LAW OFFICES
PATRICK F. HOOKS
218 [illegible]
TOWNSEND, MONTANA

TELEPHONES
266-5343 OFFICE
266-5455 RESIDENCE
AREA CODE 406

120
[illegible]10

Department [illegible]
Office of [illegible]
Washington [illegible]

Attention [illegible]

Re [illegible] (Inc.)
[illegible]mpany, Inc.
[illegible], Montana

Dear Sir:

[illegible] respect
to the [illegible]

With respect to [illegible] does look
to the operation [illegible] Northern
Milling [illegible] court,
No. BK-[illegible] District of
Montana, [illegible]tana.

We have [illegible] by the
bankrupt [illegible] schedules list
the [illegible] bankrupt
corpora[illegible] policy of
your department [illegible].

Nevertheless [illegible] indicated to
Mr. [illegible] agreement
was [illegible] diligence
in collecting [illegible] upon the
lien against [illegible] the bank-
ruptcy [illegible] from
Northern [illegible]

PFH:[illegible]

So. 157 Howard Street
Spokane, Washington 99204
July 16, 1963

EXTRA COPY
O. M. E
RECEIVED JUL 18 1963
DATE | INITIALS | CODE
800

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 Wieglands, 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

REPORT OF
ROYALTY REVIEW

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 GMK-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, GMK Auditor

May 10, 1963

14-23-090-2121 Northern Milling Company, Inc. OMG-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 Massel 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.

Extra

~~ORIGINAL FILE COPY~~
O. M. E
RECEIVED MAY 20 1963

| DATE | INITIALS | CODE |
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Spokane 4, Washington
So. 157 Howard Street
May 17, 1963

Mr. Alfred S. Ophus
Northern Milling Company
Big Sandy, Montana

Re: OMM-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, OMM
Region I

Enclosure

cc: OMM(R)
CAAA
CFF

Sending copies to:
Holman
McNulvey

So. 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: GMM-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Mariette 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: GMM(2)
CAhA
CFF
Reading copies to:
Halen
McAlvey

extra

~~OFFICIAL FILE~~ COPY
O. M. E
RECEIVED MAY 20 1963

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| | | |
| | | |

Memorandum

To: Acting Field Officer, Region I

From: E. D. Talbert, Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: GMK-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

2121

For royalty payment of $206.79, dated February 2, 1962, see transmittal letter file.

For royalty payment of $9.94, dated February 1, 1962, see transmittal letter file.

No. 157 Howard Street
Spokane 4, Washington
January 11, 1962

E... COPY
O. M. E
RECEIVED JAN 16
DATE
CODE
800

Mr. Paul Baber, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

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

Dear Mr. Baber:

A review of the settlement sheets submitted in support of royalty payments indicates haulage costs paid by Northern Milling Company have been deducted in determining 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)."

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 | $ 72.38 | $ 3.62 |
| 1220 | 2 | 54.95 | 2.74 |
| 1264 | 3 | 71.54 | 3.58 |
| | | $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:
Nolan, Hobbs, Guild

DRMacLaren:mls
cc: OME(2) MacLaren
CFF

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.

George C. Selfridge

EDTalbert/ama 1-4-61

cc:
Docket
Director's Reading File
CA & A Division
Review Committee

DEC 2 8 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(a) 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 |
|---|---|---|---|
| 1030 | 1 | $ 72.38 | $ 3.62 |
| 1220 | 2 | 54.95 | 2.74 |
| 1364 | 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

KDTalbert/hb (12/29/61)
cc to: Docket OME-6082
Director's Reading File
CA & A Division (2)

E-2121

For royalty payment of $122.25, dated December 27, 1961, see transmittal letter file.

For royalty payment of $21.20, dated October 13, 1961, see transmittal letter file.

Mac

EXTRA COPY
O. M. E
RECEIVED OCT 16 1961

| DATE | INITIALS | CODE |
|---|---|---|
| | | 800 |
| | | |
| | | |
| | | |
| | | |

NORTHERN MILLING COMPANY
P. O. Box 361
Townsend, Montana
October 9, 1961

UNITED STATES DEPT. OF THE INTERIOR
Office of Minerals Exploration
South 157 Howard Street
Spokane 4, Washington

21 X1

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

Dear Mr. MacLaren:

Sorry to be so slow in sending you an additional smelter return sheet on our first shipment Lot #1050-1; the Smelter does not send us any return sheets we can copy, and I was waiting for Paul to get back into the office to release the enclosed copy. Paul has been out of town getting things lined up for our stock sale in North Dakota and South Dakota. He thanks you for your letter of October 3rd confirming your oral authorization to drive the east drift on the Gold Dust vein an additional 150 feet.

Also, please find enclosed our check #1918 in the amount of $21.20 - 5% royalty on Lot #B-185, which we shipped to Anaconda. Attached are two copies of that return.

We have been shipping right along to A. S. & R. - at the present time there are three loads awaiting settlement, and another large lot goes in today and tomorrow. As soon as we receive the settlement checks we will forward ONE their royalty.

Please greet Mrs. Mac. for me.

Sincerely yours,
NORTHERN MILLING COMPANY

Beatrice W. Raber

Encl.

For royalty payment of $79.03, dated September 19, 1961, see transmittal letter file.

| OFFICIAL FILE COPY O. M. E. RECEIVED SEP 22 1961 | | |
|---|---|---|
| DATE | INITIALS | CODE |
| | | 800 |

So. 157 Howard Street
Spokane 4, Washington
September 19, 1961

Mr. Paul Raber, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: OME-6002 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Raber:

We thank you for your letter of September 13 enclosing your check in the amount of $79.05 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. Smelser
For: D. H. Maclaren
Acting Field Officer, OME
Region I

MLSmelser:mle
cc: OME(2)
Reading copies to:
Nolan
Hobbs
Guild

REPORT OF REVIEW

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 MMK-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 |

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

EXTRA COPY
O. M. E.
RECEIVED
DATE

800

Certified Mail--RRR

Mr. Alfred E. Opus, 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. 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)
CAAA Div.
Voucher file

DRF
RRBC

MLSmelser:mlz

EXTRA COPY
O M E
RECEIVE

800

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

Air Mail

Memorandum

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

From: Acting Field Officer, Region I

Subject: OME-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 212

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. F. Maclaren

Enclosure

cc: OME(2)
CA&A
Voucher file

Director's Reading File
Resources Research Branch Chief
MLSmelser
~~[illegible]~~:mls

JAN 20 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. Selfridge

cc: Docket
Director's Reading File
CA & A Division
Review Committee
Mr. Talbert
Fiscal Section

EDTalbert/ama
1-17-64

So. 157 Howard Street
Spokane, Washington 99204
January 14, 1964

EXTRA COPY
O. M. E
RECEIVED JAN 16 1964
DATE | CODE
800

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OMM-6082 (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract #121

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

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. Seifridge

EDTalbert/ama 1-8-64

cc:
Docket
Director's Reading File
CA & A Division
Review Committee

Standard Form No. 1081
T GAO 510
1081-109-04

# VOUCHER AND SCHEDULE OF WITHDRAWALS AND CREDITS

Vou. No. _____ (Office Billed)

Vou. No. 01151 (Billing Office)

To Disbursing Officer—Office Billed _____ (D. O. Symbol)

You are authorized to effect the withdrawals and credits indicated below.

Disbursing Officer—Billing Office _____ (D. O. Symbol)

_____ (Address)

PAID BY

| WITHDRAW FROM— | PAY TO— |
|---|---|
| DEPARTMENT Interior | DEPARTMENT Interior |
| BUREAU Office of the Secretary-Accounting Sect | BUREAU Office of the Secretary-Accounting Section |
| AGENCY STATION SYMBOL 14-01-0001 | AGENCY STATION SYMBOL 14-01-0001 |
| ADDRESS Washington, D. C. 20240 | ADDRESS Washington, D. C. 20240 |

| Bureau Reference | Summary: Appropriation or Fund Symbol | Amount | Bureau Reference | Summary: Appropriation or Fund Symbol | Amount |
|---|---|---|---|---|---|
| | 14X6875(01) | 629.00 | | 14X0108 | 629.00 |
| | Total | 629.00 | | Total | 629.00 |

Details of charges or reference to attached supporting documents

To transfer from suspense amount withheld & subsequently disallowed in accordance with report of review dated January 17, 1964 . Contract 2121-Northern Milling

For use of office billed:

For use of billing office:

## CERTIFICATE OF OFFICE BILLED

I certify that the items listed herein are correct and proper for payment from the appropriation(s) designated.

June 26, 1964 (Date)

(Authorized administrative or certifying officer) Opal A. Shelton

Paid by check No. _____ C/D No. _____ dated _____

☆ U. S. GOVERNMENT PRINTING OFFICE 1962-642953

MME FORM 60
SEPT. 1959

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OCT 19 1962
O.M.E.

Docket No. 6082
Contract No. 14-23-090-2121
Contract Amount $102,300.00
Gov't. Participation % 50 $51,150.00
Mineral(s) Lead & Zinc

# OPERATOR'S MONTHLY VOUCHER

For Month of Apr. 16 - June 16 1962

Operator's Name NORTHERN MILLING COMPANY
Address Lock Drawer "G" - formerly P. O. Box 361, Townsend, Mont.

| COST CATEGORIES | FOR OPERATOR'S USE | | | FOR GOVERNMENT APPROVAL ONLY | | |
|---|---|---|---|---|---|---|
| | MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE | MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE |
| Fixed Unit Costs and | | | | | | |
| (1) Independent Contracts: | | | | | | |
| Bulldozing | | | | | | |
| Drifting | $1,258.00 | $9842.00 | $11,100.00 | 1,258.00 | 9,842.00 | 11,100.00 |
| Crosscutting | None | 18130.74 | 18,130.74 | | 18,130.74 | 18,130.74 |
| Drilling | | | | | | |
| (2) Personal Services: | | | | | | |
| Supervision & Technical | | | | | | |
| Outside Consultants | | | | | | |
| Labor | | | | | | |
| (3) Operating Mat'l. & Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Rail | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehab. & Repairs: | | | | | | |
| Buildings, Fixtures, etc. | | | | | | |
| Operating Equipment | | | | | | |
| (6) New Buildings, Fixtures, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Analytical Work | | 130.00 | 130.00 | | 130.00 | 130.00 |
| Payroll Taxes | | | | | | |
| Employee's Liability Ins. | | | | | | |
| TOTALS | $1,258.00 | $28,102.74 | $29,360.74 | 1,258.00 | 28,102.74 | 29,360.74 |

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

Date 10/1/62 *Payee Northern Milling Company

Per Paul I. Raber Title President

Paul I. Raber

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 629.00 to Surgeme
-0- to Contractor

Signature [illegible]
(Authorized Certifying Officer)

Date 10/12/62 Vou. No. 2004

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2121

Signature D.R. Macharen Title Acting Field Officer Date OCT 5 1962

Approved by OME Executive Officer or Alternate:

Signature D.R. Macharen Title Acting Field Officer Date OCT 5 1962

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

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

MME FORM 61
SEPT. 1959

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

## OPERATOR'S PROGRESS REPORT

For Month of Apr. 16 - June 16, 1962 Docket No. 6082

Operator's Name NORTHERN MILLING COMPANY Contract No. 14-23-090- 2121

| OPERATION | UNITS | FOR OPERATOR'S USE: UNITS THIS MONTH | UNITS TO DATE | COSTS TO DATE | FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH | APPROVED UNITS TO DATE | APPROVED COSTS TO DATE |
|---|---|---|---|---|---|---|---|
| Drifting | 266 | 34 | 300 | $11,100.00 | 34 | 300 | $ 11,100.00 |
| Crosscutting | | | | | none | 490.02 | 18,130.00 |
| Raising | | | | | | | |
| Shafts | | | | | | | |
| Winzes | | | | | | | |
| Other Underground | | | | | | | |
| Drilling, Core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Drilling, Non-core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Churn | | | | | | | |
| Percussion | | | | | | | |
| Miscellaneous | | | | | | | |
| | | | | | | | |
| Roads and Trails | | | | | | | |
| Stripping | | | | | | | |
| Trenching | | | | | | | |
| Test Pitting | | | | | | | |
| Other Surface Work | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | |
| Rehabilitation of Mine Workings | | | | | | | |
| New Buildings, Fixtures, etc. | | | | | | | |
| Operating Equipment Purchases | | | | | | | |
| Analytical Work | | | | 130.00 | | | $ 130.00 |
| TOTAL TO DATE (per MME Form 60) | | | | $29,360.74 | | | $ 29,360.00 |

REMARKS

(Continue on back)

REMARKS
L Withhold payment pending resumption of work - See Amendment No 3

(Continue on back)

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

Date 10/1/62 Operator Northern Milling Company

Per Paul I. Raber Title President

Paul I. Raber

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [illegible]

Title Acting Field Officer
Government Representative

Date OCT 5 1962

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

## INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.,D.C.59- 61577

Docket 6082

Contract No. 2121
14-23-090

FOR MONTHS OF April 16 - June 16, 1962

OPERATOR'S NARRATIVE REPORT
Northern Milling Company
Lock Drawer "G" - formerly
P. O. Box 361 -
Townsend, Montana

Eighty-five feet (85') of drift was extended in the right drift of the Mason Tunnel, thirty-four feet (34') of which was authorized. One hole was drilled to the North with the assays as follows: -

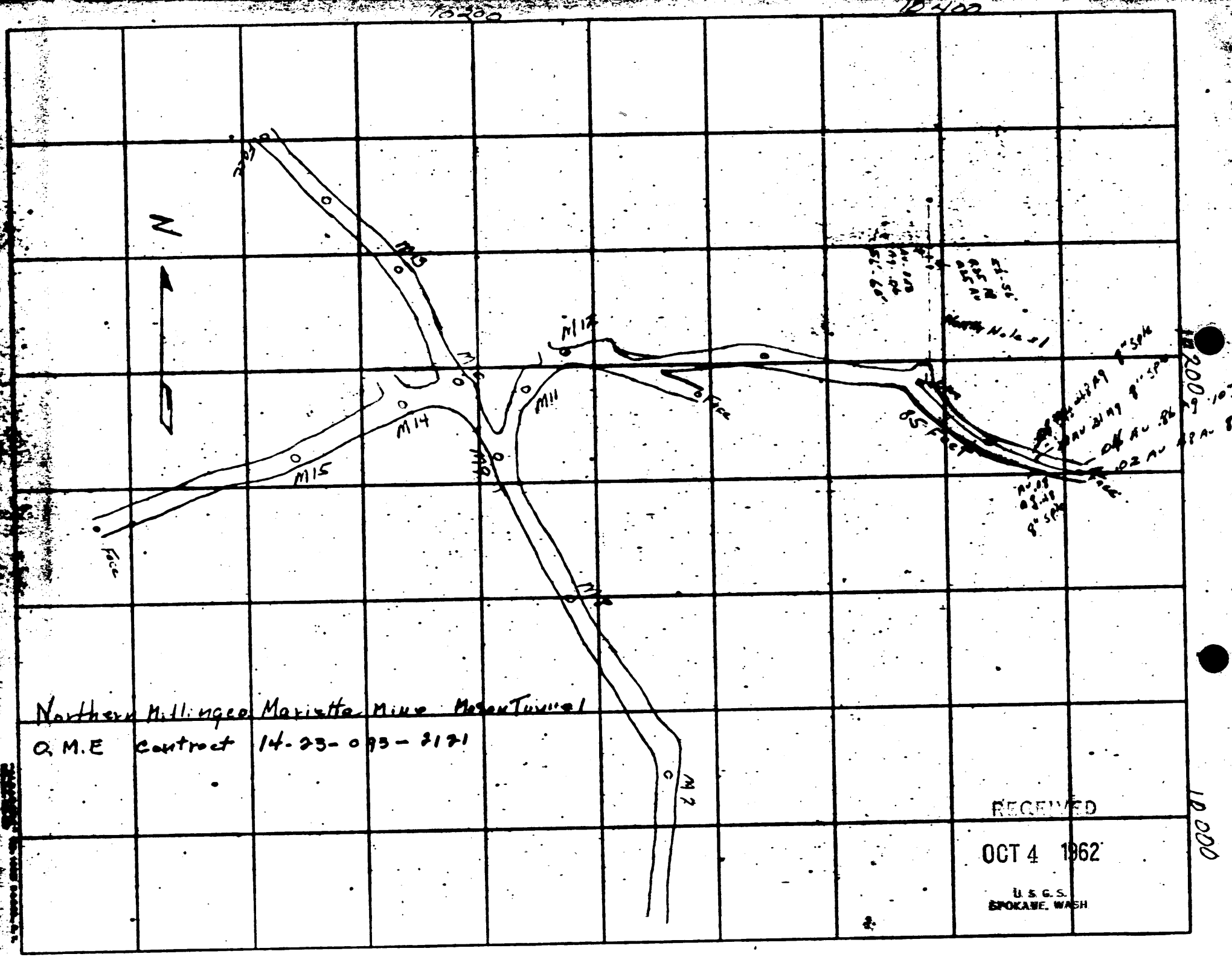
52-56' ..... Au .25; Ag .25
56-60' ..... Au .13; Ag .06

After this work, an application for a recess was made.

Date 10/1/62 Payee NORTHERN MILLING COMPANY

Per Paul I. Raber President
Paul I. Raber

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




Northern Millingco Marietta Mine Mason Tunnel

O.M.E Contract 14-23-093-2121

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

xxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

August 9, 1962

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, Mont na
Contract 2121

EXTRA COPY
O. M. E
RECEIVED AUG 13 1962
DATE | INITIALS
800

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. MacLar en

Enclosure

So. 157 Howard Street
Spokane 4, Washington
July 26, 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:

The last voucher and progress report we have received was for the period November 26-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,

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

cc: OME
Reading copies to:
Nelson
McKelvey
LRMacLaren:lr

MME FORM 60
SEPT. 1959

Sch 1031

RECEIVED
Vouch. Rec'd
JAN 2 1962
Book Mail
S.L.R.
SPOKANE, WASH.

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

JAN 8 1962

Docket No. 6082
Contract No. 2121
14-23-090-

## OPERATOR'S MONTHLY VOUCHER

For Month of Nov. 28-Dec. 28, 1961

Contract Amount $102,300.00
Gov't. Participation %50 $51,150.00
Mineral(s) Lead & Zinc

Operator's Name NORTHERN MILLING COMPANY
Address P. O. Box 361, Townsend, Montana

| COST CATEGORIES | FOR OPERATOR'S USE | | | FOR GOVERNMENT APPROVAL ONLY | | |
|---|---|---|---|---|---|---|
| | MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE | MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE |
| Fixed Unit Costs and | | | | | | |
| (1) Independent Contracts: | | | | | | |
| Bulldozing | | | | | | |
| Drifting | $1,887.00 | $ 7,955.00 | $ 9,842.00 | | | |
| Crosscutting | 481.00 | 17,649.74 | 18,130.74 | | | |
| Drilling | | | | | | |
| (2) Personal Services: | | | | | | |
| Supervision & Technical | | | | | | |
| Outside Consultants | | | | | | |
| Labor | | | | | | |
| (3) Operating Mat'l. & Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Rail | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehab. & Repairs: | | | | | | |
| Buildings, Fixtures, etc. | | | | | | |
| Operating Equipment | | | | | | |
| (6) New Buildings, Fixtures, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Analytical Work | | 130.00 | 130.00 | | | |
| Payroll Taxes | | | | | | |
| Employee's Liability Ins. | | | | | | |
| TOTALS | 2368.00 | 25,734.74 | $28,102.74 | 2368.00 | 25,734.74 | 28,102.74 |

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

Date 12/28/61 Payee Northern Milling Company

Per Paul I. Raber Title President

Paul I. Raber

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 1184.00

Signature DAS
(Authorized Certifying Officer)

Date 1/11/62 Vou. No. 3153

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2121

Signature D.R. Mackaren Title Acting Field Officer, Region I Date JAN 3 1962

Approved by OME Executive Officer or Alternate:

Signature D.R. Mackaren Title Acting Field Officer, Region I Date JAN 3 1962

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
JAN 2 1962
U.S.G.S.
SPOKANE, WASH.

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

## OPERATOR'S PROGRESS REPORT

For Month of November 28-December 28, 1961 Docket No. 6082

Operator's Name NORTHERN MILLING COMPANY Contract No. 14-23-090- 2121

| OPERATION | UNITS | FOR OPERATOR'S USE: UNITS THIS MONTH | UNITS TO DATE | COSTS TO DATE | FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH | APPROVED UNITS TO DATE | APPROVED COSTS TO DATE |
|---|---|---|---|---|---|---|---|
| Drifting | 215 | 51 | 266 | $ 9,842.00 | 51 ft | 266 ft | 9,842.00 |
| Crosscutting | 477.02 | 13 | 490.02 | 18,130.74 | 13 ft | 490.02 ft | 18,130.74 |
| Raising | | | | | | | |
| Shafts | | | | | | | |
| Winzes | | | | | | | |
| Other Underground | | | | | | | |
| Drilling, Core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Drilling, Non-core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Churn | | | | | | | |
| Percussion | | | | | | | |
| Miscellaneous | | | | | | | |
| | | | | | | | |
| Roads and Trails | | | | | | | |
| Stripping | | | | | | | |
| Trenching | | | | | | | |
| Test Pitting | | | | | | | |
| Other Surface Work | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | |
| Rehabilitation of Mine Workings | | | | | | | |
| New Buildings, Fixtures, etc. | | | | | | | |
| Operating Equipment Purchases | | | | | | | |
| Analytical Work | | | | 130.00 | | | 130.00 |
| TOTAL TO DATE *(per MME Form 60)* | | | | $28,102.74 | | | $28,102.74 |

REMARKS

*(Continue on back)*

REMARKS

*(Continue on back)*

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

Date 12/28/61 Operator Northern Milling Company

Per Paul I. Raber Title President

Paul I. Raber

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D R Mackaven

Title

Government Representative

Date

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

## INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

JAN 5 1952

Docket 6082

Contract No. 2121
14-23-090

FOR MONTHS OF November 28 - December 28, 1961

OPERATOR'S NARRATIVE REPORT
Northern Milling Company
P. O. Box 361, Townsend, Montana

For the period of November 28 - December 28 the drift to the East was extended fifty-one (51) feet. The cross-cut to the Northwest was extended thirteen (13) feet, making a total of sixty-four (64) feet of extension.

The vein in the East drift narrowed as it approached a fault. In line with Mr. MacLaren's suggestion, we are long-hole drilling in various directions at the end of the East drift. We have sampled the vein in the East drift, but, apparently due to the holidays, we do not have the assay returns. We will send them along under separate cover as soon as we receive them.

No change was encountered in the cross-cut - - the rock in the cross-cut is quite hard and short-breaking.

Date December 28, 1961

Per Paul I. Raber
Paul I. Raber

Payee NORTHERN MILLING COMPANY

President

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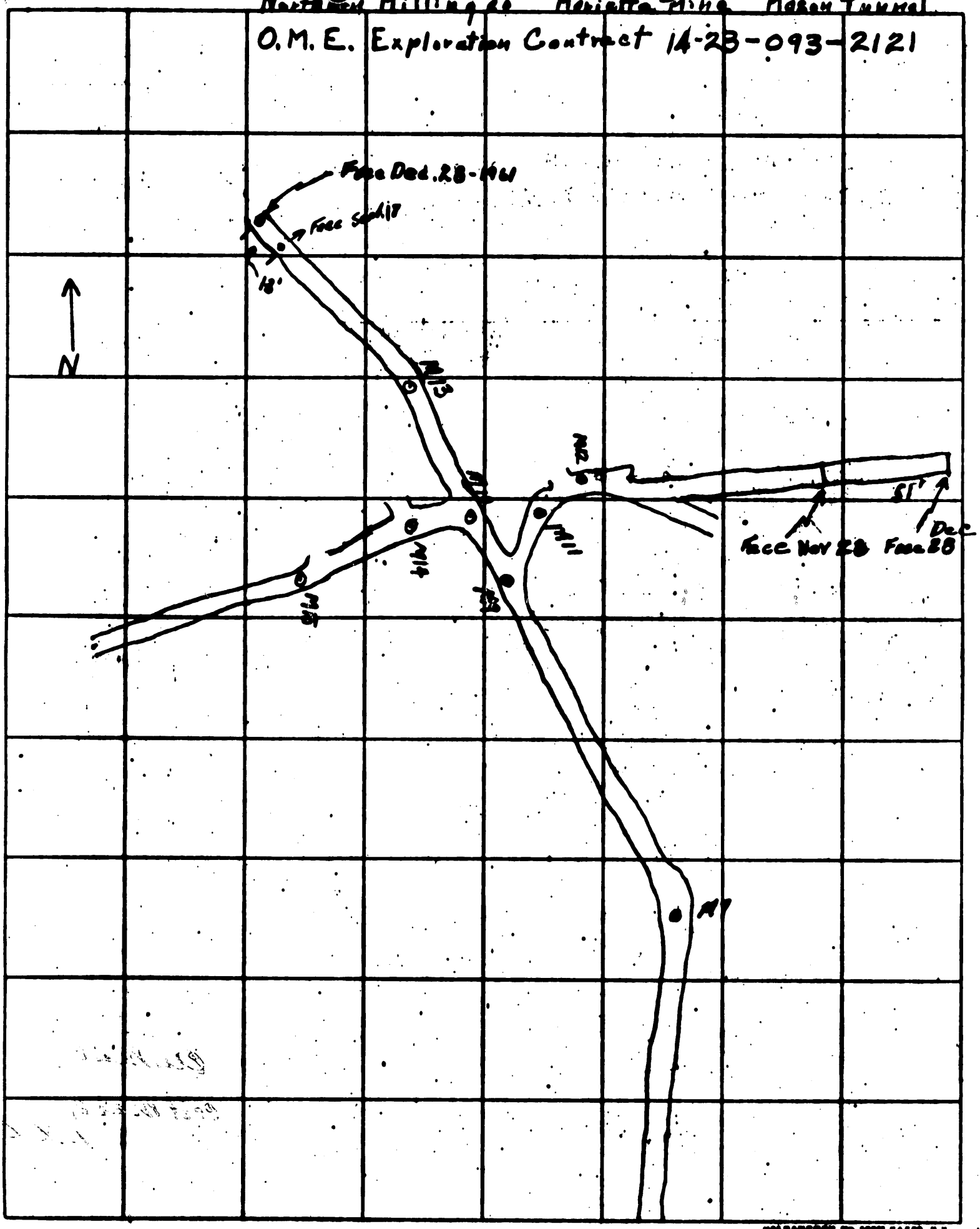
Air Mail
JAN 2 1962
Air Mail, R. R. R.
U. S. G. S.
SPOKANE, WASH.

Northern Milling Co. Marietta Mine Mason Tunnel

O.M.E. Exploration Contract 14-23-093-2121



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JAN 2 1962
Cert Mail,
U. S. G. S.
SPOKANE, WASH. R. R. R.

JAN 5 1962

MME, FORM 60
SEPT. 1959

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air mail
NOV 30 1961
cert mail
U. S. G. S.
SPOKANE, WASH.

Sch 887

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

Docket No. 6082
Contract No. 14-23-090-2121
Contract Amount $ ~~102,300.00~~
Gov't. Participation % $ ~~50 51,150.00~~
Mineral(s) Lead & Zinc

## OPERATOR'S MONTHLY VOUCHER

For Month of Sept. 19-Nov. 28, 1961

Operator's Name NORTHERN MILLING COMPANY
Address P. O. Box 361, Townsend, Montana

| COST CATEGORIES | FOR OPERATOR'S USE | | | FOR GOVERNMENT APPROVAL ONLY | | |
|---|---|---|---|---|---|---|
| | MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE | MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE |
| Fixed Unit Costs and | | | | | | |
| (1) Independent Contracts: | | | | | | |
| Bulldozing | | | | | | |
| Drifting | $2,405.00 | $ 5,550.00 | $ 7,955.00 | | | |
| Crosscutting | None | 17,649.74 | 17,649.74 | | | |
| Drilling | | | | | | |
| (2) Personal Services: | | | | | | |
| Supervision & Technical | | | | | | |
| Outside Consultants | | | | | | |
| Labor | | | | | | |
| (3) Operating Mat'l. & Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Rail | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehab. & Repairs: | | | | | | |
| Buildings, Fixtures, etc. | | | | | | |
| Operating Equipment | | | | | | |
| (6) New Buildings, Fixtures, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Analytical Work | | 130.00 | 130.00 | | | |
| Payroll Taxes | | | | | | |
| Employee's Liability Ins. | | | | | | |
| TOTALS | $2,405.00 | $23,329.74 | $25,734.74 | 2405.00 | 23,329.74 | 25,734.74 |

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 8 1961
DATE | INITIALS | CODE
800

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

Date 11/28/61 *Payee Northern Milling Company

Per Paul I. Raber Title President

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 1202.50

Signature Oas
(Authorized Certifying Officer)

Date 12/7/61 Vou. No. 2736

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2121

Signature D.R. McLaren Title Acting Field Officer, Region I Date DEC 1 1961

Approved by OME Executive Officer or Alternate:

Signature D.R. McLaren Title Acting Field Officer, Region I Date DEC 1 1961

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
NOV 30 1961
U.S.G.S.
SPOKANE, WASH.

Air Mail
Cert Mail
RRR

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

OPERATOR'S PROGRESS REPORT — For Month of Sept. 18-Nov. 28, 1961 — Docket No. 6082

Operator's Name NORTHERN MILLING COMPANY — Contract No. 14-23-090- 2121

| OPERATION | UNITS | FOR OPERATOR'S USE: UNITS THIS MONTH | UNITS TO DATE | COSTS TO DATE | FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH | APPROVED UNITS TO DATE | APPROVED COSTS TO DATE |
|---|---|---|---|---|---|---|---|
| Drifting | 150 | 65 | 215 | $ 7,955.00 | 65 ft | 215 ft | 7,955.00 |
| Crosscutting | 477.02 | None | 477.02 | 17,649.74 | None | 477.02 ft | 17,649.74 |
| Raising | | | | | | | |
| Shafts | | | | | | | |
| Winzes | | | | | | | |
| Other Underground | | | | | | | |
| Drilling, Core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Drilling, Non-core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Churn | | | | | | | |
| Percussion | | | | | | | |
| Miscellaneous | | | | | | | |
| | | | | | | | |
| Roads and Trails | | | | | | | |
| Stripping | | | | | | | |
| Trenching | | | | | | | |
| Test Pitting | | | | | | | |
| Other Surface Work | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | |
| Rehabilitation of Mine Workings | | | | | | | |
| New Buildings, Fixtures, etc. | | | | | | | |
| Operating Equipment Purchases | | | | | | | |
| Analytical Work | | | | 130.00 | | | 130.00 |
| TOTAL TO DATE (per MME Form 60) | | | | $25,734.74 | | | 25,734.74 |

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date 11/28/61 Operator Northern Milling Company

Per Paul I. Raber Title President

Paul I. Raber

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D. M. Macbarn

Title Acting Field Officer, Region I
Government Representative

Date DEC 1 1961

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

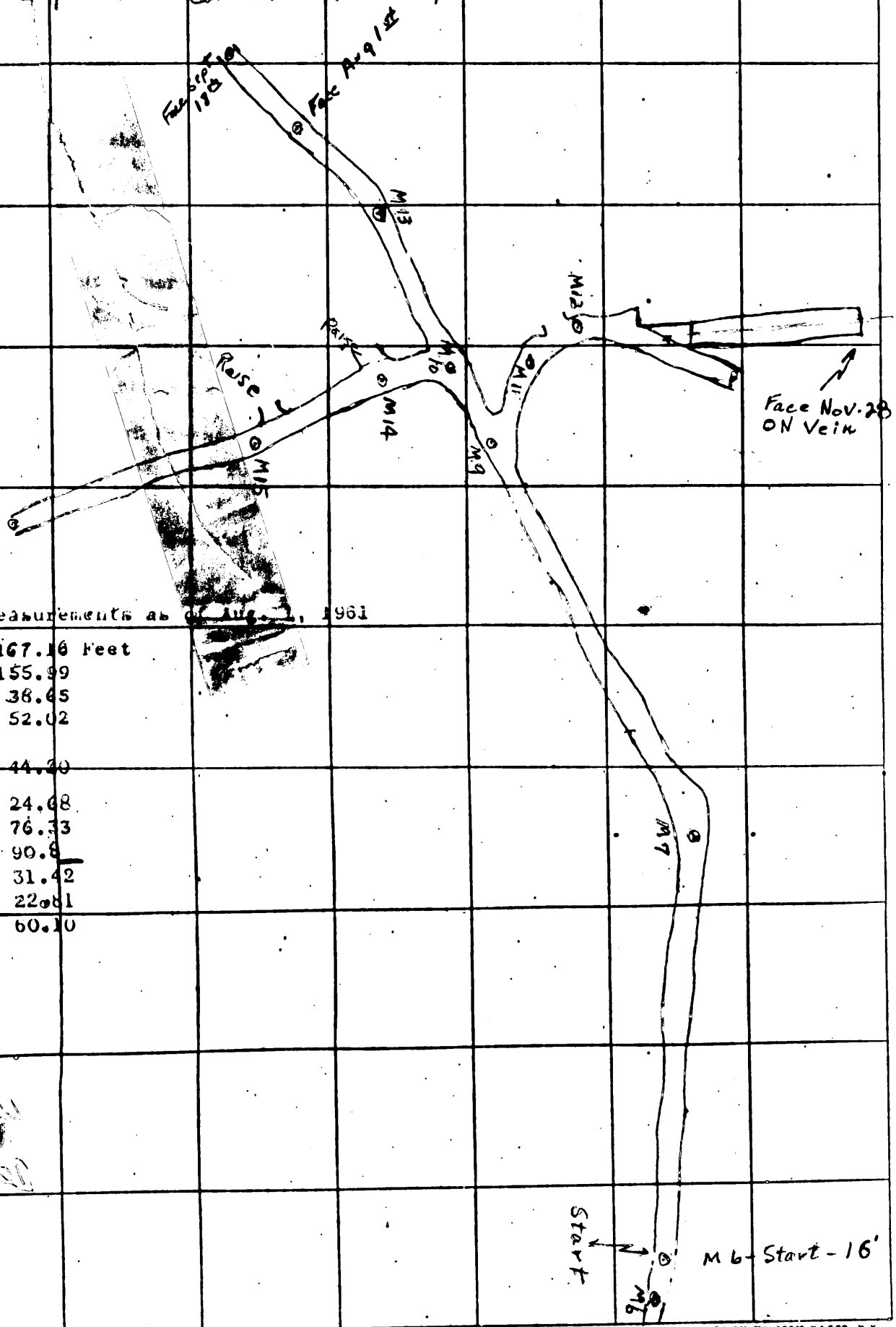
## INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

Northern Milling Co.
Mariette Mine
O M E Exploration Contract 14-23-093-2121




Transit Survey Measurements as of Aug. 1, 1961

| | |
|---|---|
| M6-M7 | 167.16 Feet |
| M7-M9 | 155.99 |
| M9-M10 | 38.65 |
| M10-M13 | 52.02 |
| M13-Cross-Cut Face | 44.20 |
| M10-M14 | 24.68 |
| M14-M15 | 76.33 |
| M15-West Face | 90.8 |
| M9-M11 | 31.42 |
| M11-M12 | 22.81 |
| M12-East Face | 60.10 |

RECEIVED
NOV 30 1961

"ALBANENE" No. 1066 K&E CO., N.Y.

RECEIVED
Cert Mail RRR
NOV 30 1961
Via Air Mail
U. S. S. S.

Docket 6082

Contract No. 2121
14-23-090

FOR MONTHS OF September 19 - November 28, 1961
OPERATOR'S NARRATIVE REPORT
Northern Milling Company
P. O. Box 361, Townsend, Montana

Since our last reporting date we have extended the raise at M14 to approximately 110 feet. We discontinued the raise in order to start the drift to locate the eastern part of the Gold Dust Vein. We used the same crew on the drift as we were using in the raise.

We started the North-easterly drift at a point recommended by Mr. D. R. MacLaren, which was thirty (30) feet back from the South-east drift face. The Gold Dust structure was encountered in the new drift at approximately eight (8) feet of advance.

The drift was continued in a N85°E direction following the Gold Dust vein. The same type ore was found in the vein as was found in the west drift on the Gold Dust vein. The displacement of the eastern part of the Gold Dust vein is approximately twenty (20) feet southeast of the vein in the western part of the Gold Dust vein.

The new drift on the Gold Dust vein to the east has been advanced to a point sixty-five (65) feet from the side of the drift on the fault. The above-mentioned work was done because of the approval by OME of One-hundred-fifty (150) feet of drift to the east to locate the eastern part of the Gold Dust vein.

A car sample of a drift round at a point twenty-five (25) feet back of the face assayed as follows: Gold .36; Silver .3; Lead 1.5%. The vein at the face is approximately thirty (30) inches wide and appears to be turning gradually northerly.

Date November 28, 1961 Payee NORTHERN MILLING COMPANY

Per Paul I. Raber President

Paul I. Raber

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Cert Mail RRR
NOV 30 1981
Via Mis Mail
U.S.N.R.C.
[illegible]

MME FORM 60
SEPT. 1959

RECEIVED
Via
SEP 22 1961
Air Mail
S&S
MASH

Sch 520

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

Docket No. 6082
Contract No.
14-23-090- 2121
Contract Amount $102,300.00
Gov't. Participation % 50 $51,150.00
Mineral(s) Lead & Zinc

## OPERATOR'S MONTHLY VOUCHER

For Month of Aug. 1-Sept. 18

Operator's Name NORTHERN MILLING COMPANY
Address P. O. Box 361, Townsend, Montana

| COST CATEGORIES | FOR OPERATOR'S USE | | | FOR GOVERNMENT APPROVAL ONLY | | |
|---|---|---|---|---|---|---|
| | MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE | MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE |
| Fixed Unit Costs and | | | | | | |
| (1) Independent Contracts: | | | | | | |
| Bulldozing | | | | | | |
| Drifting | None | 5,550.00 | 5,550.00 | | 5550.00 | 5550.00 |
| Crosscutting | 1,295.00 | 16,354.74 | 17,649.74 | 1295.00 | 16,354.74 | 17,649.74 |
| Drilling | | | | | | |
| (2) Personal Services: | | | | | | |
| Supervision & Technical | | | | | | |
| Outside Consultants | | | | | | |
| Labor | | | | | | |
| (3) Operating Mat'l. & Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Rail | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehab. & Repairs: | | | | | | |
| Buildings, Fixtures, etc. | | | | | | |
| Operating Equipment | | | | | | |
| (6) New Buildings, Fixtures, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Analytical Work | | 130.00 | 130.00 | | 130.00 | 130.00 |
| Payroll Taxes | | | | | | |
| Employee's Liability Ins. | | | | | | |
| TOTALS | 1,295.00 | 22,034.74 | 23,329.74 | 1295.00 | 22034.74 | 23,329.74 |

EXTRA COPY
O. M. E.
RECEIVED OCT 2 1961

| DATE | INITIALS | CODE |
|---|---|---|
| | | 800 |

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

Date Sept. 19, 1961* Payee Northern Milling Company

Per Paul T. Raber Title President

Paul T. Raber

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 647.50

Signature VAS
(Authorized Certifying Officer)

Date 10/2/61 Vou. No. 1533

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 6082

Signature D R Macharen Title Acting Field Officer, Region I Date SEP 2 6 1961

Approved by OME Executive Officer or Alternate:

Signature D R Macharen Title Acting Field Officer, Region I Date SEP 2 6 1961

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
Via
SEP 22 1961
Air Mail
SPOKANE, WASH.

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

OPERATOR'S PROGRESS REPORT For Month of August 1 - Sept. 18 Docket No. 6082

Operator's Name NORTHERN MILLING COMPANY Contract No. 14-23-090- 2121

| OPERATION | UNITS | FOR OPERATOR'S USE: UNITS THIS MONTH | UNITS TO DATE | COSTS TO DATE | FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH | APPROVED UNITS TO DATE | APPROVED COSTS TO DATE |
|---|---|---|---|---|---|---|---|
| Drifting | 150 | None | 150 | $ 5,550.00 | none | 150 ft | $ 5,550.00 |
| Crosscutting | 442.02 | 35 | 477.02 | 17,649.74 | 35 ft | 477.02 ft | 17,649.74 |
| Raising | | | | | | | |
| Shafts | | | | | | | |
| Winzes | | | | | | | |
| Other Underground | | | | | | | |
| Drilling, Core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Drilling, Non-core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Churn | | | | | | | |
| Percussion | | | | | | | |
| Miscellaneous | | | | | | | |
| | | | | | | | |
| Roads and Trails | | | | | | | |
| Stripping | | | | | | | |
| Trenching | | | | | | | |
| Test Pitting | | | | | | | |
| Other Surface Work | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | |
| Rehabilitation of Mine Workings | | | | | | | |
| New Buildings, Fixtures, etc. | | | | | | | |
| Operating Equipment Purchases | | | | | | | |
| Analytical Work — Assaying | | | | 130.00 | | | 130.00 |
| TOTAL TO DATE (per MME Form 60) | | | | $23,329.74 | | | $ 23329.74 |

REMARKS

(Continue on back)

REMARKS

My measurement of x-cut made on Sept 14, 1961 was 470.8 ft. The Operators claim of 477.02 ft as of Sept. 18, 1961 is reasonable and accepted

(Continue on back)

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

Date Sept. 19, 1961 Operator Northern Milling Company

Per Paul I. Raber Title President

Paul I. Raber

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D R Macbeven

Title Acting Field Officer, Region I
Government Representative

Date SEP 26 1961

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

## INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.,D.C.59- 61577

Docket 6082

Contract No. 2121
14-23-090

FOR MONTHS OF August 1st - September 18th, 1961

OPERATOR'S NARRATIVE REPORT
Northern Milling Company
P. O. Box 361, Townsend, Montana

The cross-cut was advanced thirty-five (35) feet during this period. We encountered extremely hard rock resulting in slow drilling and short breaking.

Nearly one work week was lost during this period because our crew was called out to fight forest fires in the immediate area.

Date September 19, 1961

Per Paul I. Raber
Paul I. Raber

Payee NORTHERN MILLING CO.

President

Docket 6982

Contract No. 7421
14-20-030

For Months of August 1st - September 15th, 1961

CONTRACTOR'S MONTHLY REPORT
Northern Drilling Company
Box 6, Fort Belk, Townsend, Montana

The crosscut was advanced thirty-five (35) feet during this period. We encountered extremely hard rock resulting in slow drilling and short breakage.

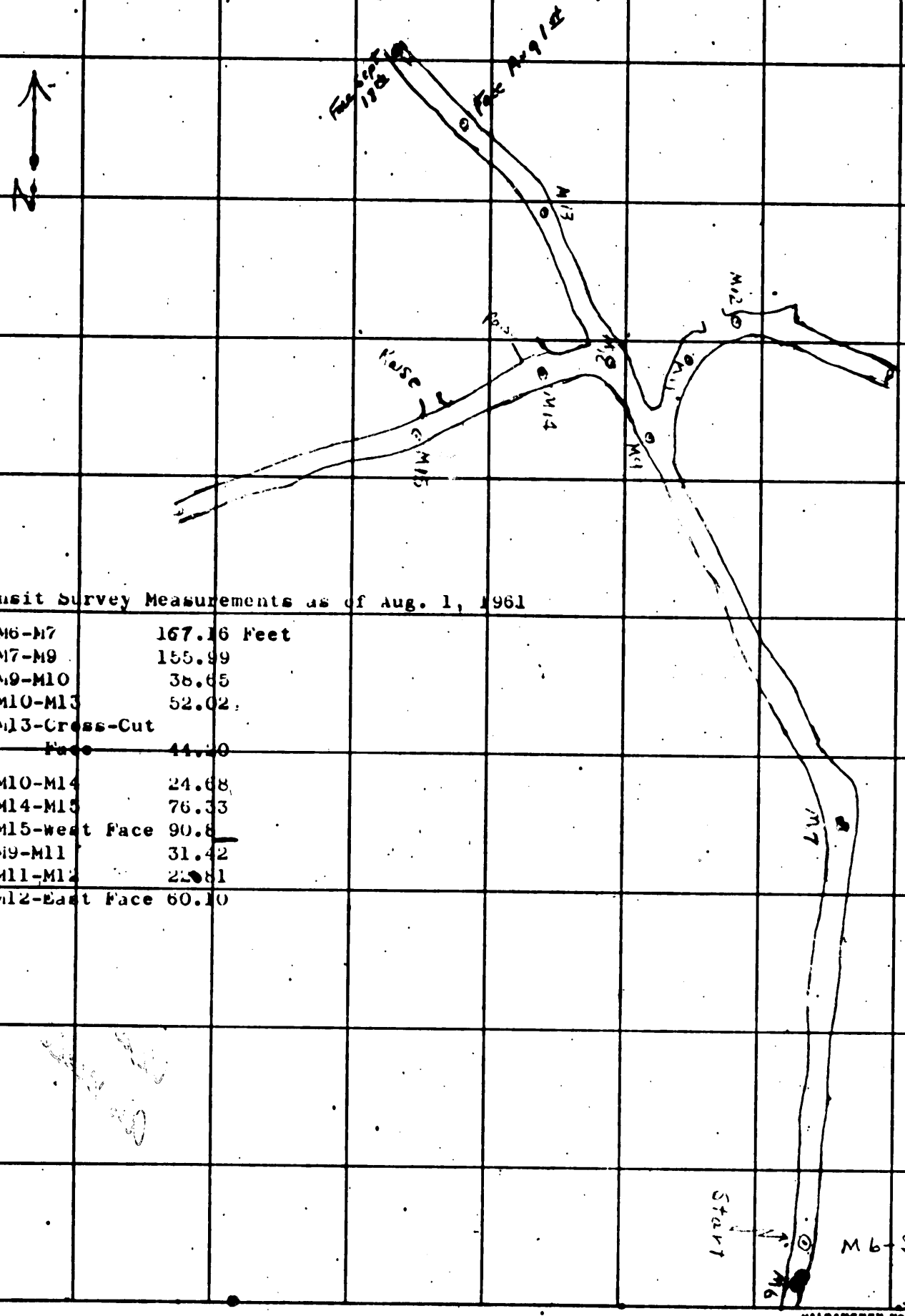
Nearly one week each was lost during this period because our crew was called out to fight forest fires in the immediate area.

Date September 18, 1961 Payee NORTHERN DRILLING CO.

For Paul L. Baker President

RECEIVED
SEP 22 1961
Via Air Mail
U.S.G.S.
SPOKANE, WASH.

Northern Milling Co.
Mariarra Mine
O. M E Exploration Contract 14-23-093-2121




Transit Survey Measurements as of Aug. 1, 1961

| | |
|---|---|
| M6-M7 | 167.16 Feet |
| M7-M9 | 155.99 |
| M9-M10 | 38.65 |
| M10-M13 | 52.02 |
| M13-Cross-Cut Face | 44.20 |
| M10-M14 | 24.68 |
| M14-M15 | 76.33 |
| M15-West Face | 90.8 |
| M9-M11 | 31.42 |
| M11-M12 | 22.81 |
| M12-East Face | 60.10 |

RECEIVED
via
SEP 22 1961
as mail
U.S.G.S.
SPOKANE, WASH.

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 $339.27. 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.

George C. Selfridge

EDTalbert/ama
August 29, 1961

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Rothrock
Mr. Talbert
Review Committee

MME FORM 60
SEPT. 1959

Received
Cash mail KDH.
AUG 16 1961
air mail
U.S.G.S.
SPOKANE, WASH.

Sch 325

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

Docket No. 6082
Contract No. 14-23-090-2121
Contract Amount 102,300.00
Gov't. Participation .50 51,150.00
Mineral(s) Lead & Zinc

## OPERATOR'S MONTHLY VOUCHER

For Month of June & July

Operator's Name NORTHERN MILLING COMPANY
Address P. O. Box 361, Townsend, Montana

| COST CATEGORIES | FOR OPERATOR'S USE | | | FOR GOVERNMENT APPROVAL ONLY | | |
|---|---|---|---|---|---|---|
| | MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE | MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE |
| Fixed Unit Costs and | | | | | | |
| (1) Independent Contracts: | | | | | | |
| Bulldozing | | | | | | |
| Drifting | 296.00 | 5,254.00 | 5,550.00 | 814.00 | 4,736.00 | 5,550.00 |
| Crosscutting Minus | 594.96 | 16,949.70 | 16,345.74 | -95.46 | 16,450.20 | 16,354.74 |
| Drilling | | | | | | |
| (2) Personal Services: | | | | | | |
| Supervision & Technical | | | | | | |
| Outside Consultants | | | | | | |
| Labor | | | | | | |
| (3) Operating Mat'l. & Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Rail | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehab. & Repairs: | | | | | | |
| Buildings, Fixtures, etc. | | | | | | |
| Operating Equipment | | | | | | |
| (6) New Buildings, Fixtures, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Analytical Work | | 130.00 | 130.00 | | 130.00 | 130.00 |
| Payroll Taxes | | | 22,034.74 | | | |
| Employee's Liability Ins. | | | | | | |
| OME Overpayment | | | | | | |
| TOTALS | 298.96 | 22,333.70 | 22,034.74 | 718.54 | 21,316.20 | 22,034.74 |

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 28 1961

| DATE | INITIALS | CODE |
|---|---|---|
| | | 800 |

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

Date August 14, 1961 Payee Northern Milling Company

Per Paul I. Raber Title President

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 359.29

Signature bas
(Authorized Certifying Officer)

Date 8/21 Vou. No. 945

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2121

Signature D.H. Macharen Title Acting Field Officer, Reg. I Date AUG 1 7 1961

Approved by OME Executive Officer or Alternate:

Signature D.H. Macharen Title Acting Field Officer, Reg. I Date AUG 1 7 1961

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts..

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
AUG 16 1961
U.S.G.S.
BOISE, IDAHO

air mail
cert. mail
R.R.R.

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

OPERATOR'S PROGRESS REPORT — For Month of June & July 1961 — Docket No. 6082

Operator's Name NORTHERN MILLING COMPANY — Contract No. 14-23-090-2121

| OPERATION | UNITS | FOR OPERATOR'S USE: UNITS THIS MONTH | UNITS TO DATE | COSTS TO DATE | FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH | APPROVED UNITS TO DATE | APPROVED COSTS TO DATE |
|---|---|---|---|---|---|---|---|
| Drifting | 142 | 8 | 150 | 5,550.00 | 22.0 | 150.0 | 5,550.00 |
| Crosscutting Corrected | 458.1 | 37.87 | 442.02 | 16,354.74 | 23 | 446.9 | 16,535.30 |
| Raising | | | | | | | |
| Shafts | | | | | | | |
| Winzes | | | | | | | |
| Other Underground | | | | | | | |
| Drilling, Core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Drilling, Non-core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Churn | | | | | | | |
| Percussion | | | | | | | |
| Miscellaneous | | | | | | | |
| | | | | | | | |
| Roads and Trails | | | | | | | |
| Stripping | | | | | | | |
| Trenching | | | | | | | |
| Test Pitting | | | | | | | |
| Other Surface Work | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | |
| Rehabilitation of Mine Workings | | | | | | | |
| New Buildings, Fixtures, etc. | | | | | | | |
| Operating Equipment Purchases | | | | | | | |
| Analytical Work Assying | | | | 130.00 | | | 130.00 |
| TOTAL TO DATE (per MME Form 60) | | | | $22,034.74 | | | 22,215.30 |

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date August 14, 1961 Operator Northern Milling Co.

Per Paul I. Raber Title President

Paul I. Raber

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D.K. MacKaren

Title

Government Representative

Date

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

## INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

Docket 6082

Contract No. 2121
14-23-090

FOR MONTHS OF June and July, 1961

OPERATOR'S NARRATIVE REPORT
Northern Milling Company
P. O. Box 361, Townsend, Montana

Since there have been some variations in the Mason Tunnel measurements I decided to wait until Mr. MacLaren visited the property to go over the measurements. His letter of June 15th, 1961, indicated that he would be here by the middle of July, and during his visit in the middle of July it was decided not to submit a report until we could complete a transit survey of all the workings in the Mason Tunnel. It took longer than expected to complete this survey and the mapping of the survey. Since we wanted to make any corrections in the measurements before we reported, it was necessary to wait for the survey.

As of this report we are including the map of the Mason Tunnel workings including all of the dirft and cross-cut measurements. We, in error, called the right-hand curve drift part of the cross-cut, so with this report we are making this correction. We had vouchered 458.1' of cross-cut, but as a result of this survey we show an actual cross-cut measurement of 442.02 feet. The difference between the 458.1' and 442.02' is 16.08' with cross-cut advance since the last voucher of 37.87'. This makes an over-vouchered footage of 16.08'.

As of our last voucher we used 142' of the 150' authorized drift on the Gold Dust vein, so we are vouchering 8'.

RECEIVED
Air Mail
AUG 16 1961
Cert. Mail - R.R.R.
U.S.G.S.
SPOKANE, WASH.

Docket 6062

Contract No. 2121
14-23-090

FOR MONTHS OF June and July, 1961

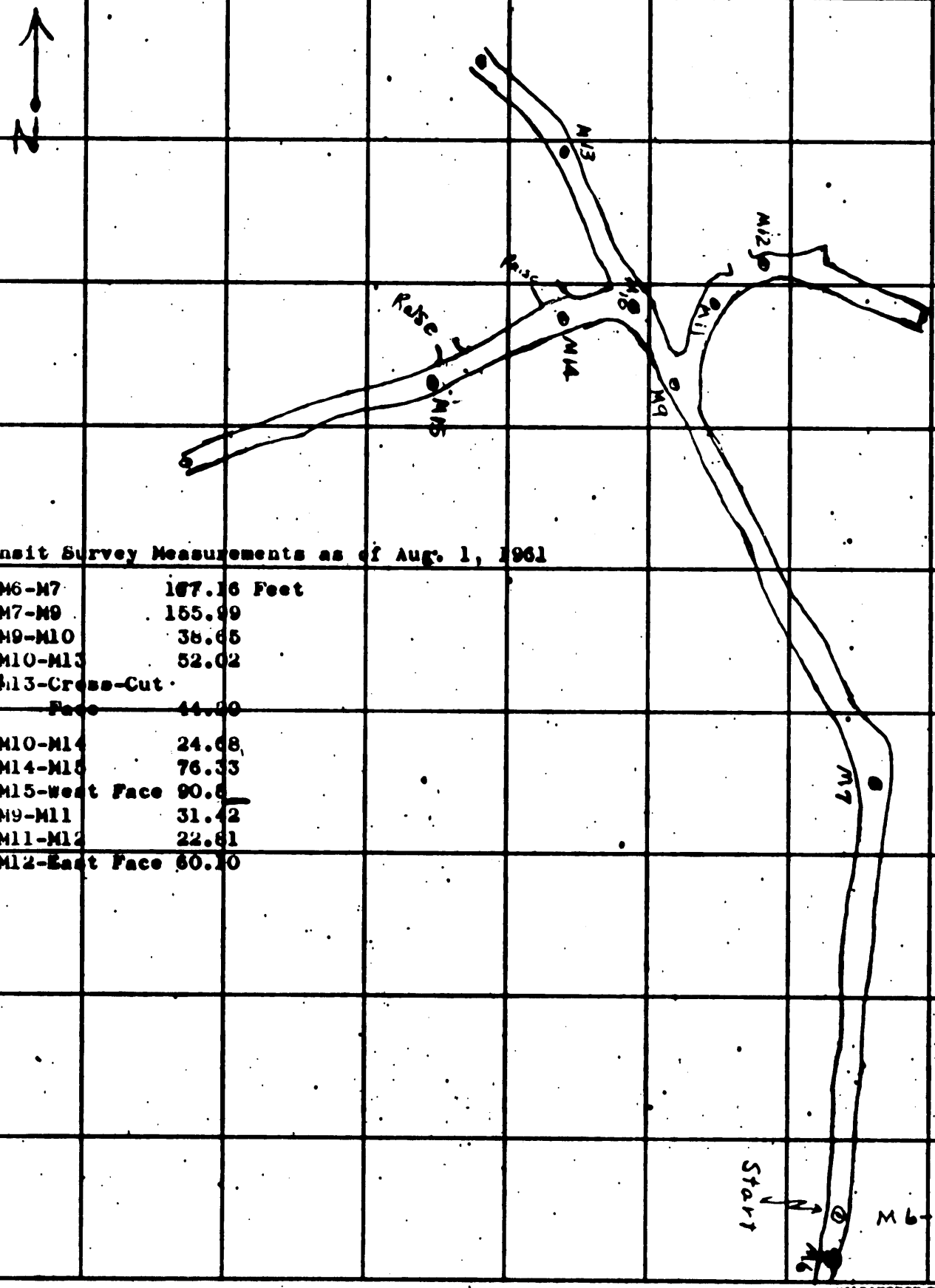
OPERATOR'S NARRATIVE REPORT
Northern Milling Company
P. O. Box 361, Townsend, Montana

The following is not part of the OME contract, but in order that you may know what has taken place I should like to report: - Several long-holes were drilled near the end and at the end of the right drift amounting to 500 feet of hole. An exploratory raise near M-12 was driven to a height of 30'. A raise in ore at M-14 is at a height of 60'. A raise at M-15 is at a height of 30'. We have milled approximately 250 Tons of ore from the raises at M-14 and M-15 and have shipped concentrate to the Smelter, advising them that OME is to receive 5% of the returns. Since the Smelter does not write the check on any royalties, we will issue the check as soon as we receive the Smelter returns, which will show the amount of royalty due the OME.

Date August 14, 1961 Payee NORTHERN MILLING COMPANY

Per Paul I. Raber President
Paul I. Raber

Northern Mining Co.
Marietta Mine
O. M. E. Exploration Contract 14-83-093-2121.




Transit Survey Measurements as of Aug. 1, 1961

| | |
|---|---|
| M6-M7 | 187.16 Feet |
| M7-M9 | 155.99 |
| M9-M10 | 38.65 |
| M10-M13 | 52.02 |
| M13-Cross-Cut Face | 44.00 |
| M10-M14 | 24.68 |
| M14-M15 | 76.33 |
| M15-West Face | 90.6 |
| M9-M11 | 31.42 |
| M11-M12 | 22.81 |
| M12-East Face | 60.10 |

MME FORM 60
SEPT. 1959

RECEIVED
Via Air Mail
JUN 12 1961
Cert. Mail
U.S. SPOKANE, WASH.

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

Sch. 1 P-45

Docket No. 6082
Contract No.
14-23-090- 2121
Contract Amount $102,300.00
Gov't. Participation % 50 $51,150.00
Mineral(s) Lead & Zinc

## OPERATOR'S MONTHLY VOUCHER

For Month of May 1961

Operator's Name NORTHERN MILLING COMPANY
Address P. O. Box 361, Townsend, Montana

| COST CATEGORIES | FOR OPERATOR'S USE | | | FOR GOVERNMENT APPROVAL ONLY | | |
|---|---|---|---|---|---|---|
| | MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE | MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE |
| Fixed Unit Costs and | | | | | | |
| (1) Independent Contracts: | | | | | | |
| Bulldozing | | | | | | |
| Drifting | $3,330.00 | $1,924.00 | $ 5,254.00 | 2812.00 | 1924.00 | 4,736.00 |
| Crosscutting | 1,924.00 | 15,025.70 | 16,949.70 | 1924.00 | 14,526.20 | 16,450.20 |
| Drilling | | | | | | |
| (2) Personal Services: | | | | | | |
| Supervision & Technical | | | | | | |
| Outside Consultants | | | | | | |
| Labor | | | | | | |
| (3) Operating Mat'l. & Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Rail | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehab. & Repairs: | | | | | | |
| Buildings, Fixtures, etc. | | | | | | |
| Operating Equipment | | | | | | |
| (6) New Buildings, Fixtures, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Analytical Work | 72.00 | 58.00 | 130.00 | 72.00 | 58.00 | 130.00 |
| Payroll Taxes | | | | | | |
| Employee's Liability Ins. | | | | | | |
| TOTALS | $5,326.00 | $17,007.70 | $22,333.70 | 4808.00 | 16,508.20 | 21,316.20 |

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 30 1961

| DATE | INITIALS | CODE |
|---|---|---|
| 6/30 | gad | NNO 800 |

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

Date June 7th, 1961 Payee Northern Milling Company

Per Paul Raber Title President
Paul I. Raber

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 2404.00

Signature BRS
(Authorized Certifying Officer)

Date 6/21/61 Vou. No. 5225

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2121

Signature D.H. Macharen Title Acting Field Officer Reg I Date 6/15/61

Approved by OME Executive Officer or Alternate:

Signature D.H. Macharen Title Acting Field Officer Reg I Date 6/15/61

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED JUN 12 1961 U.S.G.S. Vellen Mail cert. mail

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

## OPERATOR'S PROGRESS REPORT

For Month of May 1961 Docket No. 6082

Operator's Name NORTHERN MILLING COMPANY Contract No. 14-23-090-2121

| OPERATION | UNITS | FOR OPERATOR'S USE: UNITS THIS MONTH | UNITS TO DATE | COSTS TO DATE | FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH | APPROVED UNITS TO DATE | APPROVED COSTS TO DATE |
|---|---|---|---|---|---|---|---|
| Drifting | 90' | 90' | 142' | $ 5,254.00 | 76 | 128 | 4,736.00 |
| Crosscutting | 52' | 52' | 458.1 | 16,949.70 | 52 | 448.6 | 16,950.00 |
| Raising | | | | | | | |
| Shafts | | | | | | | |
| Winzes | | | | | | | |
| Other Underground | | | | | | | |
| Drilling, Core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Drilling, Non-core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Churn | | | | | | | |
| Percussion | | | | | | | |
| Miscellaneous | | | | | | | |
| | | | | | | | |
| Roads and Trails | | | | | | | |
| Stripping | | | | | | | |
| Trenching | | | | | | | |
| Test Pitting | | | | | | | |
| Other Surface Work | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | |
| Rehabilitation of Mine Workings | | | | | | | |
| New Buildings, Fixtures, etc. | | | | | | | |
| Operating Equipment Purchases | | | | | | | |
| Analytical Work Jan. Arp. May assays | | | | 130.00 | | | 130.00 |
| TOTAL TO DATE (per MME Form 60) | | | | $22,333.70 | | | 21,316.20 |

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date June 7, 1961 Operator Northern Milling Company

Per Paul I. Raber Title President

Paul I. Raber

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D R Mackenzie

Title Acting Field Officer Reg I
Government Representative

Date 6/15/61

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

## INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.,D.C.59- 61577

Docket 6082

Contract No. 2121
14-23-090

FOR MONTH OF May, 1961

OPERATOR'S NARRATIVE REPORT
Northern Milling Company
P. O. Box 361, Townsend, Montana

During the period of May 1st to June 6th, 1961, we drifted on the structure, which is apparently the Gold Dust Vein, 62 feet to the right and 28 feet to the left of the cross-cut. We also extended the cross-cut 52 feet at the previous heading of West 27° East in order to explore the possibility of a foot-wall vein, since it was necessary to prove that the vein which we encountered was the Gold Dust Vein.

At Mr. MacLaren's suggestion, a side-swipe round was blasted in an attempt to locate the Gold Dust Structure in the right hand drift, but exposed no significant evidence to substantiate the need for further drifting on the flat breaks which appeared to be part of the Gold Dust structure. A very extensive examination of the Mason Tunnel project was made by Mr. MacLaren during this period.

We are altering the course of the cross-cut to coincide with Mr. MacLaren's instructions - to North 45° West.

Date June 7th, 1961

Payee NORTHERN MILLING CO.

Per Paul I. Raber
Paul I. Raber

President

Via Air Mail
JUN 12 1961
Cert Mail

NORTHERN MILLING Co
Marietta Mine
EXPLORATION CONTRACT 14-23-093-2121

JUNE 6 1961
Scale 1" = 50'

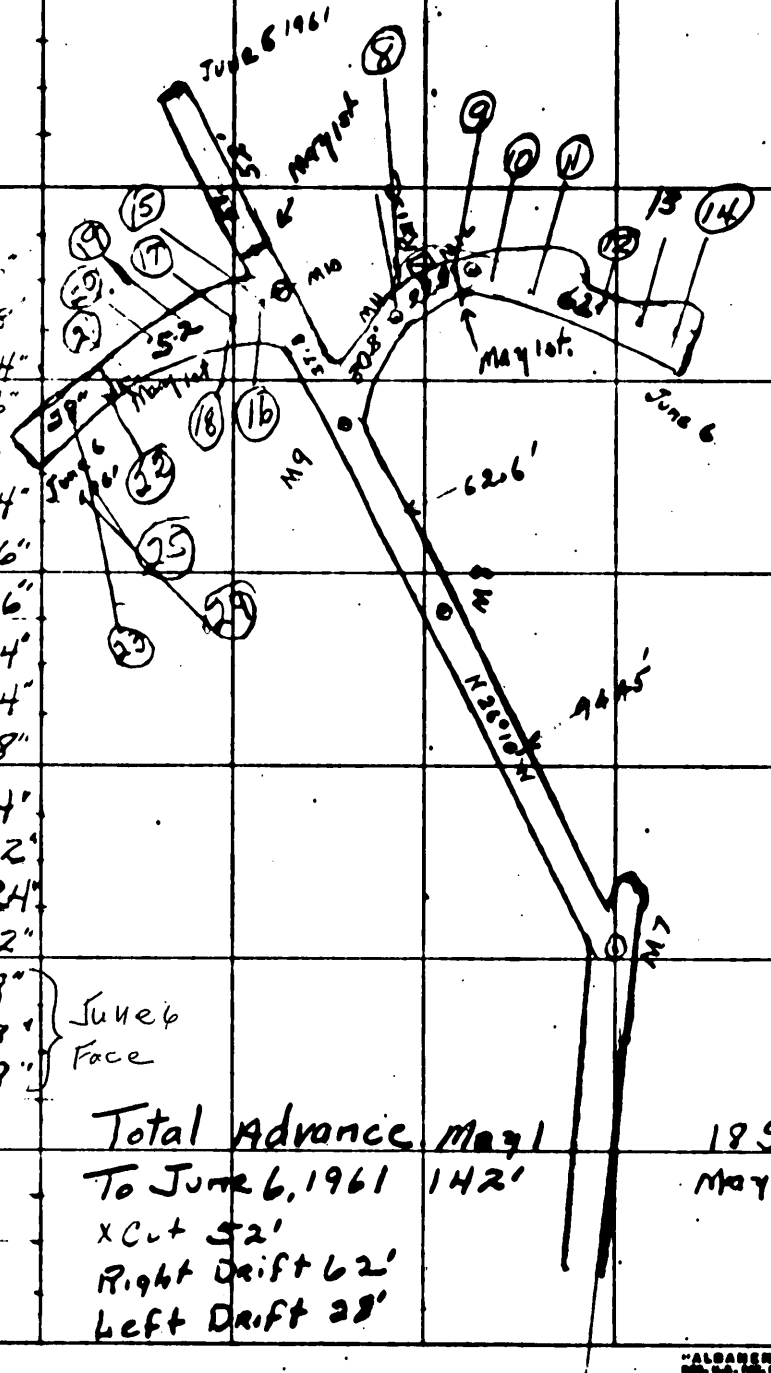
Legend For Assays

Circled Number indicates No of Sample on ASSAY Sheets

Samples 1 To 7 inclusive Vouchered For May 1, 1961

| No | AU | AG | PB% | Zn% | Width |
|---|---|---|---|---|---|
| 1 | 2.10 | .58 | 3.5 | No Zn Determination made | |
| 2 | .35 | .97 | 1.5 | | |
| 3 | 1.17 | 3.84 | 7.8 | | |
| 4 | 2.59 | 2.90 | 3.3 | | |
| 5 | .11 | .32 | .9 | | |
| 6 | .29 | 1.28 | 1.0 | | |
| 7 | .38 | .92 | 3.5 | | |
| 8 | .01 | .3 | None | 0.1 | 36" |
| 9 | 0.52 | 0.9 | None | 0.6 | 48" |
| 10 | 0.06 | 0.5 | 0.2 | 0.4 | 24" |
| 11 | 0.09 | 0.1 | 0.2 | 0.1 | 36" |
| 12 | 0.52 | 0.3 | None | None | 12" |
| 13 | 0.01 | 0.3 | ← | 0.4 | 24" |
| 14 | Trace | 0.3 | ← | 0.1 | 36" |
| 15 | 0.005 | 0.1 | ← | None | 36" |
| 16 | Trace | 0.3 | ← | ← | 24" |
| 17 | Trace | 0.1 | ← | 0.1 | 24" |
| 18 | 0.03 | 0.2 | ← | None | 18" |
| 19 | 0.18 | 0.7 | ← | 0.3 | 24" |
| 20 | 0.47 | 4.1 | 6.8 | 0.9 | 12" |
| 21 | 0.61 | 1.4 | 0.2 | 2.9 | 24" |
| 22 | 1.28 | 1.3 | None | 1.6 | 12" |
| 23 | .24 | .8 | 0.2 | 2.4 | 8" |
| 24 | .09 | 0.3 | None | None | 18" |
| 25 | .02 | 0.2 | None | None | 18" |

June 6 Face




Total Advance May 1 To June 6, 1961 142'

18 Sample May 1 To June 6

X Cut 52'
Right Drift 62'
Left Drift 28'

"ALBANENE" No. 1000 K&E CO., N.Y.

A. J. GOODALL,
Assayer, Chemist

A. V. TRENT,
Assayer, Chemist

# GOODALL BROTHERS

ASSAYERS AND METALLURGICAL CHEMISTS

66 SO. MAIN ST., HELENA, MONTANA

TEL. 6[illegible]
P. O. BOX 587

Date MAY 29 1961

UMPIRE ASSAY..... CONTROL ASSAY..... HAND SAMPLE.....

ASSAYED FOR: Northern Milling Co. | MARKS: Lorraine

| 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 Val. Per Ton |
|---|---|---|---|---|---|---|---|---|---|---|
| 8 | | 0.01 | 0.3 | None | | 0.1 | | | | |
| 9 | | 0.02 | 0.3 | ✓ | | 0.6 | | | | |
| 10 | | 0.26 | 0.5 | 0.2 | | 0.4 | | | | |
| 11 | | 0.09 | 0.1 | 0.2 | | 0.1 | | | | |
| 12 | | 0.52 | 0.3 | None | | None | | | | |
| 13 | | 0.01 | 0.3 | ✓ | | 0.4 | | | | |
| 14 | | Trace | 0.3 | ✓ | | 0.1 | | | | |
| 15 | | 0.005 | 0.1 | ✓ | | None | | | | |
| 16 | | Trace | 0.3 | ✓ | | ✓ | | | | |
| 17 | | Trace | 0.1 | ✓ | | 0.1 | | | | |
| 18 | | 0.03 | 0.2 | ✓ | | None | | | | |
| 19 | | 0.18 | 0.7 | ✓ | | 0.3 | | | | |
| 20 | | 0.47 | 4.1 | 6.8 | | 0.9 | | | | |
| 21 | | 0.61 | 1.4 | 0.2 | | 2.9 | | | | |
| 22 | | 1.28 | 1.3 | None | | 1.6 | | | | |

Gold not deducted: .....

Charges $ [illegible]

NPCo. Form 5—A-6064

GOODALL BROS.

By A. V. Trent

A. V. TRENT,
Owner-Manager

# GOODALL BROTHERS

**ASSAYERS AND METALLURGICAL CHEMISTS**

46 South Main Street, Helena, Montana

TEL. 442-3770
P. O. BOX 537

Date JUN 3 - 1961

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 |
|---|---|---|---|---|---|---|---|---|---|---|
| 13 | | 2.24 | 0.8 | 0.2 | | 2.4 | | | | |
| 14 | | 0.09 | 0.3 | None | | None | | | | |
| 15 | | 0.02 | 0.2 | None | | None | | | | |
| 18 | Sample #1 raise | 0.07 | 0.3 | None | | None | | | | |

Gold not deducted: _____

Charges $ 20.00

GOODALL BROS.

By A. V. Trent

Sch. 1700

MME FORM 60
SEPT. 1959

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

Docket No. 6002
Contract No.
14-23-090- 2121
Contract Amount $102,300.00
Gov't. Participation % 50 $51,150.00
Mineral(s) Lead & Zinc

## OPERATOR'S MONTHLY VOUCHER

For Month of April 1961

Operator's Name NORTHERN MILLING COMPANY
Address P. O. Box 361, Townsend, Montana

| COST CATEGORIES | FOR OPERATOR'S USE: MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE | FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE |
|---|---|---|---|---|---|---|
| Fixed Unit Costs and | | | | | | |
| (1) Independent Contracts: | | | | | | |
| Bulldozing | | | | | | |
| Drifting | 1,924.00 | None | 1,924.00 | 1924.00 | — | 1,924.00 |
| Crosscutting | 2,815.70 | 12,210.00 | 15,025.70 | 2815.70 | 11,710.50 | 14,526.20 |
| Drilling | | | | | | |
| (2) Personal Services: | | | | | | |
| Supervision & Technical | | | | | | |
| Outside Consultants | | | | | | |
| Labor | | | | | | |
| (3) Operating Mat'l. & Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Rail | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehab. & Repairs: | | | | | | |
| Buildings, Fixtures, etc. | | | | | | |
| Operating Equipment | | | | | | |
| (6) New Buildings, Fixtures, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Analytical Work | 44.00 | 14.00 | 58.00 | 44.00 | 14.00 | 58.00 |
| Payroll Taxes | | | | | | |
| Employee's Liability Ins. | | | | | | |
| | | | | | 11,724.50 Amr | |
| TOTALS | 4,783.70 | 12,224.00 | 17,007.70 | 4783.70 | 11,710.50 | 16,658.20 |

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 31 1961

| DATE | INITIALS | CODE |
|---|---|---|
| | | 800 |

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

Date May 15, 1961 Payee Northern Milling Company

Per Paul I. Kober Title President

Paul I. Kober

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 2391.85

Signature 805
(Authorized Certifying Officer)

Date 5/31/61 Vou. No. 4850

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2121

Signature D.R. Macharen Title Actg Field Officer Date 5/26/61

Approved by OME Executive Officer or Alternate:

Signature D.R. Macharen Title Actg Field Officer Date 5/26/61

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

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

**OPERATOR'S PROGRESS REPORT** For Month of April, 1961 Docket No. 6082

Operator's Name Northern Milling Company Contract No. 14-23-090-2121

| OPERATION | UNITS | FOR OPERATOR'S USE: UNITS THIS MONTH | UNITS TO DATE | COSTS TO DATE | FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH | APPROVED UNITS TO DATE | APPROVED COSTS TO DATE |
|---|---|---|---|---|---|---|---|
| Drifting | 52' | 52' | 52' | $1,924.00 | 52.0 | 52.0 | 1,924.00 |
| Crosscutting | 76.1 | 76.1 | 406.1' | 15,025.70 | 76.1 | 392.6 | 14,526.20 |
| Raising | | | | | | | |
| Shafts | | | | | | | |
| Winzes | | | | | | | |
| Other Underground | | | | | | | |
| Drilling, Core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Drilling, Non-core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Churn | | | | | | | |
| Percussion | | | | | | | |
| Miscellaneous | | | | | | | |
| | | | | | | | |
| Roads and Trails | | | | | | | |
| Stripping | | | | | | | |
| Trenching | | | | | | | |
| Test Pitting | | | | | | | |
| Other Surface Work | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | |
| Rehabilitation of Mine Workings | | | | | | | |
| New Buildings, Fixtures, etc. | | | | | | | |
| Operating Equipment Purchases | | | | | | | |
| Analytical Work Jan. & Apr. Assays | | | | 58.00 | | | 58.00 |
| TOTAL TO DATE *(per MME Form 60)* | | | | $17,007.70 | | | 16,508.20 |

REMARKS

*(Continue on back)*

REMARKS

*(Continue on back)*

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

Date May 15, 1961 Operator Northern Milling Company

Per Paul I. Raber Title President

Paul I. Raber

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D.R. Yackeren

Title Acting Field Officer
Government Representative

Date 5/26/61

(INSTRUCTIONS ON REVERSE)

REMARKS (Cont.)

## INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

Docket No. 6082

Contract No. 2121
14-23-090

FOR MONTH OF April, 1961

OPERATOR'S NARRATIVE REPORT
Northern Milling Company
P. O. Box 361, Townsend, Montana

During the drifting covered by this voucher we intersected a vein approximately eighteen (18) inches thick at approximately 78 feet from Station M8, dipping 45 degrees to the Southeast bearing North 75° East.

At 95 feet we intersected a vein dipping 50° to the South bearing North 85° East.

With the approval of Mr. D. R. MacLaren, Acting Field Officer Region I, OME, we drifted 52 feet to the left, and 40½ feet to the right - following the mineralized zone.

Date May 15, 1961

Per Paul I. Raber
Paul I. Raber

Payee NORTHERN MILLING CO.
President

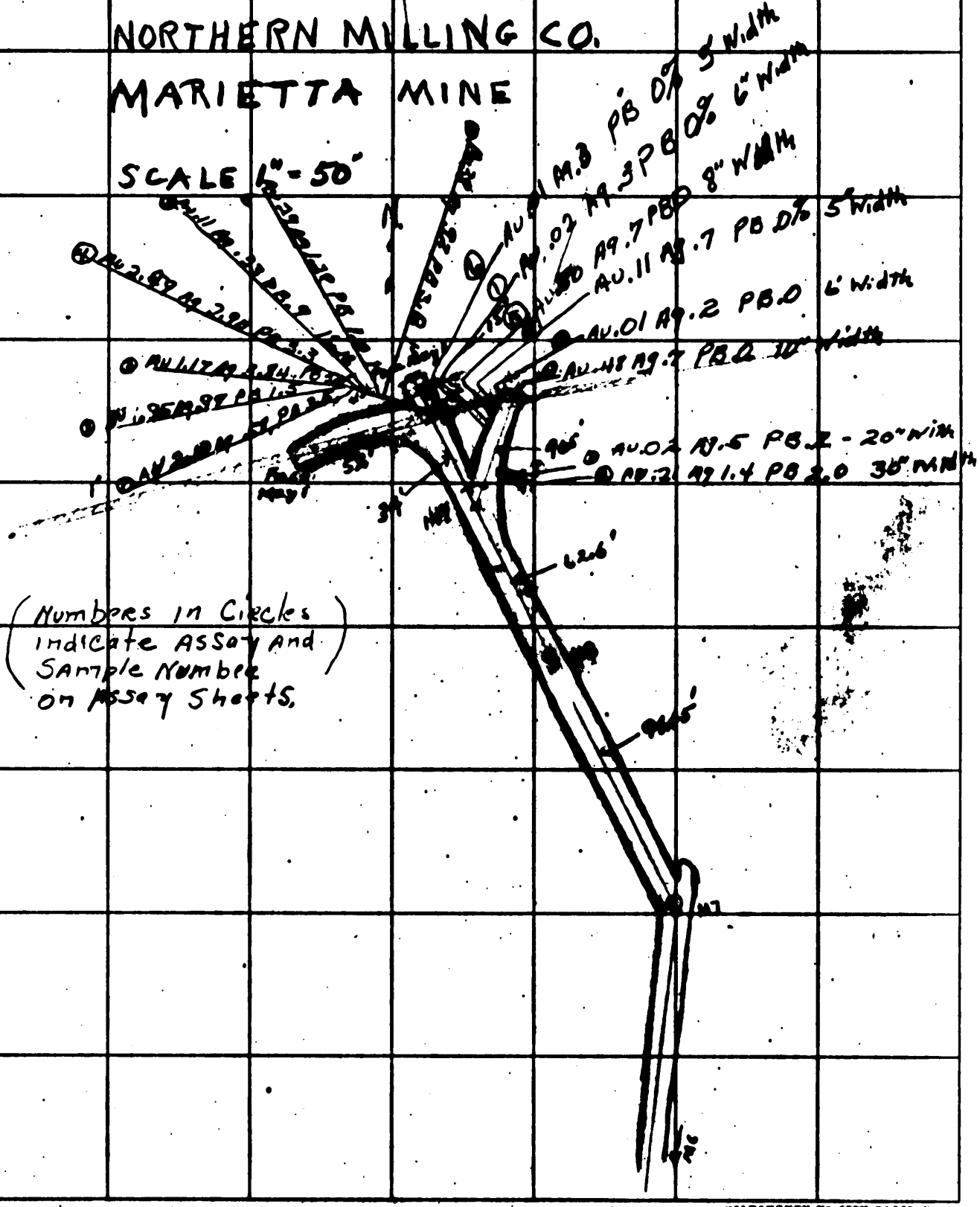
EXPLORATION CONTRACT No 14-23-093-2121

MAY 1, 1961

NORTHERN MILLING CO.

MARIETTA MINE

SCALE 1" = 50'



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 MAY 2 - 1961

UMPIRE ASSAY _____ CONTROL ASSAY _____ HAND SAMPLE _____

ASSAYED FOR Northern Milling Co.

MARKS: Forward

| 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 | | 0.02 | 0.3 | None | | | | | | |
| 2 | | 0.21 | 1.4 | 2.0 | | | | | | |
| 3 | | 0.02 | 0.5 | 0.2 | | | | | | |
| 4. | | 0.48 | 0.7 | None | | | | | | |
| 5 | | 0.50 | 0.7 | None | | | | | | |
| 6 | | 0.01 | 0.3 | None | | | | | | |
| 7 | | 0.11 | 0.7 | None | | | | | | |
| 8 | | 0.01 | 0.2 | | | | | | | |

Gold not deducted: _____

Charges $ 26.50

GOODALL BROS.

By A. V. Trent

DATE April 9, 1961 ASSAYED BY J. Lee

| No. | Wt. | Mag. | DESCRIPTION | Scale Wt. Net Gr. | Oz./Ton Gold | Oz./Ton Silver | Pb |
|---|---|---|---|---|---|---|---|
| 1 | Sat. | Mag | Mason Tunnel: 90'~95' From M-8, N. of Fault, 2"~1' of Py. Asp. & PbS | 2.68 | 2.10 | .68 | 2.5 |
| 2 | " | " | " " " N. of No. 1 Sample, 4"~6" of Bleached Brk. w/ Py | 1.92 | .35 | .97 | 1.5 |
| 3 | " | " | " " " Pyr. Asp. Ore at Fault | 5.01 | 1.17 | 3.14 | 7.8 |
| 4 | " | " | " " " Pyr. Asp. in Qtz. Vn., 1' wide | 5.49 | 2.69 | 2.90 | 3.3 |
| 5 | " | " | " " " 1' of Fe Vn. Clay w/ Sand | .43 | .11 | .32 | .9 |
| 6 | " | " | " " " 1' of Oxidized Vn. | 1.57 | .29 | 1.21 | 1.0 |
| 7 | " | " | " " " S. of Fault, 1' of Pyrite in Massive Qtz. | 1.30 | .38 | .92 | 3.5 |

It represents combined width of 3.5'~110'.

RECEIVED
MAY 29 1961
OFFICE OF THE SECRETARY
FISCAL SECTION

MME FORM 60
SEPT. 1959

RECEIVED
Via air mail
APR 11 1961
cert mail
U. S. G. S.
SPOKANE, WASH.

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

Sek 1441

Docket No. 6082
Contract No.
14-23-090- 2121
Contract Amount $102,300.00
Gov't. Participation % 50 $51,150.00
Mineral(s) Lead & Zinc

## OPERATOR'S MONTHLY VOUCHER

For Month of March 1961

Operator's Name NORTHERN MILLING COMPANY
Address P. O. Box 361, Townsend, Montana

| COST CATEGORIES | FOR OPERATOR'S USE | | | FOR GOVERNMENT APPROVAL ONLY | | |
|---|---|---|---|---|---|---|
| | MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE | MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE |
| Fixed Unit Costs and | | | | | | |
| (1) Independent Contracts: | | | | | | |
| Bulldozing | | | | | | |
| Drifting | | 8,214.00 | | | | |
| Crosscutting | $3,996.00 | $6,290.00 | $12,210.00 | 3496.50 | 8,214.00 | 11,710.50 |
| Drilling | | | | | | |
| (2) Personal Services: | | | | | | |
| Supervision & Technical | | | | | | |
| Outside Consultants | | | | | | |
| Labor | | | | | | |
| (3) Operating Mat'l. & Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Rail | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehab. & Repairs: | | | | | | |
| Buildings, Fixtures, etc. | | | | | | |
| Operating Equipment | | | | | | |
| (6) New Buildings, Fixtures, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Analytical Work | | (Jan.) 14.00 | 14.00 | | 14.00 | 14.00 |
| Payroll Taxes | | | | | | |
| Employee's Liability Ins. | | | | | | |
| TOTALS | | | $12,224.00 | 3496.50 | 8,228.00 | 11,724.50 |

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

Date April 7, 1961 Payee Northern Milling Company
Per [signature] Consulting Engineer
Per [signature] Title President

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 1748 25

Signature [signature]
(Authorized Certifying Officer)

Date 4/14/61 Vou. No. 4096

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2121

Signature Donald K. Macharen Title Acting Field Officer, OME Region I Date APR 11 1961

Approved by OME Executive Officer or Alternate:

Signature Donald K. Macharen Title Acting Field Officer, OME Region I Date APR 11 1961

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
Via Air Mail
APR 11 1961
Cert Mail
U.S.G.S.
WASH.

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

OPERATOR'S PROGRESS REPORT For Month of March 1961 Docket No. 6082

Operator's Name Northern Milling Company Contract No. 14-23-090- 2121

| OPERATION | UNITS | FOR OPERATOR'S USE: UNITS THIS MONTH | UNITS TO DATE | COSTS TO DATE | FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH | APPROVED UNITS TO DATE | APPROVED COSTS TO DATE |
|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | |
| Crosscutting | 108 | 108 | 330 | $12,210.00 | 94.5 | 316.5 | $ 11,710.50 |
| Raising | | | | | | | |
| Shafts | | | | | | | |
| Winzes | | | | | | | |
| Other Underground | | | | | | | |
| Drilling, Core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Drilling, Non-core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Churn | | | | | | | |
| Percussion | | | | | | | |
| Miscellaneous | | | | | | | |
| | | | | | | | |
| Roads and Trails | | | | | | | |
| Stripping | | | | | | | |
| Trenching | | | | | | | |
| Test Pitting | | | | | | | |
| Other Surface Work | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | |
| Rehabilitation of Mine Workings | | | | | | | |
| New Buildings, Fixtures, etc. | | | | | | | |
| Operating Equipment Purchases | | | | | | | |
| Analytical Work Jan. Assays | | | | 14.00 | | | 14.00 |
| TOTAL TO DATE *(per MME Form 60)* | | | | $12,224.00 | | | $ 11,724.50 |

REMARKS

*(Continue on back)*

REMARKS

*(Continue on back)*

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

Date April 7, 1961 Operator Northern Milling Company

Per W P Wade Consulting Engineer

Per Paul Roher Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature Donald R. Mackaren

Title Acting Field Officer, OME Region I
Government Representative

Date APR 11 1961

(INSTRUCTIONS ON REVERSE)

## INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 14 1961

| DATE | INITIALS | |
|---|---|---|
| 4-14 | gad | NVO 800 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
No. 157 Howard Street
Spokane 4, Washington
April 11, 1961

Mr. Paul I. Baker, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: OME-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract #121

Dear Mr. Baker:

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 132.5 feet and the distance from point M-7 to the face is 164 feet and the previous measurement for which payment was made is 222 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 distances with Mr. Tan the next time I come over and any indicated adjustment will be made at this time.

Sincerely yours,

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

cc: OME(3)
Voucher File
Director
Econ. Geol.
BAFM
Fiscal Section
Office of the Secretary

FOR MONTH OF March, 1961

Docket No. 6082

OPERATOR'S NARRATIVE REPORT
Northern Milling Company
P. O. Box 361, Townsend, Montana

Contract No. 2121
14-23-090

Approximately one month ago we put on an additional shift, so we are working sixteen (16) hours per day in the Mason Tunnel drift.

We encountered two (2) extremely hard andesite ribs where we experienced some difficulty in obtaining our footage. Within this 108', which we are submitting in this report, the moisture in the seams has decreased. In this same area our bit cost per foot of hole has increased because of this more dense rock condition.

Date April 7, 1961

Payee Northern Milling Company

Per N. P. Wade

Consulting Engineer

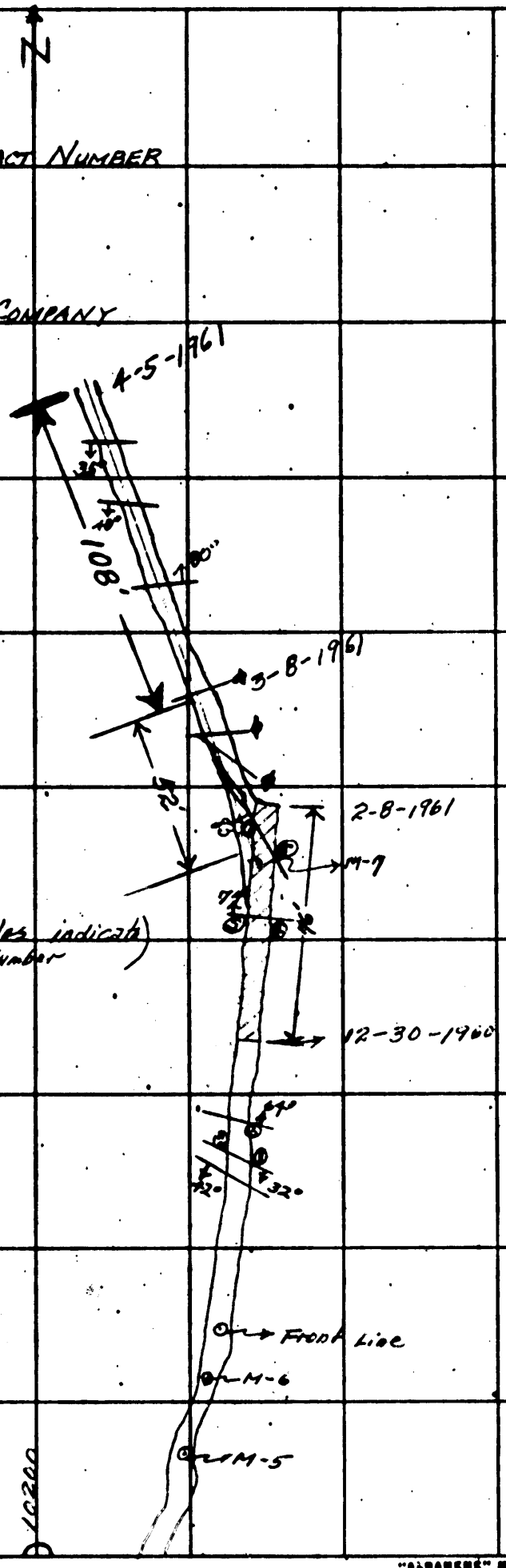
Per Paul Haber

President

RECEIVED
Via air mail
APR 11 1961
cert mail
U.S.G.S.
CROSSMANE MASSH.

EXPLORATION CONTRACT NUMBER
14-23-093-2121
DOCKET NUMBER

NORTHERN MILLING COMPANY
MARIETTA MINE
SCALE 1" = 50'




(Number in Circles indicate Assay Sample Number)

"ALDAREX" NO. 1008 KASCO, N.Y.

Sch 1376

MME FORM 60
SEPT. 1959

RECEIVED
Cert. Mail
MAR 27 1961
R & R
U.S.G.S.
SPOKANE, WASH.

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

Docket No. 6082
Contract No.
14-23-090- 2121
Contract Amount $102,300.00
Gov't. Participation % 50% $51,150.00
Mineral(s) Lead and Zinc

## OPERATOR'S MONTHLY VOUCHER

For Month of February, 1961

Operator's Name NORTHERN MILLING COMPANY
Address P. O. Box 361, Townsend, Montana

| COST CATEGORIES | FOR OPERATOR'S USE | | | FOR GOVERNMENT APPROVAL ONLY | | |
|---|---|---|---|---|---|---|
| | MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE | MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE |
| Fixed Unit Costs and | | | | | | |
| (1) Independent Contracts: | | | | | | |
| Bulldozing | | | | | | |
| Drifting | | | | | | |
| Crosscutting | $1,924.00 | $6,290.00 | $8,214.00 | 1924.00 | 6,290.00 | 8,214.00 |
| Drilling | | | | | | |
| (2) Personal Services: | | | | | | |
| Supervision & Technical | | | | | | |
| Outside Consultants | | | | | | |
| Labor | | | | | | |
| (3) Operating Mat'l. & Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Rail | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehab. & Repairs: | | | | | | |
| Buildings, Fixtures, etc. | | | | | | |
| Operating Equipment | | | | | | |
| (6) New Buildings, Fixtures, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Analytical Work | | (Jan)$14.00 | 14.00 | | 14.00 | 14.00 |
| Payroll Taxes | | | | | | |
| Employee's Liability Ins. | | | | | | |
| TOTALS | | | $8,228.00 | 1924.00 | 6304.00 | 8,228.00 |

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 5 1961

| DATE | INITIALS | CODE |
|---|---|---|
| 4/5 | gad | NVO |
| | | 800 |

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

Date March 23, 1961 *Payee Northern Milling Company
Per M. R. Wade Consulting Engineer
Per Paul Fahr Title President

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 962.00

Signature OK
(Authorized Certifying Officer)

Date 4/4/61 Vou. No. 3927

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2121

Signature Donald R. MacKaren Title Geologist Date 3/27/61

Approved by OME Executive Officer or Alternate:

Signature Donald R. MacKaren Title Acting Field Officer Region I Date 3/27/61

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
certified mail
MAR 27 1961
R. R.
U. S. G. S.

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

OPERATOR'S PROGRESS REPORT — For Month ~~March 1961~~ February, — Docket No. 6082

Operator's Name Northern Milling Company — Contract No. 14-23-098121

| OPERATION | UNITS | FOR OPERATOR'S USE: UNITS THIS MONTH | UNITS TO DATE | COSTS TO DATE | FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH | APPROVED UNITS TO DATE | APPROVED COSTS TO DATE |
|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | |
| Crosscutting | $2 52 | 52 | 128 | $ 8,214.00 | 52 | 222 | 8,214.00 |
| Raising | | | | | | | |
| Shafts | | | | | | | |
| Winzes | | | | | | | |
| Other Underground | | | | | | | |
| Drilling, Core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Drilling, Non-core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Churn | | | | | | | |
| Percussion | | | | | | | |
| Miscellaneous | | | | | | | |
| | | | | | | | |
| Roads and Trails | | | | | | | |
| Stripping | | | | | | | |
| Trenching | | | | | | | |
| Test Pitting | | | | | | | |
| Other Surface Work | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | |
| Rehabilitation of Mine Workings | | | | | | | |
| New Buildings, Fixtures, etc. | | | | | | | |
| Operating Equipment Purchases | | | | | | | |
| Analytical Work | Jan. Assays | | | 14.00 | | | 14.00 |
| TOTAL TO DATE *(per MME Form 60)* | | | | $8,228.00 | | | 8,228.00 |

REMARKS

*(Continue on back)*

REMARKS

*(Continue on back)*

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

Date March 23, 1961 Operator Northern Milling Company

Per M. P. Wade Consulting Engineer

Per Paul Kobler Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature Donald R. Macharen

Title Acting Field Officer, Region I
Government Representative

Date 3/27/61

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

## INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

FOR MONTH OF February, 1961

OPERATOR'S NARRATIVE REPORT
Northern Milling Company
P. O. Box 361, Townsend, Montana

Docket No. 6082

Contract No. 2121
14-23-090

After a telephone conversation between Mr. MacLaren, Mr. W. R. Wade and Paul I. Raber, and verbal approval by Mr. MacLaren, it was decided to revise the strike of the Mason Tunnel drift to coincide with the strike of a vein crossing the drift. It was originally considered necessary to change the strike of the drift 20-25° to the left, but after further advance it was apparent that the deviation from the original plan would have to be 40° to the left in order to follow the vein.

We are at the present time drifting north 35° west which makes a turn to the left of approximately 40° from the original strike of the tunnel north 5° east.

The vein we are following is a very weak fracture, but it has given us something to break to.

Date March 23, 1961

Per W R Wade

Per Paul I Raber

Payee Northern Milling Company

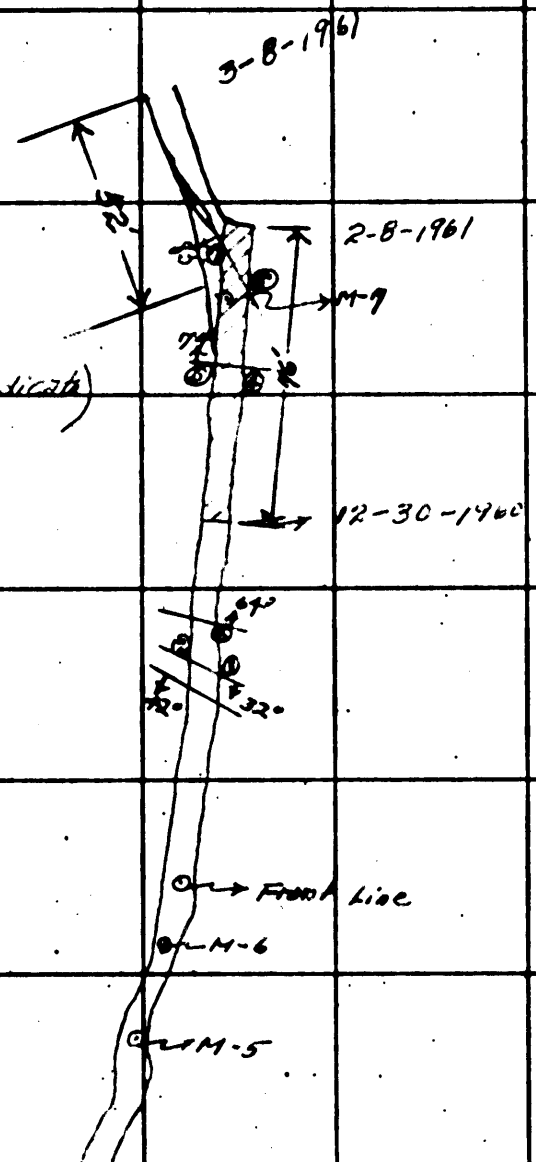
Consulting Engineer

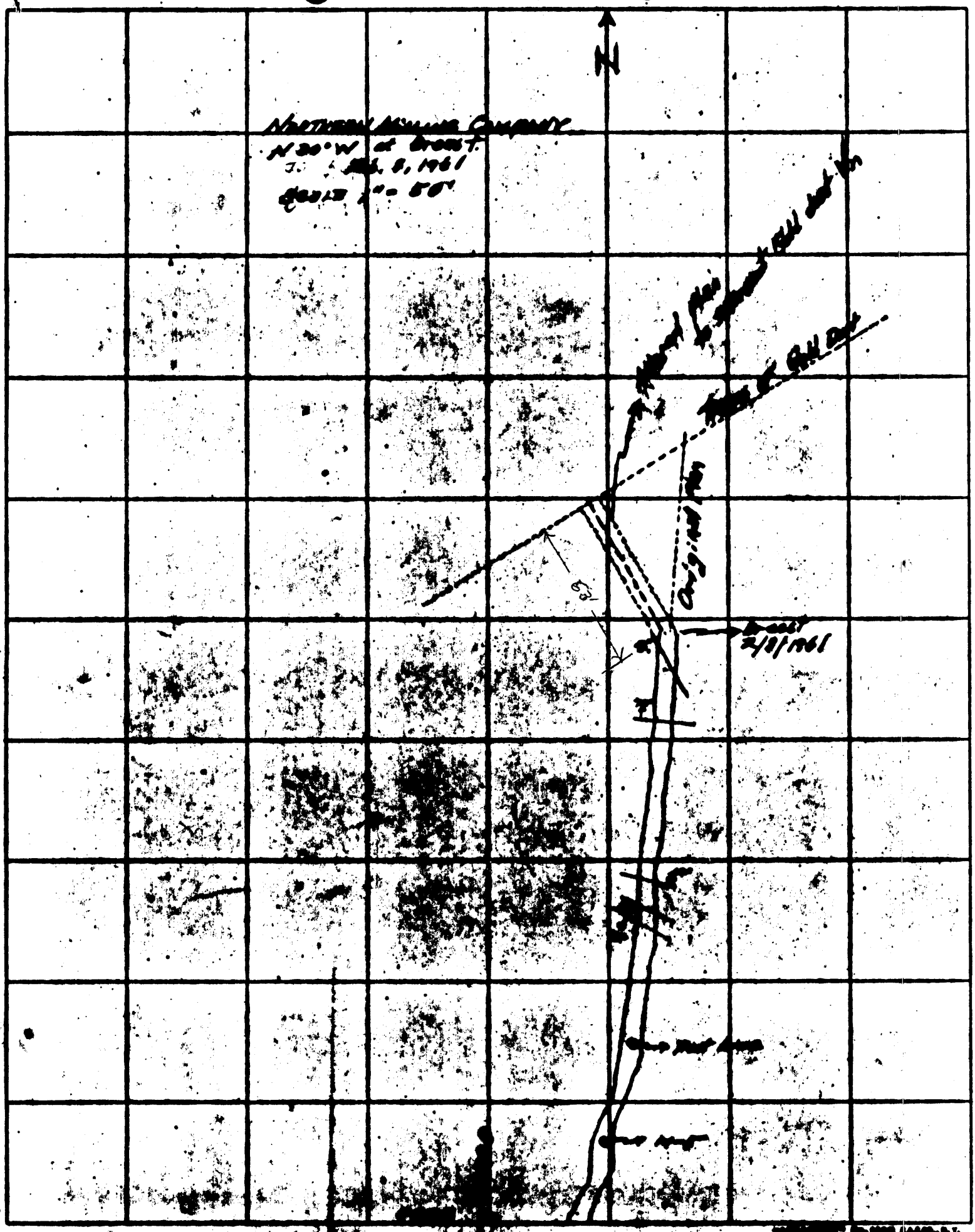
President

MAR 29 1961

EXPLORATION CONTRACT NUMBER
14-23-093-2121
DOCKET NUMBER

NORTHERN MILLING COMPANY
MARIETTA MINE
SCALE 1" = 50'




N
Northern Mining Company
N 30° W at Brost
Feb. 8, 1961
Scale 1" = 50'
Original Plan
Brost
2/8/1961

MAR 29 1961

No. 327 Second Street
Spokane 4, Washington
March 27, 1961

800

Mr. Paul Baker, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: [illegible]-[illegible] (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract [illegible]

Dear Mr. Baker:

We have received your voucher for February 1961 and note that on the [illegible] Form 61 you show "units to date" as [illegible]. This figure apparently should be [illegible] as:

| | |
|---|---|
| January "units to date" | 170 |
| Units vouchered for Feb. | 32 |
| | [illegible] |

Also, 1[illegible] times the unit price of $37.00 per foot would be $4,736.00, whereas [illegible] times $37.00 would be $[illegible],[illegible].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 70 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. E. Shelburne
Acting Field Officer, OHR
Region I

cc: OHR(3) w/cys incoming
Voucher file w/cy incoming
Director
Econ. Anal.
RAFM

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. Raber, President

PR/b
Enclosures

RECEIVED
MAR 27 1961

No. 157 Second Street
Spokane 4, Washington
March 27, 1961

EXTRA COPY
O. M. E
RECEIVED MAR 30 196
DATE IN ... CODE

Memorandum

To: Chief, Fiscal Section
Division of Administrative Services
Office of the Secretary

From: Acting Field Officer, OME, Region X

Subject: OME-6082 (Lead-Zinc)
Northern Milling Co., Inc.
Marietta Mine
Broadwater County, Montana
Contract 2321
Appropriation Symbol: OME 14x0106

Enclosed are the original and two copies of the subject Operator's Monthly Voucher and Progress Report (BMM Form 60 and 61) together with the narrative for February 1961.

On BMM Form 61 the "units to date" are given as 1[illegible]. This is obviously a typographical error for the following reasons:

1. Units to date for January were 170

2. 170 plus 32 units completed in February equals 202 units to date

3. 202 times $37.00 per foot equals $8,214.00 which is the amount shown as "costs to date"

4. 32 units times $37.00 equals $1,184.00 which is the amount shown on the BMM Form 60 as "monthly total"

It is recommended that the approved units to date on BMM Form 61 be shown as 202.

R. R. Nielsen

Enclosures

cc: OME(2)
Director
Accg. Geol. BMM Forms 60 & 61 File

MME FORM 60
SEPT. 1959

as mail
FEB 20 1961
U.S.G.S.
SPOKANE, WASH.
over mail

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

Sch. 1200

Docket No. 6082
Contract No.
14-23-090- 2121
Contract Amount $102,300.00
Gov't. Participation % 50 $ 51,150.00
Mineral(s) Lead and Zinc

## OPERATOR'S MONTHLY VOUCHER

For Month of January 1961

Operator's Name NORTHERN MILLING COMPANY
Address P. O. Box 361, Townsend, Montana

| COST CATEGORIES | FOR OPERATOR'S USE: MONTHLY TOTAL | FOR OPERATOR'S USE: PREVIOUSLY REPORTED | FOR OPERATOR'S USE: TOTALS TO DATE | FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL | FOR GOVERNMENT APPROVAL ONLY: PREVIOUSLY REPORTED | FOR GOVERNMENT APPROVAL ONLY: TOTALS TO DATE |
|---|---|---|---|---|---|---|
| Fixed Unit Costs and | | | | | | |
| (1) Independent Contracts: | | | | | | |
| Bulldozing | | | | | | |
| Drifting | | | | | | |
| Crosscutting | $2,812.00 | 3,478.00 | $6,290.00 | | | |
| Drilling | | | | | | |
| (2) Personal Services: | | | | | | |
| Supervision & Technical | | | | | | |
| Outside Consultants | | | | | | |
| Labor | | | | | | |
| (3) Operating Mat'l. & Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Rail | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehab. & Repairs: | | | | | | |
| Buildings, Fixtures, etc. | | | | | | |
| Operating Equipment | | | | | | |
| (6) New Buildings, Fixtures, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Assays | 14.00 | None | 14.00 | | | |
| Analytical Work | | | | | | |
| Payroll Taxes | | | | | | |
| Employee's Liability Ins. | | | | | | |
| TOTALS | $2,826.00 | 3,478.00 | $6,304.00 | 2826.00 | 3,478.00 | 6,304.00 |

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 2 1961

| DATE | INITIALS | CODE |
|---|---|---|
| 3-2 | gad | 2120 800 |

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

Date Feb. 15, 1961 *Payee Northern Milling Company
Per W. R. Wade Consulting Engineer
Per [signature] Title President

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 1413.00

Signature [signature]
(Authorized Certifying Officer)

Date 3/1/61 Vou. No. 3500

(SEE OTHER SIDE)

Original signed by Mc Larson QR

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. _____

Signature _____ Title _____ Date _____

Approved by OME Executive Officer or Alternate:

Signature _____ Title _____ Date _____

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

INT.DUP.,D.C.59- 61579

MME FORM 61
SEPT. 1959

RECEIVED
FEB 20 1961
U.S. BUREAU OF MINES
SPOKANE, WASH.

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

**OPERATOR'S PROGRESS REPORT** For Month of January 1961 Docket No. 6082

Operator's Name Northern Milling Company Contract No. 14-23-090-2121

| OPERATION | UNITS | FOR OPERATOR'S USE: UNITS THIS MONTH | UNITS TO DATE | COSTS TO DATE | FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH | APPROVED UNITS TO DATE | APPROVED COSTS TO DATE |
|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | |
| Crosscutting | 76 | 76 | 170 | $6,290.00 | | | |
| Raising | | | | | | | |
| Shafts | | | | | | | |
| Winzes | | | | | | | |
| Other Underground | | | | | | | |
| Drilling, Core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Drilling, Non-core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Churn | | | | | | | |
| Percussion | | | | | | | |
| Miscellaneous | | | | | | | |
| | | | | | | | |
| Roads and Trails | | | | | | | |
| Stripping | | | | | | | |
| Trenching | | | | | | | |
| Test Pitting | | | | | | | |
| Other Surface Work | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | |
| Rehabilitation of Mine Workings | | | | | | | |
| New Buildings, Fixtures, etc. | | | | | | | |
| Operating Equipment Purchases | | | | | | | |
| Analytical Work Assays | | | 14 | 14.00 | | | |
| TOTAL TO DATE *(per MME Form 60)* | | | | $6,304.00 | | | |

REMARKS

*(Continue on back)*

REMARKS

*(Continue on back)*

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

Date Feb. 15, 1961 Operator Northern Milling Company

Per M R Wade Consulting Engineer

Per Paul Baker Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature

Title

Government Representative

Date

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

MARKS *(Cont.)*

## INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

STANDARD FORM NO. 64

# Office Memorandum • UNITED STATES GOVERNMENT

O. M. E
RECEIVED MAR 2 1961
DATE: 2/20/61

| DATE | INITIALS | CODE |
|---|---|---|
| | | 800 |

TO : Chief, Fiscal Section
Division of Administrative Services
Office of the Secretary

FROM : Donald R. MacLaren
Acting Field Officer, OME, Region I

SUBJECT: OME-6082 (Lead-Zinc)
Northern Milling Co., Inc.
Marietta Mine
Broadwater County, Montana
Contract 2121
Appropriation Symbol: OME 14x0108

Transmittal of Operator's Monthly Voucher and Progress Report (MME Forms 60 & 61) together with narrative for January 1961 and a copy of our letter to Paul Raber, president of the company.

Donald R. MacLaren

FOR MONTH OF January, 1961

OPERATOR'S NARRATIVE REPORT
Northern Milling Company
P. O. Box 361, Townsend, Montana

Docket No. 6082

Contract No.
14-23-090 2121

The ground is breaking more easily because of shorter fractures in the rock, and we would have made a greater advance this month except for compressor trouble which delayed drilling for approximately one week. The compressor has been repaired.

During the time that the compressor was down our men were making repairs and doing maintenance work on the equipment and the haulage way.

We expect to make a better footage showing this coming month.

Date February 15, 1961

Per W. R. Wade

Per Paul Baker

Payee Northern Milling Company

Consulting Engineer

President

RECEIVED
FEB 20 1961
U. S. G. S.
SPOKANE, WASH.

EXTRA COPY
O. M. E
RECEIVED FEB 23 1961
DATE
800

No. 157 Howard Street
Spokane 4, Washington
February 20, 1961

Mr. Paul Baker, President
Northern Milling Company, Inc.
Box 341
Townsend, Montana

Re: OME-6062 (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 35 feet was taken from the second cross-structure, right wall and that at 39 feet from the same structure left wall; that at 70.5 feet could have been taken from either wall or the center of the third cross-structure; the first sample at 137 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 assays, 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. Mackiewicz
Acting Field Officer, OME
Region I

cc: Fiscal Section
Office of the Secretary
OME(3); BME Form 60 & 61 File; Director; Econ. Geol.; BAFM

MME FORM 60
SEPT. 1959

RECEIVED
Air Mail
JAN 9 1961
U.S.G.S.
WASH.

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

Sh 974

Docket No. 6082
Contract No.
14-23-090-2121
Contract Amount $102,300.00
Gov't. Participation % 50 $51,150.00
Mineral(s) Lead and Zinc

## OPERATOR'S MONTHLY VOUCHER

For Month of December, 1960

Operator's Name NORTHERN MILLING COMPANY, INC.
Address P. O. Box 361, Townsend, Montana

| COST CATEGORIES | FOR OPERATOR'S USE | | | FOR GOVERNMENT APPROVAL ONLY | | |
|---|---|---|---|---|---|---|
| | MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE | MONTHLY TOTAL | PREVIOUSLY REPORTED | TOTALS TO DATE |
| Fixed Unit Costs and | | | | | | |
| (1) Independent Contracts: | | | | | | |
| Bulldozing | | | | | | |
| Drifting | | | | | | |
| Crosscutting | $3,478.00 | None | $3,478.00 | | | |
| Drilling | | | | | | |
| (2) Personal Services: | | | | | | |
| Supervision & Technical | | | | | | |
| Outside Consultants | | | | | | |
| Labor | | | | | | |
| (3) Operating Mat'l. & Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Rail | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehab. & Repairs: | | | | | | |
| Buildings, Fixtures, etc. | | | | | | |
| Operating Equipment | | | | | | |
| (6) New Buildings, Fixtures, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Analytical Work | | | | | | |
| Payroll Taxes | | | | | | |
| Employee's Liability Ins. | | | | | | |
| TOTALS | $3,478.00 | None | $3,478.00 | 3478.00 | — | 3478.00 |

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 18 1961

| DATE | INITIALS | CODE |
|---|---|---|
| 1-18 | gad | VVO |
| | | 800 |

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

Date Jan. 3, 1961 *Payee Northern Milling Company, Inc.
Per W. R. Wagle Consulting Engineer
Per Paul Kohler Title President

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

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

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

$ 1739.00

Signature _____ (Authorized Certifying Officer)

Date 1/18/61 Vou. No. 2897

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. _____

Signature _____ Title _____ Date _____

Approved by OME Executive Officer or Alternate:

Signature _____ Title _____ Date _____

## OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and four copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

## PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

INT.DUP.,D.C.59- 61579

MME FORM 61
SEPT. 1959

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JAN 9 1961
Cert. mail RR
U.S.G.S.
SPOKANE, WASH.

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

OPERATOR'S PROGRESS REPORT For Month of December, 1960 Docket No. 6082

Operator's Name NORTHERN MILLING COMPANY, INC. Contract No. 14-23-090-2121

| OPERATION | UNITS | FOR OPERATOR'S USE: UNITS THIS MONTH | UNITS TO DATE | COSTS TO DATE | FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH | APPROVED UNITS TO DATE | APPROVED COSTS TO DATE |
|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | |
| Crosscutting | 94 | 94 | 94 | $3,478.00 | | | |
| Raising | | | | | | | |
| Shafts | | | | | | | |
| Winzes | | | | | | | |
| Other Underground | | | | | | | |
| Drilling, Core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Drilling, Non-core-Diamond | | | | | | | |
| Rotary | | | | | | | |
| Churn | | | | | | | |
| Percussion | | | | | | | |
| Miscellaneous | | | | | | | |
| | | | | | | | |
| Roads and Trails | | | | | | | |
| Stripping | | | | | | | |
| Trenching | | | | | | | |
| Test Pitting | | | | | | | |
| Other Surface Work | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | |
| Rehabilitation of Mine Workings | | | | | | | |
| New Buildings, Fixtures, etc. | | | | | | | |
| Operating Equipment Purchases | | | | | | | |
| Analytical Work | | | | | | | |
| TOTAL TO DATE *(per MME Form 60)* | | | | $3,478.00 | | | |

REMARKS

*(Continue on back)*

REMARKS

*(Continue on back)*

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

Date Jan. 3, 1961 Operator Northern Milling Co., Inc.

Per W. R. Wade Consulting Engineer

Per Paul Rabb Title President

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature

Title

Government Representative

Date

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

## INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and four copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

FOR MONTH OF December, 1960

Docket No. 6082
Contract No. 14-23-090 2121

OPERATOR'S NARRATIVE REPORT
Northern Milling Company, Inc.
P. O. Box 361, Townsend, Montana

We started cleaning out the Mason Tunnel on July 5th, 1960. There were parts of the tunnel that had about four feet (4') of mud in it, and there were some caves which necessitated cleaning up and re-timbering. We had to install approximately seventeen hundred feet (1700') of track and ties using twenty-four pound (24) rails; also, we extended the rail out on the dump approximately two-hundred feet (200').

We widened the tunnel and installed double track approximately sixty (60') feet back from the starting face in order to have room to store cars to make up the muck trains.

We installed a four inch (4") air main for a thousand feet and then reduced the size to three inches (3"), and then carried temporary two inch (2") pipe to the face. We installed a four thousand (4000) cubic foot per minute capacity ventillating fan; #2 Triplex wire was used to supply the fan with power. We built a compressor house at the mouth of the tunnel in which we installed a 365 cu. ft. displacement compressor driven by a 100 HP 3-phase electric motor.

We also constructed a two-thousand (2000') power line from the main transformer to the compressor house at the portal of the Mason Tunnel. This preliminary work is not included in our contract, but we give an account of it to show the necessary work which we had to perform before we could start on Contract Docket No.6082.

## PERFORMANCE UNDER CONTRACT

We started on the actual advance on the contract on approximately November 1st, 1960. For awhile the going was no worse than we had expected, but then we encountered a considerable amount of water which made it difficult to keep the dynamite in the drill holes, and the rock became extremely dense and hard and shortbreaking. This extremely hard rock extended for approximately a distance of fifty feet (50'), and then it became a little softer. It was necessary to use up to thirty-two (32) holes in the face with a six-hole burn; using nearly one-hundred pounds (100 lbs.) of powder to the round we were lucky to get a two-foot (2') advance. We would get approximately one-hundred-sixty feet (160') of hole on one (1) carbide bit instead of four to five-hundred feet (400-500') which we considered normal. With two (2) jack-legs drilling it would take up to six and one-half (6½) hours to drill a six foot (6') round.

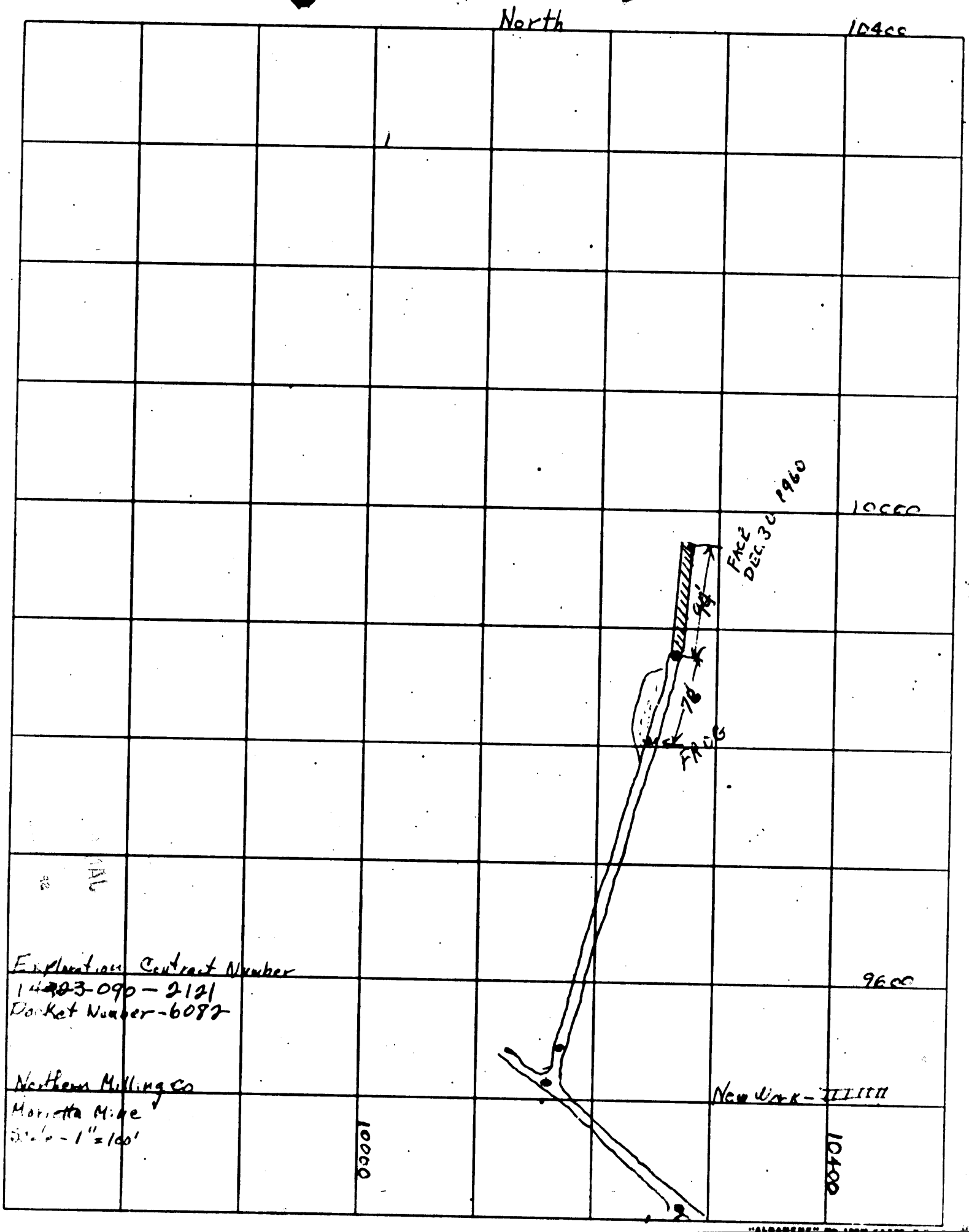
Docket No. 6082
Contract No. 14-23-090 2121
Operator's Narrative Report

After experiencing a considerable amount of trouble with water in the holes and losing a hole from time to time because of the interference of the water with the cap and fuse detonation, we changed to electric cap detonation. This change has improved our footage somewhat.

We recently talked to a man who helped drive the original Mason Tunnel in 1906 and he reported that they were forced to discontinue drifting because they couldn't break the rock. We have called in the experts from the Powder Company in order to obtain any information that would improve our footage.

Date January 3, 1961 Payee Northern Milling Company, Inc.
Per W. R. Wade Consulting Engineer
Per Paul Rahler President

RECEIVED
Air Mail
JAN 9 1961
U.S.G.S.
SPOKANE, WASH.




Exploration Contract Number
14-23-090-2121
Docket Number-6082

Northern Milling Co
Moriatta Mine
Scale - 1" = 100'

RECEIVED
Air Mail
JAN 9 1961
Bub. Mail R.R.R.
U. S. G. S.
SPOKANE, WASH.

EXTRA COPY
O. M. E
RECEIVED NOV 17 1960
DATE | | CODE
800

MONTGOMERY MILLING COMPANY, INC.
P. O. Box 361
Townsend, Montana
November 11, 1960

[illegible] McCarren, Acting Field Officer, OME
[illegible]
United States Dept. of the Interior
[illegible] 1001 Howard Street
[illegible], Washington

Dear Mr. McCarren:

[illegible] returned from a business trip and note your letter of November 7th.

[illegible], we have begun work under our Contract No. [illegible]. I will be looking forward to seeing you on Wednesday, November [illegible].

Yours very truly,
MONTGOMERY MILLING COMPANY, INC.

Paul I. [illegible], President

MME Form 14
March 1961

No. 256

Contract No. Idm-E) 14-23) 2121

Docket No. DMEA) MME) 6082

Date of Action January 20, 1964
Terminated contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

To: Chief, Fiscal Section, Office of the Secretary

From: Chief, Division of Administrative Management

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:
Northern Milling Company, Inc.
P. O. Box 361
Townsend, Montana

| Date of Contract | Region | State | Commodity |
|---|---|---|---|
| September 2, 1960 | I | Montana | Lead-Zinc |

| | Reserve | Obligation |
|---|---|---|
| Prior Amount | 0 | $51,150.00 |
| Increase | 0 | 0 |
| Decrease | 0 | 37,098.63 |
| Revised Amount | 0 | $ 14,051.37 |

Remarks:

cc: 110
800
210

88995-61

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

Northern Milling Company, Inc.
c/o Mr. Alfred E. Cyan, Secretary
Big Sandy, Montana

Re: [illegible] (Lead-Zinc)
Northern Milling Company, Inc.
Marietta Mine
Broadwater County, Montana
Contract 7121

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 $14,831.37 (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.

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, encumbering, 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
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 300

Mrs. Jewell Dance

Townsend, Montana

Re: OME-6082 (Land-Lien)
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. Andere

Audit'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 [signature]
Director, Office of Minerals
Exploration

EXTRA COPY
O. M. E
RECEIVED SEP 3 1963
DATE | INITIALS | CODE

So. 157 Howard Street
Spokane, Washington 99204
August 30, 1963

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OMS-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. Opsa, 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. Baber, 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. Opsa will accept them.

D. R. Maclaren

Enclosures

800

So. 157 Howard Street
Spokane, Washington 99204
August 21, 1963

Registered Mail
Return Receipt Requested

Mr. Alfred S. Opus, 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. Opus:

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 3(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:
Nelson
Killagnard
MLMaclaer:mlm

800

So. 157 Howard Street
Spokane, Washington 99204
August 2, 1963

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OMM-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 Mr 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 1½-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.

D. R. Maclaren

Townsend, Montana
June 1, 1963

800

Mr. D. R. MacLaren
Office of Minerals Exp.
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, 19[illegible], 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

RE[illegible]

JUN [illegible]

No. 157 Bernard Street
Spokane 4, Washington
April 4, 1963

[redacted]

Mr. Alfred E. Ogden, Secretary
Northern Milling Company
Big Sandy, Montana

Re: [redacted] (Lost-Mine)
Northern Milling Company
Mandolin Mine
Broadwater County, Montana
Contract 2221

Dear Mr. Ogden:

The [redacted] contract cited above has been in default since November 4, 1962, when the period of excuse authorized in Amendment No. 3 expired.

In a letter dated September 28, 1962, Mr. Baker 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(c). The purpose of Amendment No. 3 was to give the company an opportunity to correct this default and attempt to solve financing problems mentioned in Mr. Baker's letter of August 4, 1962.

On March 4, 1963, we sent you a proposed Amendment No. 4 which would extend the excuse 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 Secretary's copy, and return the other copies to this office.

If the terms of the proposed amendment are not satisfactory, please 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 [illegible], 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. Shelgren
Acting Field Officer, [redacted], Region [illegible]

[redacted]
cc: [redacted]
Mailing copies to: Baker, Helena

So. 157 Howard Street
Spokane 4, Washington
October 4, 1962

EXTRA COPY
O. M. E
RECEIVED OCT 8 1962
800

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OMX-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

Enclosures

DRMacLaren:my
cc: OMX(2)
CPF
Reading copies to:
Nelan
McKelvey

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: OME-6082 (Lead-Zinc)
Northern Milling Company
Marietta 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 OME.

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, OME
Region I

DRMacLaren:my
cc: OME(2)

Reading copies to:
McKelvey, Helen

Audit'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.

"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 A. Rahn

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

EXTRA COPY
O. M. E
RECEIVED SEP 6
DATE

800

So. 157 Howard Street
Spokane 4, Washington
September 3, 1962

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

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

Paul Raber, president of the subject company, was met in Townsend the afternoon of August 27, 1962. He stated that no new contract work had been done since the last on-site inspection made April 24, 1962, although the drift east had been advanced 65 feet and one longhole had been driven northerly for about 80 feet from the bend in the drift for the Company's account. As there was no OME advance, the property was not visited. Raber reported that two samples of cuttings from the hole assayed as follows:

52-56 feet--0.25 ounce gold and 0.25 ounce silver per ton
56-60 feet--0.13 ounce gold and 0.06 ounce silver per ton.

The samples had not been assayed for lead and zinc, and the gold and silver assays are open to question as they were made by Ed Weiglenda, mine foreman. Raber gave me the pulps, which have been sent to Peter Mack, a commercial assayer, for check assays. The results are not yet available but will be forwarded when they are received.

The company is having financial difficulties and is presently negotiating with Afantis Exploration Company of Minneapolis, a group of iron companies operating principally in Minnesota. The Afantis engineers are now looking at properties in Chile but are expected back within a month or so, when they will visit the property. According to Raber, Afantis is particularly interested in pushing the crosscut to the Marietta vein and completing the OME contract work.

Northern Milling is also in the process of renegotiating the property lease.

If and when the negotiations are completed, OME will be furnished copies of the relevant documents.

D. R. MacLaren

Distribution:
OME(3), Docket, MacLaren

800

Audit'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.

THE UNITED STATES OF AMERICA

By George Turnich
Director, Office of Minerals Exploration

NORTHERN MILLING COMPANY, INC.

By Paul J. Gabel

Title President

No. 157 Howard Street
Spokane 4, Washington
January 29, 1962

RECEIVED
800

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:

It was a pleasure to talk to you on Friday morning and to know that you are about to start pushing the crosscut northeasterly 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. McLaren
Acting Field Officer, OME
Region I

DRMcLaren:mls
cc: OME(2); McLaren
Reading copies to:
McLaren; Hobbs; Guild

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NORTHERN MILLING COMPANY
P. O. Box 361
Townsend, Montana
November 28, 1961

Contract 2121

[illegible] Bureau of The Interior
[illegible] of Mineral Exploration
[illegible] 7 Howard Street
[illegible] 4, Washington

Att: Mr. D. K. MacLaren,
Acting Field Officer
[illegible] 3

[illegible] MacLaren:

[illegible] to congratulate you on [illegible] the exact spot to start the [illegible] drift which would connect with [illegible] faulted end of the Gold [illegible]. If we had revisited a foot or two from your recommended starting [illegible] we would still have had to [illegible] the vein after the drift was [illegible], but, as it was, the drift was located right on the vein.

[illegible] feet of advance [illegible] Gold Dust Hi-grade was [illegible] the face of the drift. At that point the vein was eight to [illegible] inches (8-[illegible]") wide and has been steadily increasing in width to approximately thirty inches (30") as of today. You should be complimented [illegible] this display of geological [illegible]. Since this is the segment of [illegible] Gold Dust vein that has been traced on the level for over six-hundred [illegible] we have every reason to expect good production as a result [illegible] 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 F. Faber, President

[illegible]

FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION 10/26/61

| TO: | DATE | INITIALS |
|---|---|---|
| 1. Chief, Div. of Field Operations | | |
| 2. Re: OME-6082 (Lead-Zinc) Northern Milling Co., Inc. Marietta Mine Broadwater County, Montana | | |
| 3. Contract No. 2121 | | |
| 4. ~~Donald R. MacLaren~~ | | |
| 5. D. R. MacLaren | | |
| FROM: Acting Field Officer, Region I | | |

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O. M. E.
RECEIVED OCT 30 1961

| DATE | INITIALS | CODE |
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| | | 800 |

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. 1 signed by the Operator in accordance with the instructions contained in your memo of 10/12/61.

Audit's Copy

EXPLORATION CONTRACT
NORTHERN MILLING COMPANY, INC.
OMM-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 (OMM-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 footage are not sufficient to intersect the Mariette 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.

THE UNITED STATES OF AMERICA

By Ernest Tennich
Director, Office of Minerals Exploration

NORTHERN MILLING COMPANY, INC.

By David A. Baker

Title Pres.

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RECEIVED OCT 5 1961

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So. 157 Howard Street
Spokane 4, Washington
October 3, 1961

Mr. Paul Haber, 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. Haber:

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

EXTRA COPY
O. M. E
RECEIVED JUN 19 1961
DATE | INITIALS | CODE
800

No. 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-6052 (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:ls
cc: OME(2); MacLaren
Reading copies to: Nolan, Hobbs, Guild

EXTRA COPY
O. M. E
RECEIVED APR 17 1961
DATE | INITIAL | CODE
800

So. 157 Howard Street
Spokane 4, Washington
April 14, 1961

Mr. Paul Roher, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: Work Authorization
OGM-6082 (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract 2121

Dear Mr. Roher:

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, OGM
Region I

Reading copies to:
Fitzgerald
Nolan
Hobbs
Maclaren

DRMaclaren:mls
cc: OGM(5) w/cys incoming
do.

EXTRA COPY
O. M. E
RECEIVED APR 17 1961
DATE

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. Pan 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. Kaber, President

PK/b
Encl.

P. S. Bill Wade asked us to send a copy of the enclosed letter to you.

DATE April 2, 1961 NAME J. Lee

| No. | Wt. | Dig. | DESCRIPTION | Gross Wt. Dry | Oz/Ton Gold | Oz/Ton Silver |
|---|---|---|---|---|---|---|
| 1 | 50 | 4 oz | Mason Tunnel: 50'-85' From M-8, N. of Fault, 5'-6' Rip. Sp. 1945 | 2.68 | 2.10 | .61 |
| 2 | • | • | " 5'-6' of Blocked Out Of Sp. N. of Vein Sample | 1.92 | .35 | .97 |
| 3 | • | • | " Rip Up One of Fault | 5.01 | 1.17 | 3.14 |
| 4 | • | • | " Rip Up in Off Vein 1' wide | 5.49 | 2.09 | 2.90 |
| 5 | • | • | " 1' of Vein, Clay w/ sand | .43 | .11 | .32 |
| 6 | • | • | " 1' of Oxidized Vein | 1.67 | .29 | 1.21 |
| 7 | • | • | " S. of Fault, 1' of Fault in Barren Qtz | 1.00 | .38 | .92 |

Remarks continued with of 25' in M-8'.

EXTRA COPY
D. M. F.
RECEIVED APR 17 1961
DATE

APR 13 1961

EXTRA COPY
O. M. E
RECEIVED APR 13 1961
DATE | IN
800

So. 137 Howard Street
Spokane 4, Washington
April 11, 1961

Mr. Paul I. Huber, President
Northern Milling Company, Inc.
Box 351
Townsend, Montana

Re: OME-6482 (Land-Size)
Marietta Mine
Broadwater County, Montana
Contract [illegible]

Dear Mr. Huber:

I have received your voucher for March 1961 and have approved for payment 96.5 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 278.5 feet and the distance from point M-7 to the face is 184 feet and the previous measurement for which payment was made is 462 feet. I believe that you have added the 184 feet from M-7 to 166 feet which is the distance from the starting point to the breast of the measurement 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 distances with Mr. Tan the next time I come over and any indicated adjustment will be made at this time.

Sincerely yours,

D. K. Mariano
Acting Field Officer, OME
Region I

cc: OME(3)
Voucher File
Director
Econ. Anal.
BAFM
Fiscal Section
Office of the Secretary

EXTRA COPY
O. M. E
RECEIVED FEB 1961
DATE | CODE
800

No. 157 Second Street
Spokane 4, Washington
February 10, 1961

Mr. Paul Baker, President
Northern Milling Company, Inc.
Box 361
Townsend, Montana

Re: Work Authorization
[illegible] (Lead-Zinc)
Marietta Mine
Broadwater County, Montana
Contract No. [illegible]

Dear Mr. Baker:

This refers to your telephone call of February 8, 1961, in which you requested authorization to turn the Mineral Crescent 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.
BAPM
MacLaren

MME Form 14
Sept. 1958

No. 54

Contract No. Idm-E) 14-23) 2121

Docket No. DMEA) MME) 6082

Date of Action ~~October 21, 1960~~ Executed Contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

To: Chief, Accounts Section, Finance Branch, Bureau of Mines

From: Director, Division of Operations Control and Statistics

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:

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

| Date of Contract | Region | State | Commodity |
|---|---|---|---|
| Sept. 2, 1960 | I | Montana | Lead-Zinc |

| | Reserve | Obligation |
|---|---|---|
| Prior Amount | $51,150.00 | 0 |
| Increase | 0 | $51,150.00 |
| Decrease | ~~51,150.00~~ | ~~0~~ |
| Revised Amount | 0 | $51,150.00 |

Remarks:

Interest 5 3/4%

cc: 800
210

43244

Audit's copy

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

EXPLORATION CONTRACT
(Short Form)

| Docket No. | Commodity | Contract No. | County | State |
|---|---|---|---|---|
| OME 6002 | 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. 24-1960~~ Oct. (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 5-¾ 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 [redacted] 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 Raber

Title President

THE UNITED STATES OF AMERICA

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

I, Alfred S Ophus (Name), certify that I am the secretary of the corporation named as Operator herein; that Paul Raber (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 Ophus

[CORPORATE SEAL]



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

EXPLORATION CONTRACT
NORTHERN MINING COMPANY, INC.
GME-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 | Dennis & Andrews |
| Gold Dust | 2824 | " " |
| Marietta | 8326 | " " |
| New Era | 4546 | " " |
| Grenber | 4947 | " " |
| Venezuela | 5203 | " " |
| Big Jack | 10840 | Albert Denne |
| 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, May 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 May 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(d) 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.

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-10280N 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 |

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1/ Includes cost of timbering

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

INT.-DUP. SEC., WASH., D.C. 48694

## ANNEX TO LIEN AND SUBORDINATION AGREEMENTS

### Patented Mining Claims

| Claims | Registered Number | Registered in Name of |
|---|---|---|
| Switzerland | 4746 | Dance & Andrews |
| 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 |

MME Form 14
Sept. 1958

No. 47

Contract No. Idm-E) 14-23) [illegible]

Docket No. DMEA) MME) [illegible]

Date of Action [illegible]
Approved Contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

To: Chief, Accounts Section, Finance Branch, Bureau of Mines

From: Director, Division of Operations Control and Statistics

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:

[illegible] Company, Inc.
P. O. Box 301
[illegible], [illegible]

| Date of Contract | Region | State | Commodity |
|---|---|---|---|
| [illegible] | I | [illegible] | [illegible] |

| | Reserve | Obligation |
|---|---|---|
| Prior Amount | 0 | 0 |
| Increase | [illegible] | 0 |
| Decrease | 0 | 0 |
| Revised Amount | [illegible] | 0 |

Remarks:

5 3/4% Interest

cc: 800
210

43244

JACK SMART 10840
MOUNTAIN QUEEN 8221
ALBERTA 10840
VIRGINIA 10840
LOOK OUT
PORCUPINE
QUEEN OF THE PARK 8222
SWITZERLAND 4746
EVENING STAR
MARIETTA 8226
ANNA 10840
ALICE 10840
BIG JACK 10840
GOLD DUST 2824
TIMBERLINE
VENZUELA 5205
NEW ERA 4946
LITTLE JOE 10840
CROW BAR 4947
SITTING BULL 10840
VENZUELA EXT.
EAST ETTA 10840
JUNE 10840
Samples Gold Dust
Au. Ag. Pb.
1 .97 oz. 12.9 oz. 13.0%
2 1.18 oz. 7.9 oz. 7.8%
3 .69 oz. 6.6 oz. 4.2%
4 .34 oz. 3.5 oz. 3.2%
5 .33 oz. 4.8 oz. 3.2%
NORTHERN MILLING CO.
MARIETTA MINE
T7N R1W
BROADWATER CO. MONTANA
Map 10
Compiled from the following surveys:
Mason Tunnel - Sweeney & Lee 1960
Marietta & Gold Dust Veins - S.K. Garret 1875
Little Annie Vein - R.S. Ropes 1939
Claim Map - Arthur Radar, Mineral Surveyor
3C-A
Scale 1"=200'
Drawn by R.S.H. Lemay
Date 3/24/60
Northern Milling Co
Townsend Montana
3C-A