for execution by the indicated interested parties. The Mountain Queen, Queen of the Park, and Alberta claims have been dropped from the list in accordance with our conversation at Spokane on August 18, 1960. Also enclosed are the original and four copies of a proposed exploration contract consisting of MME Form 50 (Short Form), Annex I (three pages), Exhibit "A" (three pages) and one map.

When the new agreements have been executed and if the proposed contract meets with your approval, please insert the starting date in Article 1, and sign all copies of the contract. Keep the copy marked "Operator's Copy" and return the other three copies to this office.

If the contract does not meet with your approval, please return all copies unsigned with your comments or any proposed changes.

Kindly note that the size of the drift and raise sections has been reduced as you requested.

The interest rate of 5-3/4 percent in Article 1(c) accrues from the dates on which individual payments are made by the Government and, like the principal, is repayable from royalty on production.

Sincerely,

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

Enclosures
cc: OME (2)
Docket
Dir's Reading File
Chrono File

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
9/2	Murphy	500
	[illegible]	500
9/2	[illegible]	130
"	Johnson	110
9/2	gad	220
		500

SEP 2 1960

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana

In accordance with our memorandum of August 23 and your teletype of August 31, 1960, enclosed are the original and four copies of the revised contract for exploration in the Marietta mine area, signed by the Acting Director. The contract consists of MME Form 50 (Short Form), Annex I (three pages), Exhibit A (three pages), and one map. Also, we are enclosing the revised Lien and Subordination Agreements for execution by the interested parties.

If the contract meets your and the Applicant's approval and the above-mentioned signed agreements have been attached, kindly insert the starting date in the contract form and have an authorized representative of the subject company sign the original and all copies. Thereafter, distribute the copies in the usual manner.

Please advise the Applicant that the interest rate of 5-3/4 percent in Article 1(c) of the contract accrues from the dates on which individual payments are made by the Government and like the principal is repayable from royalty on production.

Charles J. Lawrence

Enclosures

FMMurphy/gla
9-2-60
cc to: Director's Reading File
Review Committee
Docket
Chron

43683

EXPLORATION CONTRACT
NORTHERN MILLING COMPANY, INC.
OME-6082

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract, consists of ~~sixteen (16)~~ 13 mining claims situate in secs. 10, 11, 14, and 15, T. 7 N., R. 1 W., Broadwater County, Montana. The Claims are recorded in the land office records and the records of the County Clerk and Recorder of Broadwater County as follows:

Patented Mining Claims

Claims	Registered Number	Registered in Name of:
~~Mountain Queen~~	~~8221~~	Dance & Anders
Switzerland	4746	" "
Gold Dust	2824	" "
~~Queen of the Park~~	~~8222~~	~~" "~~
Marietta	8226	" "
New Era	4946	" "
Crowbar	4947	" "
Venezuela	5205	" "
Big Jack	10840	Albert Dance
Little Joe	10840	" "
Jack Smart	10840	" "
~~Alberta~~	~~10840~~	~~" "~~
Sitting Bull	10840	" "
Anna	10840	" "
Alice	10840	" "

ANNEX TO LIEN AND SUBORDINATION AGREEMENTS

Patented Mining Claims

Claims	Registered Number	Registered in Name of
~~Mountain Queen~~	~~8221~~	Dance & Anders
Switzerland	4746	" "
Gold Dust	2824	" "
~~Queen of the Park~~	~~8222~~	" "
Marietta	8226	" "
New Era	4946	" "
Crowbar	4947	" "
Venezuela	5205	" "
Big Jack	10840	Albert Dance
Little Joe	10840	" "
Jack Smart	10840	" "
~~Alberta~~	~~10840~~	" "
Sitting Bull	10840	" "
Anna	10840	" "
Alice	10840	" "

Unpatented Mining Claim

Claim	Book of Mines	Page	Registered in Name of:
Porcupine	20	223	Albert Dance

OFFICIAL FILE COPY
O M E
RECEIVED SEP 1 1960
DATE
9-1 gad
Murphy

XXXXXXXB007K

XDXXXXXXB008K

YWA154-WAS SP 17 I-GS-G

SPOKANE WASH 8-31-60 1415U

ACTING CHIEF, DIV. OF FIELD OPERATIONS OFFICE OF MINERAL EXPLORATION

DEPT. OF INTERIOR WASHN 25 D. C.

REURLET AUGUST 23, 1960, DOCKET #OME-6082(LEAD-ZINC) NORTHERN MILLING CO., INC, BROADWATER COUNTY, MONTANA, APPLICANT ADVISES HE WILL ACCEPT CHANGES YOU MENTIONED AND REQUEST RAISE SECTIONS BE SET AT 4 X 6 FEET. HE IS SURE DELETION OF 3 CLAIMS MENTIONED WILL RESULT IN OWNER SIGNING LIEN AND SUBORDINATION AGREEMENTS.

D. R. MCCLAREN

23 1960 OME-6082 4 X 6 3

VA 1418U

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/23	Griswold	500
8/23	Talbert	800
8/23	Lebright on leave	130
"	Johnson	110
8/23	gad	220
		500

AUG 23 1960

Memorandum

To: Acting Field Officer, Region I

From: ACTING Chief, Division of Field Operations

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana

This is to acknowledge receipt of your memorandum, dated August 19, 1960, and enclosures.

We agree that the Mountain Queen, Queen of the Park, and Alberta claims could be excluded from the proposed contract area as you recommend.

In drafting the proposed contract this office based its calculations on an advance of 5 feet per shift in the drifts, crosscuts, and raises instead of the 4 feet as estimated in your On-Site Examination Report; hence, using your basic figures, arrived at the $37.00 per foot figure. Except for small projects involving a small amount of drifting and crosscutting by operators whom we know have limited mining equipment and experience, we have never used less than 5 feet advance per shift as a basis for our cost calculations. Certainly in a project of the magnitude of the one in question, with the work to be done by an experienced company possessing adequate equipment, we would have no justification for lowering our standards.

With regard to the cross section of the drifts and crosscuts, we consider 5 x 7 feet in the clear of timber is a sufficient size for exploration work; therefore, we can substitute this size in the proposed contract if the Applicant so desires. Also, the cross section of the raises could be reduced to a smaller size.

Will you kindly discuss these matters with the Applicant and then advise this office if the contract will be acceptable after deletion of the three claims and reduction in size of the drifts, crosscuts, and raises.

/s/ W. R. Griswold

(2/2)

FMMurphy/gla
8/23/50
cc to: Director's Reading File
Review Committee
Docket
Chron

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/23	Murphy	500
	[illegible]	500
		800
		130
		110
		220
		500

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana

This is to acknowledge receipt of your memorandum, dated August 19, 1960, and enclosures.

We agree that the Mountain Queen, Queen of the Park, and Alberta claims could be excluded from the proposed contract area as you recommend.

In drafting the proposed contract this office based its calculations on an advance of 5 feet per shift in the drifts, crosscuts, and raises instead of the 4 feet as estimated in your On-Site Examination Report; hence, using your basic figures, arrived at the $37.00 per foot figure. Except for small projects involving a small amount of drifting and crosscutting by operators whom we know have limited mining equipment and experience, we have never used less than 5 feet advance per shift as a basis for our cost calculations. Certainly in a project of the magnitude of the one in question, with the work to be done by an experienced company possessing adequate equipment, we would have no justification for lowering our standards.

With regard to the cross section of the drifts and crosscuts, we consider 5 x 7 feet in the clear of timber is a sufficient size for exploration work; therefore, we can substitute this size in the proposed contract if the Applicant so desires. Also, the cross section of the raises could be reduced to a smaller size.

Will you kindly discuss these matters with the Applicant and then advise this office ~~with regard to such agreements that may be reached.~~ if the contract will be acceptable after deletion of the three claims and reduction in size of the drifts, crosscuts, and raises.

FMMurphy/gla
8-23-60
cc to: Director's Reading File
Review Committee
Docket
Chron

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 ward Street
Spokane 4, Washington
August 19, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 22 1960

DATE	INITIALS	CODE
8-22	gad	220
8/22	Murphy	500

Air Mail

Memorandum

To: Acting Director, OME

From: Acting Field Officer, Region I

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana

Enclosed are the original and four copies of a proposed contract, and five copies of Lien and Subordination Agreements, all unsigned, which Paul Raber, president of the subject company, left at the Spokane office August 18, 1960.

Mr. Raber insists that he could not drive a drift 5 x 7 feet in the clear of timber for $37 per foot, much less one 6 x 8 feet as specified under Exhibit A, General Provisions. He has had several oral bids to do the work on contract, ranging from $50 to $70 per foot, the latter bid from Scheff Bros. of Seattle. He believes that a fair price would be from $45 to $50 per foot as stated by his Consulting Engineer, W. R. Wade, in a telephone conversation with me which I reported in my memorandum of July 15, 1960. If it is desired, he will try to secure some written bids for this work. My opinion regarding drifting costs is given in my July 15 memorandum.

Mr. Raber has also had some difficulty getting Mrs. Jewell Dance to sign the Lien and Subordination Agreements. She could not understand why Crowbar, Sitting Bull, Little Joe, Anna, Alice, Queen of the Park, Alberta, and Mountain Queen should be included. I explained to Mr. Raber that if, as a result of the exploration, ore were found on the Little Annie vein, any or all of the first five of these claims, Crowbar through Alice, might benefit therefrom. I also pointed out that the Marietta vein and probably the Gold Dust vein crop out on the Queen of the Park and the Marietta crops out on the Mountain Queen. However, I could not make much of a case for including the Alberta. Mr. Raber pointed out that since the ore developed on presently known veins above the Marietta No. 5 level is excluded from royalty payments, benefits to the

Mountain Queen and Queen of the Park claims from exploration on the Mason Tunnel level are questionable and requests that those two claims and the Alberta be dropped from the Lien and Subordination Agreements. If any or all of these three claims can be dropped, he thinks he can satisfactorily explain the necessity of including all the other claims, to the inclusion of which Mrs. Dance objects.

I recommend that an increase in the proposed unit cost to $44.25 per foot for drifting and crosscutting and specification of a cross section of 5 x 7 feet in the clear of timber for drifts and crosscuts be approved and that at least the Roberta claim be deleted from the Lien and Subordination Agreements. Should it be deemed expedient, I also recommend that the Mountain Queen and Queen of the Park claims be deleted.

If these recommendations are approved, I believe the contract will be acceptable to the applicant and the Lien and Subordination Agreements to Mrs. Dance.

D.R. MacLaren

D. R. MacLaren

Enclosures

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 19 1960

DATE	INITIALS	
8-19	gad	rvo
	~~Murphy~~	~~500~~

So. 157 Howard Street
Spokane 4, Washington
August 15, 1960

Mr. Paul Raber, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana

Dear Mr. Raber:

On July 1, 1960, the original and four copies of a proposed OME contract were sent to you by the Acting Director. Also enclosed were revised Lien and Subordination Agreements for execution by the interested parties.

It was requested that when the new agreements had been executed and if the proposed contract met with your approval, you sign the contract forms and return all five copies to this office, advising us of the approximate date the work would be started.

It was further requested that, should the proposed contract not meet with your approval, you return all five copies, unsigned, to this office.

We have heard nothing further from you although W. R. Wade called the office twice. On each occasion the contract price for drifting and crosscutting was discussed, but Mr. Wade was unable to say whether or not you had been able to get the revised Lien and Subordination forms executed, nor could he say whether you would accept the proposed contract or request an increase in the allowable cost for drifting. He was advised that you are certainly under no obligation to accept an unsatisfactory contract but that we could give no assurance that the proposed rates would be changed as that is a decision that can only be made in Washington. However, we did assure him that once the contract had been accepted, there was little, if any, chance that the rates could be increased by subsequent amendment and that reimbursement could not be made for any work done prior to the effective date of the contract.

Your early attention to this matter would be greatly appreciated.

Sincerely yours,

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

cc: OME(2); DRF

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 15 1960

DATE	INITIALS	CODE
7-15	gad	VVO
~~7/18~~	~~Murphy~~	~~500~~

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

So. 157 Howard Street
Spokane 4, Washington
July 13, 1960

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana

Enclosed are two Thermofax copies of a self-explanatory letter from W. R. Wade.

Since receiving the enclosed letter I have talked to Mr. Wade on the telephone. He stated that he did not know whether or not Mr. Raber, who will return to the mine this weekend, will sign the contract as he does not see how a 6 x 8 drift can be driven for $37 per foot. He feels that a rate of $45 to $50 would be more equable in view of current union wage scales and prices.

Referring to the cost estimate in my examination report, I believe my figures are realistic. However, in view of the program change, the following items under "Operator Equipment" should be deleted:

Furnished by Applicant	Depreciation allowance
2 mine cars	$ 13.34
2 sump pumps	5.00
1 Ottawa hoist	66.67
Hoisting cable	5.83
Electric cable	66.67
	$157.51/mo
at 200 ft/mo	0.787/ft
	say $ 0.79

Thus, the total under recap per foot for crosscutting, drifting, and raising would be reduced to $44.23, say $44.25 per foot.

In the event that Mr. Raber does not sign the contract because of the proposed cost of $37 per foot, I recommend that an increase in the proposed cost be considered.

D. R. MacLaren

Enclosures

WILLIAM ROGERS WADE
CONSULTING MINING ENGINEER
AND GEOLOGIST
MARTINSDALE, MONTANA

July 12,1960

Mr.D. R. Maclaren
Acting Field Office
OME
So. 157 Howard St.
Spokane, Wash.

Re: OME 6082(Pb-Zn)
Northern Milling Co.
Marietta Mine
Townsend
Broadwater County
Montana

Dear Sir:

Mr. Raber is away and the Northern Milling Co. have forwarded the Marietta exploration contract to me to look over.

I just do not see how with wages and prices as high as they now are how the Northern Milling Co. can drive 900 feet of cross cutting and 1600 feet of drifting for $37.00 per foot.
I have been operating mines for over 50 years,some large and some small,some where we drove 5000 to 6000 feet of new development work a month and I think the cost estimate is much too low.

I had a tungsten loan in 1953 and the drifting was set at $35. per foot then. Prices of labor and supplies are now 50% higher or more.

Mr.Raber is going ahead full blast in the Mason tunnel.

I also note that the drifts are 6 x 8 ft. and the raises 4 x 8 ft. size. I have no objection to large drifts and raises. I like them but they a very large for the price of $37.00. per foot.

We expect Mr. Raber back soon and I think he will accept the contract if some more equitable cost agreement can be reached for the footage.

D would appreciate your giving me a call on the telephone.

With the best of personal regards, I remain,

Yours sincerely,

W.R.Wade
Consulting Engineer for
Northern Milling Co.

Via
air mail

Form 7
(8)

JUL 1 1960

OFFICIAL FILE COPY

Date	Surname	Code
6/30	Murphy	500
	Graves	500
	Fisher	800
6/30	GCS	130
7/1	Johnson	110
	Case	220
		500

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana

Enclosed are copies of a self-explanatory letter of this date to the subject Applicant.

Since you are presently on vacation, we are forwarding the proposed contract to the Applicant in order to expedite its processing. When the Applicant returns the instruments to you, please insert the starting date in the contract and forward all copies to Washington.

If you or the Applicant have any proposed changes in the contract, please return all copies, unsigned, with your comments for our consideration.

/s/ George C. Selfridge (265)

Enclosures

FMMurphy/gla
6-30-60
cc to: Director's Reading File
Review Committee
Harold Kirkemo, USGS
Docket
Chron

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/30	Murphy	500
	Howard	500
	Fisher	800
	Saber	140
6/30	Selfridge	130
		~~110~~
7/1	Cee	220
		500

JUL 1 1960

Mr. Paul Raber
President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana

Dear Mr. Raber:

In accordance with the telephone conversation on June 30, 1960, between you and Mr. George C. Selfridge, enclosed are the original and four copies of a proposed contract for exploration in the Marietta mine area. The contract consists of MME Form 50 (Short Form), Annex I (three pages), Exhibit "A" (three pages), and one map. As mentioned by Mr. Selfridge, we are also enclosing the revised Lien and Subordination Agreements for execution by the interested parties. The previously executed agreements are returned herewith.

When the new agreements have been executed and if the proposed contract meets your approval, kindly sign the contract forms and return all copies of the contract and agreements to Mr. D. R. MacLaren, Acting Field Officer, OME, Region I, South 157 Howard Street, Spokane 4, Washington. Also, advise Mr. MacLaren the approximate date the work under the contract can be initiated.

If the proposed contract does not meet with your approval, kindly return all copies, unsigned, to Mr. MacLaren with your comments on any proposed change.

Sincerely yours,

Frank E. Johnson (fjw)

Acting Director

Enclosures

Stage II description includes only drilling — Contract covers drilling and exploration.

FMMurphy/gla
6-30-60

cc to: Director's Reading File
Review Committee
Harold Kirkemo, USGS
Region I (2)
Docket Chron

43683

Government's Copy

MME Form 51
Feb. 1959

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME - 6082	Lead-Zinc	14-23-090-	Broadwater	Montana

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Northern Milling Company, Inc., a corporation organized in Montana,

whose mailing address is P. O. Box 361, Townsend, Montana, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 18 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ ~~93,500.00~~ 102,300.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $ ~~46,750.00~~ 51,150.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually at the rate of _____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

Interest of Vendors

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

Vendors of the land (see Annex I)

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the ~~XXXXXXXX~~ gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

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

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.

The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

See Annex I

Executed in quintuplicate the day and year first above written.

NORTHERN MILLING COMPANY, INC.
(Operator)

By

Title

THE UNITED STATES OF AMERICA

By

Acting Director, Office of Minerals Exploration

J. Lyal Dobbin
App'd. Sol. Off.

I, _____ (Name), certify that I am the _____ secretary of the corporation named as Operator herein; that _____ (Name), who signed this contract on behalf of the Operator, was then _____ (Title) 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]

INT.-DUP. SEC., WASH., D.C. 52375

EXPLORATION CONTRACT
NORTHERN MILLING COMPANY, INC.
OME-6082

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract, consists of sixteen (16) mining claims situate in secs. 10, 11, 14, and 15, T. 7 N., R. 1 W., Broadwater County, Montana. The Claims are recorded in the land office records and the records of the County Clerk and Recorder of Broadwater County as follows:

Patented Mining Claims

Claims	Registered Number	Registered in Name of
Mountain Queen	8221	Dance & Anders
Switzerland	4746	" "
Gold Dust	2824	" "
Queen of the Park	~~2822~~ 8222	" "
Marietta	~~2826~~ 8226	" "
New Era	4946	" "
Crowbar	4947	" "
Venezuela	5205	" "
Big Jack	10840	Albert Dance
Little Joe	10840	" "
Jack Smart	10840	" "
Alberta	10840	" "
Sitting Bull	10840	" "
Anna	10840	" "
Alice	10840	" "

Unpatented Mining Claim

Claim	Book of Mines	Page	Registered in Name of:
Porcupine	20	223	Albert Dance

The locations of the above-listed claims are shown on the map entitled, "Northern Milling Co., Marietta Mine, T. 7 N., R. 1 W., Broadwater County, Montana, Map 10 - etc.," attached hereto and made part hereof.

The Operator has rights to the above-listed claims under the terms of an "Agreement for Sale of Real Property," executed July 29, 1958, by Albert Dance and his wife, Jewell Dance, and by Harry Q. Anders and his wife, Kathryn Anders, as "Vendors," and by officers of Northern Milling Company as "Vendee."

Liens and Subordination Agreements relating to the above-listed claims and executed by the "Vendors" are attached hereto and made part hereof.

The Government's percentage royalty on production as stated in Article 6 of the contract ~~will apply only to production from elevations below~~ the Marietta No. 5 level (elevation approximately 7,145 feet) shown on Map 10 previously referred to in this Annex II.

will not apply to production from veins above the Marietta No. 5 level presently known on the property.

A special "Agreement Concerning Royalty" is added as follows:

> Notwithstanding the certification provisions of Article 6, and with no further action required on the part of the Government, the Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, or its successor, shall pay to the Government a royalty on any production from within the boundaries of the land described in Article 2 that is transported through any new workings to the cost of which the Government has contributed, or any portion of said workings, for the same period as is described in 6(b)(2) of the contract and pursuant to the terms of Article 6(c) et seq. However, in no event shall more than one royalty be due on or paid on the same production.

In the event that production from outside the boundaries of the land described in Article 2 is transported through the workings described above, and neither the Operator nor its successor has any interest in said production, the Government shall be paid by the Operator the fixed rate of 5 percent of the total transportation charges received by the Operator.

The raises shall be of a minimum size of 4x8 feet, in clear of timber and timbered as necessary.

EXPLORATION CONTRACT
NORTHERN MILLING COMPANY
OME-6082

EXHIBIT "A"

The ~~object~~ purpose of this project is to explore for the downward and lateral extensions of a series of lead-zinc-bearing veins by means of crosscutting ~~and~~ drifting, and raising, ore bodies in

General Provisions

The coordinates and bearings of the crosscuts and drifts referred to in Exhibit "A" of this contract are approximate and are with respect to those shown on Map 10 mentioned in Annex I. The extents of the crosscuts and drifts are shown in red color on this map.

The crosscuts and drifts ~~shall~~ be of a minimum size of 6 by 8 feet in the clear ~~of~~ timber and shall be timbered ~~or rock bolted~~ as necessary. All significantly mineralized areas encountered in the crosscutting ~~and~~ drifting and raising shall be sampled normal to their trends, at linear intervals of not more than 10 feet. Such samples shall be split; the Operator shall have one-half assayed for its lead, zinc, gold, or silver content as may appear desirable; and the other half shall be stored in a suitable container properly identified as to the location where it was procured. The stored samples are for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples.

Assay certificates of all samples shall be submitted with the Operator's monthly progress report, which shall also include a map or sketch showing the work completed during the reporting period and the locations where samples were procured and their assay values.

The Operator shall provide such technical services as may be required to complete the project in a satisfactory manner.

The locations, directions, and extents of all the project work are subject to Government approval.

The work shall be performed in two stages. The Operator shall perform all of Stage I work and as much of Stage II work as is approved in writing by the Government, in advance.

A minimum size of 6 by 8 inches, or equivalent round timber, shall be used for standard drifts and crosscuts.

Description of the Work

Stage I

Stage I shall consist of extending the Mason Tunnel about 200 feet from coordinates 9870N-10265E in a N. 5° E. direction to intersect the Gold Dust vein at about coordinates 10090N-10280E and then continuing the tunnel from this point in a N. 45° W. direction an estimated 700 feet to intersect (1) the Little Anne vein and (2) the Marietta vein.

If the above-estimated tunnel footages are not sufficient to intersect the veins named, then with prior written Government approval such footages required may be transferred from Stage II with a corresponding reduction in that stage. Conversely, any such footages not required in Stage I may be used in Stage II.

Stage II

Stage II shall consist of drifting about 400 feet along the Gold Dust vein, 200 feet along the Little Anne vein, and 1,000 feet along the Marietta vein. However, these distances are estimates and may be changed with prior written Government approval. (add insert ①)

Under this contract not more than 2,500 feet of crosscutting and drifting and not more than 200 feet of raising shall be performed. The Government will contribute to the costs of not to exceed 1,000 assay determinations.

Estimated Cost of Project

Fixed Unit Costs

2,500 feet of crosscutting and drifting @ $37.00/ft.	$92,500.00
1,000 determinations for the lead, zinc, gold, or silver content of samples, @ $1.00 for each metal	1,000.00
Total Estimated Cost of Project	$93,500.00
Government Participation @ 50%	$46,750.00

Timber! Raising A low bid

1/ includes cost of timbering.

200 lineal feet of

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/30	GCS	120
6/30	Jmason	110
6/30	Cal	220
7/1	Brian	500
7/1	Murphy	300

June 30, 1960

Memorandum

To: Acting Director, Office of Minerals Exploration

From: Chief, Division of Field Operations, OME

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company
Marietta Mine
Broadwater County, Montana

Mr. Paul Raber, of the Northern Milling Company, telephoned today to learn the status of its application. He had learned from the Spokane office that Mr. MacLaren was on vacation, and it had been his understanding that unless the contract were signed by June 30 the Company would have to submit a new application.

The writer informed him that this was not true, and that the processing of the application would be carried on. The writer also informed him that the application would probably come up for final consideration today, and that there were a couple of pending items regarding financial eligibility.

On questioning, Mr. Raber stated that the stockholders to whom the mill and equipment are committed had been willing to forego their claims if the banks were willing to accept the mill and equipment as collateral for a loan. The banks refused such collateral, stating that they knew nothing about a mill and equipment; and if they were induced to grant a loan, it would have to be on a percentage of the current smelter receipts. Thus, orally at least, collateral was offered to the banks which refused.

The writer also discussed the executed Subordination and Lien Agreements submitted with the application, stating that the forms were unacceptable as executed. The writer explained the OME policy, and Mr. Raber thought there would be no difficulty in getting new forms.

Mr. Raber informed the writer that they should reach the face of the Mason adit within a week. The writer informed him that as Mr. MacLaren was on vacation, we would probably send an unsigned proposed contract, if granted, directly to the Company. The writer also

informed Mr. Raber that if the Company were agreeable to the contract, the officials could sign and return it and start work under the contract at its own risk pending final execution by OME.

/s/ George C. Selfridge (2/6)

GCSelfridge/hb ~~(6-30-60)~~

Copy to: Docket (OME-6082)
Director's Reading File
G. C. Selfridge

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
June 21, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 23 1960

DATE	INITIALS	CODE
6/23	Cal	210
6/24	[illegible]	500

Air Mail

Memorandum

To: Chief, Division of Field Operations, OME

From: Acting Field Officer, Region I

Subject: OME-6082 (Lead-Zinc)
Northern Milling Co., Inc.
Marietta Mine
Broadwater County, Montana

Enclosed are two Thermofax copies of a letter dated June 20 from Paul I. Raber, president of the company, sending us the papers requested in your memorandum of June 8 as follows:

1. Three copies of a financial statement from Northern Milling Company, Inc., requested in the last paragraph of the Acting Director's letter of April 26 to Mr. Raber.

2. Five copies of Lien and Subordination Agreements executed by the claim owners covering the Alice, Little Joe, Crow Bar, Annie, Sitting Bull, Jack Smart, Queen of the Park, Mountain Queen, and Alberta claims.

3. Five copies of an acknowledgment by the claim owners that payment on the property, due July 1, 1960, has been delivered in escrow.

Two Thermofax copies of a letter dated June 13 from Mr. Raber stating that the alternate program proposed in your memorandum of June 8 would be acceptable was forwarded to you June 15.

D. R. MacLaren

D. R. MacLaren

Enclosures

June , 1960

Mr. Paul Raber, President
Northern Milling Company
P.O. Box 361
Townsend, Montana

Re: Docket No.OME-6082
Broadwater County, Montana

Dear Mr. Raber:

This will acknowledge your request for a statement from us, as the owners of the Marietta Mine, for your use in connection with the loan applied for from the office of Minerals Exploration, U.S. Department of Interior.

We do hereby certify that the next payment due on said property on July 1, 1960, pursuant to the agreement of the parties, has been delivered into escrow as of this date, and we acknowledge constructive receipt of said payment.

This statement has been prepared in compliance with the request of Mr. D. R. MacLaren, Acting Field Officer, O.M.E., Spokane, Washington, as contained in his letter of June 10, 1960, to your company. You are hereby authorized to transmit this statement to Mr. MacLaren as and for compliance with said request.

Yours very truly,

Jewell Dance
Jewell Dance, Individually

Jewell Dance
Jewell Dance, Executrix of the Last Will & Testament of Albert Dance, Dec'd.

Harry Q. Anders

Kathryn Anders
Kathryn Anders, his wife

June , 1960

Mr. Paul Raber, President
Northern Milling Company
P.O. Box 361
Townsend, Montana

Re: Docket No.OME-6082
Broadwater County, Montana

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Yours very truly,

Jewell Dance
Jewell Dance, Individually

Jewell Dance
Jewell Dance, Executrix of the Last Will & Testament of Albert Dance, Dec'd.

Harry Q. Anders

Kathryn Anders
Kathryn Anders, his wife

Inc(2)

NORTHERN MILLING COMPANY, Inc.
P. O. Box 361
Townsend, Montana
June 20th, 1960

U. S. DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration
South 157 Howard Street
Spokane 4, Washington

Att: Mr. D. R. MacLaren
Acting Field Officer
Region I

Dear Mr. MacLaren:

Please find enclosed three (3) copies of our Balance Sheet as of December 31st, 1959. This is the last balance sheet available.

You will also find enclosed the Lien and Subordination Agreements including the additional claims which you asked for as well as the signed statement from the property owners that the payment has been met.

I hope that everything meets with your approval.

Yours very truly,
NORTHERN MILLING COMPANY, INC.

Paul I. Raber, President

PIR/b
Enclosures

Has certified
JUN
Air mail

NORTHERN MILLING COMPANY, INC.
Townsend, Montana

BALANCE SHEET
December 31, 1959

ASSETS:

Bank - Dakota National Bank	$ 1,989.49	
Northern Montana State Bank	8,022.13	$ 10,011.62
Life Insurance Premiums		3,547.53
Costs Incurred to Determine the existence of Ore - Zortman		22,838.00
Mine Properties - Townsend		509,040.52
Mine Development - Townsend		4,000.00
Plant and Equipment	332,455.79	
Less Depreciation	37,308.30	295,147.49 ?
Other Assets		4,600.00
TOTAL ASSETS		$849,185.16

LIABILITIES:

Withholding and Payroll Taxes	$ 2,684.47
Accounts Payable - Trade	25,394.05
Mine - Zortman	948.28
Notes Payable - Bank	26,296.35
Contract Payable - Mine	425,000.00
Stockholders' Loans	584,983.39
Capital Stock	13,916.61
Deficit	(230,037.99)
TOTAL LIABILITIES AND CAPITAL	$ 849,185.16

Plant & equipment value shown on supporting statement totals only $234,957.74

If mine and mill are operating, why are inventories of ore and concentrates not listed?

Are stockholder's loans really such, or are they assumed to be stock, with possibly preference to future dividends?

NORTHERN MILLING COMPANY, INC.
Townsend, Montana

BUILDING AND EQUIPMENT
1958-1959

Slusher	$ 275.00
Chain Saw	264.41
Bus	1,425.00
Assay Equipment	1,000.00
Trammer	3,541.00
Jack Leg	210.00
Caterpillar (Foster)	700.00
Shovel	336.00
Lamps	158.02
Ore Cars - 2	475.00
Saw Motors	90.00
Air Compressor	525.00
Stove	100.00
100 HP Motor	400.00
Stoper - Used	350.00
Pumps	1,347.54
Jeep Pickup	800.00
Classifier	2,200.00
Distributor - Wade	825.00
Concentrate Tables	535.90
GMC Truck	3,057.74
Mill, Ball Mill	22,316.25
Hopper, Screen, Conveyor	1,308.10
Used Mill Equipment	3,130.00
Screen	140.54
Equipment - Dance	3,000.00
Wire Cable	1,532.53
Crusher	19,833.00
Shop Equipment - Herrig	2,500.00
Trailer - Zortman	4,166.60
Trailer - Townsend	7,185.00
Power Wagon	4,369.06
Power Line	6,600.00
Wrench	205.00
Mill Building	2,500.00
Steel Building	4,791.40
Building Material	4,385.78
Mill and Equipment	10,900.00
	$117,478.87

Building	$ 22,577.18
Equipment	88,301.69
Power Line	6,600.00
	234,957.74

DOCKET COPY

April 19, 1960

Office of Minerals Exploration

REPORT ON EXPLORATION ASSISTANCE APPLICATION

Applicant:
Northern Milling Company
Box 361
Townsend, Montana

OME-6082 (Lead-Zinc)
Date of Application: March 16, 1960
Date Received: April 11, 1960
Name of Property:
Marietta Mine
Broadwater County, Montana

Proposed Exploration and Estimated Costs

The Applicant proposes to explore for the downward extension of a series of known productive veins: The Little Annie that strikes about N 45° E and dips 25° to the northwest; the Gold Dust that strikes about N 35° E and dips 40° to the southeast; the Marietta that strikes about N 10° W and dips 20° to the southwest; and the Venezuela that parallels the Marietta but has a steeper dip. It is expected that at depth the Venezuela and Marietta will combine as one vein.

The ground to be subordinated lies below the Marietta fifth Level (elev. 7,145 feet).

The proposed work consists of rehabilitating the Mason Tunnell (elev. 6,945 feet), now about 1,580 feet in length, and from the end of the tunnel drive to cut the Gold Dust, Little Annie, and Marietta veins. Then drift and raise on these veins. The crosscutting, drifting, and raising is estimated at 4,236 feet.

SUMMARY OF COSTS

Labor, engineering,and employer's liability	$153,555.00
Supplies	100,125.00
Contingencies (unforeseen)	63,500.00
Rehabilitating Mason Tunnel	14,500.00
Power Line	1,200.00
Changing sump for mill pumps	1,000.00
New buildings	2,400.00
40 H.P. ventilation fan	1,000.00
Estimated Total Cost	$337,280.00

Cost per foot for crosscuts, drift and raises $76.19

Rehabilitation Mason Tunnel about $1.00/ft.

1. Financial Eligibility.

A. Bank letters of decline.

The Applicant submitted copies of its letters to three banks in the area requesting $400,000 for a 10-year period at four percent interest, the loans to be repaid by assigning five percent of the smelter returns from sale of ore discovered. Copies of the banks' letters turning down the request were also submitted.

Mr. Talbert reviewed the above-mentioned letters and suggested that the Applicant be requested to submit a financial statement showing its assets and liabilities.

2. Reviews:

By: Harold Kirkemo, USGS, in a memorandum dated April 15, 1960, recommends the application be referred to the field.

Mr. Kirkemo cites excerpts from a Geological Survey report (manuscript in review) and states that in view of the uncertainties of projecting lenticular, gently-dipping, faulted veins over a vertical range of nearly 300 feet, he suggests that a first stage of diamond drilling be considered prior to the work proposed by the Applicant. He also notes that the proposed work seems overly ambitious.

By: Division of Minerals:

(a) Judging from past work, the geological possibility of discovering additional ore at depth on the vein systems is excellent. However, this division agrees with Mr. Kirkemo that some prior diamond drilling should be done to ascertain whether or not the veins persist at depth, their mineral possibilities, and their dip and strike.

(b) The Applicant's proposed project is considered too large for the amount of ore that might be discovered. Also, the cost per foot of $76.19 for drifting, etc., is excessive. For example, the Defense Minerals Exploration Administration contract with Molybdenum Corporation of America (Docket-4568) allows $44.43 per foot for such work, moreover, in this contract the broken rock has to be transported about four times as far in most cases.

(c) The proposed work is based on projection of known dips and strikes of productive veins. However, as noted above, a check by a few diamond drill holes appears essential.

(d) The area is accessible at all times.

(e) The Applicant is presently exploiting the Marietta mine and is considered competent to carry out the proposed work.

(f) The Applicant has rights to the patented claims New Era 4946, Marietta 8226, Gold Dust 2824, Big Jack 10840, Switzerland 4746, Venezuela 5205, and unpatented Porcupine claim situated in secs. 10, 11, 14, and 15, T. 7 N., R. 1 W., under the terms of an Agreement for Sale of Real Property, entered into July 29, 1958.

3. Action:

Referred to Region I.

Fred M Murphy

Fred M. Murphy

FMMurphy:kb - April 21, 1960
Copy to: Director's reading file
Mr. Murphy
Chron.

DRAFT
6/17/60
FMMurphy/gla

MME Form 51
Feb. 1959

Docket copy

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
E - 6082	Lead-Zinc	14-23-090-	Broadwater	Montana

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Northern Milling Company, Inc., a corporation organized in Montana

whose mailing address is **P. O. Box 361, Townsend, Montana**, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within **18** months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $**93,500.00**. The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $**46,750.00** in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually at the rate of _____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

None

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

Vendors of the land

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the ~~Operator's~~ gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

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

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.

The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.

See Annex I

Executed in quintuplicate the day and year first above written.

NORTHERN MILLING COMPANY, INC.
(Operator)

By

Title

THE UNITED STATES OF AMERICA

By

Acting Director, Office of Minerals Exploration

I, _____ (Name), certify that I am the _____ secretary of the corporation named as Operator herein; that _____ (Name), who signed this contract on behalf of the Operator, was then _____ (Title) 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]

INT.-DUP. SEC., WASH., D.C. 52375

DRAFT
FMMurphy/gla
6-17-60

EXPLORATION CONTRACT
NORTHERN MILLING COMPANY, INC.
OME-6082

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract, consists of sixteen (16) mining claims situate in secs. 10, 11, 14, and 15, T. 7 N., R. 1 W., Broadwater County, Montana. The claims are recorded in the land office records and the records of the County Clerk and Recorder of Broadwater County as follows:

Patented Mining Claims

Claims	Registered Number	Registered in Name of
Mountain Queen	8221	Dance & Anders
Switzerland	4746	" "
Gold Dust	2824	" "
Queen of the Park	2822	" "
Marietta	2826	" "
New Era	4946	" "
Crowbar	4947	" "
Venezuela	5205	" "
Big Jack	10840	Albert Dance
Little Joe	10840	" "
Jack Smart	10840	" "
Alberta	10840	" "
Sitting Bull	10840	" "
Anna	10840	" "
Alice	10840	" "

Unpatented Mining Claim

Claim	Book of Mines	Page	Registered in Name of:
Porcupine	20	223	Albert Dance

The locations of the above-listed claims are shown on the map entitled, "Northern Milling Co., Marietta Mine, T. 7 N., R. 1 W., Broadwater County, Montana, Map 10 - etc.," attached hereto and made part hereof.

The Operator has rights to the above-listed claims under the terms of an "Agreement for Sale of Real Property," executed July 29, 1958, by Albert Dance and his wife, Jewell Dance, and by Harry Q. Anders and his wife, Kathryn Anders, as "Vendors," and by officers of Northern Milling Company as "Vendee."

A Lien and Subordination Agreements relating to the above-listed claims and executed by the "Vendors" is attached hereto and made part hereof.

The Government's percentage royalty on production as stated in Article 6 of the contract ~~shall~~ will apply only to production from elevations below the Marietta No. 5 Level (elevation approximately 7,145 feet) shown on Map 10 previously referred to in this Annex I.

A special "Agreement Concerning Royalty" is added as follows:

> Notwithstanding the certification provisions of Article 6, and with no further action required on the part of the Government, the Operator, as principal if the Operator is the producer, or as surety if the Operator

is not the producer, or its successor, shall pay to the Government a royalty on any production, regardless of origin, that is transported through any new workings to the cost of which the Government has contributed, or any portion of said workings, for the same period as is described in 6(b)(2) of the contract and pursuant to the temrs of Article 6(c) et seq. However, in no event shall more than one royalty be due on or paid on the same production.

In the event that production from outside the boundaries of the land described in Article 2 is transported through the workings described above, and neither the Operator nor its successor has any interest in said production, the Government shall be paid by the Operator the fixed rate of 5 percent of the total transportation charges received by the Operator.

DRAFT
6/17/60
FMMurphy/gla

EXPLORATION CONTRACT
NORTHERN MILLING COMPANY
OME-6082

EXHIBIT "A"

The object of this project is to explore for the downward and lateral extensions of a series of lead-zinc-bearing veins by means of crosscutting and drifting.

General Provisions

The coordinates and bearings of the crosscuts and drifts referred to in Exhibit "A" of this contract are approximate and are with respect to those shown on Map 10 mentioned in Annex I. The extent of the crosscuts and drift are shown in red color on this map.

The crosscuts and drifts shall be of a minimum size of 6 by 8 feet in the clear of timber and shall be timbered or rock bolted as necessary. All significantly mineralized areas encountered in the crosscutting and drifting shall be sampled normal to their trends, at linear intervals of not more than 10 feet. Such samples shall be split, the Operator shall have one-half assayed for its lead, zinc, gold, or silver content as may appear desirable; and the other half shall be sotred in a suitable container properly identified as to the location where it was procured. The stored samples are for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples.

Assay certificates of all samples shall be submitted with the Operator's monthly progress report, which shall also include a map or sketch showing the work completed during the reporting period and the locations where samples were procured and their assay values.

The Operator shall provide such technical services as may be required to complete the project in a satisfactory manner.

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

The work shall be performed in two stages. The Operator shall perform all of Stage I work and as much of Stage II work as is approved of in writing by the Government.

Description of the Work

Stage I

Stage I shall consist of extending the Mason Tunnel about 200 feet from coordinates 9870N-10265E in a N. 5° E. direction to intersect the Gold Dust vein at about coordinates 10090N-10280E and then continuing the tunnel from this point in a N. 45° W. direction an estimated 700 feet to intersect (1) the Little Anne vein and (2) the Marietta vein.

If the above-estimated tunnel footages are not sufficient to intersect the veins named, then with prior written Government approval such footages required and attendant costs, including assays of samples, may be transferred from Stage II with a corresponding reduction in that stage. Conversely, any such footages not required in Stage I may be used in Stage II.

Stage II

Stage II shall consist of drifting about 400 feet along the Gold Dust vein, 200 feet along the Little Anne vein, and 1,000 feet along the Marietta vein. However, these distances are estimates and may be changed with prior written Government approval.

Under this contract not more than 2,500 feet of crosscutting and drifting shall be performed. The Government will contribute to the costs of not to exceed 1,000 assay determinations.

Estimated Cost of Project

Fixed Unit Costs

2,500 feet of crosscutting and drifting @ $37.00/ft.	$92,500.00
1,000 determinations for the lead, zinc, gold, or silver content of samples, @ $1.00 for each metal	1,000.00
Total Estimated Cost of Project	$93,500.00
Government Participation @ 50%	$46,750.00

NAME OF AGENCY

ACCOUNTING CLASSIFICATION

THIS BLOCK FOR USE OF COMMUNICATIONS UNIT

PRECEDENCE

ACTION:

INFO.:

TYPE OF MESSAGE

☐ SINGLE ☐ BOOK

☐ MULTI-ADDRESS

SECURITY CLASSIFICATION

STANDARD FORM 14 REV. MARCH 15, 1957
GSA REGULATION 2-IX-203.04

TELEGRAPHIC MESSAGE

OFFICIAL BUSINESS
U. S. GOVERNMENT

MESSAGE TO BE TRANSMITTED (Use double spacing and all capital letters)

THIS COL. FOR AGENCY USE

START MESSAGE ADDRESS HERE

TELETYPE

JUNE 16, 1960
11:15 A.M.

MR. GEORGE C. SELFRIDGE, CHIEF
DIVISION OF FIELD OPERATIONS
OFFICE OF MINERALS EXPLORATION
DEPARTMENT OF THE INTERIOR
WASHINGTON 25, D. C.

RE. DOCKET NO. OME-6082, NORTHERN MILLING COMPANY WILL ACCEPT ALTERNATE PROPOSAL AND WILL ADD REQUIRED CLAIMS. LETTER OF ACCEPTANCE INADVERTENTLY SENT VIA REGULAR MAIL JUNE 15. LIEN AND SUBORDINATION AGREEMENTS AND FINANCIAL STATEMENT NOT YET RECEIVED.

SIGNED: D. R. MACLAREN
ACTING FIELD OFFICER, OME
REGION I

DO NOT TYPE MESSAGE BEYOND THIS LINE

Distribution:
Confirmation ✓
Docket
DRF
Chrono

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RECEIVED JUN 20 1960

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PAGE NO. | NO. OF PAGES

NAME AND TITLE OF ORIGINATOR (Type)

ORIGINATOR'S TEL. NO.

DATE AND TIME PREPARED

SECURITY CLASSIFICATION

I certify that this message is official business, is not personal, and is in the interest of the Government.

(Signature)

GPO : 1957 O-F—423399

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NORTHERN ROLLING COMPANY, INC.
P. O. Box 201
Townsend, Montana
June 13th, 1960

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. OME-0082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana

Dear Mr. MacLaren:

In reference to your letter of June 10th, 1960, we hereby accept your proposal and desire to proceed with the negotiation of the contract.

Yours very truly,
NORTHERN ROLLING COMPANY, INC.

PR/b

Paul J. Rover, President

Via
Air Mail

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PUBLIC BLDGS. SERVICE
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GEORGE C SELFRIDGE, CHIEF DIV OF FIELD OPERATIONS

OFC OF MINERALS EXPLORATION DEPT OF THE INTERIOR, WA

RE DOCKET NO. OME-6082. NORTHERN MILLING COMPANY WILL ACCEPT ~~AL~~ ALTERNATE ~~TERNATE~~ PROPOSAL AND WILL ADD REQUIRED CLAIMS. LETTER OF ACCEPTANCE INADVERTENTLY SENT VIA REGULAR MAIL JUNE 15. LIEN AND SUBORDINATION AGREEMENTS AND FINANCIAL STATEMENT NOT YET RECEIVED.

DR. R. MAC LAREN, ACTG FIELD OFFICER, REGION I

OME-6082 15

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FIRST WD LI 2 SHD RED ALTERNATE RPT ALTERNATE

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O. M. E.
RECEIVED JUN 13 1960

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	Murphy	~~vvo~~

So. 157 Howard Street
Spokane 4, Washington
June 10, 1960

Air Mail

Mr. Paul Raber, President
Northern Milling Co.
Box 361
Townsend, Montana

Re: Docket No. OME-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana

Dear Mr. Raber:

The proposed raise from the Mason Tunnel level to the No. 5 level on the Gold Dust vein could be considered development work, and the proposed 700-foot winze from the No. 5 level on the Marietta vein is not considered pure exploration. The latter work could be done better by underhand stoping within economic limits.

Our Washington office has suggested the following alternate proposal for your consideration. Please refer to Map No. 10, also marked 3 C-A, which accompanied your original application.

1. Extend the Mason Tunnel about 200 feet from coordinates 9870N 10265E in a N. 5° E. direction to intersect the Gold Dust vein at coordinates 10090N - 10280E.

2. With prior Government approval, drift along the Gold Dust vein a maximum of 400 feet.

3. Crosscut N. 45° W. about 700 feet from coordinates 10090N - 10280E to intersect (1) the Little Anne vein and (2) the Marietta vein.

4. With prior Government approval, drift about 200 feet on Little Anne vein and about 600 feet on Marietta vein.

5. With prior Government approval, the drift footages could be transferred between veins or used to explore for hanging wall or footwall vein structures along the vein systems.

If you agree to the above proposal, new Lien and Subordination Agreements executed by the owners will be necessary. In addition to the New Era, Marietta, Gold Dust, Big Jack, Switzerland,

Venezuela, and Porcupine claims listed in the agreement already submitted, the following nine claims should be included:

Alice	Jack Smart
Annie	Queen of the Park
Little Joe	Mountain Queen
Sitting Bull	Alberta
Crow Bar	

For this purpose, we are enclosing six copies of MME Form 32, Lien and Subordination Agreements, five of which should be sent to this office. They need not accompany your reply, but we must have them in time for processing in Washington before a contract can be sent to you.

We will also require proof that the next payment on the property has been met or that such payment is waived by the property owners. A simple receipt or statement signed by the owners will fill this requirement.

It will also be necessary for you to submit the financial statement mentioned in the last paragraph of the Acting Director's letter of April 16, 1960, addressed to you.

We will appreciate hearing from you as soon as possible. Meanwhile a draft of the proposed contract as outlined above will be prepared with the thought that it may be possible to execute it before July 1, 1960.

Sincerely yours,

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

Enclosures

cc: OME(2)
DRF

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/8	Murphy	500
	Beverly	500
6/8	[illegible]	130
6/8	on leave	110
6/8	gad	220
		500

JUN 8 1960

Memorandum

AIR MAIL

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6082 (Lead-Zinc)
Northern Milling Co.
Marietta Mine
Broadwater County, Montana

Your examination report, dated May 21, 1960, and the Applicant's amended application, dated May 17, 1960, have been reviewed.

With reference to your recommendations, the raise from the Mason Tunnel level to the No. 5 Level on the Gold Dust vein could be considered development work; also, the 700-foot winze from the No. 5 Level on the Marietta vein is not considered pure exploration. The latter work could be better done by underhand stoping within economic limits.

It is suggested that the following alternate proposal be presented to the Applicant:

(Note: The coordinates and bearings of the crosscuts referred to below are approximate and are with respect to those shown on Map No. 10 submitted with the application.)

1. Extend the Mason Tunnel about 200 feet from coordinates 9870N - 10265E in a N. 5° E. direction to intersect the Gold Dust vein at coordinates 10090N - 10280E.

2. With prior Government approval, drift along the Gold Dust vein a maximum of 400 feet.

3. Crosscut N. 45° W. about 700 feet from coordinates 10090N - 10280E to intersect (1) the Little Anne vein and (2) the Marietta vein.

4. With prior Government approval, drift about 200 feet on Little Anne vein and about 600 feet on Marietta vein.

5. With prior Government approval, the drift footages could be transferred between veins or used to explore for hanging wall or footwall vein structures along the vein systems.

43683

If the Applicant agrees to the above proposal, we will require the following:

1. New Lien and Subordination Agreements executed by the owners. In addition to the New Era, Marietta, Gold Dust, Big Jack, Switzerland, Venezuela, and Porcupine claims, listed in the agreements submitted, the following claims should be included: Alice, Anna, Little Joe, Sitting Bull, Crow Bar, Jack Smart, Queen of the Park, Mountain Queen, and Alberta.

2. Proof that the next payment on the property has been met or that such payment is waived by the property owners.

Will you kindly endeavor to obtain the above data as soon as possible. In the meantime, we will prepare a draft of the proposed contract as outlined above, with the thought that it may be possible to execute it in the present fiscal year.

/s/ George C. Selfridge (GCS)

FMMurphy/gla
6-8-60
cc to: Director's Reading File
Review Committee
Docket
Chron

P. S. The Applicant should also be requested to submit the financial statement mentioned in the last paragraph of the Acting Director's letter of April 26, 1960, to Mr. Paul Raber, president of the company.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
June 3, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 6 1960

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Memorandum

To: Chief, Division of Field Operations, OME

From: Acting Field Officer, Region I

Subject: OME-6082 (Lead-Zinc)
Northern Milling Co.
Marietta Mine
Broadwater County, Montana

Enclosed are two copies of an amended application from the subject applicant. The proposed changes are the result of discussions with the applicant and his consulting engineer before, during, and after the examination of the property.

Also enclosed are three copies of my examination report and recommendations. I have recommended a program which I believe to be justified in order to explore fully the indicated target areas. Possibly a less extensive program could be worked out but only at the expense of doing an incomplete job. I do not know whether the applicant would find a lesser program acceptable.

D. R. MacLaren
MLS
D. R. MacLaren

Enclosures

RECOMMEND.

See amended application, dated May 17, 1960, filed with application (left-hand side of docket)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
May 21, 1960

Memorandum

To: Chief, Division of Field Operations, OME

From: Acting Field Officer, Region I

Subject: Field examination report, Docket No. OME-6082 (Lead-Zinc), Northern Milling Company, Marietta Mine, Broadwater County, Montana

INTRODUCTION, CONCLUSIONS, AND RECOMMENDATIONS

Northern Milling Company applied for OME assistance to explore for lead-zinc ore in the Marietta mine, Broadwater County, Montana, by rehabilitating 1,580 feet of crosscut, driving 3,800 feet of drifts and crosscuts, and raising 436 feet at a total estimated cost of $337,280, of which the Government's share would be 50 percent or $168,640.

The property was examined May 5, in the company of Paul Raber, President and Manager, Edward Wieglenda, Mine Superintendent, and Peter Sweeney, Geologist. About 3 hours were spent underground inspecting the No. 4 and No. 5 levels and some of the intervening stopes. The project and costs were discussed with Mr. Raber in the evening of May 4 and again with Mr. Raber and William Rogers Wade, consultant for the company, in the mine office after the underground examination and that evening in Townsend. As a result of the examination and conferences, the applicant submitted an amended application which was received May 23.

It is concluded that the chance of making a significant discovery of lead ore is good and a modified program in two stages which may be carried out simultaneously is recommended.

LOCATION AND ACCESSIBILITY

The property is in secs. 10, 11, 14, and 15, T. 7 N., R. 1 W., P.M. about 15 miles by road from Townsend, Montana. It may be reached from Townsend by proceeding 1 mile northerly from town

on U. S. Highway 10 N, thence turn left just after crossing a concrete bridge and following a gravel surfaced road about 14 miles up Indian Creek Canyon to the mine. The roads can be kept open for year-round operation.

PROPERTY

Of the 20 patented and 17 unpatented claims which the company controls by purchase agreement, copies of which accompany the application, only the following 8 claims will benefit from the project: ?

Patented

Switzerland ✓	Registered No. 4746
Gold Dust ✓	" No. 2824
Marietta ✓	" No. 8226
New Era ✓	" No. 4946
Venezuela ✓	" No. 5203
Big Jack ✓	" No. 10840
Jack Smart	" No. 10840

Unpatented

Porcupine	Book 20	Page 223

In the area to be explored about 12,500 feet of drift and crosscut have been driven on 4 main levels and 1 intermediate level, developing the Marietta, the Gold Dust, and the Blue veins. The Mason Tunnel, about 300 feet below the lowest working level, includes 1,693 feet of crosscut. The ground stands well and very little timber has been necessary to hold either the levels or the stopes.

A flotation mill of 200 tons per day capacity is currently milling ore being stoped on the Marietta vein from the No. 4 and No. 5 levels. The mill is located at the portal of the No. 5 level.

There is sufficient timber on the property for mine requirements. Water for the mill is presently taken from the Mason Tunnel where a 3-foot dam has been installed near the portal.

GEOLOGY

General

The geology of the area is described in "Geology and Mineral Deposits, East Flank of the Elkhorn Mountains," Broadwater County, Montana, by R. A. Weeks, M. R. Klepper, V. L. Freeman, and E. T. Ruppel, U. S. Geological Survey (manuscript in review). The rocks in the area comprise the lower member of the Elkhorn Mountains volcanic series. They are mainly pyroclastic rocks that have been mapped as andesite; chemically they are chiefly rhyodacite and rhyobasalt according to Weeks. The andesite has been moderately folded, faulted, and intruded by small stocks that range in composition from granitic to gabbroic. The pyroclastics are Cretaceous in age and the intrusives are late Cretaceous.

Veins contain varying amounts of pyrite, galena, sphalerite, arsenopyrite, chalcopyrite, and tetrahedrite with values in gold and silver. Gangue minerals are quartz ankerite, siderite, calcite, and dolomite. For the most part the veins are replacements and partly banded fracture fillings in silicified, sericitized, clay-altered, and pyritized rock, typically consisting of broken altered rock laced with lenses and stringers of sulfides, gangue minerals and gouge. In places the veins are clean cut fracture fillings with little or no gouge. They range to as much as several feet thick and a few thousand feet long, and have been exploited over a vertical range of 600 to 700 feet.

Local

The Marietta mine is in an area of andesite tuffs that are intruded by a few small bodies of diorite porphyry. The one closest to the mine workings is a few hundred yards to the west, according to the applicant. As there was about 2-3 feet of snow on the surface its exact location could not be checked. Weeks reports similar intrusive igneous rock on the Venezuela claim and states that the volcanic rocks in the vicinity are slightly metamorphosed, suggesting that an intrusive body of appreciable size may underlie the area at no great depth.

On the property there are at least four veins from which ore has been mined, the Marietta, the Gold Dust, the Little Annie(?), and the Blue veins. The Marietta and the Blue veins are in a northerly trending shear zone and the Gold Dust and Little Annie veins are in an easterly trending shear zone. The veins contain pyrite, galena, sphalerite, arsenopyrite, and small amounts of chalcopyrite. Gold occurs in combination with the pyrite and arsenopyrite and also, according to tests conducted by William R. Wade, Consulting Engineer, as free gold in micro-fractures in those two minerals. Gangue minerals are quartz and carbonate probably ankerite or siderite.

The veins range in thickness from a few inches to as much as 6 feet, and are mainly fracture fillings, in part banded. The Marietta vein has been developed for a horizontal distance of about 1,000 feet and a vertical distance of more than 300 feet. The stopable area on the Marietta vein is about 340 feet long through a vertical distance of more than 230 feet. The vein has an average dip of about 25° so the stoped height in the plane of the vein is about 500 feet. Based on the widths of 80 samples taken by the applicant, 45 on the No. 5 level and 35 on the No. 4 level, the ore zone has an average width of about 4 feet. About half of the area has been stoped and much of the remaining ground appears to be of minable grade.

On the basis of only about 200 tons shipped by Al Dance in 1934 and 1936 (see "shipping records" included with the application) the average grade is 1.95 ounces gold and 6.35 ounces silver per ton, 2.95 percent lead, and 2.15 percent zinc. I took only 2 check samples, one a chip sample over 2 feet of vein on the No. 5 level and the other a chip sample over 4 feet of vein in a stope just below the No. 4 level. The assays were:

Sample OM No.	Width (feet)	Au (oz/T)	Ag (oz/T)	Pb (percent)	Zn (percent)
1	2	0.76	3.8	2.5	0.5
2	4	0.22	2.5	3.0	Tr
Av.	3	0.40	2.9	2.8	

Because of the spotty occurrence of the values the bulk samples represented by the assays of the ore shipped might give a much closer picture of the grade that could be expected. About half of the ore shipped came from above the No. 4 level which is at about the lower limit of oxidation which might account for the lower gold and silver values.

The Gold Dust vein has been developed over a horizontal distance of about 500 feet and a vertical distance of about 76 feet. On the basis of 29.6 tons shipped by Kemper and Williams in 1931 and by Dance in 1941 (see "shipping records" with application) ore on the Gold Dust vein has an average value of 1.29 ounces gold and 10.5 ounces silver per ton, 11.4 percent lead, and 3.2 percent zinc. Five samples of this vein cut on the No. 5 level by the applicant assayed:

Sample	Width (feet)	Au (oz/T)	Ag (oz/T)	Pb (percent)
1	1.0	0.97	12.9	13.0
2	2.0	1.18	7.9	7.8
3	2.0	0.64	5.6	4.2
4	2.0	0.34	3.5	3.2
5	1.6	0.33	4.8	3.2
Av.	20.8	0.76	6.33	5.62

The lower limit of oxidation on the Gold Dust vein appears to be about at the No. 5 level.

The Little Annie vein crops out about 1,750 feet almost due east of the portal of the No. 4 level. The vein strikes about N. 54° E. and dips about 25° NW. It has been explored to a vertical depth of about 200 feet by an incline shaft about 480 feet long. The shaft was inaccessible when the examination was made, but it is reported that no drifts have been driven. Three hundred fifty-six tons of ore shipped had an average grade of 0.99 ounce gold and 8.24 ounces silver per ton, and 3.38 percent lead. No other assays from the Little Annie are available.

DISCUSSION OF THE APPLICANT'S PROPOSAL

The applicant originally proposed to rehabilitate the Manco Tunnel, about 300 feet vertically below the No. 5 level, the lowest working level on the property, by cleaning out the tunnel and installing about 1,700 feet of track and air and water lines, and from the face of the tunnel, to explore the downward extension of the Gold Dust, Marietta, and Little Annie veins by crosscutting, drifting, and raising a total of 4,236 feet at an estimated total cost of $337,280.

The applicant was advised that in no event would OMI consider a rehabilitation item costing $21,100, as indicated under item 5(a) of the application. He was also asked to consider diamond drilling the target area of the Marietta vein before incurring the cost of crosscutting and drifting some 1,600 feet to the projected ore zone. As the Little Annie and the Gold Dust veins must cross before reaching their projected positions, the advisability of two or three diamond drill holes in that area was also discussed.

The applicant feels very strongly that the installation of track and air and water lines in the Mason Tunnel is necessary to explore the Gold Dust and Little Annie veins at that horizon and therefore should be an allowed cost. However, he agreed to rehabilitate the Mason Tunnel at his sole expense but was not in favor of any diamond drilling. His prime objection was that because of the nature of the ore occurrence it would be quite possible for the holes to indicate material of a grade either much higher or much lower than the true average. This could very well be. He proposed instead to eliminate crosscutting to and drifting on the Marietta vein from the Mason Tunnel and in lieu thereof, to sink on the ore from the No. 5 level to the level of the Mason Tunnel, and drift north and south from the bottom of the winze. This would explore the Marietta for an additional vertical distance of 300 feet or, in the plane of the vein, for a distance of about 700 feet, if the average dip of 25° holds. An added advantage of exploring down dip with a winze is that if the vein should pinch out its lower limit will be established. Should this be 200 feet or more below the No. 5 level, measured in the plane of the vein, drifting from that point should be considered as exploration.

The amended application proposes to explore the Gold Dust veins by crosscutting and drifting and raising a total of 936 feet. He proposes to explore the Marietta vein by sinking a 670-foot two-compartment winze in ore, starting on the No. 5 level and drifting 600 feet from the bottom of the winze. He does not propose at this time any work to explore the Little Annie.

The total distance involved in the applicant's projection of the Little Annie from its known location on the surface and in the winze is rather far, and it is questionable whether it crosses the Gold Dust vein as the applicant believes. The applicant, in lieu of diamond drilling in this area prefers to extend the northeasterly crosscut to the Gold Dust vein drift easterly along the vein and raise in a promising area to the No. 5 level. If the raise indicates that the Little Annie does indeed cross the Gold Dust and shows encouraging mineralization, then a crosscut could be driven followed by drifting on the Little Annie.

RECOMMENDED PROGRAM

Based on the proposals in the original and the amended applications, and discussion with the applicant, a two-stage program is recommended as follows, Stage II to have the prior approval of the Government (pl. 2):

Stage I

Mason Level

1. Extend the northeasterly crosscut to the Gold Dust vein and drift on the Gold Dust vein a combined total of 400 feet.

2. Raise on the Gold Dust vein at location mutually agreed upon by the operator and the Government to the intersection of the Gold Dust and Little Annie veins--not to exceed 150 feet of raising.

3. Continue drifting easterly on the Gold Dust vein, if prior drifting has been encouraging, not to exceed 300 feet.

No. 5 Level

4. From the approximate location shown on plate 2 winze on the Marietta vein an inclined distance of 700 feet or to the bottom of the ore, whichever comes first. If the ore extends the full inclined distance of 700 feet, drift 200 feet northerly and 200 feet southerly from near the bottom of the winze. If the ore does not continue for the 700 feet but does continue for at least 200 feet, the drifting may be done above the Mason level with the prior approval of the Government. ?

Stage II

Mason Level

If the raise on the Gold Dust vein shows that the Little Annie vein crosses it and shows encouraging mineralization, crosscut to and drift on the Little Annie vein a combined total of 700 feet.

TIME ESTIMATE

It is estimated that the rate of advance and cost per foot for raising will be about the same as that for drifting and crosscutting and will be 4 feet per shift, 2 shifts per day, 25 days per month or 200 feet per month. The time required for the various items of work is:

Gold Dust vein:	
Total crosscutting, drifting, and raising	850 feet
Marietta vein:	
500 level back drift to pocket	85 "
Drift from bottom of winze	400 "
Little Annie vein:	
Total crosscutting and drifting	700 "
Total drifting, crosscutting, and raising	2,035 feet

At an estimated rate of advance of 200 feet per month it will require 10.17 months to complete the drifting.

The estimated rate of advance in the winze, including mucking, timbering, advancing pipe, rails, etc., is 2.5 feet per shift, 2 shifts per day, 25 days per month or 125 feet per month. The time required to complete the winzing will be 5.6 months.

Allowing for delays, it is estimated that the project can be completed within 12 months.

COST ESTIMATE

The applicant's estimated cost per foot for crosscutting, drifting, and raising, including all equipment, is $79.76 in the original application; in the amended application it is $65.50. Both of these estimates are too high. In the amended application his estimate of $1,250 for cutting a 24'x12'x7.5' hoist station (2,160 cubic feet at $0.58 per cubic foot) is in line with similar work allowed Clayton Silver Mines (Docket No. DMEA-4639, Contract No. I6m-I1108). His estimate of costs for widening around collar, back drift to loading pocket ($34.41 per foot compared to my estimate of $45 per foot for drifting), cutting pocket and installing chute, widening raise and installations appear to be reasonable. His cost per foot for winzing, $139.75 dry or $159.57 if pumping is necessary, also compare well with the allowed cost for the Clayton Silver shaft sinking which was $149 per foot. The Clayton costs

were based on 1957 prices and wages, so $159 per foot for sinking would probably be realistic.

The following estimate is for crosscutting, drifting, and raising costs and is based on an assumed average rate of advance of 4 feet per shift, 2 shifts per day, 25 days per month; an average rock section for drifts and crosscuts of 5x7 and of a 2-compartment raise 5x9. Little timber has been necessary in the stopes and on the No. 4 and No. 5 levels. Miners should be able to install the necessary timber, track, and pipe as work progresses; one helper will assist motorman and miners where needed.

Labor and supervision - per 4-foot shift

2 miners at $2.50/hr. - $20/shift	$ 40.00	
1 motorman at $2.50/hr. - $20/shift	~~20.00~~	
1 helper at $2.25/hr. - $18/shift	18.00	6.00
1/2 shift boss at $650/mo.	13.00	26.00
	$ 91.00	72.00
FICA and other insurance at 20%	18.20	14.40
	$109.20	86.40
		21.60
	or $ 27.30/ft.	

Supplies - per 4-foot round

Powder 30 lbs. at $25/100 lbs.	$ 7.50
Caps, 14 at $0.03	0.42
Fuse, 112 ft. at $0.02	2.24
Bits, 300 ft./bit at $20 - 75 ft./round	5.00
Steel, 1 steel replaced/300 ft. at $16 - 75 ft./round	4.00
Rail, 24# plus fish plates, bolts, spikes at $1.60/ft. (discount at 50% - no salvage)	3.20

Supplies - per 4-foot round (cont'd.)

Ties, 4x6x36 3 ea. at $0.40	$ 1.20
Gas, oil, diesel fuel	8.00
Air pipe and fittings, 2" at $1/ft. (discount at 50% - no salvage)	2.00
Water pipe and fittings 1" at $0.40/ft. (discount at 50% - no salvage)	0.80
Repair parts at $1/ft.	4.00
Ventube 16" at $1.50/ft.	6.00
Timber at $0.70/ft.	2.80
Total	$47.16
	or $11.79/ft.

Engineering and consulting

Engineer and helper (surveying, sampling, etc.) 5 days/mo. at $1,000/mo.	$200.00
Consulting engineer-geologist 3 days/mo. at $100/day	300.00
	$500.00/mo.
	at 200 ft./mo. $ 2.50/ft.

OPERATING EQUIPMENT

Much of the operating equipment will be furnished by the applicant, but some items will have to be bought. In the amended application there is listed one rental item, a compressor at $10 per day. This will be for drifting on the Mason Tunnel level, a possible maximum of 1,750 feet if the Little Annie work is authorized. At 200 feet per month, the work will require 8.75 months, say 9 months or 270 days. Thus, the rental would total $2,700. A 400-cubic foot compressor could be bought for about $8,000 or about 3 times the rental. The applicant will need all other purchased items after completion of the contract and therefore they are listed as furnished by the applicant and he will be allowed the usual 6-year

5

amortization rate. Estimates of the value of most of the items have been secured from suppliers in Spokane and checked with the Bureau of Mines and two local consulting engineers. In the case of a few items the applicant's estimate has been accepted.

Furnished by applicant	Estimated cost or value	Depreciation allowance
2 jackhammers	$1,800	$ 30.00
2 jackleg drills	2,120	35.33
1 Eimco mucking machine	2,200	36.67
8 mine cars, used, at $200/car	1,600	26.67
1 Kaucha 5T electric trammer	2,000	33.33
2 batteries (1 new, 1 used)	1,500	25.00
1 Eartner electric battery charger	1,000	16.67
2 blowers, used	800	13.33
1 - 20 hp pump	500	8.33
2 sump pumps at $150	300	5.00
1 - 75 hp single drum Ottawa hoist with motor (used)	4,000	66.67
Hoisting cable, 19 wire, 7 strand, 3/4"	350	5.83
Electric cable	4,000	66.67
Transformer, etc.	600	10.00
		~~$379.50/mo.~~ $235.33
	at 200 ft./mo.	~~1.89/ft.~~ $1.17
Rented		
1 - 400 cu.ft. compressor - 270 days at $10/day		$2,700.00
	at 1,750 ft.	1.54/ft.

not included in rates or circuits

Recap. per foot for crosscutting, drifting, and raising:

Labor and supervision	$27.30	21.50
Supplies	11.79	11.79
Operating equipment supplied by applicant	1.89	1.17
Operating equipment rented	1.54	1.54
Engineering and consulting	2.50	1.00
Total	$45.02/ft.	$37.00
	say $45.00	

ACTUAL COST

Assaying - 100 determinations for:

Lead at	$1.50	
Zinc at	1.50	
Gold and silver at	2.00	
	$5.00	$500.00

1000 @ $1.00

COST OF RECOMMENDED WORK

Stage I

1.	Crosscutting to and drifting on Gold Dust vein 400 ft. at $45/ft.	$ 18,000.00
2.	Raising on Gold Dust vein 150 ft. at $45/ft.	6,750.00
3.	Additional drifting on Gold Dust vein 300 ft. at $45	13,500.00
4.	Cut hoisting station on Marietta vein, No. 5 level 2,160 cu.ft. at $0.58/cu.ft.	1,252.80
5.	Widening around winze collar	350.00
6.	Cut pocket and install arc gate chute	500.00
7.	Widening and straightening raise, install track, skeave wheel, etc.	1,500.00
8.	Sink 11x7½, 2-compartment winze complete 700 ft. at $159/ft.	111,300.00
9.	Back drift 85 ft. to pocket on No. 5 level	2,925.00
10.	Drift 400 ft. from bottom of shaft at $45/ft.	18,000.00
11.	Assaying 100 samples for lead, zinc, gold, and silver	500.00
	Total - Stage I	$173,477.80

Stage II

1.	Crosscut to and drift on Little Annie vein 700 ft. at $45/ft.	$31,500.00
2.	Assaying - any funds remaining from Stage I	--
	Total - Stage II	$31,500.00

Stage I	$175,477.80
Stage II	31,500.00
Total cost of project	$206,977.80
Government's share	$103,488.40

Enclosures
Distribution:
OMK(3)
(SRO)
Docket
MacLaren

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/25	Murphy	500
4/25	Talbot	500
4/26	Tyrrell	800
4/26	Selfridge	130
		110
4/26	gad	220
		500

APR 26 1960

Mr. Paul Raber
President
Northern Milling Co.
Box 361
Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Northern Milling Co.
Marietta Mine
Broadwater County, Montana

Dear Mr. Raber:

The application for assistance in exploring your property has been reviewed by the Division of Minerals of the Office of Minerals Exploration, and referred to Mr. D. R. MacLaren, Acting Field Officer, Region I, Office of Minerals Exploration, South 157 Howard Street, Spokane 4, Washington.

The Regional Office will contact you in regard to your proposed project if additional information is required.

Your letters to the banks request a loan of $400,000.00, although your estimated cost of the proposed exploration work is only $337,280.00. You also did not indicate what collateral, if any, was offered as security for the loan. Therefore, in order to help clarify your financial position, please furnish this office with a copy of your company's latest financial statement showing its assets and liabilities.

Sincerely yours,

Frank E. Johnson

Acting Director

FMMurphy/FEJohnson/gla
4-25-60
cc to: Director's Reading File
Review Committee
Region I (2)
Docket
Chron
Mr. Murphy

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/22	Murphy	500
4/	Griswold	500
4/	Talbut	800
4/26	GCS	130
"	Johnson	110
4-26	gad	220
		500

APR 26 1960

Memorandum

To: Mr. D. R. MacLaren, Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6082 (Lead-Zinc)
Northern Milling Co.
Marietta Mine
Broadwater County, Montana

The captioned application is referred to Region I for review, a field examination if deemed advisable, and recommendations.

Enclosed are copies of a memorandum, dated April 15, 1960, by Harold Kirkemo, USGS, containing pertinent data and recommendations relating to the application. Also enclosed for the use of the Field Officer is one extra copy of the application.

As noted by Mr. Kirkemo, the proposed project appears ambitious in view of the size of the vein systems to be explored. Moreover, the Applicant's cost estimates are excessive in relation to our past experience for similar work.

We agree with you that exclusion of the ground above the Marietta is reasonable. However, the provision relating to "ore found and explored" stated on the Lien and Subordination Agreements is not acceptable the Government. In the event a contract appears to be in order, we will request the necessary changes in the agreements.

/S/ George C. Selfridge

Enclosures

FMMurphy/gla
4-22-60
cc to: Director's Reading File
Review Committee
Docket
Chron
Code 500

P. S. Regarding the proposed reopening of the Mason adit, which the Applicant estimates would cost $21,100.00, in no event would we consider a rehabilitation item of any such magnitude.

OFFICIAL FILE COPY
IN REPLY REFER TO:
RECEIVED APR 15 1960

DATE	INITIALS	CODE
4-15	gad	VVO
~~4-18~~	~~Murphy~~	~~500~~

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

April 15, 1960
Re: OME 6082 (Lead-Zinc)
Northern Milling Co.
Marietta Mine
Broadwater County, Montana

Memorandum

To: W. R. Griswold, Office of Minerals Exploration

From: Harold Kirkemo, U. S. Geological Survey

Subject: Review of application for exploration assistance

An underground exploration program estimated to cost $337,280 is proposed.

A geologic map and a description of the Marietta mine are included in a Geological Survey report (manuscript in review) by M. R. Klepper and R. A. Weeks. They note that the mine has had the most continuous record of operation of any mine in the area during recent years. Principal production has been from a north-trending zone which includes the Marietta and Blue veins. Most of the ore is valuable mainly for gold which apparently is in auriferous pyrite and arsenopyrite in unoxidized ore. Lead and silver are important locally but zinc and copper are not sufficiently abundant to be paid for by the smelter.

They also note that "Because of the fracturing and displacement and the lenticularity and variable but generally low dip of the veins, correlation of the veins in the north-trending zone is uncertain and the cost of exploration and mining is relatively high."

In view of the uncertainties of projecting lenticular, gently-dipping, faulted veins over a vertical range of nearly 300 feet, I suggest that a first stage of diamond drilling be considered prior to reopening the Mason adit and driving underground crosscuts and drifts. A moderate exploration program may be justified here, but the Applicant's proposal seems to be overly ambitious.

I recommend that the application be referred to the field. I suggest that the field examiner study the geologic map (Figure 24) in the Klepper-Weeks report. A copy of this map may be in the Spokane office.

Harold Kirkemo

Harold Kirkemo

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

April 11, 1960

Northern Milling Co.
Box 361
Townsend, Montana

Subject: OME-6082

Gentlemen:

Your application for exploration assistance, dated March 16, 1960, submitted to our office at Spokane, Washington, has been assigned Docket Number OME-6082. Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

Copy to: Region I

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

So. 157 Howard Street
Spokane 4, Washington
April 5, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 11 1960

DATE	INITIALS	CODE
4-11	gad	VVO
		500

Memorandum

To: Chairman, Operating Committee, OME

From: OME Field Team, Region I

Subject: Transmittal of OME application
Northern Milling Company (Lead-Zinc)
Marietta Mine
Broadwater County, Montana

Enclosed are three copies of an application for OME assistance to explore the Marietta mine, Broadwater County, Montana, for lead-zinc. Also enclosed are five copies of the Lien and Subordination Agreement.

In an apparently well-prepared application, it is proposed to explore three promising veins below the No. 5 level by rehabilitating an existing 1,580-foot crosscut, driving an additional 600 feet of crosscut, 3,200 feet of drift, and 436 feet of raise at an estimated total cost of $337,280 of which the Government's share would be $168,640. The applicant estimates that the project can be carried out at a unit cost of $79.76 per foot for crosscutting, drifting, and raising.

The applicant wishes to exclude the ground above the No. 5 level and the ore from a winze now being sunk near the north end of the No. 5 level, about 100 feet more or less south of the section line between secs. 15 and 10. Exclusion of ground above the No. 5 level might be reasonable, but as the proposed drift northerly on the Marietta vein passes below the winze, we do not believe this area should be excluded.

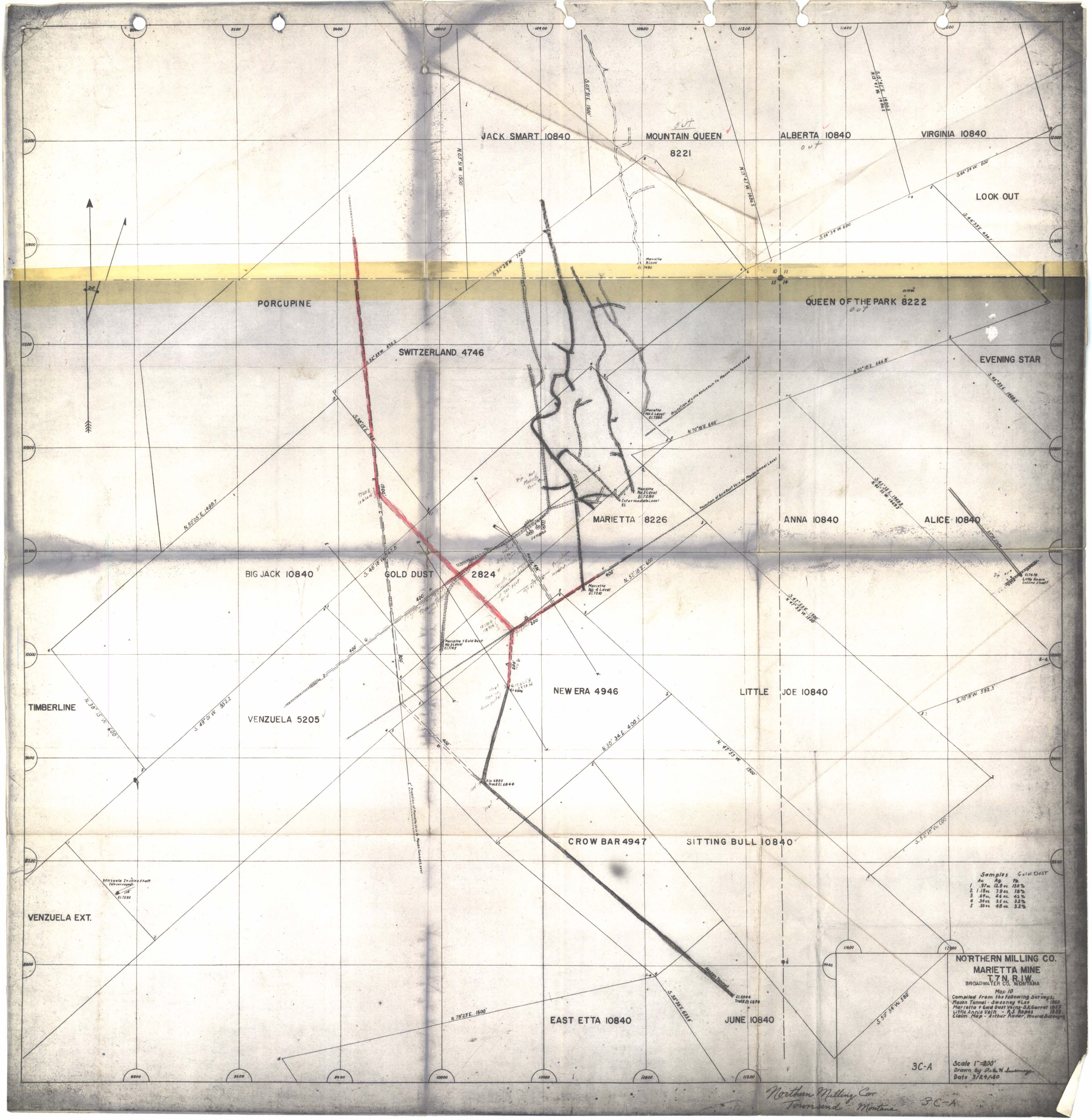
We call your attention to the provisional statement attached to the Lien and Subordination Agreement in case it may have some affect upon the Agreement.

By Field Team Region I

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

Stephen W. Foldvik
For O. M. Bishop, Member
U. S. Bureau of Mines

Enclosures
cc: USBM(2)
Director's Reading File



Northern Milling Co
Townsend Montana
3C-A

U.S. GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OME 6082 (LEAD-ZINC)

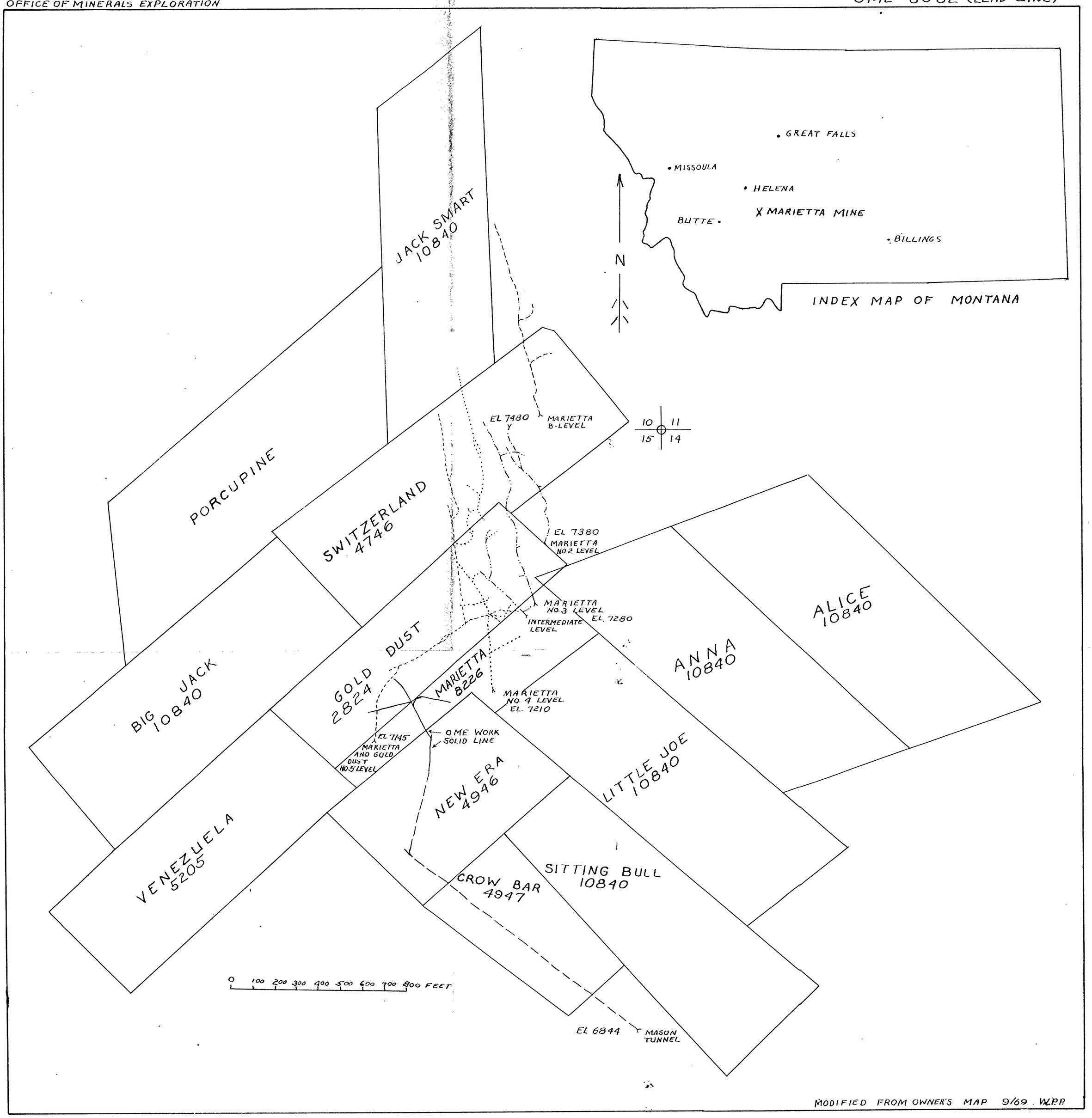


FIGURE 1. CLAIM AND INDEX MAP SHOWING TRACE OF UNDERGROUND WORKINGS, MARIETTA MINE, T. 7 N., R. 1 W., BROADWATER COUNTY, MONTANA

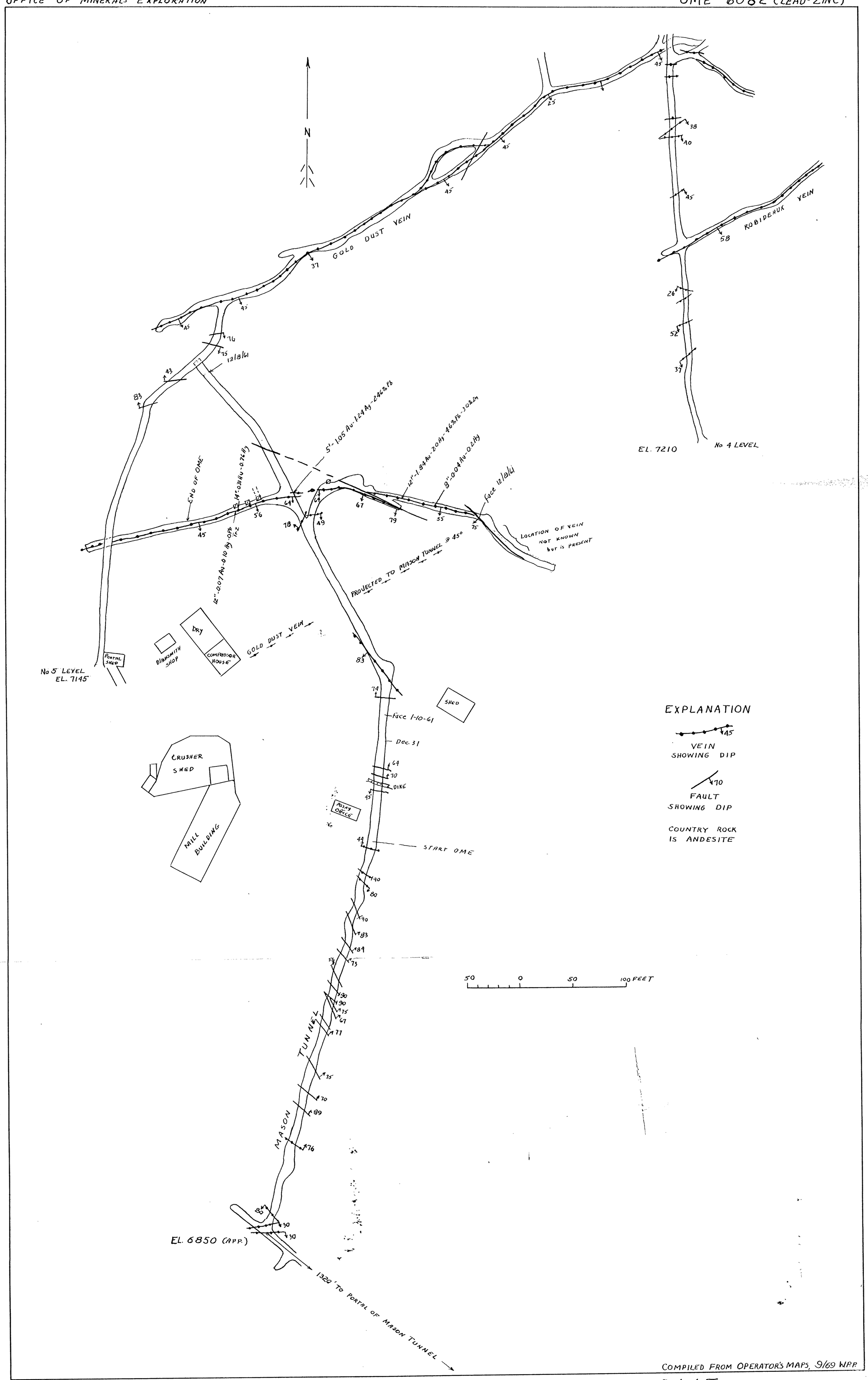


FIGURE 2. MAP OF PART OF MARIETTA MINE SHOWING O.M.E. WORK, T. 7 N., R. 1 W., BROADWATER COUNTY, MONTANA

U.S. Department of th[illegible]

Plan
Showing No 4 and No 5 levels and geology
Northern Milling Company
Marietta Mine
Broadwater County, Montana
Scale
50 0 50 feet

D.R.M. May 1960

Plate 1

OME-6082
Application Examination Report

Note: working from Company map
geology compiled from maps
by Company and Weeks et al.
U.S. Geol. Survey

U.S. Department of the Interior

OME-6082
Application Examination Report

Plan
Showing recommended exploration
Northern Mining Company
Marietta Mine
Broadwater County, Montana
Scale
100 50 0 100 Feet

D.R.M. May 1960

Plate 2