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 Idm-E1094, Docket DMEA-4568 (Molybdenum), dated May 31, 1957, with

Molybdenum Corporation of America
P. O. Box 8
Idaho Springs, Colorado
and
280 Park Avenue
New York, New York 10017

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 Moly or Questa Mine located in the Red River Mining District, Taos County, New Mexico, during the period November 4, 1961, through April 26, 1965.

A certification of discovery or development was issued on January 13, 1961, and, in accordance with Article 6, Annex II, and Amendment No. 4 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract as amended, or transported through any portion of workings to the cost of which the Government contributed, for a period of 16 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated January 5, 1961, indicated accepted costs under the exploration contract amounting to $400,679.14 with the Government's contribution on a 50 percent basis being $200,339.57.

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

This review established the total sales subject to the Government's royalty for the period to be $23,599.86. Royalty payable to the Government at the rate specified in the contract is $1,179.99.

A prior Report of Royalty Review established no sales subject to the Government's royalty for the period May 31, 1957, through November 3, 1961. Accordingly, as of November 3, 1961, the royalty account of this project was found to be:

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

As of April 26, 1965, the royalty account of this project was found to be:

Total Royalty Payable	$1,179.99
Total Royalty Paid	1,179.95
Balance of Royalty Due	$ .04

C. E. Fisher

May 4, 1965 C. E. Fisher, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay a percentage royalty on all minerals produced from the 12 patented and 24 unpatented claims located in sec. 2, T. 28 N., R. 13 E., and secs. 25, 35, and 36, T. 29 N., R. 13 E., N.M.P.M., and also on any production transported through any workings to the cost of which the Government contributed. The Operator owned all 36 of the claims; however, 8 of the patented claims were subject to a mortgage to secure promissory notes payable to the Dotson Minerals Corporation. The latter executed a Lien and Subordination Agreement on December 8, 1959.

Work under the contract was completed on June 30, 1960. Both during and after the project work, the Operator performed additional exploration work on its own account. By letter dated November 3, 1961, the Operator advised that higher grade material saved from exploration work had resulted in "production of 7,931 pounds of MoS_2 in concentrates" which was stockpiled at the Questa mill for shipment upon accumulation of a car-load. However, the letter further stated that the mill was shut down on October 14, 1961.

On August 30, 1963, the stockpiled material was shipped to the Operator's plant at Washington, Pennsylvania, for processing. Subsequently, three additional shipments were made on which the Government's royalty has been computed and paid. A summary of the production and royalty computation applicable to the four shipments follows:

MoS_2	23,825 Pounds
MO	14,292 Pounds
Recovery Factor	97.7%
MO Oxide	13,964 pounds
Value	$23,599.86
Royalty Due 5%	1,179.99
Royalty Paid	1,179.95
Balance Due	$ .04 *

*Computation error pertaining to September 1964 shipment.

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 production subject to royalty since the date of the contract has been reported and royalty paid on an acceptable basis; 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.

MAY 5 1965

Memorandum

To: Acting Field Officer, Region III

From: Contract Administration and Audit Division

/s/ C. E. Fisher

Subject: DMEA-4563 (Molybdenum)
Molybdenum Corporation of America
Moly or Questa Mine
Taos County, New Mexico
Contract Idm-E1094

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, Office of Management Operations, Office of the Secretary, Department of the Interior, Washington, D. C. 20240;

(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 copy of the report to the Operator 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.

Enclosure

CEFisher:fh
5/5/65

cc: Docket
Fiscal Section
CA & A Division
Director's reading file

Bldg. 20, Denver Federal Center
Denver, Colo. 80225

May 18, 1965

Molybdenum Corporation of America
280 Park Avenue
New York, N. Y. 10017

Re: IDMEA-4568 (Molybdenum)
Molybdenum Corporation of America
Moly or Questa Mine
Taos County, New Mexico
Contract Idm-E 1094

Gentlemen:

Attached is a copy of the Report of Royalty Review dated May 4, 1965, covering the subject contract.

Yours very truly,

ORIGINAL SIGNED BY

Hugh M. Connors
Acting Field Officer, OME
Region III

H. M. C. (5-18-65)
cc: G. C. Selfridge
C. E. Fisher
E 4568
Chron

Bldg. 20, Denver Federal Center
Denver, Colo. 80225

May 18, 1965

Memorandum

To: Fiscal Section
Office of Management Operations
Office of the Secretary
Department of the Interior
Washington, D. C. 20240

From: Acting Field Officer, OMB, Region III

Subject: DMEA-4568 (Molybdenum)
Molybdenum Corporation of America
Moly or Questa Mine
Taos County, New Mexico
Contract Idm-E 1094

Attached is the original of a Report of Royalty Review dated May 4, 1965, covering the subject contract.

ORIGINAL SIGNED BY
Hugh M. Connors

H. M. C. (5-18-65)
cc: G. C. Selfridge
C. E. Fisher
E 4568
Chron

E-1094

For royalty payment of $240.90, dated January 29, 1965, see transmittal letter file.

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

DEC 2 2 1964

Memorandum

To: Acting Field Officer, Region III

From: Contract Administration and Audit Division C. E. Fisher

Subject: DMEA-4568 (Molybdenum)
Molybdenum Corporation of America
Moly or Questa Mine
Taos County, New Mexico
Contract Idm-E1094

Returned herewith is the original of a letter dated December 14, 1964, from Molybdenum Corporation of America which was received in duplicate with your Abstract of Remittances 64-12-3.

Please forward a copy of the calculation of royalty referred to in the letter to complete the Washington office records.

Rect. 12/31

Enclosure

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 31 1964

DATE	INITIALS	CODE
		800

DEC 22 1964

Memorandum

To: Acting Field Officer, Region III

/s/ C. E. Fisher

From: Contract Administration and Audit Division

Subject: DMEA-4568 (Molybdenum)
Molybdenum Corporation of America
Moly or Questa Mine
Taos County, New Mexico
Contract Idm-E1094

Returned herewith is the original of a letter dated December 14, 1964, from Molybdenum Corporation of America which was received in duplicate with your Abstract of Remittances 64-12-3.

Please forward a copy of the calculation of royalty referred to in the letter to complete the Washington office records.

Enclosure

CEFisher/ama 12-22-64

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

E-1094

For royalty payment of $307.50, dated December 18, 1964, see transmittal letter file.

E-1094

For royalty payment of $261.87, dated August 28, 1964, see transmittal letter file.

E-1094

For royalty payment of $369.68, dated November 13, 1963, see transmittal letter file.

MOLYBDENUM CORPORATION OF AMERICA
375 PARK AVENUE
NEW YORK 22, N. Y.

WM. R. KUNTZ
EXECUTIVE VICE PRESIDENT

1963

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MMS Form 7
(10-58)

OFFICIAL FILE

Date	Surname	

Mr. William R. Kuntz
Executive Vice President
Molybdenum Corporation of America
375 Park Avenue
New York 22, N. Y.

Re: [illegible]-4568 (Molybdenum)
Molybdenum Corporation of America
Moly or Questa Mine
Taos County, New Mexico
Contract Idm-E1094

Dear Mr. Kuntz:

In reply to your letter of October 25, 1963, your method of computation of the royalty appears acceptable. However, reviewing your example for royalty calculations, we could not reconcile the 676 lbs. Mo in roasted moly oxide as shown in the third item. Will you kindly clarify this figure? Also, we note the price of $1.59 per lb. of Mo in the fourth item is the same figure as listed for molybdic trioxide in the October 21, 1963, issue of E & MJ Metal and Mineral Markets. Will this weekly price authority be the basis for royalty calculations?

Sincerely yours,

Director

FMMurphy/um
10/31/63
cc: Director's Reading File
Region III w/cy of incoming letter
Docket
Code 500

63683

MOLYBDENUM CORPORATION OF AMERICA
375 PARK AVENUE
NEW YORK 22, N. Y.

WM. R. KUNTZ
EXECUTIVE VICE PRESIDENT

October 25, 1963

Mr. George Fumich, Jr., Director
U. S. Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Re: OMEA-[illegible] (Molybdenum)
Molybdenum Corporation of America
Molycorp Questa Mine
Taos County, New Mexico
Contract [illegible]

Dear Mr. Fumich:

Replying to your letter of October 9th, the following are in answer to questions set forth therein.

1. We regret we cannot supply a schedule of our purchases of MoS_2 concentrates since this is high confidential information.

2. The actual percentage of loss in [illegible]ing molybdenum concentrates to the oxide form at our Washington plant is 2.3%. [illegible] recovery of 97.7%.

3. We would consider the time of receipt of the concentrates at our Washington plant as the time of sale of the roasted molybdenum oxide for royalty purposes.

MOLYBDENUM CORPORATION OF AMERICA

PAGE No. Two

Mr. George Pumich, Jr., Director October 25, 1963

4. The following is an example of how we would compute the royalty:

1,000 lbs MoS_2 contained in concentrates.
600 lbs [illegible] in concentrates. 1,516.2 lbs.
600 lbs [illegible] x 97.7% = 676 lbs. Mo in roasted molybdenum oxide
676 lbs [illegible] x $1.59 = $1,074.84
$1,074.84 x 5% (royalty percentage) = $53.74
$53.74 royalty.

We will compute and pay royalty for the shipment made from Quebec on August [illegible], 1963 promptly after advice from you.

Yours very truly,

Wm. R. Kuntz
Executive Vice President

WRK:am

Atomic Weights		MoS
Mo	95.95	95.95
S	32.06	64.12
		160.07

$\frac{95.95}{160.07} \times 1000 \text{ lbs} = 599.42$ lbs Mo

$\frac{64.12}{160.07} \times 1000 \text{ lbs} = 400.57$ lbs S

999.99

Building 20 - Federal Center
Denver 25, Colorado
80225

EXTRA COPY
O. M. E
RECEIVED OCT 7 1963
DATE October 3, 1963

800

Mr. William R. Kuntz
Executive Vice President
Molybdenum Corporation of America
375 Park Avenue
New York 22, N. Y.

Re: DMEA-4568 (Molybdenum)
Contract IBm-E1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Mr. Kuntz:

Thank you for your letter of September 26, 1963.

I am forwarding a copy of your letter to the Washington Office OME and they will advise you if your proposal to compute the Government royalty based upon your selling price for roasted molybdenum oxide after adjustment for processing losses is satisfactory.

Sincerely yours,

Original signed by

Hugh M. Commers
Acting Field Officer, OME
Region III

cc Chief, Division of Field Operations, OME
w/copy of Mr. Kuntz's letter
Royalty Corres. E1094
Chron
HMC/lm

Building 20 - Federal Center
Denver 25, Colorado
80225

September 18, 1963

COPY
O. M. E
RECEIVED
DATE
800

Mr. A. L. Greslin
General Property Superintendent
Molybdenum Corporation of America
Questa Mine
Questa, New Mexico

Re: DMRA-4568 (Molybdenum)
Contract Idm-E1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Mr. Greslin:

Thank you for your letter of September 12, 1963 regarding the shipment of concentrates.

I presume that these concentrates were shipped east to the Molybdenum Corporation of America for further processing by them. If this is the case, please read Article 6 (e) of the contract which is as follows:

> Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, 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, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid 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. Any costs of treatment processes, sampling, assaying, or transportation performed or paid by the Operator or by anyone other than the buyer are not deductible in arriving at the "gross

proceeds" as that term is here used. The term "treatment processes," as here used, 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.

You will note from the above that royalty applies to the production in the form in which it is sold. When this shipment of concentrates is sold by the Mblybdenum Corporation of America in its final form, please forward this office two copies of the settlement sheet together with a check for 5 percent of the total shipment's value.

Sincerely yours,

Original signed by

High M. Connors
Acting Field Officer, OME
Region III

cc Chief, Division of Field Operations, OME
Royalty Corres. Idm-E1094
Chron
HMC/lm

Molybdenum Corporation of America

QUESTA MINE

Questa, New Mexico

September 12, 1963

OME
DEPARTMENT OF THE INTERIOR
SEP 18 1963
REGION III
DENVER, COLORADO

Mr. Hugh Connors
Acting Field Officer O. M. E.
Region 3
Office of Minerals Exploration
Building 20, Federal Center
Denver 25, Colorado

Re: DMEA 4568 (Molybdenum Contract IDM-E1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

On August 30th, 1963 we shipped the concentrates on hand that were reported to you on August 1, 1962.

There were 7,931 pounds of MoS_2 in concentrates containing 71.00% MoS_2. This was the MoS_2 recovered from 323.5 tons of ore saved from the development work up to October, 1961.

Yours very truly,

A. L. Greslin

A. L. Greslin
General Property Superintendent

ALG/fs

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 Idm-E1094, Docket DMSA-4568 (molybdenum), dated May 31, 1957, with

Molybdenum Corporation of America
P. O. Box 8
Idaho Springs, Colorado
and
375 Park Avenue
New York 22, New York

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 Moly or Questa Mine located in the Red River Mining District, Taos County, New Mexico, during the period May 31, 1957, through November 3, 1961.

A certification of discovery or development was issued on January 13, 1961, and, in accordance with Article 6, Annex II, and Amendment No. 4 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract as amended, or transported through any portion of workings to the cost of which the Government contributed, for a period of 16 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated January 5, 1961, indicated accepted costs under the exploration contract amounting to $400,679.14 with the Government's contribution on a 50 percent basis being $200,339.57.

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

This review established no sales subject to the Government's royalty for the period. Accordingly, as of November 3, 1961, the royalty account of this project was found to be:

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

E. D. Talbert
E. D. Talbert, OME Auditor

May 17, 1962

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay a percentage royalty on all minerals produced from the 12 patented and 24 unpatented claims located in sec. 2, T. 28 N., R. 13 E., and secs. 25, 35, and 36, T. 29 N., R. 13 E., N.M.P.M., and also on any production transported through any workings to the cost of which the Government contributed. The Operator owned all 36 of the claims; however, 8 of the patented claims were subject to a mortgage to secure promissory notes payable to the Detson Minerals Corporation. The latter executed a Lien and Subordination Agreement on December 8, 1959.

Work under the contract was completed on June 30, 1960. Both during and after the project work the Operator performed additional exploratory work on its own account. By letter dated November 3, 1961, the Operator advised that higher grade material saved from exploration work had resulted in "production of 7,931 pounds of MoS_2 in concentrates" which was stockpiled at the Questa mill for shipment upon accumulation of a car-load. However, the letter further stated that the mill was shut down on October 14, 1961.

This contract grants to the Government the option of requiring computation and payment of royalty on any production remaining unsold six months after extraction from the ground.

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 no production subject to royalty has been sold since the date of the contract; 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 royalty which might be disclosed.

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY
O. M. E.
RECEIVED MAY 24 1962
800

May 21, 1962

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-4568 (Molybdenum)
Contract Idm-E1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Attached is the original Report of Royalty Review on the subject property dated May 17, 1962 covering the period May 31, 1957, through November 3, 1961.

Original signed by

Hugh M. Connors

Attachments

HMC/lm

cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres E1094
Chron

MAY 17 1962

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-4568 (Molybdenum)
Molybdenum Corporation of America
Moly or Questa Mine
Taos County, New Mexico
Contract Idm-81094

The original and one copy 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, Department of the Interior, Washington 25, D. C.; and

(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

As evidence of your concurrence, a copy of your memorandum transmitting the original report to the Fiscal Section should be furnished this Division. If for any reason you do not concur, both copies of the report should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 5-17-62

cc:
Docket
Director's Reading File
CA & A Division
Mr. Rothrock

MOLYBDENUM CORPORATION OF AMERICA
P. O. Box 8
Idaho Springs, Colorado

November 3, 1961

Mr. Hugh Connors, Field Officer
O.M.E. Field Team, Region III
Building 20, Federal Center
Denver 25, Colorado

Re: DMEA-4568 (Molybdenum)
Molybdenum Corporation of America
Moly or Questa Mine
Taos County, New Mexico
Contract Idm-E1094

Dear Mr. Connors:

According to the letter of certification of January 13, 1961 we are advising you of a production from our Questa Mine.

From September 28th through October 14, 1961 the concentrating mill at Questa was operated with a resulting production of 7,931 pounds of MoS_2 in concentrates. The material treated was accumulated over a long period by saving higher grade material resulting from mine exploration.

The mill was shut down on October 14th and no plans for resumption in the near future are contemplated. Also, the concentrates produced are being stock piled at the mill to be shipped when enough are available for a car load shipment.

We will advise you of any change in this situation.

Yours very truly,

MOLYBDENUM CORPORATION OF AMERICA

By /s/ J. B. Carman

J. B. Carman

JBC:r

CC: W. R. Kuntz
A. L. Greslin

REPORT
OF REVIEW

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Molybdenum Corporation of America
375 Park Avenue
New York 22, New York

pertaining to Exploration Project Contract Idm-81094, DMEA-4568, including Amendments Nos. 1, 2, 3, and 4, for June 1957 to June 1960, inclusive, covering a molybdenum project at the Moly (Questa) Mine, Taos County, New Mexico.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, confirmation of work performed by reference to Field Office 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 following reason:

> All of the acceptable cost was 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		$400,679.14
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Acceptable cost		$400,679.14

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	$200,339.57
Paid to date	199,839.57
Balance due Operator	$ 500.00

E. D. Talbert

E. D. Talbert, OME Auditor

JAN 5 1961

Contract Idm-81094 Molybdenum Corp. of America DMEA-4568

Acceptable costs:

Stage I

Diamond drilling	7,507 ft. @	$ 5.00	$ 37,535.00
Reaming and casing, etc.	500 ft. @	1.00	500.00
Drill stations	71 ft. @	44.43	3,154.53
Drifts and crosscuts	1,000 ft. @	44.43	44,430.00
Timbering	932 ft. @	2.70	2,516.40
Samples analyzed	942 ea. @	3.00	2,826.00
			90,961.93

Stage II

Diamond drilling	13,912 ft. @	$ 5.00	69,560.00
Reaming and casing, etc.	1,000 ft. @	1.00	1,000.00
Drill stations	250 ft. @	44.43	11,107.50
Drifts and crosscuts	4,777 ft. @	44.43	212,242.11
Timbering	3,198 ft. @	2.70	8,634.60
Samples analyzed	2,391 ea. @	3.00	7,173.00
			309,717.21
Total			$400,679.14

OFFICIAL FILE COPY O. M. E RECEIVED JAN 13 1961		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

January 10, 1961

Molybdenum Corporation of America
375 Park Avenue
New York 22, New York

Re: Docket No. DMEA-4500 (Molybdenum)
Contract No. Idm E1094
Molybdenum Corporation of America
(Holy or Questa Mine)
Taos County, New Mexico

Gentlemen:

Enclosed is a copy of the Report of Review on the subject exploration project contract. You will note the balance due the Operator is $500.00, which sum I have requested the Fiscal Section be reimbursed to you.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosure
cc: Mr. J. B. Carmen
URAD Mine
Empire, Colorado

Chief, Division of Field Operations (2)
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Contract Corres E1094
Chron

EXTRA COPY
O. M. E
RECEIVED JAN 23 1961
DATE | | CODE
800

Building 20 - Federal Center
Denver 25, Colorado

January 10, 1961

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of The Secretary, Department of the Interior
Washington 25, D. C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket DMEA-4563 (Molybdenum)
Contract Idm-E1094
Molybdenum Corporation of America
(Moly (Questa) Mine)
Taos County, New Mexico

Enclosed is the original Report of Review on the subject project.

You will note that the balance due the Operator is $500.00.

It is recommended that the amount of $500.00 be paid the Operator to balance this account.

Original signed by

Hugh M. Connors

Attachment

HMC/lm
cc Chief, Division of Field Operations, OME
Contract Corres. E1094
Chron

JAN 5 1961

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-4568 (Molybdenum)
Molybdenum Corporation of America
Moly (Questa) Mine
Taos County, New Mexico
Contract Idm-E1094

As requested by your January 3 memorandum, a Report of Review covering the subject contract has been prepared. The original and two copies are attached.

If you concur in the facts as stated in this Report of Review, please make the distribution authorized by section 4 of OME Circular 2, dated February 17, 1960. If for any reason you do not concur, please return the original and both copies to this Division with your comments.

Specific confirmation by you of the number of units of work accepted is not deemed essential in the instant case. In future requests for Reports of Review, however, your conformance with the requirement of sub-item (b) under section 1 of OME Circular 2 will be sincerely appreciated.

Attachments

EDTalbert/ama
January 5, 1961

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

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

DATE	INITIALS	
1-5	gad	vvo
		800

v copies to 500

January 3, 1961

Memorandum

To: Contract Administration and Audit Division, OME
Washington 25, D. C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: DMEA 4568 (Molybdenum)
Contract Idm E1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

The subject contract expired June 30, 1960 which was 37 months from the date of the contract.

An acceptable final engineering and geological report was received from the Operator October 17, 1960.

Records in this office indicate that a total of $199,839.57 has been paid to the Operator. The sum of $500.00 was recommended to be withheld from reimbursement to the Operator pending resolution of matters prerequisite to closing the account in processing the Operator's final accounting report which was for the month of June 1960.

Will you please complete the audit report.

Hugh M. Connors

Hugh M. Connors
Acting Field Officer, OME
Region III

Sch. 961

Standard Form No. 1048
Form approved by Comptroller General U. S.
September 20, 1927

MEMORANDUM

PUBLIC VOUCHER FOR REFUNDS

[illegible]l No. _____

D. O. Voucher No. 2861

U. S. partment of the Interior - Office of the Secretary
(Department or Establishment, Bureau or Office)

Location: Washington 25, D. C.

Appropriation or Fund: 14X6875(01) Suspense, Department of the Interior

OFFICIAL FILE COPY

PAID BY O. M. E

RECEIVED JAN 17 1961

DATE	INITIALS	CODE
1-17	ojad	1 V 0
		800
(FOR USE OF PAYING OFFICE)		

To
Address
Molybdenum Corporation of America
375 Park Avenue
New York 22, N. Y.

Deposit received from the above-named depositor on _____, 19____

for _____

has been applied as herein stated and the balance indicated is returned herewith:

Amount of deposit _____ $ _____

Applied as explained in "Remarks" below _____ _____

_____ _____

Balance authorized to be refunded _____ $ 500.00

Remarks:

Release of contract holdback on E-1094, Region III per Report of Review dated 1/5/61

Date _____, 19____ (Memorandum—Do not sign) _____

Title _____

Refund by
Check No. _____, dated _____ for $ _____ on Treasurer of the U. S. in favor of payee named above.
Cash, $ _____ on _____ (Signature of payee) _____
(Memorandum—Do not sign)
Other method, $ _____, _____
(Describe)

16—9488

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

Budget Bureau No. 42-R1036.5

Sch 2C4

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

Month of June 1960 Docket No. DMEA 4568 Contract No. IDM E 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y
Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	5010.00	102085.00	107095.00			
~~Sinking~~ ~~xxxxxx~~ Drill Sta.	0.00	14262.03	14262.03			
Crosscutting ~~Drifting~~ & Drifting	0.00	256672.11	256672.11			
~~xxxxx~~ Timber	0.00	11151.00	11151.00			
Analyses	297.00	9702.00	9999.00			
(2) ~~Labor and Supervision~~:						
~~xxxx~~ Ream Case	0.00	1500.00	1500.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	5307.00	395372.14	400679.14			

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

Date 7/11/60 *Payee Molybdenum Corp. of America

Per [signature] Title Manager

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

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

(Instructions on reverse)

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

$ 2653 50

Signature [signature]
(Authorized Certifying Officer)

Date 8/12/60 Vou. No. 642

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 1094 in accordance with the terms of the contract.

Signature T. Mondo Title Mining Engineer Date 8-5-60

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Hugh M. Connors Title Acting Field Officer Date 8-8-60

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1960 Docket No. DMEA 4568 Contract No. IDM E 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				STAGE I				
Drifting & Crosscut	ft	0.00	-0-	44430.00	1000	44.43	1000	44.43
Drill Sta.	ft	0.00	-0-	3154.53	71	44.43	115	44.43
Timber	ft	0.00	-0-	2516.40	932	2.70	1000	2.70
Analyses	ea	0.00	-0-	2826.00	942	3.00	1100	3.00
Ream-Case	ft	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	ft	0.00	-0-	37535.00	7507	5.00	9000	5.00
				STAGE II				
Drift Crosscut	ft	0.00	-0-	212242.11	4777	44.43	6160	44.43
Drill Sta.	ft	0.00	-0-	11107.50	250	44.43	250	44.43
Timber	ft	0.00	-0-	8634.60	3198	2.70	6160	2.70
Analyses	ea	297.00	99	7173.00	2391	3.00	3177	3.00
Ream-Case	ft	0.00	-0-	1000.00	1000	1.00	1000	1.00
Core Drilling	ft	5010.00	1002	69560.00	13912	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		5307.00		400679.14				

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

REMARKS:

Date 7/11/60 Operator Molybdenum Corp. of America

Per [signature] Title Manager

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

(Instructions on reverse)

(For Government use only)

T M Mendo

INSTRUCTIONS

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

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

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

GPO 872894

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 12 1960

DATE	INIT.	
8-12	gad	NVO 800

Building 20 - Federal Center
Denver 25, Colorado

August 8, 1960

AIR MAIL

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary
Department of the Interior
Washington 25, D. C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket No. DMEA-4568 (Molybdenum)
Contract No. Idm-E1094
Molybdenum Corp. of America
(Questa Mine)
Taos County, New Mexico

In conformance with OME Circular 1, enclosed are the original and two copies of Forms MF-104 and MF-104A with attached maps and other pertinent data, Operator's Narrative Report, and Engineer's Inspection Report covering work performed during the month of June 1960.

It is considered that the Operator has complied with the intent of the contract, and the work for which reimbursement is claimed is acceptable to the Government. All of the work was performed at Fixed Unit Cost under the short form of contract on Form MF--200A; therefore, documentation of the cost is not required.

Payment is recommended for $2,653.50, which is 50% of the amount reported on Form MF-104, contingent on your verification of applicable rates, and arithmetical accuracy within the report.

Continue to withhold the amount of $500 pending receipt of the Operator's final report, and an audit of the accounts and the resolution of matters pertaining to closing the contract.

Original signed by

Hugh M. Connors

Enclosures
HMC/lm
cc: Chief, Division of Field Operations (2)
MF-104 file, Region III
Chron

Building 20 - Federal Center
Denver 25, Colorado

August 8, 1960

Memorandum

To: Hugh M. Connors, Acting Field Officer, GMK, Region III

From: T. M. Rumsle

Subject: Progress Report for June, 1960
Docket No. 4568 (Molybdenum)
Contract No. Idm-E1094
Molybdenum Corp. of America
(Moly or Questa mine)
Taos County, New Mexico

I inspected the project of the subject contract with A. L. Gresslin, Mgr., August 2, 1960, and found that work completed during the reporting period was as described below and as reported in the attached Operator's Report.

Diamond Drilling

A total of 1002 feet of diamond drilling was done in holes Nos. 43, 43a and 45. Hole 43, projected to a maximum depth of 300 feet, was bottomed at a depth of 136 when further advance was stopped by heavy ground. Its alternate hole, No. 43a, also encountered ground that could not be drilled and was bottomed at a depth of 66 feet. Abandonment of these holes before completion was approved by the Government, in writing.

Hole 45 was completed to its authorized maximum depth of 800 feet.

Analyses

A total of 99 samples of core from the diamond drill holes was assayed for MoS_2. The 99 samples comprised 13 from hole 43, 6 from hole 43a, and 80 from hole 45.

Core recovery from hole 43 and its nearby alternate hole 43a was poor. Consequently, assaying of the core from the initial 60 foot section of each hole is believed to have been warranted.

Other work

Work carried on at no expense to the Government was largely confined to the driving of No. 3 drift east, and its No. 2 crosscut north. The Operator will concentrate exploratory work in the area of the drift which has encountered zones of high grade material (plus .5% MoS_2) at the contacts of a porphyry plug with greenstone and granite. This area is the only one found to date that can reasonably be expected to contain significant reserves of presently mineable ore. Favorable findings are expected to result in the construction of a concentrator.

The Operator has commenced work on his final report which should be completed and submitted to this office early in September.

ANALYSIS OF THE OPERATOR'S REPORT

Form MF-104

Diamond drilling - The $5010.00 is for the authorized advance of 1002 feet in holes Nos. 43, 43a, and 45.

Analyses - The $297.00 is for the authorized assay of 99 samples at $3.00 a sample.

RECOMMENDATION

All authorized work has been completed, therefore, continue to withhold $500.00 pending the resolution of matters pertaining to closing of the contract.

Form MF-104A

The form, containing total costs in agreement with those of form MF-104, appears to have been properly completed.

Narrative Report

The report with maps is acceptable.

T. M. Romslo

TMR/lm
cc: 6
Chron.

NARRATIVE REPORT

JUNE 1960

OME
DEPARTMENT OF THE INTERIOR
JUL 13 1960
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors
Acting Field Officer, O.M.E.
Field Team, Region III
Building 20, Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 4568 (Molybdenum)
Contract No. IDM E 1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

During the period June 1 through June 30, 1960 there were 26 working days and 4 Sundays. The mine was worked 26 days on a two shift basis.

Diamond drill holes 43 - 43a and 45 were completed. Drill Hole No. 43 was drilled to a depth of 136 feet where it had to be stopped due to caving in the hole making it impossible to drill any deeper.

43a was drilled to a depth of 66 feet and the same caving ground was encountered and couldn't get any deeper and therefore had to be stopped.

Drill Hole No. 45 was completed to a depth of 800 feet on June 25th.

Work was carried on in No. 3 Dft E and 3 Dft E No. 2 CxN, this month.

Yours very truly,

G. L. Greelin

800

Building 20 - Federal Center
Denver 25, Colorado

August 8, 1960

AIR MAIL

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary
Department of the Interior
Washington 25, D. C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket No. DMEA-4568 (Molybdenum)
Contract No. IdM-R1094
Molybdenum Corp. of America
(Questa Mine)
Taos County, New Mexico

In conformance with OME Circular 1, enclosed are the original and two copies of Form MF-104 and MF-104A with attached maps and other pertinent data, Operator's Narrative Report, and Engineer's Inspection Report covering work performed during the month of June 1960.

It is considered that the Operator has complied with the intent of the contract, and the work for which reimbursement is claimed is acceptable to the Government. All of the work was performed at Fixed Unit Cost under the short form of contract on Form MF--200A; therefore, documentation of the cost is not required.

Payment is recommended for $2,653.50, which is 50% of the amount reported on Form MF-104, contingent on your verification of applicable rates, and arithmetical accuracy within the report.

Continue to withhold the amount of $500 pending receipt of the Operator's final report, and an audit of the accounts and the resolution of matters pertaining to closing the contract.

Original signed by

Hugh M. Connors

Enclosures
HMC/lm
cc: Chief, Division of Field Operations (2)
MF-104 file, Region III
Chron

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

Sch. 1973

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May 60 4568 IDM E 1094

Operator's Name Molybdenum Corporation of America Contract No. Molybdenum

Address 375 Park Avenue New York 22, N Y Minerals

Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:	5000.00	97085.00	102085.00			
~~Bulldoz~~ Drill Sta.	0.00	14262.03	14262.03			
Bulldozing - Drifting	7730.82	248941.29	256672.11			
~~Cross~~ Timber	27.00	11124.00	11151.00			
~~Dr~~ Analyses	405.00	9297.00	9702.00			
~~xxxxxxxxxxxxxx~~						
(2) ~~Labor~~ Rear-Case	0.00	1500.00	1500.00			
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	13162.82	382209.32	395372.14	13,162.82	382,209.32	395,372.14

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

Date 6/6/60 *Payee Molybdenum Corp. of America

Per [signature] Title Manager

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: $6581.41

6081.41 to Operator
500.00 to Suspense

Signature [signature] (Authorized Certifying Officer)

Date 6/24/60 Vou. No. 5385

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 1094 in accordance with the terms of the contract.

Signature [illegible] Title Mining Engineer Date 6-17-60

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Acting Field Officer Date 6-20-60

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(Apr. 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

JUN 22 1960 D.M.E.

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1960 Docket No. DMEA 4566 Contract No. IDM E 1094
Operator's Name Molybdenum Corp. of America Mineral Molybdenum
Address 375 Park Avenue New York 22, N Y

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
				STAGE I				
Drifting Crosscut	ft	0.00	-0-	44430000	1000	44.43	1000	44.43
~~Crosscutting~~ Drill Sta	ft	0.00	-0-	3154.53	71	44.43	115	44.43
~~Raising~~ Timber	ft	0.00	-0-	2516.40	932	2.70	1000	2.70
~~Shafts~~ Analyses	ea	0.00	-0-	2826.00	942	3.00	1100	3.00
~~Winzes~~ Ream-Case	ft	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	ft	0.00	-0-	37535.00	7507	5.00	9000	5.00
~~Churn~~				STAGE II				
Drift ~~Auger~~ Crosscut	ft	7730.82	174	212242.11	4777	44.43	6160	44.43
~~Crosscutting~~ Drill Sta.	ft	0.00	-0-	11107.50	250	44.43	250	44.43
~~Raising~~ Timber	ft	27.00	10	8634.60	3198	2.70	6160	2.70
~~Shafts~~ Analyses	ea	405.00	135	6876.00	2292	3.00	3177	3.00
~~Winzes~~ Ream-Case	ft	0.00	-0-	1000.00	1000	1.00	1000	1.00
Core Drilling	ft	5000.00	1000	64550.00	12910	5.00	19500	5.00
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		13162.82		395372.14				

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 6/ 6/60 Operator Molybdenum Corp. of America

Per G. L. Gresham Title Manager

Remarks: Contract Goldbach $500. per letter attached

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

(Instructions on reverse)

(For Government use only)

T M Romolo

INSTRUCTIONS

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

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

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

GPO 872894

EXTRA COPY O. M. E RECEIVED JUN 27 1960		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

June 20, 1960

AIR MAIL

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary
Department of the Interior
Washington 25, D.C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket No. DMEA-4568 (Molybdenum)
Contract No. Idm-E1094
Molybdenum Corp. of America
(Questa Mine)
Taos County, New Mexico

In conformance with OME Circular 1, enclosed are the original and two copies of Forms MF-104 and MF-104A with attached maps and other pertinent data, Operator's Narrative Report, and Engineer's Inspection Report covering work performed during the month of May 1960.

It is considered that the Operator has complied with the intent of the contract, and the work for which reimbursement is claimed is acceptable to the Government. All of the work was performed at Fixed Unit Cost under the short form of contract on Form MF---200A; therefore, documentation of the cost is not required.

Payment is recommended for 50% of the amount reported on Form MF-104, contingent on your verification of applicable rates, and arithmetical accuracy within the report, except for the following deduction.

Withhold the amount of $500 pending termination of the contract on or before June 30, 1960, receipt of the Operator's final report, and an audit of the accounts and the resolution of matters pertaining to closing the contract.

Original signed by
Hugh M. Connors

Enclosures
HMC/lm
cc: Chief, Division of Field Operations (2)
MF-104 file, Region III
Hasler w/cpy of Engineer's report
Suspense

Building 20 - Federal Center
Denver 25, Colorado

June 17, 1960

Memorandum

To: Hugh M. Connors, Acting Field Officer
OME, Region III

From: T. M. Romalo

Subject: Progress Report for May 1960, Docket No. 4568 (Molybdenum)
Contract No. Idm-E1094
Molybdenum Corp. of America
(Moly or Questa mine)
Taos County, New Mexico

The project of subject contract was inspected by R. U. King, U.S.G.S. in the company of A. L. Greslin, Manager, June 15, 1960. Progress for the reporting period, according to Mr. King, was found to be as described below.

Drifting and Crosscutting

No. 2 Crosscut South was advanced from 46 feet to 233 feet beyond Survey Station No. 3291, an advance of 187 feet for the month. A total of 174 feet of the 187 feet is allowable advance, since 326 feet of the authorized 500 feet had previously been reported.

Timbering

Timbering was confined to No. 2 Crosscut South where 10 lineal feet of drift sets were installed in the section from 35 feet to 45 feet beyond Survey Station No. 3291.

Diamond Drilling

Diamond Drill holes Nos. 41 and 44 were each completed to a depth of 500 feet for a total advance of 1000 feet.

Analyses

A total of 135 samples, 100 from the drill holes and 35 from No. 2 Crosscut South, were assayed for MoS_2.

Other Work

Remaining authorized work is confined to Diamond Drill holes Nos. 43 and 45, both of which were being drilled during the inspection.

ANALYSIS OF THE OPERATOR'S REPORT

Form MF-104

Drilling	The $5,000.00 is for the authorized advance of 1000 feet in Diamond Drill holes Nos. 41 and 44, at $5 a foot.
Crosscutting and Drifting	The $7,730.82 is for the 174 feet of authorized advance in No. 2 Crosscut South at $44.43 a foot.
Timber	The $27.00 is for the 10 feet of authorized timbering in No. 2 Crosscut South at $2.70 a foot.
Analyses	The $405.00 is for the authorized assay for Mo52 of 135 samples at $3 a sample.

RECOMMENDATION

Withhold $500.00, pending; (1) termination of the contract on or before June 30, 1960 as specified in Amendment No. 4, (2) receipt of the Operator's Final Report, and (3) an audit of the accounts and the resolution of matters pertaining to closing of the contract.

Form MF-104A

The form, containing total costs in agreement with those of form MF-104, appears to have been properly completed.

Narrative Report

The report with maps is acceptable.

T. M. Romslo

TMR/lm
cc: 6
Chron

NARRATIVE REPORT

MAY 1960

Mr. Hugh M. Connors
Acting Field Officer, O.M.E.
Field Team, Region III
Building 20, Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 4568 (Molybdenum)
Contract No. IDM - E 1094
Molybdenum Corp. of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

During the period May 1 through May 31, 1960, there were 26 working days and 5 Sundays. The mine was worked 26 days on a two shift basis.

There were 189 feet of advance in the No. 2 crosscut south. 174 feet of this completed the 500 feet under D.M.E.A. There were 10 feet of timbering in this place. We are drilling hole No. 45 in No. 2 CxS.

Diamond drill holes No. 41 and 44 were completed during May to a depth of 500 feet each.

Work was carried on in the No. 3 drift east and drill hole No. 43.

Yours very truly,

A. L. Greslin

A. L. Greslin, Manager

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

Budget Bureau No. 42-R1036.5

Sch 1865

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

Month of April, 1960 Docket No. DMEA 4568 Contract No. IDM-E1094

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 375 Park Avenue New York 22, N Y

Contract Amount, $ 510,500.00 Government Participation 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	6160.00	90925.00	97085.00			
Drill Sta.	0.00	14262.03	14262.03			
Crosscutting & Drifting	9197.01	239744.28	248941.29			
Timber	545.40	10578.60	11124.00			
Analyses	495.00	8802.00	9297.00			
(2) Labor Ream-Case	0.00	1500.00	1500.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	16397.41	365811.91	382209.32	16,397.41	365,811.91	382,209.32

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

Date May 14, 1960 Payee Molybdenum Corp. of America

Per [signature] Title Manager

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

$ 8198.70

Signature [signature] (Authorized Certifying Officer)

Date 6/7/60 Vou. No. 5056

(See other side)

O.M.F. JUN 9 1960

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

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

(Instructions on reverse)

(For Government use only)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1094 in accordance with the terms of the contract.

Signature D. T. Tomsolo Title Mining Engineer Date 5-26-60

Approval by DMEA Executive Officer or Alternate:

Signature Hugh M. Emerson Title Acting Field Office Date 5-27-60

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1960 Docket No. DMEA 4568 Contract No. IDM-E1094

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 375 Park Avenue New York 22, N Y

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date STAGE I	Units to Date	Unit Costs to Date	Authorized by Contract Units	Authorized by Contract Unit Costs
Drifting & Crosscut	ft	0.00	-0-	44430.00	1000.	44.43	1000	44.43
Drill Sta.	ft	0.00	-0-	3154.53	71	44.43	115	44.43
Timber	ft	0.00	-0-	2516.40	932	2.70	1000	2.70
Analyses	ea	0.00	-0-	2826.00	942	3.00	1100	3.00
Ream-Case	ft	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	ft	0.00	-0-	37535.00	7507	5.00	9000	5.00
				STAGE II				
Drift Crosscut	ft	9197.01	207	204511.29	4603	44.43	6160	44.43
Drill Sta.	ft	0.00	-0-	11107.50	250	44.43	250	44.43
Timbering	ft	545.40	202	8607.60	3188	2.70	6160	2.70
Test Pits Analyses	ea	495.00	165	6471.00	2157	3.00	3177	3.00
Ream-Case	ft	0.00	-0-	1000.00	1000	1.00	1000	1.00
Core Drilling	ft	6160.00	1232	59550.00	11910	5.00	19500	5.00
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		16397.41		382209.32				

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

Remarks:

Date May 14, 1960 Operator Molybdenum Corp. of America

Per [signature] Title Manager

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

(Instructions on reverse)

(For Government use only)

JUN 9 1960

O.M.E.

[signature]

INSTRUCTIONS

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

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

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

GPO 872894

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 9 1960

DATE	INITIALS	CODE
6-9	gad	VVO
		800

Building 20 - Federal Center
Denver 25, Colorado

May 27, 1960

AIR MAIL

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary
Department of the Interior
Washington 25, D.C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket No. DMEA-4568 (Molybdenum)
Contract No. DMe-21094
Molybdenum Corp. of America
(Questa Mine)
Taos County, New Mexico

In conformance with OME Circular 1, enclosed are the original and two copies of Forms MF-104 and MF-104A with attached maps and other pertinent data, Operator's Narrative Report, and Engineer's Inspection Report covering work performed during the month of April 1960.

It is considered that the Operator has complied with the intent of the contract, and the work for which reimbursement is claimed is acceptable to the Government. All of the work was performed at Fixed Unit Cost under the short form of contract on Form MF-2-100A; therefore, documentation of the cost is not required.

It is recommended that reimbursement be made to the operator for 50% of the amount reported in Form MF-104 subject to final audit of the operator's accounts.

Original signed by

Hugh M. Connors

Enclosure
HMC/lm
cc: Chief, Division of Field Operations (2)
MF-104 file, Region III
Hasler w/cpy of Engineer's report
Suspense
Chron

Building 20 - Federal Center
Denver 25, Colorado

May 26, 1960

Memorandum

To: Hugh M. Compere, Acting Field Officer
OME, Region III

From: T. M. Romslo

Subject: Progress Report for April 1960, Docket No. 4568 (Molybdenum)
Contract No. 14m-M1054
Molybdenum Corp. of America
(Moly or Quartz Mine)
Taos County, New Mexico

The exploratory project of the captioned contract was inspected by the writer in the company of A. L. Grealin, Manager, May 18, 1960.

Progress for the reporting period was found as described below and as reported in the attached Operator's Report. All of the reported work was completed in accordance with the work specifications of the contract.

Drifting and Crosscutting

No. 2 Crosscut South was advanced from 139 feet to 346 feet beyond Survey Station No. 3285 and to a point 46 feet beyond Survey Station No. 3891, an advance of 207 feet for the month.

Timbering

A total of 202 lineal feet of No. 2 Crosscut South was timbered. At the end of the month timber has been installed to 35 feet beyond Survey Station No. 3891.

Diamond Drilling

Diamond Drill holes Nos. 40 and 42 were completed at depths of 732 feet and 500 feet, respectively. The advance totals 1232 feet.

Analyses

A total of 165 samples, 123 from Diamond Drill holes Nos. 40 and 42 and 42 from No. 2 Crosscut South, were assayed for MoS_2.

An average of about 0.3 percent MoS_2 was obtained for the approximately

209 foot section cut by No. 2 Crosscut South and for the 100 foot section between 210 feet and 310 feet in Diamond Drill hole No. 40. In general, the assays of samples from the remainder of hole 40 and all of hole 42 were less than 0.2 percent MoS2.

Other Work

Non-contract work was largely confined to an extension of No. 3 Drift East.

ANALYSIS OF THE OPERATOR'S REPORT

Form MF-104

Drilling — The $6160.00 is for the authorized advance of 1232 feet in completed Diamond Drill holes 40 and 42 at $5.00 per foot.

Crosscutting and Drifting — The $9197.01 is for the authorized advance of 207 feet in No. 2 Crosscut South at $44.43 a foot.

Timber — The $545.40 is for the authorized advance of 202 feet in No. 2 Crosscut South at $2.70 a foot.

Analyses — The $495.00 is for the authorized assay for MoS2 of 165 samples at $3.00 per sample.

Form MF-104A

The form, containing total costs in agreement with those of form MF-104, appears to have been properly completed.

Narrative Report

The narrative report with maps is acceptable.

T. M. Romalo

TMR/lm
cc: 6
Chron

NARRATIVE REPORT

April 1960

Mr. Hugh M. Connors
Acting Field Officer, O.M.E.
Field Team, Region III
Building 20 Federal Center
Denver 25, Colorado

Re: Docket No. IMEA 4568 (Molybdenum)
Contract No. IDM-E1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

During the period April 1 through April 30, 1960 there were 25 working days, 4 Sundays and Good Friday. The mine was worked 25 days on a two shift basis, being down on Good Friday.

There were 207 feet of crosscutting in the No. 2 crosscut south with 202 feet of timbering.

Diamond drill hole No. 40 was completed to 732 feet where it had to be stopped due to adverse drilling conditions.

Diamond drill hole No. 42 was completed to 500 feet.

Work was carried on in the No. 3 drift east and diamond drill holes No. 41 and 44.

Yours very truly,

G. S. Gresler

Sch 1678

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

Budget Bureau No. 42-R1036.5

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

MAY 5 1960 O.M.E.

Month of March, 1960 Docket No. DMEA 4568 Contract No. IDM-E1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N. Y.
Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	2110.00	88815.00	90925.00			
~~Sinking~~ Drill Sta.	2265.93	11996.10	14262.03			
Crosscutting & Drifting	9819.03	229925.25	239744.28			
~~Timbering~~ Timber	305.10	10273.50	10578.60			
Analyses	258.00	8544.00	8802.00			
(2) L~~abor~~						
~~Ream~~ Ream-Case	0.00	1500.00	1500.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	14758.06	351053.85	365811.91	14,758.06	351,053.85	365,811.91

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

Date 4/18/60 *Payee Molybdenum Corporation of America

Per [signature] Title Manager

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

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

(Instructions on reverse)

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

$ 7,379.03

Signature [signature]
(Authorized Certifying Officer)

Date 5/5/60 Vou. No. 4454

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-B1094 in accordance with the terms of the contract.

Signature T.M. Rounds Title Mining Engineer Date 4-21-60

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Hugh M. Connors Title Acting Field Office Date 4-25-60

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

APR 27 1960

OFFICE OF THE SECRETARY

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

MAY 5 1960
O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1960 Docket No. DMEA 4568 Contract No. IDM-E1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N. Y.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				Stage I				
Drifting - Crosscut	Ft.	0.00	-0-	44430.00	1000	44.43	1000	44.43
Drill Sta.	Ft.	0.00	-0-	3154.53	71	44.43	115	44.43
Timber	Ft.	0.00	-0-	2516.40	932	2.70	1000	2.70
Analyses	Ea.	0.00	-0-	2826.00	942	3.00	1100	3.00
Ream-Case	Ft.	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	Ft.	0.00	-0-	37535.00	7507	5.00	9000	5.00
				Stage II				
Drift Crosscut	Ft.	9819.03	221	195314.28	4396	44.43	6160	44.43
Drill Sta.	Ft.	2265.93	51	11107.50	250	44.43	250	44.43
Timbering	Ft.	305.10	113	8062.20	2986	2.70	6160	2.70
Analyses	Ea.	258.00	86	5976.00	1992	3.00	3177	3.00
Ream-Case	Ft.	0.00	-0-	1000.00	1000	1.00	1000	1.00
Core Drilling	Ft.	2110.00	422	53390.00	10678	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		14758.06		365811.91				

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

REMARKS:

Date 4/18/60 Operator Molybdenum Corporation of America

Per [signature] Title Manager

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

(Instructions on reverse)

(For Government use only) [signature]

INSTRUCTIONS

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

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

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

GPO 872894

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 5 1960

DATE	INITIALS	CODE

April 25, 1960

AIR MAIL

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary
Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: Docket No. DMEA-4568 (Molybdenum)
Contract No. Idm-E 1094
Molybdenum Corp. of America
(Questa Mine)
Taos County, New Mexico

In conformance with OME Circular 1, enclosed are the original and two copies of Forms MF-104 and MF-104A with attached maps and other pertinent data, Operator's Narrative Report, and Engineer's Inspection Report covering work performed during the month of March 1960.

It is considered that the operator has complied with the intent of the contract, and the work for which reimbursement is claimed is acceptable to the Government. All of the work was performed at Fixed Unit Cost under the short form of contract on Form MF-2-100A; therefore, documentation of the cost is not required.

It is recommended that reimbursement be made to the operator for 50% of the amount reported in Form MF-104 subject to final audit of the operator's accounts.

Original signed by

Hugh M. Conners

Enclosure

Building 20 - Federal Center
Denver 25, Colorado

April 21, 1960

Memorandum

To: Hugh M. Connors, Acting Field Officer, OME, Region III

From: T. M. Romalo

Subject: Progress Report for March 1960, Docket No. DMEA-4568 (Molybdenum), Contract No. Idm-M1094, Molybdenum Corp. of America (Moly or Questa mine) Taos County, New Mexico.

The exploratory project of the subject contract was inspected by the writer April 14, 1960. At the mine office, A. L. Greslin, Manager, furnished information relative to progress and the working places were inspected with you and Mr. R. Carpenter, the Operator's Consulting Geologist.

Progress for the reporting period was found to be as described below, and as recorded in the attached Operator's Report. All of the reported work was completed in accordance with the contract's work specifications.

Drifting and Crosscutting

No. 3 Drift East - Total advance was 171 feet. However, since 398 feet of the authorized 500 feet of advance had been previously completed and approved, the approved advance for March is 102 feet. The 102 feet of advance was from 22 feet to 124 feet beyond Survey Station No. 3283.

No. 2 Crosscut South - Started March 17, advance for the month was 119 feet, from 20 feet to 139 feet beyond Survey Station No. 3285.

Timbering

No. 3 Drift East - None.

No. 2 Crosscut South - 113 feet, from 20 feet to 133 feet beyond Survey Station No. 3285.

Analyses

A total of 86 samples were assayed for MoS_2. 42 of the samples were from Diamond Drill hole No. 38, 21 were obtained from No. 3 Drift East and the remaining 23 came from No. 2 Crosscut South.

Diamond Drilling

Diamond Drill hole No. 38 was completed at a depth of 422 feet. Drill holes Nos. 40 and 42 were progressing at depths of 649 feet and 475 feet, respectively, during the inspection.

Drilling Stations

Advance for drilling stations totalled 79 feet. Preparation of the site for drill holes Nos. 41 and 42 comprised 40 feet of drifting and 13 feet of raising. A 14-foot crosscut was driven for the drilling site of hole No. 40 and 12 feet of raising completed the station for holes Nos. 43 and 44. The approved advance for drilling stations is 51 feet, the footage remaining after prior approval of 199 feet of the allowable 250 feet.

Other Work

Non-contract work was largely confined to No. 3 Drift East. The allowable 500 feet of advance in this drift was completed during the reporting period. Present plans call for the drift to be extended an additional 500 feet.

ANALYSIS OF THE OPERATOR'S REPORT

Form MF-104

Drilling - The $2110.00 is for the authorized advance of 422 feet in Diamond Drill hole No. 38 at $5.00 per foot.

Drill Stations - The $2265.93 is for the authorized 51 feet of advance in stub drifts, crosscuts and raises at $44.43 per foot. All of the authorized 250 feet of advance for drilling stations have now been completed and approved.

Crosscutting and Drifting	-	The $9819.03 is for the authorized 221 feet of advance, 102 feet in No. 3 Drift East and 119 feet in No. 2 Crosscut South, at $44.43 per foot.
Timber	-	The $305.10 is for the authorized 113 feet of advance in No. 2 Crosscut South at $2.70 per foot.
Analyses	-	The $258.00 is for the authorized assay for MoS2 of 86 samples at $3.00 per sample.
Totals	-	The totals: $14,758.06, $351,053.85, and $365,811.91, appear to be correct.

Form MP-104A

The form, containing total costs in agreement with those of form MP-104, appears to have been properly completed.

Narrative Report

The narrative report with maps is acceptable.

Original signed by
T. M. Romslo
T. M. Romslo

TMR/bjo

cc: 6
Chron.

C O N T E N T S

March 1960

1. Narrative Report

2. Form MF - 104A

3. Form MF - 104

4. Geology Map No. 3 Dft E

5. Progress, Timber & Chip Sample Map - No. 3 Dft E

6. Geology Map No. 2 CxS

7. Progress, Timber & Chip Sample Map - No. 2 CxS

8. Drill Hole Map - Drill Hole No. 38

9. Drill Hole Log - Drill Hole No. 38

EXTRA COPY O. M. E RECEIVED APR 28 1960		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

AIR MAIL

April 25, 1960

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary
Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: Docket No. DMEA-4568 (Molybdenum)
Contract No. Idm-X 1094
Molybdenum Corp. of America
(Questa Mine)
Taos County, New Mexico

In conformance with OME Circular 1, enclosed are the original and two copies of Forms MF-104 and MF-104A with attached maps and other pertinent data, Operator's Narrative Report, and Engineer's Inspection Report covering work performed during the month of March 1960.

It is considered that the operator has complied with the intent of the contract, and the work for which reimbursement is claimed is acceptable to the Government. All of the work was performed at Fixed Unit Cost under the short form of contract on Form MF-2-100A; therefore, documentation of the cost is not required.

It is recommended that reimbursement be made to the operator for 50% of the amount reported in Form MF-104 subject to final audit of the operator's accounts.

Original signed by

Hugh M. Connors

Enclosure
HMC/bjo

cc: Chief, Division of Field
Operations (2)
MF-104 file, Region III
Hasler /w/cpy of Engineer's Report
Suspense
Chron.

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

Budget Bureau No. 42-R1036.5

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

APR 5 1960 Acct 1478 O.M.E.

Month of February, 1960 Docket No. DMEA 4568 Contract No. IDM-E1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y
Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	4000.00	84815.00	88815.00			88,815.00
~~Drilling~~ Drill Sta.	0.00	11996.10	11996.10			11,996.10
~~Drilling~~ Drifting	8086.26	221838.99	229925.25			229,925.25
~~Drilling~~ Timber	499.50	9774.00	10273.50			10,273.50
Analyses	348.00	8196.00	8544.00			8,544.00
(2) ~~Labor and Supervision~~:						
~~Labor~~ Ream-Case	0.00	1500.00	1500.00			1,500.00
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	12933.76	338120.09	351053.85	12,933.76	338,120.09	351,053.85

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 3/12/60 *Payee Molybdenum Corp. of America
Per [signature] Title Manager

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 6466.88

Signature [signature]
(Authorized Certifying Officer)
Date 4/1/60 Vou. No. 3912
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 1094 in accordance with the terms of the contract.

Signature D M Romalo Checked for Engineering Accountability Title Mining Engineer Date 3-14-60

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature J W Tarsiuel Title Executive Officer Date MAR 15 1960

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DEPARTMENT OF THE INTERIOR
MAR 14 1960
REGIONAL OFFICE
DENVER, COLORADO

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

APR 5 1960 D.M.E.

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

Month of February 1960 Docket No. DMEA 4568 Contract No. DM-E1094

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 375 Park Avenue New York 22, N. Y.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				STAGE I				
Drifting & Crosscutting	ft	00.0	-0-	44430.00	1000	44.43	1000	44.43
Drill Sta.	ft	0.00	-0-	3154.53	71	44.43	115	44.43
Timber	ft	0.00	-0-	2516.40	932	2.70	1000	2.70
Analyses	ea	0.00	-0-	2826.00	942	3.00	1100	3.00
Ream-Case	ft	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	ft	0.00	-0-	37535.00	7507	5.00	9000	5.00
				STAGE II				
Drift Crosscut	ft	8086.26	182	185495.25	4175	44.43	6160	44.43
Drill Sta.	ft	0.00	-0-	8841.57	199	44.43	250	44.43
Timbering	ft	499.50	185	7757.10	2873	2.70	6160	2.70
Analyses	ea	348.00	116	5718.00	1906	3.00	3177	3.00
Ream-Case	ft	0.00	-0-	1000.00	1000	1.00	1000	1.00
Core Drilling	ft	4000.00	800	51280.00	10256	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
		1						
TOTAL COSTS		12933.76		351053.85				

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 3/11/60 Operator Molybdenum Corp. of America

Per [signature] Title Manager

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

OME
DEPARTMENT OF THE INTERIOR
MAR 14 1980
REGION III
DENVER, COLORADO

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Building 20 - Federal Center
Denver 25, Colorado

AIRMAIL

March 15, 1960

Memorandum

TO: Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA-4568 (Molybdenum), Contract No. IDm-M1094, Molybdenum Corporation of America (Moly or Questa mine), Taos County, New Mexico

In conformance with OME Circular I, enclosed are the original and two (2) copies of Forms MF-104 and MF-104A with attached maps and other pertinent data, Operator's Narrative Report, and Engineers' Inspection Report covering work performed during the month of February 1960.

It is considered that the Operator has complied with the intent of the contract, and the work for which reimbursement is claimed is acceptable to the Government. All of the work was performed at Fixed Unit Cost under the short form of contract on Form MF 2-100A; therefore, documentation of the cost is not required.

It is recommended that reimbursement be made to the Operator for fifty (50) percent of the amount reported on Form MF-104, subject to final audit of the Operator's accounts.

Original signed by

J. W. Townsend

Enclosures

JWT/ms

cc: Chmn. Op. Comm. (2)
MF-104 File, Reg III
OME/DFC
Hasler w/cy of engr's rpt
Suspense
Chron

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DATE | INITIALS | CODE

Building 20 - Federal Center
Denver 25, Colorado

March 14, 1960

Memorandum

TO: J. W. Townsend, Executive Officer, OME Field Team, Region III

From: T. M. Rosalie

Subject: Progress Report for February 1960, Docket No. DMEA-4568 (Molybdenum), Contract No. DMe-E1094, Molybdenum Corp. of America (Moly or Quartz mine), Taos County, New Mexico

The exploratory project of the captioned contract was inspected by the writer March 2, 1960, in the company of L. Greslin, assistant mine surveyor. Maps of pertinent workings were reviewed and information relative to progress was obtained from A. L. Greslin, Manager.

Progress for the reporting period was found to be as described below, and as recorded in the attached Operator's Report. All of the work was completed in accordance with the contract's work specifications.

Drifting

No. 3 Drift East was advanced from Survey Station No. 3276 plus 36 feet, to Survey Station No. 3283 plus 22 feet, a total of 182 feet. The advance was in altered and fractured porphyry. The average MoS_2 content for 180 feet of the advance is 0.16 percent.

Timbering

A total of 185 lineal feet of timber was installed in No. 3 Drift East. The timbered section is from Survey Station No. 3276 plus 12 feet to Survey Station No. 3283 plus 1 foot.

Analyses

A total of 116 samples, 36 from No. 3 Drift East, and 80 from Diamond Drill Hole No. 37 were assayed for MoS_2.

Diamond Drilling

Diamond Drill Hole No. 37 was completed to a depth of 801 feet, which is 1 foot more than the authorized depth of 800 feet. The weighted average MoS_2 content of the sludge and core for the 800 feet is 0.22 percent with sludge and cores assaying ~~0.18~~ 0.26 and ~~0.26~~ 0.18 percent, respectively.

Other Work

Non-contract exploration was confined to additional advance in No. 1 Crescent North. The advance was in transitional rock containing a relatively low molybdenum content.

ANALYSIS OF THE OPERATOR'S REPORT:

Form MP-104

Drilling- The $4,000.00 is for the authorized 800 feet of advance in Diamond Drill Hole No. 37 at $5.00 per foot.

Drifting- The $8,686.25 is for the authorized advance of 182 feet in No. 3 Drift East at $44.45 per foot. A total of 398 feet of the presently approved maximum of 500 feet of advance in this drift has now been completed.

Timber- The $499.50 is for the authorized 185 feet of timbering in No. 3 Drift East at $2.70 per foot.

Analyses: The $348.00 is for the authorized analysis for MoS2 of 116 samples at $3.00 per sample.

Totals- The totals: $12,933.76, $338,120.09 and $351,053.85, appear to be correct.

Form MP-104A

The form, containing total costs in agreement with those of form MP-104, appears to have been properly completed.

Narrative Report

The narrative report with maps is acceptable.

T. M. Remsle

T. M. Remsle

TMR/ms

cc: 6
Chron

NARRATIVE REPORT

February 1960

Mr. J. W. Townsend
Executive Officer, O.M.E.
Field Team Region III
Building 20 Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 4568 (Molybdenum)
Contract No. IDM-K1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

During the period February 1 through February 29, 1960 there were 25 working days and 4 Sundays. The mine was worked 25 days on a two shift basis.

There were 182 feet of advance in No. 3Dft E with 185 feet of timbering. This was in porphyry and granite.

Diamond drill hole No. 37 was completed to 801 feet. Work was carried on in No. 1 CxN during this period.

Yours very truly,

A. L. Gaeslin

NARRATIVE REPORT

March 1960

OME
DEPARTMENT OF THE INTERIOR
APR 21 1960
REGION III
DENVER, COLORADO

Mr. J. W. Tomnsend
Executive Officer, O.M.E.
Field Team Region III
Building 20 Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 4568 (Molybdenum)
Contract No. IDM-E1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

During the period March 1 through March 31, 1960 there were 27 working days and 4 sundays. The mine was worked 27 days on a two shift basis.

There were 171 feet of drifting in No. 3 Dft E. 102 feet of this completed the work approved by DMEA in this place. There was no timbering this month.

There were 119 feet of crosscuting in the No. 2 CxS with 113 Feet of timbering.

Diamond Drill hole No. 38 was completed to 422 feet when it had to be stopped due to adverse conditions encountered.

There were 79 feet of drill station work done during this month. Of this there were 40 feet of drifting and 13 feet of raising to make the place for drill holes 41 and 42. 14 feet of extension on the side of 4 Dft W to make room to drill hole No 40 and 12 feet of raising to make room to drill holes No 43 and 44.

We are only reporting 51 feet of this as it completes the contract for stage II drill station allowance.

Yours very truly,

A. L. Greslin

A. L. Greslin, Manager

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

Budget Bureau No. 42-R1036.5

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

Month of January, 1960 Docket No. DMEA 4568 Contract No. IDM-E1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y
Contract Amount, $510,500.00 Government Participation 50 % Amount, $255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	0.00	84815.00	84815.00			
~~Drilling~~ Drill Sta.	0.00	11996.10	11996.10			
Crosscutting & Drifting	6931.08	214907.91	221838.99			
~~Drifting~~ Timber	391.50	9382.50	9774.00			
Analyses	155.00	8103.00	8258.00			
(2) ~~Labor and Supervision~~:						
~~Labor~~ Ream Case	0.00	1500.00	1500.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	7477.58	330704.51	338182.09	7415.58	330,704.51	338,120.09

OME
DEPARTMENT OF THE INTERIOR
FEB 29 1960
REGION III
DENVER, COLORADO

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 2/12/60 *Payee Molybdenum Corp. of America
Per [signature] Title Manager

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

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

(Instructions on reverse)

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

$3707.79

Signature RRC
(Authorized Certifying Officer)

Date 2-18-60 Vou. No. DMEA-60-23
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1094 in accordance with the terms of the contract.

Signature T M Tomolo Checked for Engineering Allowability Title Mining Engineer Date 2/15/60

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date FEB 17 1960

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1960 Docket No. DMEA 4568 Contract No. IDM-E1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				STAGE I				
Drifting &Crosscutting	ft	0.00	-0-	44430.00	1000	44.43	1000	44.43
Drill Sta	ft	0.00	-0-	3154.53	71	44.43	115	44.43
Timber	ft	0.00	-0-	2516.40	932	2.70	1000	2.70
Analyses	ea	0.00	-0-	2826.00	942	3.00	1100	3.00
Ream-Case	ft	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	ft	0.00	-0-	37535.00	7507	5.00	9000	5.00
				STAGE II				
Drift Crosscut	ft	6931.08	156	177408.99	3983	44.43	6160	44.43
Drill Sta.	ft	0.00	-0-	8841.57	199	44.43	250	44.43
Timbering	ft	391.50	145	7257.60	2688	2.70	6160	2.70
Analyses	ea	155.00	31	5432.00	1790	3.00	3177	3.00
Ream-Case	ft	0.00	-0-	1000.00	1000	1.00	1000	1.00
Core Drilling	ft	0.00	-0-	47280.00	9456	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		7477.58		338182.09				

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

Date 2/12/60 Operator Molybdenum Corp. of America

Per [signature] Title Manager

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

REMARKS:

(Instructions on reverse)

(For Government use only)

FEB 26 1960
O.M.E.

INSTRUCTIONS

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

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

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

DEPARTMENT OF THE INTERIOR
OME
FEB 23 1960
REGION III
DENVER, COLORADO

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O. M. E.
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DATE	INITIALS	

DISTRIBUTION MADE
FEB 23 1960

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative Audit Difference Statement

Date: February 18, 1960
Payee's Reference: January 1960

Molybdenum Corporation of America
375 Park Ave.
New York 22, New York

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ 7,477.58

Difference $ 62.00

Amount Approved $ 7,415.58

The reason for the difference was due to:

Total costs reported	7,477.58
Analyses charge disallowed	62.00
Balance	7,415.58

OME
DEPARTMENT OF THE INTERIOR
FEB 23 1960
REGION III
DENVER, COLORADO

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
~~XXXXXXXXXXXX~~
~~XXXXXXXXXXXX~~

RRC
Randel R. Cooper
Finance Officer, Reg. III

R-III-B & F Form No. 4
4-15-52 D

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DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado

February 17, 1960

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract I4m-E1094
Molybdenum Corporation of America (Moly or Questa mine)
Taos County, New Mexico

Enclosed are the original and four copies of forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Inspection Report covering work performed during the month of January 1960.

It is considered that the Operator has complied with the intent of the contract and the work for which reimbursement is claimed is acceptable to the Government except as hereinafter noted. All of the work was performed at "Fixed Unit Costs" under the short form of contract on Form MF-200A; therefore, documentation of the costs is not required.

It is recommended that reimbursement be made to the Operator for 50 percent of the amount reported on Form MF-104 subject to verification of applicable rates and arithmetical accuracy within the report, except for the disallowance of $62.00 overcharge for analyses.

<u>Reconciliation with total costs reported by the Operator on Form MF-104 for month of January 1960</u>

Total costs reported - - - - - - - - - - - -	$7,477.58
Analyses charge disallowed- - - - - - -	62.00
Balance - - - - - - - - - - - - - -	$7,415.58
Government participation at 50 percent - - -	3,707.79
Amount due the Operator - - - - - - - - -	3,707.79

Original signed by

J. W. Townsend

cc: Chem. Op. Comm. (2) ✓
MF-104 file, Reg. III
OME/DPC
Mailer w/copy of Engr's rept.
Susp.
Chron.

JWT:ark

OME
DEPARTMENT OF THE INTERIOR
FEB 23 1960
REGION III
DENVER, COLORADO

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O. M. E.
RECEIVED FEB 26 1960
DATE | INITIALS | CODE

Building 20 - Federal Center
Denver 25, Colorado

February 16, 1960

Memorandum

To: J. W. Townsend, Executive Officer, OME Field Team, Region III

From: T. M. Romalo

Subject: Progress Report for January 1960, Docket No. DMEA 4568 (Molybdenum) Contract No. Idm-E1094, Molybdenum Corporation of America (Moly or Questa mine) Taos County, New Mexico

Explorations at the Moly mine which are authorized by the captioned contract were inspected by me February 11, 1960, in the company of L. Gmelin, assistant mine surveyor.

Progress was found to be as described below and as recorded in the attached Operator's Report. All of the approved work was completed in accordance with the contract's work specifications.

Drifting

No. 3 Drift East was advanced from Survey Station No. 3275 plus 30 feet to Survey Station No. 3278 plus 36 feet, a total of 156 feet.

Timbering

A total of 145 lineal feet of No. 3 Drift East was timbered with drift-sets. The ground in the timbered section is highly altered and fractured.

Analyses

A total of 31 samples from No. 3 Drift East were assayed for MoS_2. The average MoS_2 content of the 31 samples, covering 155 feet of drift, is 0.34 percent.

Other Work

Diamond drilling was confined to authorized hole No. 37 which had reached a depth of 651 feet at the end of the period.

Other exploratory work was largely confined to the driving of the unauthorized No. 1 Crosscut North. The degree of molybdenum mineralization in this drift is significantly lower than encountered by No. 3 Drift East.

ANALYSIS OF THE OPERATOR'S REPORT

Form MF-104

Drifting - The $6,931.00 is for the approved 196 feet of advance in No. 3 Drift East at $44.43 per foot.

Timber - The $391.50 is for the approved 145 feet of timbering in No. 3 Drift East at $2.70 per foot.

Analyses - The $155.00 represents an overcharge of $62.00 since the approved cost of the 31 samples at $3.00 each is $93.00. The total to date should be $8,196.00 instead of the reported $8,258.00.

Totals - The correct totals after deducting the $62.00 overcharge for analyses are $7,415.58, $330,704.51, and $338,120.09.

Form MF-104A

The form, containing total costs in agreement with those of Form MF-104, appears to have been properly completed with the following exceptions under Stage II:

1. The units to date for drifting should be 3,993 instead of the reported 3,983.

2. Analyses: The correct costs for this month and to date are $93.00 and $5,370.00, respectively.

3. The corrected total costs for this month and to date, are $7,415.58 and $338,120.09, respectively.

Narrative Report

The narrative report with maps is acceptable.

Original signed by
T. E. Romalo
T. E. Romalo

cc: 6
Chron.

TER:arh

OME
DEPARTMENT OF THE INTERIOR
FEB 23 1981
REGION III
DENVER, COLORADO

NARRATIVE REPORT

January 1960

OME
DEPARTMENT OF THE INTERIOR
FEB 15 1960
REGION III
DENVER, COLORADO

Mr. J. W. Townsend
Executive Officer, O.M.E.
Field Team Region III
Building 20 Federal Center
Denver 25, Colorado

Re: Docket No. IMEA 4568 (Molybdenum)
Contract No. IDM-E1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

During the period January 1 through January 31, 1960 there were 26 working days and 5 Sundays. The mine was worked 26 days on a two shift basis.

There were 156 feet of advance in the No. 3 Dft E with 145 feet of timbering.

We are still drilling in drill hole No. 37. It was down to a depth of 435 feet on January 31, 1960.

Work was carried on in the No. 1 CxN during this period.

Yours very truly,

OME
DEPARTMENT OF THE INTERIOR
FEB 23 1960
REGION III
DENVER, COLORADO

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

Budget Bureau No. 42-R1036.5

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

JAN 25 1960 O.M.E.

Month of December, 1959 Docket No. DMEA 4568 Contract No. IDM-E 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N. Y.
Contract Amount, $ 510,500.00 Government Participation 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	3555.00	81260.00	84815.00			
~~Bulldozing~~ XXXXXXXX Drill Sta.	0.00	11996.10	11996.10			
Crosscutting & Drifting	7375.38	212242.11	219617.49			
~~Drifting~~ XXXXXX Timbering	413.10	9255.60	9668.70			
Analyses	312.00	7860.00	8172.00			
(2) ~~Labor and Supervision~~ XXXXXXXXXXXXXXX						
~~Labor~~ XXXXX Ream-Case	0.00	1500.00	1500.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	11655.48	324113.81	335769.29	6590.70	324113.81	330704.51

OME
DEPARTMENT OF THE INTERIOR
JAN 12 1960
REGION III
DENVER, COLORADO

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 1/14/60 *Payee Molybdenum Corporation of America
Per [signature] Title Manager

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 3295.35
Signature [signature]
(Authorized Certifying Officer)
Date 1-20-60 Vou. No. DMEA-60-20
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1094 in accordance with the terms of the contract.

Signature T. M. Romolo Checked for Engineering Accounting Title Mining Engineer Date 1/15/60

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature J. W. Fornwald Title Executive Officer Date JAN 18 1960

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1959 Docket No. DMEA 4568 Contract No. IDM-E 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N. Y.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				STAGE I				
Drifting	Ft.	0.00	-0-	44430.00	1000	44.43	1000	44.43
~~XXXXXXXXX~~ Drill Sta.	Ft.	0.00	-0-	3154.53	71	44.43	115	44.43
~~XXXXXX~~ Timbering	Ft.	0.00	-0-	2516.40	932	2.70	1000	2.70
~~XXXXX~~ Analyses	Ea.	0.00	-0-	2826.00	942	3.00	1100	3.00
~~XXXX~~ Ream-Case	Ft.	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	Ft.	0.00	-0-	37535.00	7507	5.00	9000	5.00
~~XXXXX~~				STAGE II				
~~XXXX~~ Crosscut	Ft.	7375.38	166	175187.49	3943	44.43	6160	44.43
~~XXXXXX~~ Drill Sta.	Ft.	0.00	-0-	8841.57	199	44.43	250	44.43
~~XXXXXX~~ Timbering	Ft.	413.10	153	7152.30	2649	2.70	6160	2.70
~~XXXXXX~~ Analyses	Ea.	312.00	104	5346.00	1783	3.00	3177	3.00
~~XXXXXXXXXXX~~ Ream-Case	Ft.	0.00	-0-	1000.00	1000	1.00	1000	1.00
Core Drilling	Ft.	3555.00	711	47280.00	9456	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		11655.48		335769.29				

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 1/10/60 Operator Molybdenum Corp. of America

Per [signature] Title Manager

REMARKS:

OME
DEPARTMENT OF THE INTERIOR
JAN 12 1960
REGION III
DENVER, COLORADO

[signature]

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

(Instructions on reverse)

(For Government use only)

JAN 25 1960
O.M.E.

INSTRUCTIONS

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

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

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

GPO 872894

OFFICIAL FILE COPY
O. M. F.
RECEIVED JAN 25 1960

DATE	INITIALS	
1-25	gad	VVD
		800

DISTRIBUTION MADE
JAN 22 1960

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative Audit Difference Statement

Date: 1/20/1960
Payee's
Reference:

Molybdenum Corporation of America
375 Park Avenue
New York 22, New York

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ 11,655.48

Difference $ 5,064.78

Amount Approved $ 6,590.70

The reason for the difference was due to:

Disallowances

106 feet of Drifting at $44.43 a foot	$4,709.58
106 feet of Drift timbering at $2.70 a foot	286.20
23 sample analyses at $3.00 each	69.00
Total Disallowance	$5,064.78

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

RRC

~~N. E. Stokes~~
Audit Section

R-III-B & F Form No. 4
4-15-52 D

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 25 1960

DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado
January 18, 1960

Memorandum

TO: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract ~~Dm-31094~~
Molybdenum Corporation of America (Moly or Questa mine)
Taos County, New Mexico

Enclosed are the original and four copies of forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Inspection Report covering work performed during the month of December 1959.

It is considered that the Operator has complied with the intent of the contract and the work for which reimbursement is claimed is acceptable to the Government except as hereinafter noted. All of the work was performed at "Fixed Unit Costs" under the short form of contract on Form MF-200A; therefore, documentation of the costs is not required.

It is recommended that reimbursement be made to the Operator for 50 percent of the amount reported on Form MF-104 subject to verification of applicable rates and arithmetical accuracy within the report, except for the following disallowances of costs of work performed in that portion of the No. 3 Drift East lying westerly of the authorized starting point of Government participation at coordinate E 1300:

Disallowances

106 feet of Drifting at $44.43 a foot	$4,709.58
106 feet of Drift timbering at $2.70 a foot	286.20
23 sample analyses at $3.00 each	69.00
Total Disallowance	$5,064.78

Reconciliation with total costs reported by the Operator on Form MF-104 for month of December 1959

Total costs reported	$11,655.48
Total disallowance as above	5,064.78
Balance	$ 6,590.70
Government participation at 50 percent	3,295.35
Amount due the Operator	3,295.35

JWT:ltm

Original signed by
J. W. Townsend

cc: Chmn. Op. Comm. (2)
MF-104 file, Reg. III
OME/DFC
Hasler)w/cpy of Engr's rept.
Susp.
Chron.

3

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 25 1960

DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado
January 15, 1960

Memorandum

TO: J. W. Townsend, Executive Officer, GSE Field Team, Region III

From: T. M. Romalo

Subject: Progress Report for December 1959, Docket No. DMEA 4568 (Molybdenum) Contract No. Idm-E1094, Molybdenum Corporation of America (Moly or Questa mine) Taos County, New Mexico

Progress in explorations at the Moly mine that are authorized by the captioned contract was inspected by me January 14, 1960. I was accompanied by A. L. Greslin, Manager, and J. W. Hasler and R. V. King, Geologists, U.S.G.S.

Progress was found to be as described below and as recorded in the attached Operator's Report. However, Government participation in all of the work is not approved since a portion was completed prior to being authorized by the contract.

All of the approved work was completed in accordance with the contract's work specifications.

Drifting

No. 3 Drift East was advanced from Survey Station No. 3270 plus 25 feet to 60 feet beyond coordinate E1300 for a total of 166 feet. The Operator had been authorized to extend the drift on a bearing of approximately N 80° E not to exceed 500 feet beginning at coordinate E 1300. Government participation in the drifting is therefore confined to the 60 feet of advance from the designated starting point.

Timbering

The approved portion of the 153 feet of timbering done in No. 3 Drift East is confined to the 47-foot section beginning at coordinate E1300, the DMEA starting point.

Analyses

The reported total of 104 samples assayed for MoS2 comprise 71 samples from diamond drill hole No. 39 and 33 channel samples for No. 3 Drift East. Approved analyses comprise those of the 71 drill hole samples and 12 channel samples in the 60-foot section of authorized drift, a total of 83.

[redacted]

Diamond drill hole No. 39 was completed to a depth of 711 feet.

Other Work

Non-contract work was largely confined to driving No. 1 Crosscut North.

ANALYSES OF THE OPERATOR'S REPORT

Form MF-104

Drilling - The $3,555.00 is for the 711 feet of authorized advance in diamond drill hole No. 39 at $5.00 per foot.

Drifting - The $7,375.38 represents the cost of the reported 166 feet of advance in No. 3 Drift East at $44.43. As the authorized advance was 60 feet, the approved cost is $2,665.80. Participation in the cost of the remaining $4,709.58 for the unauthorized 106 feet of advance is recommended for denial.

Timbering - The $413.10 is for the reported 153 feet of timbering at $2.70 per foot. The approved cost is $126.90 for the authorized 47 feet of advance. The disapproved portion is $286.20 for the 106 feet of unauthorized advance.

Analyses - The $512.00 is for the analyses of the reported 104 samples at the specified cost of $5.00 per sample. Of the $512.00, a total of $243.00 for analyses of the authorized 81 samples is approved, and the remaining $69.00 for the 23 unauthorized samples is disapproved.

Totals - The monthly total of $11,655.48 appears to be correct before the recommended disapproval of $5,064.78. The $5,064.78, as shown above, comprises $4,709.58 for 106 feet of drifting, $286.20 for 106 feet of timbering, and $69.00 for the analyses of 23 samples.

Form MF-104A

The form, containing total costs in agreement with those of Form MF-104, appears to have been properly completed except that the units to date for analyses should be 1 less than the reported 1783. The Operator has been asked to correct this item in his next report.

Narrative Report

The narrative report with maps and graphic diamond drill hole logs is acceptable.

Original signed by
T. M. Romslo

T. M. Romslo

TMR:ltm

cc: 6
Chron.

3

C O N T E N T S

December 1959

1. Narrative Report
2. Form M.F. 104A
3. Form M.F. 104
4. Geology Map No. 3 Dft E
5. Progress - Timber & Chip Sample Map No. 3 Dft E
6. Progress - Chip Sample Map 1CxN
7. Drill Hole Map - Drill Hole No. 39
8. Drill Hole Log - Drill Hole No. 39

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 25 1960

DATE	INITIALS	CODE

NARRATIVE REPORT

December 1959

Mr. J. W. Townsend
Executive officer, O.M.E.
Field Team Region III
Building 20, Federal Center
Denver 25, Colorado

RE: Docket No DMEA 4568 (Molybdenum)
Contract No IDM-E 1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

During the period of December 1 through December 31, 1959 there were 24 working, 4 Sundays, and three days off for holiday. We were off three days for Christmas holiday and also had to be off December 21st-22nd- and 23rd. We had trouble with the hoist motor and resistors so we couldn't work. The mine was worked 21 days on a two shift basis.

There were 166 feet of drifting in No 3 Dft E with 153 feet of timber in this place.

Diamond drill hole No 39 was completed to a depth of 711 feet. We are starting on drill hole No 37 now.

Work was carried on in No 1 CxN during this period.

Yours very truly,

A. L. Greslin

A. L. Greslin, Manager

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

Budget Bureau No. 42-R1036.5

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

Month of November, 1959 Docket No. DMEA 4568 Contract No. ~~IDM*E~~ 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N. Y.
Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	2930.00	78330.00	81260.00			
~~xxxxxxx~~ Drill Sta.	1288.47	10707.63	11996.10			
Crosscutting & Drifting	2177.07	210065.04	212242.11			
~~xxxxx~~ Timber	194.40	9061.20	9255.60			
Analyses	177.00	7683.00	7860.00			
(2) ~~xxxxxxxxxxxxxxxx~~ ~~xxxx~~ Ream-Case	0.00	1500.00	1500.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	6766.94	317346.87	324113.81	6766.94	317346.87	324113.81

OME
DEPARTMENT OF THE INTERIOR
DEC 16 1959
REGION III
DENVER, COLORADO

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

Date 12/14/59 *Payee Molybdenum Corp. of America

Per [signature] Title Manager

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

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

(Instructions on reverse)

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

$ 3383.47

Signature [signature]
(Authorized Certifying Officer)

Date 12/18/59 Voucher No. DMEA 60-18

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 1094 in accordance with the terms of the contract.

Signature [illegible] Checked for Engineering Allowability Title Mining Engineer Date 12/16/59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date DEC 17 1959

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1959 Docket No. DMEA 4568 Contract No. ~~IDM-E 1094~~
Operator's Name Molybdenum Corporation of America Minerals ~~Molybdenum~~
Address 375 Park Avenue New York 22, N. Y.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
				Stage I				
Drifting	Ft.	0.00	-0-	44430.00	1000	44.43	1000	44.43
~~Cross~~ Drill Sta.	Ft.	0.00	-0-	3154.53	71	44.43	115	44.43
~~Raise~~ Timbering	Ft.	0.00	-0-	2516.40	932	2.70	1000	2.70
~~Stat~~ Analyses	Ea.	0.00	-0-	2826.00	942	3.00	1100	3.00
~~Water~~ Ream-Case	Ft.	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	Ft.	0.00	-0-	37535.00	7507	5.00	9000	5.00
~~Exam~~				Stage II				
Drift~~ing~~ Crosscut	Ft.	2172.07	49	167812.11	3777	44.43	6160	44.43
~~Stoping~~ Drill Sta.	Ft.	1288.47	29	8841.57	199	44.43	250	44.43
~~Timbering~~ Timbering	Ft.	194.40	72	6739.20	2496	2.70	6160	2.70
~~Tasks~~ Analyses	Ea.	177.00	59	5034.00	1679	3.00	3177	3.00
~~Rock~~ Ream-Case	Ft.	0.00	-0-	1000.00	1000	1.00	1000	1.00
Core Drilling	Ft.	2930.00	586	43725.00	8745	5.00	19500	5.00
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		6766.94		324113.81				

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 12/14/59 Operator Molybdenum Corp of America

Per [signature] Title Manager

Remarks:

OME
DEPARTMENT OF THE INTERIOR
DEC 16 1959
REGION III
DENVER, COLORADO

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

(Instructions on reverse)

(For Government use only)

[signature]

DEC 28 1959 OMPE

INSTRUCTIONS

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

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

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

GPO 872894

EXTRA COPY
O. M. E
RECEIVED DEC 1959
DATE INITIALS CODE
800

Building 20 - Federal Center
Denver 25, Colorado
December 17, 1959

Memorandum

TO: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. EMEA 4568 (Molybdenum) Contract Idm-X1094
Molybdenum Corporation of America (Moly or Questa mine)
Taos County, New Mexico

Enclosed are the original and four copies of Forms MF-104 and MF-104A, Operator's narrative report, and Engineer's inspection report for the month of November 1959.

It is considered that the Operator has complied with the intent of the contract, and the work for which reimbursement is claimed is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form of contract on Form MF-200A; therefore, documentation of the costs is not required.

It is recommended that reimbursement be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Original signed by

J. W. Townsend

DISTRIBUTION MADE
DEC 22 1959

Enclosures

JWT:ltm

cc: Chmn. Op. Comm. (2)
MF-104 file, Reg. III
OME/DFC
Hasler)w/cpy Engr's Rept.
Chron.

ADMINISTRATIVE
OFFICE
REGION III
DEC 18 1959
BUREAU OF MINES
DENVER, COLORADO

Building 20 - Federal Center
Denver 25, Colorado
December 16, 1959

Memorandum

TO: J. W. Townsend, Executive Officer, OME Field Team, Region III

From: T. M. Romalo

Subject: Progress Report for November 1959, Docket No. DMRA 4568 (Molybdenum) Contract No. Idm-E1094, Molybdenum Corporation of America (Moly or Questa mine) Taos County, New Mexico

Progress in explorations at the Moly mine which is authorized by the captioned contract was checked by me December 3, 1959. Underground inspections were made with Irvin Sackett, mine engineer. Diamond drill core and maps were inspected in the mine office with A. L. Greslin, Manager.

Progress was found to be as described below and as recorded in the attached Operator's Report. The work was in accordance with the contract's specifications.

Drifting

No. 4 Drift West was advanced 51 feet to a point 1002 feet from No. 1 Crosscut North. Of the 51 feet, 49 feet was authorized since the drift was extended 2 feet beyond the allowable 1000 feet.

Timbering

A total of 72 feet of No. 4 Drift West was supported with timber sets. The 72 feet of timber was installed in the 49-foot section driven during November and in a 23-foot section driven during October.

Analyses

A total of 59 samples, 49 core and 10 drift, were assayed for MoS_2.

The assays showed that no extensive zones of significant mineralization were penetrated by either the drift or drill hole.

Diamond Drilling

Diamond drill hole No. 33 was completed to a depth of 586 feet.

Diamond Drill Stations

A total of 29 feet of raising was done in drill stations for holes Nos. 37, 38, 39 and 40.

Other Work

Non-contract work was largely confined to about 50 feet of additional advance in No. 1 Crosscut North and 219 feet of initial advance in No. 3 Drift East.

The Operator verbally reported that 108 tons of ore containing 2.3 % MoS_2 from a highly mineralized zone encountered in No. 3 Drift East had been trucked to the company's mill and stored in the ore bins.

ANALYSIS OF THE OPERATOR'S REPORT

Form MF-104

Drilling - The $2,930.00 is for the authorized 586 feet of advance in diamond drill hole No. 33 at $5.00 per foot.

Drill Stations - The $1,288.47 is for the authorized advance of 29 feet in diamond drill stations for holes Nos. 37, 38, 39 and 40 at $44.43 per foot.

Drifting - The $2,177.07 is for the 49 feet of authorized advance in No. 4 Drift West at $44.43 per foot.

Timber - The $194.40 is for the authorized 72 feet of timber installed in No. 4 Drift West at $2.70 per foot.

Analyses - The $177.00 is for the authorized analyses of the 59 samples for MoS_2 at $5.00 per sample.

Totals - The totals, $6,766.94, $317,346.87 and $324,113.81, appear to be correct.

Form MF-104A

The form, containing total costs which are in agreement with those on Form MF-104, appears to have been properly completed.

Narrative Report

The narrative report with maps and graphic diamond drill hole logs is acceptable.

T. M. Romalo

T. M. Romalo

TMR:ltm

cc: 6
Chron.

NARRATIVE REPORT

November 1959

OME
DEPARTMENT OF THE INTERIOR
DEC 16 1959
REGION III
DENVER, COLORADO

Mr. J. W. Townsend
Executive Officer, O. M.E.
Field Team, Region 111
Building 20, Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 4566 (Molybdenum)
Contract No. IBM-K 1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

During the period of November 1 through November 30, 1959 there were 24 working days, 5 Sundays and 1 Holiday (Thanksgiving Day). The Mine was Worked 24 days on a two shift basis.

There were 49 feet Of drifting in No. 4 Drft W to complete this drift to 1000 feet. There were 72 feet of timbering in this place.

Diamond drill hole No. 33 was Completed to 586 feet where it had to be stopped.

We are drilling in drill hole No. 39. It was down 284 feet on November 30, 1959.

Work was carried on in No. 1,CrE and No. 3 Drft E during this period.

There were 29 feet of raising for drill stations, of this there were 19 feet for drill station for holes 38-39-40 and 10 feet for drill hole No. 37.

Yours very truly,

Manager

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

Budget Bureau No. 42-R1036.5

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

DEC 14 1959 O.M.E.

Month of October, 1959 Docket No. DMEA 4568 Contract No. IDM-E 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y
Contract Amount, $510,500.00 Government Participation: 50 % Amount, $255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	2730.00	75600.00	78330.00			
Drill Sta.	0.00	10707.63	10707.63			
Crosscutting & Drifting	7242.09	202822.95	210065.04			
Timber	504.90	8556.30	9061.20			
Analyses	426.00	7257.00	7683.00			
(2) :						
Ream-Case	0.00	1500.00	1500.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	10902.99	306443.88	317346.87	10902.99	306443.88	317346.87

OME DEPARTMENT OF THE INTERIOR NOV 16 1959 REGION III DENVER, COLORADO

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Nov. 12, 1959 Payee Molybdenum Corporation of America
Per [signature] Title Manager

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

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

(Instructions on reverse)

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

$ 5451.50

Signature [signature]
(Authorized Certifying Officer)

Date 12-9-59 Vou. No. DMEA-60-17
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Edm-E1094 in accordance with the terms of the contract.

Signature T M Pamado Checked for Engineering Allowability Title Mining Engineer Date 12/4/59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date DEC 7 1959

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MT-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1959 Docket No. DMEA 4568 Contract No. IDM-E 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				STAGE I				
Drifting	FT	0.00	-0-	44430.00	1000	44.43	1000	44.43
Drill Sta.	ft	0.00	-0-	3154.53	71	44.43	115	44.43
Timbering	ft	0.00	-0-	2516.40	932	2.70	1000	2.70
Analyses	ea.	0.00	-0-	2826.00	942	3.00	1100	3.00
Ream-Case	ft	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	ft	0.00	-0-	37535.00	7507	5.00	9000	5.00
				STAGE II				
Drift Crosscut	ft	7242.09	163	165635.04	3728	44.43	6160	44.43
Drill Sta.	ft	0.00	-0-	7553.10	170	44.43	250	44.43
Timbering	ft	504.90	187	6544.80	2424	2.70	6160	2.70
Analyses	ea	426.00	142	4857.00	1619	3.00	3177	3.00
Ream-Case	ft	0.00	-0-	1000.00	1000	1.00	1000	1.00
Core Drilling	ft	2730.00	546	40795.00	8159	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		10902.99		317346.87				

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 Nov. 12, 1959 Operator Molybdenum Corp. of America

Per [signature] Title Manager

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

(Instructions on reverse)

REMARKS:

OME
DEPARTMENT OF THE INTERIOR
NOV 16 1959
REGION III
DENVER, COLORADO

(For Government use only)

DEC 14 1959
O.M.E.

INSTRUCTIONS

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

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

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

GPO 872894

DISTRIBUTION MADE
DEC 11 1959

Building 20 - Federal Center
Denver 25, Colorado
December 7, 1959

Memorandum

TO: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-E1094
Molybdenum Corporation of America (Moly or Questa mine)
Taos County, New Mexico

Enclosed are the original and four copies of Forms MF-104 and MF-104A, Operator's narrative report, and Engineer's inspection report for the month of October 1959.

It is considered that the Operator has complied with the intent of the contract, and the work for which reimbursement is claimed is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form of contract on Form MF-200A; therefore, documentation of the costs is not required.

It is recommended that reimbursement be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Original signed by

J. W. Townsend

Enclosures

JWT:ltm

cc: Chmn. Op/Comm. (2)
MF-104 file, Reg. III
OME/DFC
Hasler w/cpy Engr's. rept.
Chron.

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 14 1959

DATE	INITIALS	CODE

OFFICIAL FILE COPY
O. M. F.
RECEIVED DEC 14 1959

DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado
December 7, 1959

Memorandum

TO: J. W. Townsend, Executive Officer, OME Field Team, Region III

From: T. M. Romslo

Subject: Progress Report for October, 1959, Docket No. DMEA 4568 (Molybdenum) Contract No. Idm-E1094, Molybdenum Corporation of America (Moly or Questa mine) Taos County, New Mexico

On December 3, 1959, I visited the Moly mine and checked progress for the reporting period in explorations authorized by the subject contract. Underground inspections were made with Irvin Sachett, mine engineer. Diamond drill core and maps were inspected at the mine office with A. L. Greslin, Manager.

The inspections revealed that progress for October 1959 was as shown below and as reported in the attached Operator's report. They also showed that each item of work was completed in accordance with the contract's specifications.

Drifting

Drifting was confined to 163 feet of advance in No. 4 Drift West. The face of the drift at the end of the period reportedly was 36 feet ahead of survey station No. 3265. Of the 1000 feet of allowable advance in this drift, 951 feet has now been completed.

Timbering

A total of 187 lineal feet of No. 4 Drift West was supported with timber sets. The 187 feet included 156 feet of October advance and 31 feet of advance for the previous month.

Analyses

A total of 142 samples were assayed for MoS_2. The 142 samples included 34 from No. 4 Drift West and 108 (54 of each core and sludge) from diamond drill hole No. 32.

No extensive zones of significant mineralization were indicated by the sampling.

Core Drilling

Diamond drill No. 32 was completed at a depth of 546 feet.

Other Work

Other contract work in progress was confined to diamond drill hole No. 33.

Non-contract work was largely confined to drifting at 4 locations. Assay maps of the drifts are included with the Operator's report.

ANALYSIS OF THE OPERATOR'S REPORT

Form MF-104

Drilling - The $2,730.00 is for the authorized 546 feet of advance in diamond drill hole No. 32 at the specified rate of $5.00 per foot.

Drifting - The $7,242.09 is for the authorized 163 feet of advance in No. 4 Drift West at $44.43 per foot.

Timber - The $504.00 is for the authorized 187 feet of advance in No. 4 Drift West at $2.70 a foot.

Analyses - The $426.00 is for the authorized analyses of the 34 samples from No. 4 Drift West and 108 samples from diamond drill hole No. 32 at $3.00 per sample.

Totals - The totals, $10,902.99, $306,443.88 and $317,346.87, appear to be correct.

Form MF-104A

The form appears to have been properly completed. The total costs are in agreement with those of Form MF-104.

Narrative Report

The narrative report with maps is acceptable.

T M Romslo

T. M. Romslo

TMR:ltm

cc: 6
Chron.

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 14 1959
DATE | INITIALS | CODE
OME
DEPARTMENT OF THE INTERIOR
NOV 16 1959
REGION III
DENVER, COLORADO

NARRATIVE REPORT

October 1959

Mr. J. W. Townsend
Executive Officer, O.M.E.
Field Team, Region III
Building 20, Federal Center
Denver 25, Colorado

RE: Docket No. DMEA 4568 (Molybdenum)
Contract No. IDM-E 1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

During the period October 1 through October 31, 1959 there were 27 working days, 4 Sundays. The mine was worked 27 days on a two shift basis. There were 2 shifts lost in drifting in No. 4 Dft W and 1/2 shift lost on the drilling. We had to do some work on the shaft and were unable to hoist during this time.

Diamond drill hole No. 32 was completed on October 8th at 546 feet. We were unable to drill any deeper due to mud seams and caving in the hole.

We are drilling in hole No. 33. It was down to 400 feet on October 31st.

There were 163 feet of advance in No. 4 Dft W. This was in transition rock.

There were 187 feet of timbering in No. 4 drift west. This was in transition rock.

There were 187 feet of timbering in No. 4 drift west. 156 feet of this was in advance made this month and 31 feet was in work done previous to this month.

Work was carried on in No. 7 CxN, No. 2 Dft E, No. 1 CxN and No. 1 CxN No. 2 Dft E during this period.

Yours very truly,

A. L. Gradin

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

Budget Bureau No. 42-R1036.5

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

Month of September 1959 Docket No. DMEA 4568 Contract No. IDM-E1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y
Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	0.00	75600.00	75600.00			
~~Bulldozing~~ Drill Sta	1021.89	9685.74	10707 .63			
Crosscutting & Drifting	10529.91	192293.04	202822.95			
~~Lagging~~ Timber	245.70	8310.60	8556.30			
Analyses	141.00	7116.00	7257.00			
(2) ~~Labor and Supervision~~:						
~~Labor~~ Ream-Case	0.00	1500.00	1500.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	11938.50	294505.38	306443.88	11938.50	294505.38	306443.88

OME
DEPARTMENT OF THE INTERIOR
OCT 20 1959
REGION III
DENVER, COLORADO

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

Date 10/19/59 *Payee Molybdenum Corp. of America

Per [signature] Title Manager

*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.

NOV 2 1959
O.M.E.

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

(Instructions on reverse)

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

$ 5969.25

Signature [signature]
(Authorized Certifying Officer)

Date 10/27/59 Voucher DMEA 60-12
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1094 in accordance with the terms of the contract.

Signature [illegible] Checked for Engineering Authenticity Title Mining Engineer Date 10/22/59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date OCT 26 1959

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1959 Docket No. DMEA 4568 Contract No. IDM-E1094

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 375 Park Avenue - New York 22, N Y

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				STAGE I				
Drifting	ft	0.00	-0-	44430.00	1000	44.43	1000	44.43
~~Crosscutting~~ Drill Sta.	ft	0.00	-0-	3154.53	71	44.43	115	44.43
~~Raising~~ Timbering	ft	0.00	-0-	2516.40	932	2.70	1000	2.70
~~Stages~~ Analyses	Spl	0.00	-0-	2826.00	942	3.00	1100	3.00
~~Winzes~~ Ream-Case	ft	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	ft	0.00	-0-	37535.00	7507	5.00	9000	5.00
				STAGE II				
Drift ~~Auger~~ Crosscut	ft	10529.91	237	158392.95	3565	44.43	6160	44.43
~~Stripping~~ Drill Sta.	ft	1021.89	23	7553.10	170	44.43	250	44.43
~~Trenching~~ Timbering	ft	245.70	91	6039.90	2237	2.70	6160	2.70
~~Test Pits~~ Analyses	Spl	141.00	47	4431.00	1477	3.00	3177	3.00
~~Roads and Trails~~ Ream-Case	ft	0.00	-0-	1000.00	1000	1.00	1000	1.00
Core Drilling	ft	0.00	-0-	38065.00	7613	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		11938.50		306443.88				

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 10/19/59 Operator Molybdenum Corp. of America

Per A. Schreiber Title Manager

REMARKS:

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

(Instructions on reverse)

(For Government use only)

NOV 2 1959 O.M.E.

OME
DEPARTMENT OF THE INTERIOR
OCT 20 1959
REGION III
DENVER, COLORADO

INSTRUCTIONS

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

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

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

GPO 872894

Building 20 - Federal Center
Denver 25, Colorado

October 26, 1959

FINAL DISTRIBUTION MADE OCT 28 1959

Memorandum

TO: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-M1094
Molybdenum Corporation of America (Moly or Questa mine)
Taos County, New Mexico

Enclosed are the original and four copies of Forms MF-104 and MF-104A, Operator's narrative report, and Engineer's inspection report for the month of September 1959.

It is considered that the Operator has complied with the intent of the contract, and the work for which reimbursement is claimed is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form of contract on Form MF-200A; therefore, documentation of the costs is not required.

It is recommended that reimbursement be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Original signed by

J. W. Townsend

JWT:ltm

cc: Chmn. Op. Comm. (2)
MF-104 file, Reg. III
OME/DFC
Hasler w/cpy Engr's. rept.
Chron.

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 2 1959

DATE	INITIALS	CODE
11-2	[illegible]	[illegible]
		[illegible]

OFFICIAL FILE COPY
O M E
RECEIVED NOV 2 1959
DATE | INITIALS | CODE

Building 20 - Federal Center
Denver 25, Colorado

October 28, 1959

Memorandum

TO: J. W. Townsend, Executive Officer, OME Field Team, Region III

From: T. N. Romslo

Subject: Progress Report for September 1959, Docket No. MMSA 4568 (Molybdenum) Contract No. Mm-K1094, Molybdenum Corporation of America (Moly or Questa mine) Taos County, New Mexico

An inspection of the project workings of the captioned contract which was made by the writer and Irvin Bachett, Mine Engineer, October 15, 1959, revealed that progress for the reporting period was as recorded in the attached Operator's report. The writer also obtained from A. L. Greslin, Manager, information relative to; findings of the project work; other work accomplished, and a forthcoming request for approval of additional explorations.

The following authorized work was completed during September 1959 and has been charged for on Form MP-104.

Drill Stations

A total of 23 feet of raising, 11 feet for drill station No. 32 and 12 feet for drill station No. 33, was completed.

Drifting

No. 4 Drift West was driven an additional 237 feet to a point 295 feet ahead of survey station No. 3860. A total of 788 feet of the authorized 1000 feet of advance in this drift had been completed at the end of the reporting period.

Timbering

A total of 91 lineal feet of No. 4 Drift West was supported with timber sets. A minimum cross-section of 5 feet by 7 feet in clear of timber was maintained.

Analyses

A total of 47 samples, taken from No. 4 Drift West in accordance with contract specifications, were analyzed for MoS_2.

The assays of the 47 samples which were taken along the north wall of the drift for a total of 235 feet averaged approximately 0.177 percent MoS_2.

Other Work

Other contract work in progress was confined to the diamond drilling of hole No. 32. Non-contract work was confined to the driving of No. 2 Drift East and some diamond drilling from the surface.

ANALYSIS OF THE OPERATOR'S REPORT

Form MF-104

Drill Stations - The $1021.89 is for the authorized 23 feet of raising in diamond drill stations Nos. 32 and 33 at the specified rate of $44.43 a foot.

Drifting - The $10,529.91 is for the authorized 237 feet of advance in No. 4 Drift West at $44.43 per foot.

Timbering - The $245.70 is for the authorized 91 feet of timbering in No. 4 Drift West at $2.70 per foot.

Analyses - The $141.00 is for the authorized analyses of the 47 samples from No. 4 Drift West at $3.00 per sample.

Totals - The totals, $11,938.50, $294,505.38 and $306,443.88, appear to be correct. The $3.00 error noted in previous reports has been picked up.

Form MF-104A

The form appears to have been properly completed. Errors in the costs and units of work of previous reports have been corrected.

Narrative Report

The narrative report with attached maps is acceptable.

T. M. Romslo

T. M. Romslo

TMR:ltm

cc: 6
Chron.

OME
DEPARTMENT OF THE INTERIOR
OCT 20 1959
REGION III
DENVER, COLORADO

NARRATIVE REPORT

SEPTEMBER 1959

Mr. J. W. Townsend
Executive Officer, O.M.E.
Field Team, Region III
Building 20 - Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 4568 (Molybdenum)
Contract No. IDM-E1094
Molybdenum Corp. of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

During the period September 1 through September 31, 1959 there were 25 working days, 4 Sundays and one holiday (Labor Day). The mine was worked 25 days on a two shift basis.

Diamond drilling was done in hole No. 32. This hole was completed on October 8th to a depth of 546 feet where it had to be stppped due to mud seams etc.

Diamond drilling was carried on part of the month on the surface. He have stopped the surface drilling for awhile.

There were 237 feet of advance in No. 4 drift west during this period. This was in Porphyry for the first 145 feet then in transition rock.

There were 91 feet of timbering in No. 4 Dft W. 59 feet of this was in advance work done during September and 32 feet of this was done in work done in July 1959.

There were two drill stations prepared during this period. No. 32 and No. 33. There were 11 feet of raising in drill station No. 32 and 12 feet of raising in drill station No. 33.

Yours very truly,

G. L. Gaslin

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

Budget Bureau No. 42-R1036.5

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

Month of AUGUST, 1959 Docket No. DMEA 4568 Contract No. IDM-E1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y
Contract Amount, $ 510,500.00 Government Participation 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	3635.00	71965.00	75600.00			
~~Blocking~~ Drill Sta.	533.16	9152.58	9685.74			
Crosscutting & Drifting	9152.58	183140.46	192293.04			
~~Mining~~ Timber	135.00	8175.60	8310.60			
Analyses	342.00	6777.00	7119.00			
(2) ~~Interconnection~~:						
~~Interc~~ Ream-Case	0.00	1500.00	1500.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	13797.74	280710.64	294508.38	13797.74	280,707.64	294,505.38

OMB
DEPARTMENT OF THE INTERIOR
SEP 14 1959
REC
DENVER, COLORADO

I certify that the above bill is correct and just and that payment therefor has not been received.
Date ~~8/12~~ 9/12 *Payee Molybdenum Corp. of America
Per A. L. Gresbe Title Manager

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 6898.87
Signature RRD
(Authorized Certifying Officer)
Date 9-22-59 Vou. No. DMEA 608
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1094 in accordance with the terms of the contract.

Signature [illegible] Checked for Engineering Allowability Title Mining Engineer Date 9-16-59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date SEP 18 1959

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

SEP 28 1959 O.M.E.

Month of August 1959 Docket No. DMEA 4568 Contract No. IDM-E1094

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 375 Park Avenue New York 22, N Y

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE STAGE I	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	ft	0.00	-0-	44430.00	1000	44.43	1000	44.43
~~Crosscutting~~ Drill Sta	ft	0.00	-0-	3154.53	71	44.43	115	44.43
~~Raising~~ Timbering	ft	0.00	-0-	2516.40	932	2.70	1000	2.70
~~Shafts~~ Analyses	Spl	0.00	-0-	2826.00	942	3.00	1100	3.00
~~Winzes~~ Ream-Case	ft	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	ft	0.00	-0-	37535.00	7507	5.00	9000	5.00
				STAGE II				
Drift ~~Churn~~ Crosscut	ft	9152.58	206	147863.04	3329	44.43	6160	44.43
~~Auger~~ Drill Sta.	ft	533.16	12	6531.21	147	44.43	250	44.43
~~Stripping~~ Timbering	ft	135.00	50	5794.20	2210	2.70	6160	2.70
~~Trenching~~ Analyses	Spl	342.00	114	4293.00	1431	3.00	3177	3.00
~~Test Pits~~ Ream-Case	ft	0.00	-0-	1000.00	1000	1.00	1000	1.00
~~Roads and Trails~~ Core Drill	ft	3635.00	727	38065.00	7613	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		15797.74		294508.38				

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 9/12/59 Operator Molybdenum Corp. of America

Per [signature] Title Manager

REMARKS:

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

(Instructions on reverse)

(For Government use only)

[signature]

OME
DEPARTMENT OF THE INTERIOR
SEP 14 1959
REGION II
DENVER, COLORADO

INSTRUCTIONS

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

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

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

GPO 872894

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 23 1959

DATE	INITIALS	CODE

FINAL DISTRIBUTION MADE SEP 23 1959

Building 20 - Federal Center
Denver 25, Colorado

September 18, 1959

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-R1094, Molybdenum Corporation of America (Moly or Questa Mine) Taos County, New Mexico

Enclosed are the original and four copies of Forms MF-104 and MF-104A, Operator's narrative report, and Engineer's inspection report for the month of August 1959.

It is considered that the Operator has complied with the intent of the contract, and the work for which reimbursement is claimed is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form of contract on Form MF-200A; therefore, documentation of the costs is not required.

It is recommended that reimbursement be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Original signed by

J. W. Townsend

Enclosures

cc: Chm. Op. Comm. (2) ✓
MF-104 file, Reg. III
OME/DFC
Hasler w/cpy Engr's. report
Chron.

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 28 1959

DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado

September 18, 1959

Memorandum

To: J. W. Townsend

From: T. M. Romalo

Subject: Progress Report for August 1959, Docket No. DMEA 4568 (Molybdenum) Contract No. Idm-21094, Molybdenum Corporation of America (Moly or Questa Mine) Taos County, New Mexico

The writer found that progress for the reporting period in explorations authorized by the captioned contract were as reported in the attached Operator's report during an inspection of the pertinent underground workings with J. W. Hasler, Geologist, USGS, and Irvin Sachatt, Mine Engineer, September 9, 1959. Mr. Hasler and I also discussed proposed additional explorations with A. L. Greslin, Manager, who, due to a recently sustained minor injury to his back, did not accompany us during the underground inspection.

The following authorized work was completed during August 1959 and charged for by the Operator on Form MF-104.

Drilling (Diamond)

The drilling totaled 727 feet of which 337 feet and 390 feet was in completed diamond drill holes Nos. 34 and 36, respectively. Each of the holes penetrated granite porphyry containing an average of about 0.20 percent MoS_2 and were stopped in squeezing ground at or near the porphyry-greenstone contact. Core recoveries were about 31.5 percent in hole 34 and 57.6 percent in hole 36.

Drill Station

The drilling station for hole No. 34 was completed by driving and timbering a raise to a necessary height of 12 feet above an existing drift.

Drifting

No. 4 Drift West was driven an additional 206 feet to a point 58 feet beyond survey station No. 3260. The total authorized

advance in this drift through August 1959 is 551 feet. Written approval of the initial 500 feet was given 7/9/59. Verbal approval of 8/26/59 for an additional 100 feet of drifting will shortly be confirmed in writing.

Timbering

A total of 50 lineal feet of No. 4 Drift West was supported with timber sets. Cross-sections of the drift were nowhere less than the specified minimum of 5 feet by 7 feet in the clear of timber.

Analysis

A total of 114 samples taken in accordance with contract specifications were analysed for their MoS_2 content. Of the 114 samples, 42 were from No. 4 Drift West, 33 were from diamond drill hole 34, and the remaining 39 were from diamond drill hole 36.

Non-Contract Work

Explorations, other than authorized by the contract, reportedly were largely confined to an extension of No. 7 crosscut North. The crosscut which is being driven in the unfavorable green rock has reached a point beyond the projected position of the contact of green rock and the favorable granite.

ANALYSIS OF THE OPERATOR'S REPORT

Form MF-104

Drilling - The $3,635.00 is for the 727 feet of authorized diamond drilling in holes Nos. 34 and 36 at the specified rate of $5.00 per foot.

Drill station - The $533.16 is for the authorized 12 feet of raising for the station of drill hole No. 34 at the specified rate of $44.43 per foot.

Drifting - The $9,152.58 is for the authorized 206 feet of advance in No. 4 Drift West at the specified rate of $44.43 per foot.

Timber - The $135.00 is for the authorized 50 feet of timbering in No. 4 Drift West at the specified rate of $2.70 per foot.

Analysis - The $342.00 is for the authorized analysis of the previously described 114 samples at the specified rate of $3.00 per sample.

Totals - The Monthly Total cost, $13,797.74, appears to be correct. The other totals appear to be correct before the disallowance of $3.00 for the analysis of one sample.

Form MF-104A

The form has been properly completed except for the following errors that occur in the To Date costs and Units of work performed under stage II.

Drift and Crosscut - Total units reported as 3,329 are correctly 3,328 after the 1-foot of advance disallowed.

Timbering - The reported- and correct-total Units are 2,210 and 2,146, respectively.

Analyses - The reported total costs and units, $4,293.00 and 1,431, respectively, do not reflect the previously-mentioned disallowance of $3.00 for one sample.

Narrative Report

The Narrative Report with attached maps, sections, and logs of drill holes is acceptable.

Original signed by

T. M. Romalo

cc: 6
Chron.

C O N T E N T S

August 1959

1. Narrative Report
2. Form MF-104A
3. Form MF-104
4. Core Log - Drill Hole 34
5. Core Log - Drill Hole 36
6. Map - Drill Hole 34
7. Map - Drill Hole 36
8. Geology Map - No. 4 Dft W
9. Progress & Chip Sample Map (No. 4 Dft W)

OME
DEPARTMENT OF THE INTERIOR
SEP 14 1959
DENVER, COLORADO

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O. M. E.
RECEIVED SEP 28 1959

DATE	INITIALS	CODE

NARRATIVE REPORT

AUGUST 1959

Mr. J. W. Townsend
Executive Officer, O.M.E.
Field Team, Region III
Building 20 - Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 4568 (Molybdenum)
Contract No. IDM E1094
Molybdenum Corp. of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

During the period August 1 through August 31, 1959 there were 26 working days and 5 Sundays. The mine was worked 26 days on a two shift basis.

Diamond drill hole No. 34 and 36 were completed. No. 34 was completed to a depth of 337 feet where it had to be stopped due to the hole squeezing in when we hit the greenrock. No. 36 was completed to a depth of 390 feet and it had to be stopped when we hit the greenrock.

There were 206 feet of drifting in the No. 4 drift west during this period. This was in a granite porphyry.

There were 50 feet of timber in this drift.

Development work was carried on in the No. 7 crosscut north.

Yours very truly,

A. Gilbertson

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

Budget Bureau No. 42-R1036.5

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

Month of July, 1959 Docket No. DMEA 4568 Contract No. IDM-E1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue - New York 22, N Y
Contract Amount, $510,500.00 Government Participation: 50 % Amount, $255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	2500.00	69465.00	71965.00			
~~Drilling~~ Drill Sta.	0.00	9152.58	9152.58			
~~Crosscutting~~ Drift	15328.35	167812.11	183140.46			
~~Timbering~~ Timber	229.50	7946.10	8175.60			
Analyses	357.00	6420.00	6777.00			
(2) ~~Raising~~ ~~Sinking~~ Ream-Case	0.00	1500.00	1500.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	18414.85	262295.79	280710.64	18414.85	262,292.79	280,707.64

OME
DEPARTMENT OF THE INTERIOR
AUG 17 1959
REGION III
DENVER, COLORADO

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8/13/59 *Payee Molybdenum Corp. of America
Per R. L. Gerlach Title Manager

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 9207.43
Signature [illegible]
(Authorized Certifying Officer)
Date 9-22-59 Vou. No. DMEA 608
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1094 in accordance with the terms of the contract.

Signature [illegible] Checked for Engineering Allowability Title Mining Engineer Date 9-11-59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer SEP 18 1959 Date SEP 18 1959

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

SEP 28 1959 OME

Month of July 1959 Docket No. DMEA 4568 Contract No. OME-E1094

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 375 Park Avenue New York 22, N Y

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				STAGE I				
Drifting	ft	0.00	-0-	44430.00	1000	44.43	1000	44.43
Drill Sta.	ft	0.00	-0-	3154.53	71	44.43	115	44.43
Timbering	ft	0.00	-0-	2516.40	932	2.70	1000	2.70
Analyses	Spl	0.00	-0-	2826.00	942	3.00	1100	3.00
Ream - Case	ft	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	ft	0.00	-0-	37535.00	7507	5.00	9000	5.00
				STAGE II				
Drift Crosscut	ft	15328.35	345	138710.46	3123	44.43	6160	44.43
Drill Sta.	ft	0.00	-0-	5998.05	135	44.43	250	44.43
Timbering	ft	229.50	85	5659.20	2096	2.70	6160	2.70
Analyses	Spl	357.00	119	3951.00	1317	3.00	3177	3.00
Ream-Case	ft	0.00	-0-	1000.00	1000	1.00	1000	1.00
Core Drill	ft	2500.00	500	34430.00	6886	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		18414.85		280710.64				

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

Date ~~July~~ August 19, 1959 Operator Molybdenum Corp. of America

Per [signature] Title Manager

REMARKS:

OME
DEPARTMENT OF THE INTERIOR
AUG 17 1959
REGION III
DENVER, COLORADO

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

(Instructions on reverse)

(For Government use only)

[signature]

INSTRUCTIONS

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

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

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

GPO 872894

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O. M. E.
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FINAL DISTRIBUTION MADE SEP 23 1959

Building 20 - Federal Center
Denver 25, Colorado

September 18, 1959

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-E1094, Molybdenum Corporation of America (Moly or Questa Mine) Taos County, New Mexico

Enclosed are the original and four copies of Forms MF-104 and MF-104A, Operator's narrative report, and Engineer's inspection report for the month of July 1959.

It is considered that the Operator has complied with the intent of the contract, and the work for which reimbursement is claimed is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form of contract on Form MF-200A; therefore, documentation of the costs is not required.

It is recommended that reimbursement be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Original signed by

J. W. Townsend

Enclosures

cc: Chm. Op. Comm. (2)
MF-104 file, Reg. III
OME/DFC
Hasler w/cpy Engr's. report
Chron.

EXTRA COPY O. M. E. RECEIVED SEP 28 1959		
DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado

September 11, 1959

Memorandum

To: J. W. Townsend

From: T. M. Nemelo

Subject: July 1959 Progress Report, Docket No. DMEA 4568 (Molybdenum) Contract Idm-K1094, Molybdenum Corporation of America (Moly or Questa Mine) Taos County, New Mexico.

The project of the captioned contract was inspected September 9, 1959 by the writer and J. W. Hasler, Geologist, U. S. G. S., in the company of Ervin Sackett, mine engineer. Findings of the inspection included the advances made in both contract and non-contract work and information regarding the advisibility of doing additional exploratory work that had been requested by the Operator. Separate memoranda relative to the approval of the requested explorations which were discussed with A. L. Grealin, Manager, will be prepared by Mr. Hasler.

Contract work completed during July 1959

The contract work completed during the reporting period was found to be as reported in the attached Operator's Report and as set down below.

No. 4 Drift West

This drift which was started from No. 1 cross cut North was advanced a total of 345 feet to a point 19 feet beyond survey station No. 3255. All of the advance was in a fractured granite porphyry containing minor amounts of molybdenite as discontinuous veinlets.

Sampling of the 345 feet of drift was done in accordance with the contract. The MoS_2 content of the 69 samples taken ranged from 0.07 percent to 2.89 percent and averaged about 0.20 percent.

An 85-foot long section of heavy ground in the drift was supported with timber sets. The cross section of the drift was nowhere less than the specified minimum of 5 feet by 7 feet.

D. D. Hole No. 31

This hole was completed to a depth of 502 feet. It was drilled and sampled as specified by the contract. Assays of the 50 samples of each the cores and sludges showed a MoS_2 content ranging from 0.05 percent to 0.34 percent and averaging about 0.15 percent.

Check Sampling

The assays of the 7 check samples taken by me during the previous inspection checked very closely with those reported by the Operator.

Two additional check samples were taken during this inspection. They were obtained from No. 4 Drift West.

Non-contract work

The non-contract work was largely confined to the driving of No. 7 cross cut North and No. 1 Drift East. The average MoS_2 content of the rock sections penetrated by these workings was relatively low, averaging about 0.14 percent.

ANALYSIS OF THE OPERATOR'S REPORT

Form MF-104

Drilling - The $2500.00 is for the authorized 500 feet of the 502 feet diamond drilling in hole No. 31 at the specified cost of 5.00 per foot.

Drift - The $15,328.35 is for the authorized 345 feet of advance in No. 4 Drift West at the specified cost of $44.43 per foot.

Timber - The $229.50 is for the authorized timbering of an 85 foot long section in No. 4 Drift West at the specified cost of $2.70 per foot.

Analysis - The $357.00 is for the authorized sampling and assaying of 119 samples, 50 core samples from drill hole No. 31 and 69 channel samples from No. 4 Drift West, at the specified cost of $3.00 per sample.

Totals - The Totals, $18,414.85, $262,295.79, and $280,710.64 appear to be correct before a previous disallowance of $3.00.

Form MF-104A

The form appears to have been properly completed.

Narrative Report

The narrative report with attached maps and sections is acceptable.

T. N. Romalo

cc: 7
Chron.

C O N T E N T S

July 1959

1. Narrative Report

2. Form MF-104A

3. Form MF-104

4. Core Log - Drill Hole 31

5. Map - Drill Hole 31

6. Geology Map

7. Progress & Chip Sample Map - 4 Dft W

OME
DEPARTMENT OF THE INTERIOR
AUG 17 1959
REGION III
DENVER, COLORADO

NARRATIVE REPORT

July 1959

EXTRA COPY
O. M. E.
RECEIVED SEP 28 1959

DATE	INITIALS	CODE

Mr. J. W. Townsend
Executive Officer, O.M.E.
Field Team, Region III
Building 20 - Federal Center
Denver 25, Colorado

Re: Docket - DMEA 4568 (Molybdenum)
Contract No. IDM-E1094
Molybdenum Corp. of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

During the period July 1 through July 31, 1959 there were 25 working days, 4 Sundays and two days off for Independence Day holiday. The mine was worked 25 days on a two shift basis.

Diamond drill hole No. 31 was completed to 502 feet. (We are reporting only 500 ft. on this report).

There were 345 feet of drifting done in the No. 4 Drift West during this period. This was in a Granite Porphyry.

Diamond drill hole No. 36 was started during this period.

Development work was carried on in No. 7 CxN and drilling on the surface.

Yours very truly,

OME
DEPARTMENT OF THE INTERIOR
AUG 17 1959
REGION III
DENVER, COLORADO

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

Budget Bureau No. 42-R1036.5

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

AUG 3 1959
O.M.E.

Month of June 1959 Docket No. DMEA 4568 Contract No. IDM-E 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y
Contract Amount, $510,500.00 Government Participation: 50 Amount, $255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	4000.00	65465.00	69465.00			
~~Bulldozing~~ Drill Sta.	1199.61	7952.97	9152.58			
Crosscutting - Dft	0.00	167812.11	167812.11			
~~Drifting~~ Timber	0.00	7946.10	7946.10			
Analyses	240.00	6180.00	6420.00			
(2) ~~Labor and Supervision~~:						
~~Labor~~ Ream - Case	0.00	1500.00	1500.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	5439.61	256856.18	262295.79	5439.61	256853.18	262292.79

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 7/15/59 *Payee Molybdenum Corp. of America
Per [signature] Title Manager

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$2719.80
Signature [signature]
(Authorized Certifying Officer)
Date 8/3/59 Vou. No. OME 60-5
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 1094 in accordance with the terms of the contract.

Signature T. M. Ramos Checked for Engineering Allowability Title Mining Engineer Date 7-30-59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature J. W. Forrand Title Executive Officer Date JUL 31 1959

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

AUG 13 1959
O.M.E.

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 195 9 Docket No. DMEA 4568 Contract No. IDM - E1094

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 375 Park Avenue New York 22, N Y

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				STAGE I				
Drifting & Crosscut	ft	0.00	-0-	44430.00	1000	44.43	1000	44.43
Drill Sta	ft	0.00	-0-	3154.53	71	44.43	115	44.43
Timbering	ft	0.00	-0-	2516.40	932	2.70	1000	2.70
Analyses	Spl	0.00	-0-	2826.00	942	3.00	1100	3.00
Ream - Case	ft	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	ft	0.00	-0-	37535.00	7507	5.00	9000	5.00
				STAGE II				
Drift Crosscut	ft	0.00	-0-	123382.11	2778	44.43	6160	44.43
Drill Sta	ft	1199.61	27	5998.05	135	44.43	250	44.43
Timbering	ft	0.00	-0-	5429.70	2011	2.70	6160	2.70
Analyses	Spl	240.00	80	3594.00	1198	3.00	3177	3.00
Ream-Case	ft	0.00	-0-	1000.00	1000	1.00	1000	1.00
Core Drill	ft	4000.00	800	31930.00	6386	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		5439.61		262295.79				

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 7/15/59 Operator Molybdenum Corporation of Am.

Per [signature] Title Manager

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

(Instructions on reverse)

REMARKS:

(For Government use only)

[signature]
OME
DEPARTMENT OF THE INTERIOR
JUL 16 1959
REGION III
DENVER, COLORADO

INSTRUCTIONS

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

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

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

GPO 872894

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 13 1959
FINAL DISTRIBUTION

DATE MADE	INITIALS	AUG 7 1959
8-13	gad	VVO
		800

Building 20 - Federal Center
Denver 25, Colorado

July 31, 1959

Memorandum

TO: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-K1094, Molybdenum Corporation of America (Moly or Questa mine) Taos County, New Mexico-Operator's Monthly Progress Report for the month of June 1959

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A; therefore, documentation of the costs is not required. We recommend that payment be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JWT:ltm

cc: Chmn. Op. Comm. (2)
OME/DFC
MF-104 file, Reg. III
Hasler, w/cpy Engr's Rept.
Chron.

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 13 1959
DATE | INITIALS | CODE

Building 20 - Federal Center
Denver 25, Colorado
July 30, 1959

Memorandum

TO: J. W. Townsend, Executive Officer, OME Field Team, Region III

From: T. M. Romslo

Subject: Progress Report for June 1959--Docket No. DMEA 4568 (Molybdenum) Contract Ibm-K1094, Molybdenum Corporation of America (Moly or Questa Mine) Taos County, New Mexico

Operations under the subject contract were inspected by me July 16 and 17, 1959, in company with the Operator's manager, A. L. Greslin. Work completed during the captioned period was found to include the drilling of D. D. hole No. 30 and the construction of a station for D. D. hole No. 36. Work in progress was confined to the drilling of D. D. hole No. 31.

Detailed information relative to the contract work follows:

D. D. Hole No. 30

This hole reportedly was at a depth of 461 feet at the end of May 1959, and was bottomed June 25, 1959, at 800 feet. The size of the hole was BX to 90 feet and AX from 90 feet to its bottom. Assays of each the core and sludge for 10 foot intervals show the MoS_2 content ranges from 0.19 percent to 1.65 percent and averages about 0.25 percent. Drilling below 50 feet was in accordance with the general provisions of Exhibit "A" to the contract, as amended by Amendment No. 2. Visible MoS_2 mineralization had been estimated to be in excess of 0.2 percent to the bottom of the hole where deeper drilling with the available equipment was found impracticable.

D. D. Hole No. 31

This hole was collared June 27, 1959, and had reached a depth of 354 feet on July 15, 1959. Cost of this drilling will be charged against the project after completion of the hole.

An inspection of the core from hole 31 indicated that the extent of molybdenum mineralization is similar to that of hole 30.

Check Sampling

Seven check samples were obtained by me for analysis. Five of the samples were pulps from drill hole core, three from hole No. 30 and two from hole No. 31. The other two were chip samples from the drift from No. 1 crosscut. Advance in this approved drift will be reported in the Operator's report for July 1959.

Non-Contract Work

The non-contract work is largely confined to the driving of No. 7 crosscut north. The MoS_2 content of the crosscut reportedly appears to be a little lower than that encountered in other portions of the mine.

ANALYSIS OF THE OPERATOR'S REPORT

Form MP-104

Drilling - The $4,000.00 is for the approved 800 feet of diamond drilling at the authorized cost of $5.00 per foot.

Drill Station - The $1,199.61 is for the approved 27 feet of drifting and raising at the authorized cost of $44.43 per foot.

Analysis - The $240.00 is for the analyses of the 80 samples from hole No. 30 at the authorized cost of $3.00 per sample.

Totals - The Totals, $5,439.61, $256,856.18 and $262,295.79 appear to be correct.

Form MP-104A

The form appears to have been properly completed.

Narrative Report

The narrative report with attached core log and map of D. D. hole No. 30 is considered adequate.

Original signed by
T. M. Romslo

T. M. Romslo
Mining Engineer

TMR:ltm

cc: 7
Chron.

NARRATIVE REPORT

June 1959

OME
DEPARTMENT OF THE INTERIOR
JUL 16 1959
REGION III
DENVER, COLORADO

Mr. J. W. Townsend
Executive Director, O.M.E.
Field Team III
224 New Customhouse
Denver 2, Colorado

During the period June 1 through June 30, 1959 there were 26 working days and 4 Sundays. The mine was worked 26 days on a two shift basis.

Diamond drill hole No. 30 was completed to 800 feet. It was still in Granite with MoS_2 mineralization at the time the hole was stopped. They were unable to go any deeper with their equipment so the hole was stopped at 800 feet.

18 feet of drifting and 9 feet of raising were done at coordinate 1850 North and 1025 East for a drill station next to No. 1 CxN.

No. 31 drill hole was started underground.

Development work was carried on in No. 1 CxN, No. 1 CxN No. 4 Dft W and No. 7 CxN.

Yours very truly,

G. S. Gresham

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

Budget Bureau No. 42-R1036.5

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

JUN 25 1959 OMR

Month of May, 1959 Docket No. DMEA 4568 Contract No. IDM/R-1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue, New York 22, N Y
Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	4020.00	61445.00	65465.00			
~~Drilling~~ Drill Sta.	799.74	7153.23	7952.97			
Crosscutting & Drift	0.00	167812.11	167812.11			
~~Timber~~ Timber	0.00	7946.10	7946.10			
Analyses	243.00	5937.00	6180.00			
(2) ~~Construction~~ Ream - Case	0.00	1500.00	1500.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	5062.74	251793.44	256856.18	5062.74	251790.44	256853.18

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 6/12/59 *Payee Molybdenum Corp. of America
Per [signature] Title Manager

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 2531.37
Signature [signature]
(Authorized Certifying Officer)
Date 6/23/59 Vou. No. DMEA 59-112
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature E. M. Hanshman Title Geologist Date 6/17/59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature [illegible] Title Executive Officer Date JUN 1 9 1959

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

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

JUN 25 1959 O.M.E. IDM-E1094

Month of May 1959 Docket No. DMEA 4568 Contract No.

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 375 Park Avenue, New York 22, N Y

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date STAGE I	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting & Crosscut	ft	0.00	-0-	44430.00	1000	44.43	1000	44.43
Crosscutting xxxxxxx Drill Sta	ft	0.00	-0-	3154.53	71	44.43	115	44.43
Raising xxxx Timbering	ft	0.00	-0-	2516.40	932	2.70	1000	2.70
Shafts xxxx Analyses	spl	0.00	-0-	2826.00	942	3.00	1100	3.00
Winzes xxxx Ream - Case	ft	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	ft	0.00	-0-	37535.00	7507	5.00	9000	5.00
xxxx Crown				STAGE II				
Drift xxxx Crosscut	ft	0.00	-0-	123382.11	2778	44.43	6160	44.43
Auger xxxxxxx Drill Sta.	ft	799.74	18	4798.44	108	44.43	250	44.43
Stripping xxxxx Timbering	ft	0.00	-0-	5429.70	2011	2.70	6160	2.70
Trenching xxxxx Analyses	spl	243.00	81	3354.00	1118	3.00	3177	3.00
Tests xxxxxxxxxx Ream-Case	ft	0.00	-0-	1000.00	1000	1.00	1000	1.00
Roads and Trails Core Drill	ft	4020.00	804	27930.00	5586	5.00	19500	5.00
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		5062.74		256856.18				

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 ~~May~~ 12, 1959 Operator Molybdenum Corp. of America

Per [signature] Title Manager

Remarks:

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

(Instructions on reverse)

(For Government use only)

OME
DEPARTMENT OF THE INTERIOR
JUN 15 1959
REGION III
DENVER, COLORADO

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION
MADE JUN 23 1959

224 New Customhouse
Denver 2, Colorado

June 19, 1959

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-M1094, Molybdenum Corporation of America (Moly or Questa mine) Taos County, New Mexico - Operator's Monthly Progress Report for the month of May 1959

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A; therefore, documentation of the costs is not required. We recommend that payment be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JWT:jy

cc: Chm. Op. Comm. (2)
OME/DPC
MF-104 File, Reg. III
Harshman w/copy of Engr's. Rpt.
Chron.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 25 1959

DATE	INITIALS	CODE
6/25	a	220
		800

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
Denver Federal Center
Denver 25, Colorado

OME
DEPARTMENT OF THE INTERIOR
JUN 19 1959
REGION III
DENVER, COLORADO

June 17, 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: E. M. Harshman

Subject: DMEA Docket 4568 (Molybdenum), Contract Idm-2 1094, Molybdenum Corporation of America (Questa mine), Taos County, New Mexico

Progress of work under the subject contract for the month of May 1959 was inspected on June 3, 1959. The operator's claim for 38 feet of raising (drill stations 30 and 31), 804 feet of core drilling (drill hole No. 29), and 61 analyses was verified.

E. M. Harshman

E. M. Harshman

EMHarshman:arh

NARRATIVE REPORT

MAY 1959

Questa, New Mexico
June 12, 1959

Mr. J. W. Townsend
Executive Officer, O.M.E.
Field Team III
224 New Customhouse
Denver 2, Colorado

Dear Sir:

During the period May 1 thru May 31, 1959, there were 26 working days and 5 Sundays. The mine was worked 26 days on two shifts.

Diamond drill hole No. 29 was completed to 804 feet. It was still in Granite with some mineralization when we stopped the hole.

Development work was carried on in No. 7 CxN, No. 1 CxN and drilling on the surface.

A. L. Greslin, Manager

OME
DEPARTMENT OF THE INTERIOR
JUN 15 1959
REGION III
DENVER, COLORADO

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

Budget Bureau No. 42-R1036.5

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

Month of April, 1959 Docket No. DMEA 4568 Contract No. IDM-E1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y
Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	1500.00	59945.00	61445.00			
~~Drilling~~ Drill Sta.	0.00	7153.23	7153.23			
Crosscutting-Drift	0.00	167812.11	167812.11			
~~Timbering~~ Timber	0.00	7946.10	7946.10			
Analyses	90.00	5847.00	5937.00			
(2) ~~Development~~:						
~~Raise~~ Ream-Case	0.00	1500.00	1500.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1590.00	250203.44	251793.44	1590.00	250200.44	251790.44

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 5/14/59 *Payee Molybdenum Corp. of America
Per [signature] Title Manager

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 795.00
Signature [signature]
(Authorized Certifying Officer)
Date 5/25/59 Vou. No. OME 59-110
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. FDm-E1094 in accordance with the terms of the contract.

Signature Carl Bolen (P795.00) Title Mining Engineer Date 5/21/59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE

Signature [illegible] Title Executive Officer Date MAY 22 1959

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

JUN 4 1959
O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 195 9 Docket No. DMEA 4568 Contract No. [redacted]094

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 375 Park Avenue, New York 22, N Y

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				STAGE I				
Drifting & Crosscut	ft	0.00	-0-	44430.00	1000	44.43	1000	44.43
Drill Sta.	ft	0.00	-0-	3154.53	71	44.43	115	44.43
Timbering	ft	0.00	-0-	2516.40	932	2.70	1000	2.70
Analyses	Spl	0.00	-0-	2826.00	942	3.00	1100	3.00
Ream-Case	ft	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	ft	0.00	-0-	37535.00	7507	5.00	9000	5.00
				STAGE II				
Drift Crosscut	ft	0.00	-0-	123382.11	2778	44.43	6160	44.43
Drill Sta	ft	0.00	-0-	3998.70	90	44.43	250	44.43
Timbering	ft	0.00	-0-	5429.70	2011	2.70	6160	2.70
Analyses	Spl	90.00	30	3111.00	1037	3.00	3177	3.00
Ream-Case	ft	0.00	-0-	1000.00	1000	1.00	1000	1.00
Core Drill	ft	1500.00	300	23910.00	4782	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1590.00		251793.44				

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 5/14/59 Operator Molybdenum Corp. of America

Per [signature] Title Manager

REMARKS:

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

(Instructions on reverse)

(For Government use only) Carl Belan

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION
MADE JUN 1 - 1959

EXTRA COPY
O. M. E.
RECEIVED JUN 4 1959

DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado

May 22, 1959

Memorandum

TO: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Project No. DMRA 4568 (Molybdenum) Contract No. IAm-X1094, Molybdenum Corporation of America, (Moly or Questa mine) Taos County, New Mexico - Operator's Monthly Progress Report for the month of April, 1959

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A; therefore, documentation of the work is not required. We recommend that payment be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Original signed by:
J. W. TOWNSEND

J. W. Townsend

Enclosures

JWT;ltm

cc: Chmn. Op. Comm. (2)
Belser, CMH/DFC
MF-104 File, Reg. III
Harshman - w/cpy Engr's Rept
Chron.

OME
DEPARTMENT OF THE INTERIOR

MAY 21 1959
REGION III
DENVER, COLORADO

May 21, 1959

Memorandum

To: Executive Officer, OME Field Team, Reg. III

From: Carl Belser

Subject: Docket No. 4568 (Molybdenum) Contract I4m-X1094,
Molybdenum Corp. of America (Moly or Questa mine)
Taos County, N. M. -- Progress report for April 1959

Operations under the subject contract were inspected April 6, 1959 in company with the operator's manager, A. L. Grenlin.

The operator claims payment for 300 feet of core drilling and 30 analyses.

Contract Measurements

Hole No. 22 had been deepened from 500 feet to 800 feet and the core was contained in 18 large cardboard boxes and 14 small cardboard boxes. Hole No. 29, not completed, was down 481 feet, with 426 feet - 428 feet almost solid molybdenite. The assay map shows 30 samples. Core recovery was 37.47 percent.

The following Stage II drilling (Hole 22) is allowable for April 1959.

300 feet core drilling at $5.00/ft.	$1,500.00
30 chemical analyses at $3.00/ea.	90.00
	$1,590.00

Payment of 50 percent of the above amount or $795.00 is recommended.

Carl Belser
Carl Belser
Mining Engineer

CB/mr
cc: 6
I4m-X1094
chron

NARRATIVE REPORT

April 1959

Questa, New Mexico
May 14, 1959

Mr. J. W. Townsend
Executive Officer, O.M.E.
Field Team III
224 New Customhouse
Denver 2, Colorado

Dear Sir:

During the period April 1 through April 30, 1959 there were 26 working days and 5 Sundays. The mine was worked 26 days on two shifts.

Diamond drill hole No. 22 was extended from 500 feet to 800 feet. We were still in granite at that depth but had to stop the hole as that was as far as they could drill with the equipment they have underground.

Drill hole No. 29 was started and drilled to 372 feet during the month.

Development work was carried on in No. 7 CxN, No. 1 CxN and drilling on the surface.

G. L. Greslin

A. L. Greslin, Manager

OME
DEPARTMENT OF THE INTERIOR
MAY 18 1959
REGION III
DENVER, COLORADO

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

Budget Bureau No. 42-R1036.5

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

APR 27 1959

Month of March, 1959 Docket No. DMEA 4568 Contract No. DME E1094
Operator's Name Molybdenum Corp. of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N.Y.
Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	5375.00	54570.00	59945.00			
~~Bulldozing~~ Drill Sta.	0.00	7153.23	7153.23			
Crosscutting - Drift	0.00	167812.11	167812.11			
~~Drifting~~ Timber	0.00	7946.10	7946.10			
Analyses	324.00	5523.00	5847.00			
(2) ~~Labor and Supervision~~:						
~~Labor~~ Ream - Case	0.00	1500.00	1500.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	5699.00	244504.44	250203.44	5699.00	244501.44	250,200.44 corr 250,196.44

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

Date 4/14/59 *Payee Molybdenum Corp. of America

Per [signature] Title Manager

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

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

(Instructions on reverse)

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

$2849.50

Signature [signature] (Authorized Certifying Officer)

Date 4/23/59 Vou. No. DME 59-103

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Ma-E1294 in accordance with the terms of the contract.

Signature Carl Belin ($2,849.50) Title Mining Engineer Date 4/20/59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowance

Signature [illegible] Title Executive Officer Date APR 22 1959

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 195 9 Docket No. DMEA 4568 Contract No. IDF E 1094

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 375 Park Avenue New York 22, N Y

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
				STAGE I				
Drifting - Crosscut	ft	0.00	-0-	44430.00	1000	44.43	1000	44.43
Crosscutting xxxxxxxx Drill Sta	ft	0.00	-0-	3154.53	71	44.43	115	44.43
Raising xxxxx Timbering	ft	0.00	-0-	2516.40	932	2.70	1000	2.70
Shafts xxxx Analyses	Spl	0.00	-0-	2826.00	942	3.00	1100	3.00
Winzes xxxx Ream - Case	ft	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core xxxxx	ft	0.00	-0-	37535.00	7507	5.00	9000	5.00
				STAGE II				
Churn Driftxxxx Crosscut	ft	0.00	-0-	123382.11	2778	44.43	6160	44.43
Auger xxxxxx Drill Sta	ft	0.00	-0-	3998.70	90	44.43	250	44.43
Stripping xxxxxx Timbering	ft	0.00	-0-	5429.70	2011	2.70	6160	2.70
Trenching xxxxxx Analyses	Spl	324.00	108	3021.00	1007	3.00	3177	3.00
Test Pits xxxxxxxxxx Ream-Case	ft	0.00	-0-	1000.00	1000	1.00	1000	1.00
Roads and Trails Core Drill	ft	5375.00	1075	22410.00	4482	5.00	19500	5.00
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		5699.00		250203.44				

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 4/14/59 Operator Molybdenum Corp. of America

Per [signature] Title Manager

Remarks:

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

(Instructions on reverse)

(For Government use only)

Carl Bolen

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION

MADE APR 23 1959

Office copy ~~EXTRA COPY~~

O. M. E.

RECEIVED APR 27 1959

DATE	INITIALS	CODE
4/27	a	220
		800

224 New Customhouse
Denver 2, Colorado
April 22, 1959

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. RMLA 4568 (Molybdenum) Contract No. Idm-E1094, Molybdenum Corporation of America, (Maly or Questa mine) Taos County, New Mexico - Operator's Monthly Progress Report for the month of March, 1959

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Remarks:

Date of Report----------April 14, 1959
Date Received in Field Office----------April --- 1959
Date Received in Region Office----------April 21, 1959

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JDC:bmh

cc: Comm. Op. Comm. (2)
Belser, OME/DPC
MF-104 file, Reg. III
Harshman - w/copy Engr's Report
Chron

OME
DEPARTMENT OF THE INTERIOR
APR 21 1959
REGION III
DENVER, COLORADO

Official copy
~~EXTRA COPY~~
O. M. E.
RECEIVED APR 27 1959

DATE	INITIALS	CODE

April 20, 1959

Memorandum

To: Executive Officer, OME

From: Carl Belser

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-R1094, Molybdenum Corp. of America (Moly or Questa mine) Taos County, N. M. -- Progress report for March 1959

Operations under the subject contract were inspected April 6, 1959 in company with A. L. Grealin, manager.

The operator claims payment for 1075 feet of core drilling and 108 chemical analyses.

Contract Measurements

The core from hole 26 was in 11 small cardboard boxes and 5 large boxes. The end of the core in the last box was tagged 396 feet. The core from hole 27 was 679 feet long and was contained in 4 large cardboard boxes and 26 small boxes. The 108 chemical analyses are shown on the maps and core logs. Both holes were drilled correctly as to direction and size. Core recovery was 55.8 percent.

Approved:

1075 feet of core drilling at $5.00/ft.	$5,375.00
108 chemical analyses at $3.00/each	324.00
	$5,699.00

Payment of 50 percent of the above amount or $2,849.50 is recommended.

Stage II chemical analyses is 1,006 instead of 1,007. One sample deducted by DMEA in January has not yet been deducted from the forms.

Carl Belser
Carl Belser
Mining Engineer

CB/mr
cc: 6 Idm-R1094 chron

NARRATIVE REPORT

March 1959

OME
DEPARTMENT OF THE INTERIOR
APR 16 1959
REGION III
DENVER, COLORADO

Questa, New Mexico
April 13, 1959

Mr. J. W. Townsend
Executive Officer, O.M.E.
Field Team III
224 New Customhouse
Denver 2, Colorado

Dear Sir:

During the period March 1 through March 31, 1959 there were 26 working days and 5 Sundays. The mine was worked 26 days.

Diamond drill hole No. 27 was completed to 679 feet, where we had to stop the hole. They stuck the rods there.

Diamond drill hole No. 26 was completed to 396 feet and we had to stop there. The ground was squeezing so that we were unable to get back to the bottom of the hole.

Development work was carried on in No. 7 CxN and No. 1 CxN.

A. L. Greslin

A. L. Greslin, Manager

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

Budget Bureau No. 42-R1036.5

MAR 26 1959 O.M.E.

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

Month of February, 1959 Docket No. DMEA 4568 Contract No. IDM - E 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y
Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	0.00	54570.00	54570.00			
~~Bulldozing~~ Drill Sta.	533.16	6620.07	7153.23			
Crosscutting - Drift	0.00	167812.11	167812.11			
~~Drifting~~ Timber	0.00	7946.10	7946.10			
Analyses	0.00	5523.00	5523.00			
(2) ~~Labor and Supervision~~:						
~~Labor~~ Ream-Case	0.00	1500.00	1500.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	~~533.16~~	~~243971.28~~	~~244504.44~~	533.16	243968.28	244501.44

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

Date 3/16/59 *Payee Molybdenum Corp. of America

Per R. McGreshin Title Manager

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

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

(Instructions on reverse)

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

$ 266.58

Signature [illegible] (Authorized Certifying Officer)

Date 3/24/59 Vou. No. DMEE 59-96

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1094 in accordance with the terms of the contract.

Signature Carl Belan (246.58) Title Mining Engineer Date 3/19/59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature [illegible] Title Executive Officer Date MAR 20 1959

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1959 Docket No. DMEA 4568 Contract No. IDM E 1094

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 375 Park Avenue New York 22, N Y

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				STAGE I				
Drifting - Crosscut	ft	0.00	0	44430.00	1000	44.43	1000	44.43
~~Crosscutting~~ Drill Sta.	ft	0.00	0	3154.53	71	44.43	115	44.43
~~Raising~~ Timbering	ft	0.00	0	2516.40	932	2.70	1000	2.70
Analyses	Spl	0.00	0	2826.00	942	3.00	1100	3.00
~~Winze~~ Ream - Case	ft	0.00	0	500.00	500	1.00	500	1.00
Drilling: Core	ft	0.00	0	37535.00	7507	5.00	9000	5.00
				STAGE II				
Drift Crosscut	ft	0.00	0	123382.11	2778	44.43	6160	44.43
~~Stoping~~ Drill Sta.	ft	533.16	12	3998.70	90	44.43	250	44.43
~~Trenching~~ Timbering	ft	0.00	0	5429.70	2011	2.70	6160	2.70
Analyses	Spl	0.00	0	2697.00	899	3.00	3177	3.00
~~Rosettes~~ Ream-Case	ft	0.00	0	1000.00	1000	1.00	1000	1.00
Core Drill	ft	0.00	0	17035.00	3407	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		533.16		244504.44				

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

REMARKS:

Date 3/16/59 Operator Molybdenum Corp. of America

Per A. L. Gresham Title Manager

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

(Instructions on reverse)

(For Government use only)

Earl Belser

OME
DEPARTMENT OF THE INTERIOR
MAR 18 1959
REGION III
DENVER, COLORADO

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION
MADE MAR 24 1959

224 New Customhouse
Denver 2, Colorado
March 20, 1959

EXTRA COPY
O. M. E.
RECEIVED MAR 26 1959

DATE	INITIALS	CODE
		380

Memorandum

To: T.A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-E1094, Molybdenum Corporation of America, (Moly or Questa mine) Taos County, New Mexico - Operator's Monthly Progress Report for the month of February, 1959

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Remarks:

Date of Report----------March 16, 1959
Date Received in Field Office----------March 19, 1959
Date Received in Region Office----------March 20, 1959

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2)
Belser, OME/DFC
MF-104 file, Reg. III
Barshman - w/copy Engr's Report
Chron

EXTRA COPY
O. M. E.
RECEIVED MAR 20 1989
DATE | INITIALS | SERIAL

OME
DEPARTMENT OF THE INTERIOR

MAR 20 1959
REGION III
DENVER, COLORADO

March 19, 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Carl Belser

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-E1094,
Molybdenum Corporation of America (Moly or Questa mine)
Taos County, New Mexico — Progress report for February 1959

Operations on the subject contract were inspected March 3, 1959, in company with the mine foreman, Robert Creal.

The operator claims payment for 12 feet of raising at Station 27. When inspected, this station measured 12 feet by 8 feet by 3 feet. Drill hole No. 27 was not completed during February and is not claimed.

The following allowable Stage II work was done in February 1959:

12 feet of raising at Station for Drill Hole 27 at $44.43 per ft. $533.16

Payment of 50 percent of the above amount, or $266.58 is recommended.

Carl Belser
Carl Belser
Mining Engineer

CB-mm
cc: 6
Idm-E1094
chron

NARRATIVE REPORT

February 1959

OME
DEPARTMENT OF THE INTERIOR
MAR 20 1959
REGION III
DENVER, COLORADO

Questa, New Mexico
March 16, 1959

Mr. J. W. Townsend
Executive Officer, O.M.E.
Field Team III
224 New Customhouse
Denver 2, Colorado

Dear Sir:

During the period February 1 through February 28, 1959 there were 24 working days and 4 Sundays. The mine was worked 24 days.

Diamond drilling was carried on underground and on the surface.

Drill hole No. 27 was down to 562 feet on February 28th. It was drilled to 679 feet. The drillers stuck the rods there and we had to stop the hole. The hole was still in a Porphyry granite with MoS_2 values over 0.25%

12 feet of raising were done at coordinate 850 East in drift west to make room to drill hole No. 29.

Development work was carried on in No. 1 CxN and No. 7 CxN.

OME
DEPARTMENT OF THE INTERIOR
MAR 18 1959
REGION III
DENVER, COLORADO

A. L. Greslin

A. L. Greslin, Manager

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

MAR 20 1959 OMB

Month of January, 1959 Docket No. DMEA 4568 Contract No. IDM E 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y
Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	2500.00	52070.00	54570.00			
~~Bulldozing~~ Drill Sta	355.44	6264.63	6620.07			
Crosscutting & Drifting	0.00	167812.11	167812.11			
~~Drifting~~ Timbering	0.00	7946.10	7946.10			
Analyses	150.00	5373.00	5523.00			
(2) ~~[illegible]~~ Ream & Case	0.00	1500.00	1500.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3005.44	240965.84	243971.28	3005.44	240965.84	243971.28

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 2/14/59 *Payee Molybdenum Corp. of America
Per [signature] Title Manager

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$1501.22
Signature [signature]
(Authorized Certifying Officer)
Date 3/17/59 Vou. No. DME 59-94
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Thu-E1094 in accordance with the terms of the contract.

Signature Carl Belin (P/501.22) Title Mining Engineer Date 3/6/59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature [illegible] Title Executive Officer Date MAR 13 1959

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

MAR 20 1959
O.M.E.

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 195 9 Docket No. DMEA 4568 Contract No. IDM E 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N.Y.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				STAGE I				
Drifting & Crosscut	ft	0.00	-0-	44430.00	1000	44.43	1000	44.43
Drill Sta.	ft	0.00	-0-	3154.53	71	44.43	115	44.43
Timbering	ft	0.00	-0-	2516.40	932	2.70	1000	2.70
Analyses	BPL	0.00	-0-	2826.00	942	3.00	1100	3.00
Ream-Case	ft	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	ft	0.00	-0-	37535.00	7507	5.00	9000	5.00
				STAGE II				
Drift & Crosscut	ft	0.00	-0-	123382.11	2778	44.43	6160	44.43
Drill Sta.	ft	355.44	8	3465.54	78	44.43	250	44.43
Timbering	ft	0.00	-0-	5429.70	2011	2.70	6160	2.70
Analyses	Bpl	150.00	50	2697.00	899	3.00	3177	3.00
Ream-Case	ft	0.00	-0-	1000.00	1000	1.00	1000	1.00
Core Drill	ft	2500.00	500	17035.00	3407	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3005.44		243971.28				

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

Date 2/14/59 Operator Molybdenum Corp. of America

Per [signature] Title Manager

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

REMARKS:

(Instructions on reverse)

(For Government use only) Earl Bilsen

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION

MADE MAR 17 1959

EXTRA COPY
O. M. E.
RECEIVED MAR 20 1959

DATE	INITIALS	CODE
		800

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative Audit Difference Statement

Molybdenum Corporation of America
500 Fifth Avenue
New York 18, New York

Date: March 17, 1959
Payee's Reference: January 1959

Gentlemen:

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ 3,003.44

Difference $ 3.00

Amount Approved $ 3,000.44

The reason for the difference was due to:

Disallowance, Analyses

The Operator has reported the cost for 50 sample analyses; however, review of the sample data indicates that only 49 intervals were sampled in hole No. 62. The reported cost for one sample analysis is disallowed, as follows:

Disallowed reported cost for one sample analysis at $3.00 ----- $3.00

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

224 New Customhouse
Denver 2, Colorado
March 16, 1959

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-K1094, Molybdenum Corporation of America, (Moly or Questa mine) Taos County, New Mexico - Operator's Monthly Progress report for the month of January, 1959

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

Hole No. 22 was completed to a depth of 500 feet as originally planned; however, the hole encountered mineralization in excess of 1 percent M_oS_2 from 470 to 500 feet; therefore, Government approval to reinter and deepen the hole is pending.

Except as otherwise indicated below, we consider that the operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator on the following basis, contingent on your verification of applicable rates and arithmetical accuracy within the report.

Disallowance, Analyses

The Operator has reported the cost for 50 sample analyses; however, review of the sample data indicates that only 49 intervals were sampled in hole No. 22. The reported cost for one sample analysis is to be disallowed, as follows:

Disallow reported cost for one sample analysis at $3.00---- $3.00

Reconciliation with Amount Reported by the Operator on Form MF-104 for the month of January, 1959

Amount reported on Form MF-104 for January, 1959------	$3005.44
Amount to be disallowed----------	3.00
Acceptable cost for January, 1959----------	$3002.44
Government participation at 50 percent----------	$1501.22

Remarks:

Date of Report---------- February 14, 1959
Date Received in Field Office---------- February 17, 1959
Date Received in Region Office---------- March 9, 1959

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2)
Belser, OME/DFC
MF-104 file, Reg. III
Harshman) w/copy of
Cooper) Engr's Report
Chron

OME
DEPARTMENT OF THE INTERIOR
MAR 9 - 1959
REGION III
DENVER, COLORADO

March 6, 1959

Memorandum

To: Executive Officer, OME

From: Carl Belser

Subject: Docket No. DMEA 4563 (Molybdenum) Contract Idm-E1094,
Molybdenum Corp. of America (Moly or Questa mine)
Taos County, N. M. — Progress report for January 1959

Operations under the subject contract were inspected on March 3, 1959 in company with the mine foreman, Robert Creel.

The operator claims payment in January 1959 for 8 feet of drill station, 500 feet of core drilling and 50 chemical analyses.

Contract Measurements

Only 49 samples could be counted on the maps and assay sheets. Diamond drill hole No. 22 was checked and was S. 60° W., dip -70°. The hole was drilled BX to 290 feet and was AX from there to 500 feet. The core was contained in 15 cardboard boxes. The drill station measured 7.9' x 10.4' x 7' or 575 cubic feet as against the 280 cu. ft. 7' x 8' x 5' claimed.

Advance by the company on No. 1 CxN totaled 833 feet and on No. 7 CxN 612 feet. No. 27 hole was being drilled vertical and was down 607 feet. Withheld - 1 chemical analysis at 3.00.

Approved:

8 foot drill station at $44.43 per foot	$355.44
500 feet of core drilling at $5.00 per foot	2500.00
49 chemical analyses at $3.00 each	147.00
	$3,002.44

Payment of 50 percent of the above amount or $1,501.22 is recommended.

Carl Belser

Carl Belser
Mining Engineer

CB-mw
cc: 6 Idm-E1094 chron

NARRATIVE REPORT

January 1959

Questa, New Mexico
February 13, 1959

Mr. J. W. Townsend
Executive Officer, O.M.E.
Field Team III
224 New Customhouse
Denver 2, Colorado

Dear Sir:

During the period January 1 through January 31, 1959, there were 27 working days, 4 Sundays,. The mine worked 27 days. The diamond drill crew worked 21 days.

Diamond drill hole No. 22 was completed to 500 feet. It was started on January 8th and completed on January 31st.

8 feet of raising were done in No. 4 CxS coordinate 700 S. to make room to drill holes 26 and 27.

Development work was carried on in No. 1 CxN and No. 7 CxN.

A. L. Greslin

A. L. Greslin, Manager

OME
DEPARTMENT OF THE INTERIOR
FEB 16 1959
REGION III
DENVER, COLORADO

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

Budget Bureau No. 42-R1036.5

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

FEB 2, 1959 O.M.E.

Month of December, 1958 Docket No. DMEA 4568 Contract No. 104-E 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y
Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	2500.00	49570.00	52070.00			
~~xxxxx~~ Drill Sta	0.00	6264.63	6264.63			
Crosscutting - Drift	0.00	167812.11	167812.11			
~~xxxxx~~ Timber	0.00	7946.10	7946.10			
Analyses	150.00	5223.00	5373.00			
(2) ~~xxxxxxxxxxxxxxx~~						
~~xxxx~~ Ream - Case	0.00	1500.00	1500.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	~~2650.00~~	~~238315.84~~	~~240965.84~~	2650.00	238315.84	240965.84

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

Date ~~Dec. 15, 59~~ Jan. *Payee Molybdenum Corporation of America

Per [signature] Title Manager

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

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

(Instructions on reverse)

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

$ 1325-00

Signature [signature]
(Authorized Certifying Officer)

Date 1/28/59 Vou. No. DMEA 59-85

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Edm-E/C94 in accordance with the terms of the contract.

Signature Carl Bedar (Ch 1,325.00) Title Mining Engineer Date 1/19/59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date JAN 23 1959

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1958 Docket No. DMEA 4568 Contract No. IDM-B 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract Units	Authorized by Contract Unit Costs
				STAGE I				
Drifting & Crosscutting	ft	0.00	-0-	44430.00	1000	44.43	1000	44.43
Crosscutting ~~xxxxxx~~ Drill Sta.	ft	0.00	-0-	3154.53	71	44.43	115	44.43
Raising ~~xxx~~ Timbering	ft	0.00	-0-	2516.40	932	2.70	1000	2.70
Shafts ~~xxx~~ Analyses	SPL	0.00	-0-	2826.00	942	3.00	1100	3.00
Winzes ~~xxx~~ Ream - Case	ft	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	ft	0.00	-0-	37535.00	7507	5.00	9000	5.00
~~xxx~~ Churn				STAGE II				
Drift ~~xxx~~ Crosscut	ft	0.00	-0-	123382.11	2778	44.43	6160	44.43
Stripping ~~xxxxx~~ Drill Sta.	ft	0.00	-0-	3110.10	70	44.43	250	44.43
Trenching ~~xxxxx~~ Timbering	ft	0.00	-0-	5429.70	2011	2.70	6160	2.70
Test Pits ~~xxxxx~~ Analyses	SPL	150.00	50	2547.00	849	3.00	3177	3.00
Roads and Trails ~~xxxxxxx~~ Ream-Case	ft	0.00	-0-	1000.00	1000	1.00	1000	1.00
Core Drill	ft	2500.00	500	14535.00	2907	5.00	19500	5.00
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2650.00		240965.84				

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 15, 1959 Operator Molybdenum Corp. of America

Per A. L. Gresham Title Manager

Remarks:

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

(Instructions on reverse)

(For Government use only) Carl Belzer

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION

MADE JAN 29 1959

224 New Customhouse
Denver 2, Colorado
January 23, 1959

EXTRA COPY O. M. E. RECEIVED FEB 2 1959		
DATE	INITIALS	CODE
		8 20

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-E1094, Molybdenum Corporation of America, (Moly or Questa mine) Taos County New Mexico - Operator's Monthly Progress Report for the month of December, 1958

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Remarks:

Date of Report----------January 15, 1959
Date Received in Field Office----------January 19, 1959
Date Received in Region Office---------January 21, 1959

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2)
Belser, OME/DFC
MF-104 file, Reg. III
Harshman - w/copy Engr's Report
Charon

OME
DEPARTMENT OF THE INTERIOR

JAN 21 1959
REGION III
DENVER, COLORADO

Jan. 20, 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Carl Belser

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-E109k, Molybdenum Corporation of America (Moly or Questa mine) Taos County, New Mexico -- Progress report for December 1958

Operations on the subject contract were inspected Jan. 14, 1959 in company with the operator's manager, A. L. Greslin.

The operator claims payment for 500 feet of core drilling and 50 chemical analyses during December 1958.

Contract measurements:

Hole No.	Total Depth	Direction	Size	Boxes	Assays	Core Recovery
24	500	Flat N. 90° W.	BX - 330' AX - 170'	11 3	50	49.75

Hole No. 22 was down 110 feet at the time of the inspection.

The following allowable Stage II work was done in December 1958:

500 feet core drilling at $5.00/ft.	$2,500.00
50 chemical analyses (see drill hole map) at $3.00/ea.	150.00
	$2,650.00

Payment of 50 percent of the above amount or $1,325.00 is recommended.

The individual drilling contractor has been changed from Minerals Engineering Company to Boyles Brothers.

Carl Belser
Carl Belser
Mining Engineer

CB/mr
cc: 6
Idm-E109k
chron

NARRATIVE REPORT

December 1958

Mr. J. W. Townsend
Executive Officer, O. M. E.
Field Team III
224 New Customhouse
Denver 2, Colorado

OME
DEPARTMENT OF THE INTERIOR
JAN 16 1959
REGION III
DENVER, COLORADO

Dear Sir;

During the period December 1 through December 31, 1958, there were 24 working days, 4 Sundays, and 3 days off for the Christmas holidays. There were 24 days worked.

Diamond Drill hole No. 24 was completed to 500 ft. It was started on November 28th and finished December 15th. There were no other holes started during December.

Development work was carried on in No. I CxN and No. 7 CxN.

A. L. Greslin

A. L. Greslin, Manager

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

Budget Bureau No. 42-R1036.5

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

Month of November, 1958 Docket No. DMEA 4568 Contract No. DMI-F-1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N.Y.
Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	5000.00	44570.00	49570.00			
~~Drilling~~ Drill Sta	222.15	6042.48	6264.63			
Crosscutting & Drift	0.00	167812.11	167812.11			
~~Timbering~~ Timber	0.00	7946.10	7946.10			
Analyses	300.00	4923.00	5223.00			
(2) ~~Labor and Supervision~~ ~~Labor~~ Team - Case	413.00	1087.00	1500.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	5935.15	232380.69	238315.84	5935.15	232380.69	238315.84

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

Date 12/13/58 *Payee Molybdenum Corp. of America

Per [signature] Title Manager

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

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

(Instructions on reverse)

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

$2967.56

Signature [signature]
(Authorized Certifying Officer)

Date 12/22/58 Voucher No. DMEA 59-74

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Fdm-E 1094 in accordance with the terms of the contract.

Signature Carl Behnke (2,967,581) Title Mining Engineer Date 12/16/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Adequability

Signature [illegible] Title Executive Officer Date DEC 19 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

DEC 30 1958
O.M.E.

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

Month of November 195 8 Docket No. DMEA 456B Contract No. DMA-N-1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N.Y.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract Units	Authorized by Contract Unit Costs
				STAGE I				
Drifting & Crosscut	ft	0.00	-0-	44430.00	1000	44.43	1000	44.43
Crosscutting Drill Sta	ft	0.00	-0-	3154.53	71	44.43	115	44.43
Timbering	ft	0.00	-0-	2516.40	932	2.70	1000	2.70
Assays Analyses	Spl	0.00	-0-	2826.00	942	3.00	1100	3.00
Winzes Term - Case	ft	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	ft	0.00	-0-	37535.00	7507	5.00	9000	5.00
				STAGE II				
Drift Crosscut	ft	0.00	-0-	123382.11	2778	44.43	6160	44.43
Drill Sta	ft	222.15	5	3110.10	70	44.43	250	44.43
Timbering	ft	0.00	-0-	5429.70	2011	2.70	6160	2.70
Analyses	Spl	300.00	100	2397.00	799	3.00	3177	3.00
Core Drill	ft	5000.00	1000	12035.00	2407	5.00	19500	5.00
Term - Case	ft	413.00	413	1000.00	1000	1.00	1000	1.00
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		5935.15		238315.84				

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 12/13/58 Operator Molybdenum Corp. of America

Per [signature] Title Manager

Remarks:

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

(Instructions on reverse)

(For Government use only)

Carl Bolm OME
DEPARTMENT OF THE INTERIOR
DEC 16 1958
DENVER, COLORADO

INSTRUCTIONS

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

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

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

GPO 872894

224 New Customhouse
Denver 2, Colorado

December 19, 1958

FINAL DISTRIBUTION

MADE DEC 22 1958

EXTRA COPY O. M. E. RECEIVED DEC 30 1958		
DATE	INITIALS	CODE
12/30	J.g.	225
		800

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract No. Id-E1094
Molybdenum Corporation of America (Moly or Questa mine) Taos
County, New Mexico - Operator's Monthly Progress Report for
the month of November 1958

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

REMARKS:

Date of Report ----------December 13, 1958
Date Received in Field Office --------December 17, 1958
Date Received in Region Office -------December 19, 1958

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JDC:jy
cc: Chm. Op. Comm. (2)
Belser, OME/DFC
MF-104 file, Reg. III
Harshman w/copy of Engr's. Report
Chron.

OME
DEPARTMENT OF THE INTERIOR
DEC 19 1958
REGION III
DENVER, COLORADO

Dec. 18, 1958

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Carl Belser

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-E1094, Molybdenum Corporation of America (Moly or Questa mine) Taos County, New Mexico -- Progress report for the month of November 1958

Operations on the subject contract were inspected on December 2, 1958 in company with A. L. Greslin, manager.

The operator claims payment for 5 feet of drill station, 1,000 feet of Stage II core drilling, and 100 chemical analyses for November 1958.

Contract Measurements:

Hole No.	Total Depth	Station	Direction	Dip	Boxes	Size	Assays	Core Recovery
21	500	5' x 10' x 8'	S. 45° E.	-45°	16	BX	50	37.1
25	500	0		-90°	13	BX	50	51.7
2	1,000	5' station			29	BX	100	44.4

In addition Hole No. 24 was being drilled flat N. 90° W. and was in 100 feet. It will be claimed in December.

The following allowable Stage II work was done in November 1958:

Advancing No. 21 drill station 5 feet at $44.43/ft.	$222.15
100 chemical analyses (see drill hole maps) at $3.00/ea.	300.00
1,000 ft. core drilling at $5.00/ft.	5,000.00
413 ft. reaming and casing at $1.00/ft.	413.00
	$5,935.15

Payment of 50 percent of the above amount or $2,967.58 is recommended.

The contractor has not adjusted his accounts to the 1 foot of crosscut ($44.33) made in September.

Carl Belser
Carl Belser
Mining Engineer

CB/mw cc: 6 Idm-E1094 chron

C O N T E N T S

November 1958

1. Narrative Report

2. Form NF-104A

3. Form NF-104

4. Core Log - Drill Hole No. 21

5. Map - Drill Hole No. 21

6. Core Log - Drill Hole No. 25

7. Map - Drill Hole No. 25

NARRATIVE REPORT

November 1958

Questa, New Mexico
December 13, 1958

Mr. J. W. Townsend
Executive Officer, O.M.E.
Field Team III
324 New Customhouse
Denver 2, Colorado

Dear Sir:

During the period November 1 thru November 30, 1958 there were 24 working days, 5 Sundays and one holiday, Thanksgiving day. There were 24 days worked in the mine.

Drill hole No. 21 was completed to 500 feet and drill hole No. 25 was completed to 500 feet. Drill hole No. 24 was started but not completed during the month.

Development work was carried on in No. 1 CxN and No. 7 CxN.

A. L. Greslin

A. L. Greslin, Manager

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED NOV 24 1958 D.M.E.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1958 Docket No. DMEA 4568 Contract No. IDM-E 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y
Contract Amount, $510,500.00 Government Participation: 50 % Amount, $255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	2500.00	42070.00	44570.00			
~~Drilling~~ Drill Sta	0.00	6042.48	6042.48			
Crosscutting & Drift	0.00	167812.11	167812.11			
~~Drifting~~ Timber	0.00	7946.10	7946.10			
Analyses	150.00	4773.00	4923.00			
(2) ~~[illegible]~~:						
~~Lease~~ Ream & Case	315.00	772.00	1087.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2965.00	229415.69	232380.69	2965.00	229415.69	232,380.69

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 11/8/58 *Payee Molybdenum Corp. of America
Per [signature] Title Manager

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

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

(Instructions on reverse)

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

$1482.50

Signature [signature]
(Authorized Certifying Officer)

Date 11-19-58 Vou. No. DMEA-59-63
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. TDM-51094 in accordance with the terms of the contract.

Signature Carl Belsel (1,482.50) Title Mining Engineer Date 11/14/58

Checked for Engineering Allowability

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE

Signature [illegible] Title Executive Officer Date NOV 18 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form ME-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED NOV 24 1958 O.M.E.

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

Month of October 1958 Docket No. DMEA 4568 Contract No. IDM E 1094

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 375 Park Avenue New York 22, NY

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				STAGE I				
Drifting & Crosscut	ft	0.00	-0-	44430.00	1000	44.43	1000	44.43
Drill Sta	ft	0.00	-0-	3154.53	71	44.43	115	44.43
Timbering	ft	0.00	-0-	2516.40	932	2.70	1000	2.70
Analyses	Spl	0.00	-0-	2826.00	942	3.00	1100	3.00
Ream & Case	ft	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	ft	0.00	-0-	37535.00	7507	5.00	9000	5.00
				STAGE II				
Drift Crosscut	ft	0.00	-0-	123382.11	2778	44.43	6160	44.43
Drill Sta	ft	0.00	-0-	2887.95	65	44.43	250	44.43
Timbering	ft	0.00	-0-	5429.70	2011	2.70	6160	2.70
Analyses	SPL	150.00	50	2097.00	699	3.00	3177	3.00
Ream-Case	ft	315.00	315	587.00	587	1.00	1000	1.00
Core Drill	ft	2500.00	500	7035.00	1407	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
		2965.00						
TOTAL COSTS		2965.00		232380.69				

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 11/8/58 Operator Molybdenum Corp. of America

Per [signature] Title Manager

REMARKS:

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

(Instructions on reverse)

(For Government use only) Carl Belsu

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION
MADE NOV 20 1958

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
November 18, 1958

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-E1094 Molybdenum Corporation of America, (Moly or Questa mine) Taos County, New Mexico - Operator's Monthly Progress Report for the month of October, 1958

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Remarks:

Date of Report----------November 8, 1958
Date Received in Field Office----------November 11, 1958
Date Received in Region Office----------November 17, 1958

Original Sd.
J. W. TOWNSEND

J. W. Townsend

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2)
Belser, OME/DFC
MF-104 file, Reg. III
Harshman - w/copy of Engr's report
Chron

EXTRA COPY
O. M. E.
RECEIVED NOV 24 1958

DATE	INITIALS	CODE
		800

OME
DEPARTMENT OF THE INTERIOR
NOV 17 1958
REGION III
DENVER, COLORADO

Nov. 14, 1958

Memorandum

To: Executive Officer, OME Field Team, Reg. III

From: Carl Belser

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-E1094, Molybdenum Corp. of America (Moly or Questa mine) Taos County, N. M. -- Progress report for October 1958

Operations under the subject contract were inspected on November 12, 1958 in company with the operator's manager, A. L. Greslin.

The operator claims payment in October 1958 for 500 feet of core drilling at Hole No. 23. Hole No. 21, 500 feet in length, was drilled in November 1958 and will not be claimed until next month.

Contract Measurements
Only core hole No. 23 was drilled in October 1958. A total of 315 feet of reaming and casing was required to drill the hole. The assay map shows 50 samples. The core was badly broken up and recovery was low (21.41 percent).

The following Stage II drilling (Hole 23) is allowable for October 1958.

500 feet core drilling at $5.00/ft.	$2,500.00
315 feet reaming and casing at $1/ft.	315.00
50 chemical analysis at $3/ea.	150.00
	$2,965.00

Payment of 50 percent of the above amount or $1,482.50 is recommended.

Some visable molybdenite was noticed in the core. Stage II crosscut units should read 2,777 instead of 2,778.

Carl Belser
Carl Belser
Mining Engineer

CB/mr
cc: 6
Idm-E1094
chron

NARRATIVE REPORT

October 1958

Questa, New Mexico
November 8, 1958

Mr. J. W. Townsend
Executive Officer, O.M.E.
Field Team III
224 New Customhouse
Denver 2, Colorado

Dear Sir:

During the period October 1 thru October 31, 1958 there were 27 working days and 4 Sundays. 27 days were worked in the mine.

Drill hole No. 23 was completed to 500 feet. Drilling was started on drill hole No. 21 but wasn't completed during this month.

Work was carried on in No. 1 CxN and in No. 7 CxN.

We are deducting the 1 foot in excess of the 1500 feet reported for No. 4 CxS.

A. L. Greslin

A. L. GRESLIN, Manager

OME
DEPARTMENT OF THE INTERIOR
NOV 10 1958
REGION III
DENVER, COLORADO

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

Budget Bureau No. 42-R1036.5

RECEIVED 1958 O.M.E.

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

Month of September, 1958 Docket No. DMEA 4568 Contract No. ID[illegible]-1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N.Y.
Contract Amount, $510,500.00 Government Participation: 50 % Amount, $255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	2500.00	39570.00	42070.00			
~~Exploring~~ Drill Sta	2132.64	3909.84	6042.48			
Crosscutting & Drift	6309.06	161547.48	167856.54			
~~Exploring~~ Timber	0.00	7946.10	7946.10			
Analyses	237.00	4536.00	4773.00			
(2) ~~Labor and Supervision~~:						
~~Labor~~ Ryan & Case	0.00	772.00	772.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	11178.70	218281.42	229460.12	11178.70	218281.42	229415.69

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

Date 10/14/58 *Payee Molybdenum Corp. of America

Per [signature] Title Manager

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

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

(Instructions on reverse)

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

$ 5,567.14

Signature RRe
(Authorized Certifying Officer)

Date 11-7-58 Vou. No. DMEA-59-60

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Edx-E1094 in accordance with the terms of the contract.

Signature Carl Belen ($5,589.35) Title Mining Engineer Date 10/21/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Adequacy

Signature [illegible] Title Executive Officer Date NOV 5 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED NOV 13 1958 O.M.E.

Month of Sept 1958 Docket No. DMEA 4568 Contract No. DM-[illegible]
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N.Y.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting & Crosscut	ft	0.00	-0-	44430.00	1000	44.43	1000	44.43
Drill Sta	ft	0.00	-0-	3154.53	71	44.43	115	44.43
Timbering	ft	0.00	-0-	2516.40	932	2.70	1000	2.70
Analyses	SPL	0.00	-0-	2826.00	942	3.00	1100	3.00
Ream & Case	ft	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: Core	ft	0.00	-0-	37535.00	7507	5.00	9000	5.00
				STAGE II				
Drift Crosscut	ft	6309.06	142	123426.54	2778	44.43	6160	44.43
Drill Sta	ft	2132.64	48	2887.95	65	44.43	260	44.43
Timbering		0.00	-0-	5429.70	2011	2.70	6160	2.70
Analyses	SPL	237.00	79	1947.00	649	3.00	3177	3.00
Ream-Case	ft	0.00	-0-	272.00	272	1.00	1000	1.00
Core Drill	ft	2500.00	500	4535.00	907	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		11178.70		229460.12				

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 10/14/58 Operator Molybdenum Corp. of America

Per [signature] Title Manager

REMARKS:

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

(Instructions on reverse)

(For Government use only) Carl Bolan

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION

MADE NOV 10 1958

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative Audit Difference Statement

Knightstown Corporation
500 Fifth Avenue
New York 18, New York

EXTRA COPY
O. M. E.
RECEIVED NOV 13 1958

DATE	INITIALS	CODE
		800

Date: November 7, 1958
Payee's Reference: September 1958

Gentlemen:

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ 11,178.70

Difference $ 44.43

Amount Approved $ 11,134.27

The reason for the difference was due to:

Disallowed 1 foot of crosscutting.
1500 feet of crosscutting in the No. 4 crosscut is the maximum allowable under terms of contract.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

RRC

XXXXXXXXXXXX Randel R. Cooper
XXXXXXXXXXXX Authorized Certifying Officer

R-III-B & F Form No. 4
4-15-52 D

224 New Customhouse
Denver 2, Colorado
November 5, 1958

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-E1094, Molybdenum Corporation of America, (Moly or Questa mine) Taos County, New Mexico - Operator's Monthly Progress Report for the month of September, 1958

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

Except as otherwise indicated below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator on the following basis, contingent on your verification of applicable rates and arithmetical accuracy within the report.

Disallowance, Crosscutting

Records in this office indicate that the following footage has been reported for the No. 4 Crosscut South.

Month Reported	Footage
December, 1957	31'
January, 1958	122'
February, "	153'
March, "	132'
April, "	207'
May, "	225'
June, "	139'
July, "	179'
August, "	171'
September, "	142'
Total	1501 feet.

Only 1500 feet of crosscutting in the No. 4 Crosscut South has been approved by the Government, therefore the reported cost for 1 foot of crosscutting is to be disallowed, as follows:

Disallow 1 foot crosscutting at $44.43/ft---------- $ 44.43

Reconciliation With Amount Reported by the Operator on Form MF-104 for September, 1958

Amount reported on Form MF-104 for September, 1958----------	$11,178.70
Amount to be disallowed----------	44.43
Acceptable cost for September, 1958----------	$11,134.27
Government participation at 50 percent----------	$ 5,567.13

Remarks:

Date of Report----------	October 14, 1958
Date Received in Field Office----------	October 20, 1958
Date Received in Region Office----------	October 22, 1958

Original signed by
J. W. TOWNSEND
J. W. Townsend

Enclosures

JWC:hmh

cc: Chmn. Op. Comm. (2)
Belzer, CGE/BFC
MF-104 file, Reg. III
Hartshman) w/copy of
Cooper) Engr's Report
Chron

OME
DEPARTMENT OF THE INTERIOR

OCT 22 1958
REGION III
DENVER, COLORADO

Oct. 21, 1958

Memorandum

To: Executive Officer, OME

From: Carl Belser

Subject: Docket No. DMEA 4568 (Molybdenum) Contract I6n-K109h,
Molybdenum Corp. of America (Moly or Questa mine)
Taos County, N. M. -- Progress report for September 1958

Operations under the subject contract were inspected on October 14, 1958 in company with the operator's manager, A. L. Grealin.

The operator claims payment in September 1958 for 142 feet of advance in No. 4 - XC-8, 48 feet of drilling stations at holes 23, 24, and 25, 79 chemical analysis and 500 feet of core drilling in hole No. 20.

Contract Measurements

The 79 assays check with the assay maps and core samples.

Diamond drill hole No. 20 core was checked. Core AX. Core recovery very poor -- about 20 percent. Hole was drilled to a depth of 500 feet. Diamond drill station 23 was raised on for 11 feet, Station No. 24 approximately 23 feet as claimed (23 feet of drift), and Station No. 25 was 14 feet (9' x 19' x 5')

Timber -- none

Advance No. 4-XC-8
Face 10/14/58 Station 3323 plus 159.0'
Face 9/1/58 Station 3324 plus 8.0'
Advance 151.0' or 9 feet more than the amount claimed.
Total length claimed is 1358.0' plus 142' or 1500.0'.
The following is approved:
Stage I -- nothing
Stage II

500 feet of core drilling at $5/ft.	$2,500.00
142 feet of crosscutting at $44.43/ft.	6,309.06
48 feet of drill stations (23 + 11 + 14) at $44.43/ft.	2,132.64
79 chemical analyses at $3/ea.	237.00
	$11,178.70

Payment of 50 percent of the above amount, or $5,589.35 is recommended.

No. 4-EC-8 ended with visible molybdenite faces as shown on the assay map.

At the time of inspection diamond drill hole No. 23 was finished at a depth of 300 feet.

Carl Belser

Carl Belser
Mining Engineer

CB/mw
cc: 6
IMm-E1094
chron

NARRATIVE REPORT

September 1958

Questa, New Mexico
October 14, 1958

Mr. J. W. Townsend
Alternate Acting Executive Officer
Office of Minerals Exploration
224 New Customhouse
Denver 2, Colorado

Dear Sir:

During the period September 1 through September 30, 1958 there were 25 working days, 4 Sundays and we were off for Labor Day.

No. 4 CxS was worked on a two shift basis and was completed to the approved footage.

142 feet of advance were made in No. 4 CxS. This was in transition rock. This was not timbered.

23 feet of work were done on No. 4 CxS to make room to drill hole No. 24.

11 feet of raise work were done to make room to drill hole No. 23 in No. 5 CxS.

14 feet of raise work were done to make room to drill hole No. 25 in No. 4 CxS.

Drill hole No. 20 was completed to 500 feet.

OME
DEPARTMENT OF THE INTERIOR
OCT 17 1958
REGION III
DENVER, COLORADO

A. L. Greslin

A. L. Greslin, Manager

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

Budget Bureau No. 42-R1036.5

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

RECEIVED OCT 16 1958 O.M.E.

Month of August, 1958 Docket No. DMEA 4568 Contract No. IDMEF 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N.Y.
Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	3355.00	36215.00	39570.00			
~~Bulldozing~~ Drill STA	222.15	3687.69	3909.84			
Crosscutting + Drift	12662.55	148884.93	161547.48			
~~Drifting~~ Timber	286.20	7659.90	7946.10			
Analyses	378.00	4158.00	4536.00			
(2) ~~Labor and Supervision~~:						
~~Labor~~ Ream + Case	0.00	772.00	772.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
		201377.52		.90	amr	
TOTALS	16903.90	~~201377.52~~	218281.42	16903.00	201377.52	218281.42

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

Date 9/20/58 *Payee Molybdenum Corp. of America

Per R. E. Gresh Title Manager

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

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

(Instructions on reverse)

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

$ 845.95

Signature RRO
(Authorized Certifying Officer)

Date 10-10-58 Vou. No. DMEA-59-49
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IDM-E1094 in accordance with the terms of the contract.

Signature Carl Nelson [#8,451.95] Title Mining Engineer Date 9/26/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature E. M. Hansmann Title acting Executive Officer Date OCT 9 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1958 Docket No. DMEA 4568 Contract No. IDM E 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N.Y.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				STAGE I				
Drifting + Crosscutting	Ft	0.00	-0-	44430.00	1000	44.43	1000	44.43
~~Crosscutting~~ Drill Sta.	Ft	0.00	-0-	3154.53	71	44.43	115	44.43
~~Raising~~ Timbering	Ft	0.00	-0-	2516.40	932	2.70	1000	2.70
~~Shafts~~ Analyses	Spl.	204.00	68	2826.00	942	3.00	1100	3.00
~~Winzes~~ Ream + Case	Ft	0.00	-0-	500.00	500	1.00	500	1.00
Drilling: ~~Core~~ Core	Ft	3355.00	671	37535.00	7507	5.00	9000	5.00
~~Churn~~				STAGE II				
Drift + ~~Auger~~ Crosscut	Ft	12662.55	285	117117.48	2636	44.43	6160	44.43
~~Stripping~~ Drill Sta.	Ft	222.15	5	755.31	17	44.43	250	44.43
~~Trenching~~ Timbering	Ft	286.20	106	5429.70	2011	2.70	6160	2.70
~~Test Pits~~ Analyses	Spl.	174.00	58	1710.00	570	3.00	3177	3.00
~~Roads and Trails~~ Ream + Case	Ft	0.00	-0-	272.00	272	1.00	1000	1.00
Core Drill	Ft	0.00	-0-	2035.00	407	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		16903.90		218281.42				

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 9/20/58 Operator Molybdenum Corp. of America

Per A. L. Graeber Title Manager

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Earl Belan

OME, Reg. 3
SEP 22 1958

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION
MADE OCT 1 1958

EXTRA COPY O. M. E. RECEIVED OCT 16 1958		
DATE	INITIALS	COL
		ZMO

224 New Customhouse
Denver 2, Colorado
October 9, 1958

Memorandum

To: T. A. Christensen

From: Acting Executive Officer, OME Field Team, Region III

Subject: Docket No. DMMA 4568 (Molybdenum), Contract No. [illegible] M1094, Molybdenum Corporation of America (Moly or Quartz mine), Taos County, New Mexico - Operator's Monthly Progress Report for the Month of August, 1958

Enclosed are the original and four copies each of Forms MP-104 and MP-104A, Operator's narrative report, and engineer's report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MP-200A; therefore, documentation of the costs is not required. We recommend that payment be made to the Operator for 50 percent of the amount reported on Form MP-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

REMARKS:

Date of Report - - - - - - - - - - - - - September 20, 1958
Date received in field office - - - - September 23, 1958
Date received in Region office - - - - September 30, 1958.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

JEC:pri

cc: Chron. Op. Comm. (2)
Balsar, OME/DFC
MP-104 file, Region III
Harshman - w/copy of engineer's report
Chron.

OME
DEPARTMENT OF THE INTERIOR

REGION III

SEP 30 1958
REGION III
DENVER, COLORADO

Building 20
Denver Federal Center
Denver 2, Colorado
Sept. 26, 1958

Memorandum

To: Executive Officer, OME

From: Carl Belser

Subject: Docket No. IMBA 4568 (Molybdenum) Contract Idm-K1094, Molybdenum Corporation of America (Moly or Questa mine) Taos County, N. M. -- Progress report for August 1958

Operations under the subject contract were inspected on September 11, 1958 in company with the operator's manager, A. L. Greslin.

Advance in two Stage II drifts (No. 4 XC 8 and the Drift West and its timbered portion) were measured. The hole locations and cores of holes Nos. 15 and 16 examined and the new station for hole No. 20 inspected.

The operator claims payment in August 1958 for 171 feet of advance in No. 4 XC 8 and 114 feet of advance and 106 feet of timbering in the Drift West. A drill station for hole No. 20 in No. 5 XC 8 equivalent to 5 feet of raising and 58 analyses for molybdenum as shown on their maps for the Stage II work. In the Stage I work the operator claims payment for 671 feet of core drilling in holes Nos. 15 and 16 and 68 analyses for molybdenum as shown on the maps.

All work was in accordance to provisions in the contract. Both faces contained visable molybdenum.

CONTRACT MEASUREMENTS

Advance
No. 4 XC 8
Face 9/11/58 station 3224 plus 84.0 ft.
station 3223-3224 54.5 ft.
station 3219-3223 108.5 ft.
total 246.5
face 7/31/58 station 3219 plus 68.5
178.0 ft. or 7 ft. more than the amount claimed.
Total length 1,358 ft. (1,187 + 171)

Drift West

Face 9/11/58 station 3222 plus	47.0 ft.
station 3221-3222	104.0 ft.
Face 7/31/58 station	151.0 ft.
3221 plus	34.0 ft.
	117 ft. or 3 ft. more than claimed

Total length 1,093.5 + 114.0 equals 1,207.5

Timber

Station 2222 minus	68 ft.
station 2222 plus	38 ft.
Total	106 ft.

Diamond drill hole No. 15
Core checked, abandoned at 426 ft.

Diamond drill hole No. 16
Core checked, abandoned at 245 ft.

Total 671 feet

Raise for station over hole No. 10, 5 XC 8
Rough measure - 6 ft. x 8 ft. x 9 ft. or 1 ft. better than claimed

The following is approved:

Stage I

671 ft. of core drilling at $5/ft.	$3,355.00
68 analyses for molybdenum at $3/ea.	204.00
Total	$3,559.00

Stage II

285 ft. of crosscutting and drifting at $44.43/ft.	$12,662.55
5 ft. station raising at $44.43/ft.	222.15
106 ft. timbering at $2.70/ft.	286.20
58 analyses for molybdenum at $3/ea.	174.00
Total	$13,344.90
Total for August (Stages I and II)	$16,903.90

Payment of 50 percent of the above amount or $8,451.95 is recommended.

Carl Belser
Carl Belser
Mining Engineer

CB/mr
cc: 6 Idm-E1094 chron

NARRATIVE REPORT

August 1958

Questa, New Mexico
September 16, 1958

Mr. J. W. Townsend
Alternate Acting Executive Officer
Defense Minerals Exploration Administration
334 New Customhouse
Denver 2, Colorado

Dear Sir:

During the period August 1 through August 31, 1958 there were 26 working days and 5 Sundays. There were 30 days worked in the mine.

No. 4 Crosscut South was worked on a two shift basis and drift west was worked on a one shift basis.

171 feet of advance were made in No. 4 CxS. This was in transition rock, very blocky and hard. There was no timbering in this place.

114 feet of advance were made in drift west. This was in transition rock. 106 feet of timbering were done in this place.

Diamond drill hole No. 15 was completed to 426 feet when it had to be stopped due to the bad ground encountered.

Diamond drill hole No. 16 was completed to 245 feet when it had to be stopped due to caving ground encountered.

5 feet of raise work were done in No. 5 CxS to prepare for drilling diamond drill hole No. 20.

A. L. Greslin

A. L. Greslin, Manager

224 New Customhouse
Denver 2, Colorado
September 4, 1958

800

Mr. J. E. Cannon
Molybdenum Corporation of America
Urad Mine
Empire, Colorado

Re: Contract No. DMRA 4968 (Molybdenum)
Contract No. Dm-[illegible]
Molybdenum Corporation of America
(Poly or Quartz mine)
Taos County, New Mexico

Dear Mr. Cannon:

Our records indicate that Molybdenum Corporation of America was reimbursed by the Government for the Government's portion of the costs of analysis of 416 drift channel and drill hole sludge and core samples prior to January 1, 1958.

Since you have recently determined and brought to our attention that the assay results submitted by you prior to January 1, 1958 are in error, therefore it will be necessary that these samples be reanalyzed at company expense, without contribution by the Government, in order to provide accurate analysis results for project appraisal purposes.

When the samples in question have been reanalyzed, please submit a new assay map showing the locations and results of the reanalyzed samples, together with those samples analyzed subsequent to January 1, 1958 which are considered to be accurate.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMRA Field Team, Region III

JWT:prl

cc: Chem. Op. Comm. (2)
Marshman
Salisbury, DMRA DFC
Corres. File
Cooper
Chron.

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

Budget Bureau No. 42-R1036.5

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

Month of July, 1958 Docket No. DMEA 4568 Contract No. IDM-E1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y
Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	5000.00	31215.00	36215.00			
~~Bulldozing~~ Drill Sta.	355.44	3332.25	3687.69			
Crosscutting & Drift	11418.51	137466.42	148884.93			
~~Bank~~ Timber	418.50	7241.40	7659.90			
Analyses	453.00	3705.00	4158.00			
(2) ~~Labor and Supervision~~:						
~~Labor~~ Rent & Case	110.00	917.00	1027.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
	17755.45	183877.07	201632.52			
TOTALS	~~17755.45~~	~~183877.07~~	~~201632.52~~	17500.45	183,877.07	201,377.52

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

Date 8/15/58 *Payee Molybdenum Corp. of America

Per [signature] Title Manager

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

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

(Instructions on reverse)

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

$ 8750.23

Signature [signature]
(Authorized Certifying Officer)

Date 8/26/58 Vou. No. 9 MA 59-27

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E1094 in accordance with the terms of the contract.

Signature M. R. Salsbury 887773 Title Mining Engineer Date 8-20-58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Hmc Checked for Engineering Allowability Alternate Acting

Signature [illegible] Title Executive Officer Date AUG 25 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED SEP 2 1958 DMEA

Month of July 1958 Docket No. DMEA 4566 Contract No. DMI 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				STAGE I				
Drifting & Crosscut	ft	0.00	-0-	44430.00	1000	44.43	1000	44.43
Drill Sta.	ft	355.44	8	3154.53	71	44.43	115	44.43
Timbering	ft	0.00	-0-	2516.40	932	2.70	1000	2.70
Analyses	Sol	300.00	100	2622.00	874	3.00	1100	3.00
Form & Case	ft	110.00	110	755.00	755	1.00	500	1.00
Drilling: Core	ft	5000.00	1000	34180.00	6836	5.00	9000	5.00
				STAGE II				
Drifting & Crosscut	ft	11418.51	257	104454.93	2351	44.43	6160	44.43
Drill Sta	ft	0.00	-0-	533.16	12	44.43	250	44.43
Timbering	ft	418.50	155	5143.50	1905	2.70	6160	2.70
Analyses	Sol	153.00	51	1536.00	512	3.00	3177	3.00
Form-Case	ft	0.00	-0-	272.00	272	1.00	1000	1.00
Core Drill	ft	0.00	-0-	2035.00	407	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS		17755.45		201632.52				

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 8/15/58 Operator Molybdenum Corp. of America

Per [signature] Title Manager

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

EXPENDITURE
DIV.
RECEIVED SEP 2 1958
DATE | INITIALS | CODE
9/2 | Cbm | 100
800

FINAL DISTRIBUTION
MADE AUG 26 1958

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative Audit Difference Statement

Molybdenum Corporation of America
500 Fifth Avenue
New York 12, New York

Date: August 26, 1958
Payee's Reference: July 1958

Gentlemen:

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ 17,755.45

Difference $ 255.00

Amount Approved $ 17,500.45

The reason for the difference was due to:

Disallowed, Reaming and Casing

During June 1958 the reaming and casing provided for in Stage I was exceeded by 145 feet, but due to oversight, the reported cost for the excess reaming and casing was not disallowed. During July 1958, an additional 110 feet of excess reaming and casing was reported on Form MP-104. The reported cost for excess reaming and casing is disallowed as follows:

Excess reaming and casing reported on Form MP-104 for June 1958, 145 feet at $1.00 per foot	$145.00
Excess reaming and casing reported on Form MP-104 for July 1958, 110 feet at $1.00 per foot	110.00
Total amount disallowed	$255.00

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

224 New Customhouse
Denver 2, Colorado
August 25, 1958

Memorandum

To: T. A. Christensen

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract No. Idm-E1094, Molybdenum Corporation of America (Moly or Questa Mine) Taos County, New Mexico - Operator's Monthly Progress Report for the month of July, 1958

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

Except as otherwise indicated below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator on the following basis, contingent on your verification of applicable rates and arithmetical accuracy within the report.

Disallowance, Reaming and Casing

During June 1958, the reaming and casing provided for in Stage I was exceeded by 145 feet, but due to oversight, the reported cost for the excess reaming and casing was not disallowed. During July 1958, an additional 110 feet of excess reaming and casing was reported on Form MF-104. The reported cost for excess reaming and casing is to be disallowed as follows:

Excess reaming and casing reported on Form MF-104 for June 1958, 145 feet at $1.00 per foot ----------	$145.00
Excess reaming and casing reported on Form MF-104 for July 1958, 110 feet at $1.00 per foot ----------	110.00
Total amount to be disallowed ----------	$255.00

Reconciliation with amount reported by the Operator on Form MF-104 for July 1958

Amount reported on Form MF-104 for July 1958	$17,755.45
Amount to be disallowed	255.00
Acceptable costs for July 1958	$17,500.45
Government participation at 50 percent	$ 8,750.23

Remarks:

Date of Report	August 15, 1958
Date Received in Field Office	August 18, 1958
Date Received in Regional Office	August 21, 1958

Original signed by
J. W. TOWNSEND

J. W. Townsend

HMC:dz

cc: Comm. Op. Comm. (2)
Salsbury, DMEA/DFC
MF-104 File, Reg. II
Harshman)
Cooper)w/cy of Engineer's report
Chron.

DMEA
DEPARTMENT OF THE INTERIOR

AUG 21 1958

REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
August 20, 1958

Memorandum

To: Alternate Acting Executive Officer, DMEA Field Team, Reg. III

From: M. H. Salsbury

Subject: Docket No. DMEA 4568 (Molybdenum) Contract IAm-K1094, Molybdenum Corporation of America (Moly or Questa mine) Taos County, N. M. -- Progress report for July 1958

Operations under the subject contract were inspected on August 14, 1958 by M. H. Salsbury in company with the operator's manager, A. L. Greslin.

Advance in 2 headings currently being driven under Stage II was in excess of the amounts claimed for July 1958. The face of the No. 4 XC S was at 164 feet beyond survey station 3219 or 99.5 feet beyond the point of advance claimed. The face of the Drift West was at 95 feet beyond survey station 3221, or 61 feet beyond the point of advance claimed.

The operator claims payment in July 1958 for 179 feet of advance and 76 feet of timbering in No. 4 XC S and 78 feet of advance and 79 feet of timbering in the Drift West. Timbering in the No. 6 XC N, not DMEA work, was not claimed. Claimed in Stage I are 1000 feet of diamond drilling, including 110 feet of reaming and casing in holes No. 3 and 5 and 8 feet of raising to complete a drill station for holes No. 15 and 16. Chemical analyses for molybdenum of 100 samples in Stage I and 31 samples in Stage II are also claimed.

All work was done in accordance with the fixed cost contract, amendments and work approvals, are within contract maximums, and were verified by the DMEA inspector.

CONTRACT MEASUREMENTS
Stage II

Advance
No. 4 XC S
face 7-31-58 station 3219 + 68.5 ft.
stations 3218 to 3219 35.5 ft.
stations 3216 to 3218 135.5 ft.
239.5 ft.
face 6-30-58 station 3216 + 60.5 ft.
advance claimed in July 1958 179.0 ft.
total length No. 4 XC S from start 1,187.0 ft.

Drift West

face 7-31-58 station 3221 +	34.0 ft.
stations 3220 to 3221	50.5 ft.
stations 3217 to 3220	46.0 ft.
	130.5 ft.
face 6-30-58 station 3217 +	53.0
advance according to measurement	77.5 ft.
advance claimed in July 1958	78.0 ft.
total length Drift West from start	1,093.5 ft.

total advance claimed in July 1958 257 ft.

Timbering

No. 4 XC 8

stop at station 3216 +	132.75 ft.
start at station 3216 +	57.0 ft.
timbering according to measurement	75.75 ft.
timbering claimed in July 1958	76.0 ft.

Drift West

stop at station 3221 +	0.5 ft.
station 3220 to station 3221	50.5 ft.
station 3217 to station 3220	46.0 ft.
	97.0 ft.
start at station 3217 +	18.0 ft.
claimed in July 1958	79.0 ft.

total timbering claimed in July 1958 155 ft.

The No. 4 XC 8 passed from green rock to transitional rock described as largely aplitic. Content of molybdenum sulfide was small (from 0.10 percent to 0.32 percent). On August 14, the face was in rock which probably contains less than 0.10 percent MoS_2, however it was still "visible."

The Drift West was driven in transitional rock also described as aplitic. MoS_2 content ranged from 0.15 percent to 0.25 percent. The MoS_2 content in the face on August 14 appeared to be about the same. Diamond Drill Hole No. 3, 500 feet deep, penetrated granite, green rock and transition rock, bottoming in the latter. Core recovery was 88.82 percent. Diamond Drill Hole No. 5, 500 feet deep, penetrated aplite and transition rock, bottoming in the latter. Five feet of porphyry was found from 203 to 210 feet. Core recovery was 37.39 percent. Mineralization in both holes showed increase with depth, that is, with distance above the second level.

Diamond Drill Hole No. 15 was being drilled on August 14. It had reached a depth of 245 feet largely in porphyry with considerable difficulty because of caving ground. Verbal permission to stop at this depth was obtained from the DMEA Field Team.

The Government's splits of pulps from samples cut in the first 900 feet of the Drift West, and from the cores of Diamond Drill Holes Nos. 1, 2, and 3 were brought to Denver Federal Center.

The operator has submitted in quintuplicate for July 1958, accounting forms, a narrative report with maps, drill hole logs and assay results on drill core, sludge and mine samples. Cost of assaying core is not claimed. Monthly and cumulative totals on the accounting forms appear to be correctly entered.

Payment of $8,877.73 or 50 percent of the amount claimed in July 1958, $17,755.45, is recommended for approval.

M. H. Salsbury
M. H. Salsbury
Mining Engineer

MHS/mr
cc: 6
Idm-X1094
chron

DMEA
DEPARTMENT OF THE INTERIOR

AUG 14 1958
REGION III
DENVER, COLORADO

Narrative Report for July 1958

Questa, New Mexico
August 10, 1958

Mr. J. V. Townsend
Alternate Acting Executive Officer
Defense Minerals Exploration Administration
204 New Customhouse
Denver 2, Colorado

Dear Sir:

During the period July 1 through July 31, 1958 there were 24 working days and 4 Sundays. We were down 3 days for Independence Day, July 3-4-5.

No. 4 Gx3 was worked on a two shift basis and Drift west was worked on a one shift basis.

170 feet of advance were made in No. 4 Gx3. This was mostly transition rock with some spots of Aplite. There were 76 feet of timbering in this place.

70 feet of advance were made in drift west. This was in transition rock. 70 feet of timbering were done in this place.

Diamond Drill Hole No. 3 was completed to 500 feet. No. 5 Drill Hole was also completed to 500 ft.

8 feet of raise work were done to make enough room to drill holes No. 15 and 16 in the breast of No. 1 Gx3.

A. L. Orcelin

A. L. Orcelin, Manager

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

Budget Bureau No. 42-R1036.5

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

Month of June, 1958 Docket No. DMEA 4568 Contract No. DM-X 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y
Contract Amount, $510,500.00 Government Participation: 50 % Amount, $255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	2500.00	28715.00	31215.00			
Drill Sta.	533.16	2799.09	3332.25			
Crosscutting & Drift	11063.07	126403.35	137466.42			
Timber	764.10	6477.30	7241.40			
Analyses	300.00	3405.00	3705.00			
(2)						
Pen & Case	396.00	521.00	917.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	15556.33	168320.74	183877.07	15556.33	168320.74	183877.07

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

Date July 15 1958 *Payee Molybdenum Corp. of America

Per [signature] Title Manager

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

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

(Instructions on reverse)

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

$778.17

Signature [signature] (Authorized Certifying Officer)

Date 7/30/58 Vou. No. DMA 59-13

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IdmE1094 in accordance with the terms of the contract.

Signature W. K. Salsbury $1,178.17 Title Mining Engineer Date 7-24-58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature J. W. Sammond Title Alternate acting Executive Officer Date JUL 30 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED
AUG 4 1958
D.M.E.A.

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

Month of June 1958 Docket No. DMEA 4568 Contract No. DM-E 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				STAGE I				
Drifting & Crosscut	ft	0.00	-0-	44430.00	1000	44.43	1000	44.43
Drill Sta.	ft	533.16	12	2799.09	63	44.43	115	44.43
Timbering	ft	35.10	13	2616.40	932	2.70	1000	2.70
Analyses	Spl	150.00	50	2322.00	774	3.00	1100	3.00
Ream & Case	ft	396.00	396	645.00	645	1.00	500	1.00
Drilling: Core	ft	2500.00	500	29180.00	5836	5.00	9000	5.00
				STAGE II				
Drift Crosscut	ft	11063.07	249	93036.42	2094	44.43	6160	44.43
Drill Sta	ft	0.00	-0-	533.16	12	44.43	250	44.43
Timbering	ft	729.00	270	4725.00	1750	2.70	6160	2.70
Analyses	Spl	150.00	50	1383.00	461	3.00	3177	3.00
Ream-Case	ft	0.00	-0-	272.00	272	1.00	1000	1.00
Core Drill	ft	0.00	-0-	2035.00	407	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS		15556.33		183877.07				

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

REMARKS:

Date July 15, 1958 Operator Molybdenum Corporation of America

Per [signature] Title Manager

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION MADE JUL 31 1958

224 New Customhouse
Denver 2, Colorado

July 30, 1958

Memorandum

To: T. A. Christensen

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract No. Idm-E1094, Molybdenum Corporation of America (Moly or Questa Mine) Taos County, New Mexico - Operator's Monthly Progress Report for the month of June 1958

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Remarks:

Date of Report---------- July 15, 1958
Date Received in Field Office---------- July 21, 1958
Date Received in Region Office---------- July 24, 1958

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

MHM:jy

cc: Chmn. Op. Comm. (2)
DMEA,DFC
MF-104 File, Reg. III
Harshman - w/copy Engr's. report
Chron.

DMEA
DEPARTMENT OF THE INTERIOR

JUL 24 1958

REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
July 24, 1958

Memorandum

To: Acting Executive Officer, DMEA Field Team, Region III

From: M. H. Salsbury

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-E1094, Molybdenum Corp. of America (Moly or Questa mine) Taos County, N. M. -- Progress report for June 1958

Operations under the subject contract were inspected on July 17, 1958 by M. H. Salsbury in company with the operator's manager, A. L. Greslin.

Advance in the headings up to the day of inspection was in excess of the amounts claimed for June 1958. The face of the No. 4 XC S (Stage II) was at 148 feet beyond survey station 3216 or 87.5 feet beyond the point of advance claimed. The face of the Drift West (Stage II) was 78 feet beyond survey station 3217 or 24 feet beyond the point of advance claimed. NX core from diamond drill hole No. 9, 500 feet deep was examined and found to represent the footage claimed. Core recovery averaged only 6.54 percent.

Chemical analyses of 100 samples for MoS_2 were claimed. No claim was made for 34 chemical analyses of drill core. Preparation of drill stations for holes Nos. 15 and 16, next to be drilled, in the amount of 8 feet, and for hole No. 3 now being drilled, in the amount of 4 feet is claimed.

All work was done in accordance with the fixed cost contract, amendments thereto, and work approvals, and is within contract maximums.

CONTRACT MEASUREMENTS
Stage II

No. 4 XC South, face 7/17/58 at station 3216 + 148 feet	
Face 6/30/58, station 3216 +	60.5 ft.
station 3214 to station 3215	65.0 ft.
station 3215 to station 3216	51.5 ft.
	177.0 ft.
Face 5/31/58, station 3214 +	38.0 ft.
Claimed for No. 4 XC South in June 1958	139.0 ft.
Total length No. 4 XC S from start -- 1008 ft.	

C O N T E N T S
May 1950

1. Narrative Report
2. Form - MF-104A
3. Form - MF-104
4. Geology Map No. 4 CxS
5. Geology Map Dft W
6. Progress and Timber Map No. 4 CxS
7. Progress and Timber Map Dft W
8. Chip Assay Map - No. 4 CxS
9. Chip Assay Map - Dft W
10. Core Log - Drill Hole No. 4
11. Core Log - Drill Hole No. 10
12. Drill Hole Map - Drill Hole No. 4
13. Drill Hole Map - Drill Hole No. 10

NARRATIVE REPORT FOR MAY 1958

Questa, New Mexico
June 14, 1958

Mr. W. H. King, Executive Officer, DMEA
Defense Minerals Exploration Administration
324 New Customhouse
Denver 2, Colorado

Dear Sir:

During the period May 1 through 31, 1958 there were 27 working days and 4 Sundays. There were 27 days worked in the mine.

No. 4 Cx3 was worked on a two shift basis and Drift West was worked on a one shift basis.

225 feet of advance were made in No. 4Cx3. This was in Redrock for the first 175 feet with a small zone of Transition Rock at about 100 feet, then Transition rock the last 50 feet. 182 feet of this was timbered.

141 feet of advance were made in drift west. This was in Transition rock. 76 feet of this was timbered.

Two diamond drill holes were completed during this month. Drill Hole No. 4 was completed to 500 feet and drill hole No. 10 was completed to 500 feet. Both of these holes were in Stage I of the contract.

A. L. Oreslin

A. L. Oreslin, Manager

DMEA
DEPARTMENT OF THE INTERIOR
JUN 18 1958
REGION III
DENVER, COLORADO

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

Budget Bureau No. 42-R1036.5

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

RECEIVED JUN 4 1958

Month of April 1958 Docket No. DMEA 14568 Contract No. IDI-21094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue - New York 22, N Y
Contract Amount, $510,500.00 Government Participation: 50 Amount, $255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	0.00	23715.00	23715.00			
~~Bulldozing~~ Drill Sta.	355.44	2443.65	2799.09			
Crosscutting & Drifting	14484.18	95657.79	110141.97			
~~Mining~~ Timber	437.40	5397.30	5834.70			
Analyses	201.00	2685.00	2886.00			
(2) ~~Labor and Supervision~~:						
~~Labor~~ Beam & Case	0.00	521.00	521.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	15478.02	130419.74	145897.76	15478.02	130419.74	145897.76

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

Date 5/15/58 *Payee Molybdenum Corporation of America

Per R. L. Greenlin Title Manager

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

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

(Instructions on reverse)

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

$ 7739.01

Signature RCa
(Authorized Certifying Officer)

Date 5/26/58 Vou. No. DMA-58-126

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 1094 in accordance with the terms of the contract.

Signature W. W. Winkel Title Mining Engineer Date May 21, 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature E. N. Hashman Title for acting Executive Officer Date MAY 22 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R-1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED JUN 1958 D.M.E.A.

Month of April 195 8 Docket No. DMEA 456 Contract No. [illegible]-M1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue, New York 22, N Y

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				STAGE I				
Drifting & Crosscut	ft	0.00	-0-	44430.00	1000	44.43	1000	44.43
Drill Sta.	ft	355.44	8	2265.33	51	44.43	115	44.43
Timbering	ft	0.00	-0-	2481.30	919	2.70	1000	2.70
Analyses	spl	0.00	-0-	1872.00	624	3.00	1100	3.00
Ream & Case	ft	0.00	-0-	249.00	249	1.00	500	1.00
Drilling: Core	ft	0.00	-0-	21680.00	4336	5.00	9000	5.00
				STAGE II				
Drift XXX Crosscut	ft	14434.18	326	65711.97	1479	44.43	6160	44.43
Drill Sta.	ft	0.00	-0-	533.16	12	44.43	250	44.43
Timbering	ft	437.40	162	3353.40	1242	2.70	6160	2.70
Analyses	spl	201.00	67	1014.00	338	3.00	3177	3.00
Ream Case	ft	0.00	-0-	272.00	272	1.00	1000	1.00
Core Drilling	ft	0.00	-0-	2035.00	407	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		19478.02		145597.76				

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, 1958 Operator Molybdenum Corp. of America

Per [signature] Title Manager

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

(Instructions on reverse)

REMARKS:

W. W. Winkel

(For Government use only)

DMEA
DEPARTMENT OF THE INTERIOR
MAY 19 1958
REGION III
DENVER, COLORADO

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION
MADE JUN 2 1958

DMEA
RECEIVED JUN 4 1958
DATE | INITIALS | GDO
6/5 Cam | 100
800

224 New Customhouse
Denver 2, Colorado
May 22, 1958

Memorandum

To: T. A. Christensen

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

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-E1094, Molybdenum Corporation of America, (Moly or Questa mine) Taos County, New Mexico - Operator's Monthly Progress Report for the Month of April, 1958

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Remarks:

Date of Report----------May 15, 1958
Date Received in Field Office----------May 20, 1958
Date Received in Region Office----------May 22, 1958

Original signed by
J. W. TOWNSEND
for E. N. Barshman

Enclosures

JDC:hmb

cc: Chmn. Op. Comm. (2)
DMEA/DFC
MF-104 file, Reg. III
Barshman - w/copy Engr's report
Chron

REGION III

DMEA
DEPARTMENT OF THE INTERIOR
MAY 22 1958
REGION III
DENVER, COLORADO

Building 20
Denver Federal Center
Denver 2, Colorado
May 22, 1958

Memorandum

To: Acting Executive Officer, DMEA Field Team, Region III

From: W. W. Winkel

Subject: Docket DMEA 4568 (Molybdenum) Contract Ida-E1094, Molybdenum Corporation of America (Moly or Questa mine) Taos County, New Mexico -- Progress report for April 1958

Inspection of the completed work for April 1958 was made on May 14, 1958, in company with A. L. Greslin, manager for the operator.

On the day of inspection all reported work units were completed well in advance of the claims for April 1958. No. 5 XC-S was advanced 67.3 feet or 5.3 feet beyond the 400 foot length authorized, and 61 feet of timbering completed. No. 4 XC-S was advanced 207 feet, and 72 feet of timbering completed. Drift West was advanced 57 feet, and 29 feet of timbering completed. Raising at drill station E-1400 (drill hole #10) totaled 8 feet. The chemical assays, as shown on assay maps total 67.

CONTRACT MEASUREMENTS

No. 4 XC-South			
Sta. #3205	- To Face of Drift	18 ft.	4/1/58
"	- End of Timber	8 ft.	"
"	- #3207	131.20	
#3207	- #3210	52.07	
#3210	- To Face of Drift	41.7	5/1/58
"	- End of timber	35.2	"
No. 5 XC-South			
Sta. #3206	- To Face of Drift	26.0	4/1/58
"	- End of Timber	18.0	"
"	- To Face of Drift	93.3	5/1/58
"	- End of Timber	79.0	"
Drift West			
Sta. #3187	- Face of Drift	30.0	4/1/58
"	- #3208	26.32	
#3208	- #3209	47.69	
#3209	- To Face of Drift	19.5	5/1/58
"	- End of Timber	5.5	"

The operator has submitted a narrative report in quintuplicate with maps showing extent of drifting, timbering, sampling & assays, and geologic structures, Forms MF-104 and 104A for Stages I and II. Other documentation to support this claim is not required by the contract.

Payment of $7,739.01 or 50 percent of the amount claimed $15,478.02 is recommended by the inspecting engineer.

W. W. Winkel
Mining Engineer

WWW/mw
cc: 6
Idm-E1094
chron

NARRATIVE REPORT FOR APRIL 1958

Questa, New Mexico
May 15, 1958

Mr. W. H. King, Executive Officer, DMEA
Defense Minerals Exploration Administration
234 New Customhouse
Denver 2, Colorado

Dear Sir:

During the period April 1 through April 30, 1958 there were 28 working days and 5 Sundays. There were 26 days worked in the mine.

No. 4 CrS was worked on a two shift basis; No. 5 CrS and drift west was worked on a one shift basis.

207 feet of advance were made in No. 4 CrS. This was in Transition Rock then Redrock and then Transition Rock. (see Geology map). 76 feet of this was timbered.

67 feet of advance were made in No. 5 CrS. This completed the 400 feet approved for this crosscut. We are reporting 62 feet of work as the 67 feet made it 405 feet total. This was in transition rock. 66 feet of timbering were done in this place.

57 feet of advance were made in drift west. This was in Porphyry. 30 feet of this was timbered.

There were 8 feet of raising in the diamond drill station at coordinate E 1400

No diamond drill holes were finished this month.

A. L. Greslin, Manager

DMEA
DEPARTMENT OF THE INTERIOR
MAY 19 1958
REGION III
DENVER, COLORADO

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

REVISED

OPERATOR'S MONTHLY REPORT AND VOUCHER

REVISED

RECEIVED MAY 19 1958 D.M.E.A.

Month of March, 1958 Docket No. DMEA 4568 Contract No. IDM-E1094
Operator's Name Molybdemum Corporation of America Minerals Molybdemum
Address 375 Park Aveme New York 22, N Y
Contract Amount, $ 510,500.00 Government Participation 50% Amount $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	4120.00	19595.00	23715.00			
Drill Sta	533.16	1910.49	2443.65			
Crosscutting & Drifting	12084.96	83572.83	95657.79			
Timber	772.20	4625.10	5397.30			
Analyses	411.00	2274.00	2685.00			
(2) Ream & Case	447.00	74.00	521.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	18368.32	112051.42	130419.74	19498.32	116086.87	130419.74

D 5165.45

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

Date 4/30/58 *Payee Molybdemum Corp. of America

Per [signature] Title Manager

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: 110921.42

$ 9,749.16

Signature RRQ (Authorized Certifying Officer)

Date 5/13/58 Vou. No. DMA-58-121

(See other side)

D Previously disallowed

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-1094 in accordance with the terms of the contract.

Signature W. W. Winkel Title Mining Engr. Date May 5, 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature E. M. Hawkins Title acting Executive Officer Date MAY 8 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED MAY 19 1958 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

REVISED

OPERATOR'S UNIT COST AND PROGRESS REPORT

REVISED

Month of March 1958 Docket No. DMEA 4568 Contract No. IDM E 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				STAGE I				
Drifting & Crosscut	ft	0.00	0	44430.00	1000	44.43	1000	44.43
Drill Sta.	ft	533.16	12	1910.49	43	44.43	115	44.43
Timbering	ft	13.50	5	2481.30	919	2.70	1000	2.70
Analyses	Spl	126.00	42	1872.00	624	3.00	1100	3.00
Ream & Case	ft	175.00	175	249.00	249	1.00	500	1.00
Drilling: Core	ft	2085.00	417	21680.00	4336	5.00	9000	5.00
				STAGE II				
Drift Crosscut	ft	12084.96	272	51227.79	1153	44.43	6160	44.43
Drill Sta.	ft	0.00	0	533.16	12	44.43	250	44.43
Timbering	ft	758.70	281	2916.00	1080	2.70	6160	2.70
Analyses	Spl	285.00	95	813.00	271	3.00	3177	3.00
Ream-Case	ft	272.00	272	272.00	272	1.00	1000	1.00
Core Drill	ft	2035.00	407	2035.00	407	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		18368.32		130419.74				

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 30, 1958 Operator Molybdenum Corp. of America

Per [signature] Title Manager

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

(Instructions on reverse)

REMARKS:

[signature]

(For Government use only)

DMEA
DEPARTMENT OF THE INTERIOR
MAY 1 - 1958
REGION III
DENVER, COLORADO

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION

MADE MAY 15 1958

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative Audit Difference Statement

[redacted]

Date: [redacted]
Payee's Reference: [redacted]

[redacted]

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ [redacted]

Difference $ [redacted]

Amount Approved $ [redacted]

RECEIVED MAY 19 1958

DATE		CODE
5/19	Com	100
		800

The reason for the difference was due to:

[redacted]

1. [redacted]
2. [redacted] per foot 70.00
3. [redacted] ..... [redacted]

[redacted] ..... [redacted]

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

[redacted] Randel R. Cooper
[redacted] Fiscal Officer, Region III

R-III-B & F Form No. 4
4-15-52 D

224 New Customhouse
Denver 2, Colorado
May 8, 1958

Memorandum

To: T. A. Christensen

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

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-R1094, Molybdenum Corporation of America, (Moly or Questa mine) Taos County, New Mexico - Operator's Monthly Progress Report for the month of March, 1958

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator on the following basis, contingent on your verification of applicable rates and arithmetical accuracy within the report.

Reinstatement

Hole No. 13A has now been approved by the Government; therefore, the following related costs previously disallowed in conjunction with processing the December 1957 voucher are to be reinstated as follows:

Reinstate:

1. Reported cost for 200 feet of drilling at $5.00 per foot ---------- $1000.00
2. Reported cost for 70 feet reaming and casing at $1.00 per foot ---------- 70.00
3. Reported cost for 20 analyses at $3.00 per sample -- 60.00

Total amount to be reinstated ---------- $1130.00

Reconciliation With Amount Reported by the Operator on Form MF-104 for March, 1958

Amount reported on Form MF-104 for March, 1958	$18,368.32
Amount to be reinstated	1,130.00
Acceptable cost	19,498.32
Government participation at 50 percent	$ 9,749.16

Remarks:

Date of Report	April 30, 1958
Date Received in Field Office	May 2, 1958
Date Received in Region Office	May 7, 1958

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2)
DMEA/DFC
MF-104 file, Reg. III
Harshman) w/copy Engr's
Townsend) Report
Chron

REGION III

DMEA
DEPARTMENT OF THE INTERIOR
MAY 7 1958
REGION III
DENVER, COLORADO

Building 20
Denver Federal Center
Denver 2, Colorado
May 6, 1958

Memorandum

To: Acting Executive Officer, DMEA Field Team, Region III

From: W. W. Winkel
E. W. Buel

Subject: Docket DMEA 4568 (Molybdenum) Contract Idm-E 1094, Molybdenum Corporation of America (Moly or Questa mine) Taos County, New Mexico -- Progress report for March 1958

Inspection of the work completed during the report period of March 1958 was made on April 16, 1958 by E. W. Buel, Bureau of Mines engineer; he was accompanied by A. L. Greelin, manager for the operator.

On the day of inspection all drifting, timbering, drilling, and sampling were well in advance of the footages reported for March 1958. Drifting in the 4 XC-South was advanced 132 feet, and 141 feet of timbering was placed. No. 5 XC-South was advanced 140 feet, and 140 feet of timbering was placed. One set of timber, 5 feet, was placed in West drift at 10 feet east of Station #3181 under Stage I. Diamond core drilling totaled 824 feet which also involved 447 feet of reaming and casing. Chemical assays totaled 120, as per check of assay maps of crosscuts and drill holes.

The operator's narrative report states that 924 feet of diamond drilling was completed. The correct total for drill holes Nos. 7 and (18) 5 XC-South should be 824 feet.

Forms MF-104 and 104A, under the columns "Cost to Date" and "Units to Date" show the revised and corrected totals for work on old 5 XC-South disallowed by memorandum dated March 18, 1958.

DMEA drill hole 13A, disallowed by memorandum dated March 18, 1958, was later approved as being completed by letter to the operator dated April 17, 1958. Therefore, the following items, not claimed for the March reporting period, are recommended for inclusion in this claim:

200 feet diamond core drilling at $5.00 ft.	$1,000.00
70. feet ream and case hole at $1.00 ft.	70.00
20 assays at $3.00 ea.	60.00
Total reinstated costs on drill hole 13A	$1,130.00

Tabulation of contract measurements, corrected to the claimed footages to March 31, 1958, follows:

No. 4 XC-South		
Sta. #3205	- To face of drift	18 ft.
" "	- End of timbering	8 ft.
" "	- To face of W. drift	34 ft.
" "	- End of timbering, W. drift	29 ft.
No. 5 XC-South		
Sta. #3206	- To face of drift	26 ft.
" "	- End of timbering	18 ft.
Drift West		
Sta. #3187	- To face of drift	30 ft.
" #3180	- To west post of 5 ft. set	138 ft.
No. 5 XC-North		
Sta. #3191	- To face of drift	94 ft.
" "	- End of timbering	92 ft.

The operator has submitted a narrative report in quintuplicate with maps showing extent of drifting, timbering, chip sampling and assays, and geologic structures, revised forms MF-104 and 104A for Stages I and II, logs and assay logs for drill holes Nos. 7 and 18. Other documentation to support this claim is not required by the contract.

Payment of $9,749.16 or 50 percent of the amount claimed $18,368.32, plus the amount withheld for completed drill hole 13A, $1,130.00, is recommended by the examining engineer.

W. W. Winkel
W. W. Winkel
Mining Engineer

H. M. Terrones
for E. W. Buel
Mining Engineer

WWW/mw
cc: 6
Idm-E1094
chron

NARRATIVE REPORT FOR MARCH 1958

Questa, New Mexico
April 15, 1958

Mr. W. H. King, Executive Officer, DMEA
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Dear Sir:

During the period March 1 through March 31, 1958, there were 26 working days and 5 sundays.

No. 4 CxS was worked on a two shift basis. No. 5 CxS was worked on a one shift basis.

132 feet of advance were made in No. 4 CxS. This was in transition rock, with some MoS_2 showing. 141 feet of timbering were done in this place. There was more MoS_2 showing after we went through the Porphyry.

140 feet of advance were made in No. 5 CxS. This was in transition rock. There were 140 feet of timbering in this place.

There were 12 feet of raising done during the month in stage I. 8 feet in drill station at E-1600 and 4 feet in the drill station at E-1800.

5 feet of timbering were done in Stage I, drift west.

924 feet of diamond drilling were done. Of this there were 417 feet in drill hole No. 7 and 407 feet in drill hole No. (18) old No. 5 CxS. 3 feet of core was lost in the hole when the rods stuck.

447 feet of reaming and casing were done. Of this there were 272 feet in drill hole No. (18) 5 CxS and 175 feet in drill hole No. 7.

A. L. Greslin

A. L. Greslin, Manager

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

Budget Bureau No. 42-R1036.5

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

Month of February, 1958 Docket No. DMEA 4568 Contract No. DMI-D 1094
Operator's Name Molybdenum Corp. of America Minerals Molybdenum
Address 500 Fifth Avenue, New York 18, N Y
Contract Amount, $510,500.00 Government Participation: 50 % Amount, $255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	5000.00	14595.00	19595.00			
~~Bulldozing~~ Stations	177.72	1732.77	1910.49			
~~Crosscutting~~ Timber	726.30	4106.70	4833.00			
Drifting	12440.40	74908.98	87349.38			
Analyses	468.00	1857.00	2325.00			
(2) ~~Labor and Supervision~~:						
Labor ~~Rem & Casing~~	-0-	74.00	74.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	18812.42	97274.45	116086.87	18,812.42	97,274.45	116,086.87
				D 5,165.45	D 5,165.45	

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

Date 3/15/58 *Payee Molybdenum Corp. of America

Per [signature] Title Manager

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: 92,109.00 110,921.42

$ 9406.19

Signature [signature]
(Authorized Certifying Officer)

Date 4/1/58 Voucher No. DMA 58-105

(See other side)

Currently disallowed

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMA-E1094 in accordance with the terms of the contract.

Signature Edward W. Buel $9406.21 Title Mining Engr Date 3/25/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Checked for Engineering Allowability

Signature [illegible] Title acting Executive Officer Date MAR 27 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

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

Month of February 1958 Docket No. DMEA 4568 Contract No. DMI-D 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 500 Fifth Avenue, New York 18, N Y

OPERATION Stage II	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting and Crosscutting	ft	12440.40	280	42919.38	966	44.43	6160	44.43
Raising D.D. Stations	ft	177.72	4	533.16	12	44.43	250	44.43
~~xxxx~~ Timbering	ft	707.40	262	2365.20	876	2.70	6160	2.70
~~xxxx~~ Abalyses	ea	168.00	56	579.00	193	3.00	3177	3.00
Drilling: Core	ft	-0-	-0-	-0-	-0-	5.00	19500	5.00
~~xxxx~~ Churn Cleaning and ~~xxxx~~ Auger Casing	ft	-0-	-0-	-0-	-0-	1.00	1000	1.00
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		13493.52		46396.74				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS								

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 3/15/58 Operator Molybdenum Corp. of America

Per [signature] Title Manager

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Edward W Buel

INSTRUCTIONS

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

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

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

GPO 872894

Form MF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1958 Docket No. DMEA 4568 Contract No. DMC-D 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 500 Fifth Avenue, New York 18, N Y

OPERATION Stage I	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting and								
Crosscutting	ft	-0-	-0-	44430.00	1000	44.43	1000	44.43
Raising D.D. Stations	ft	-0-	-0-	1377.33	31	44.43	115	44.43
Timbering	ft	18.90	7	2467.80	914	2.70	1000	2.70
Analyses	ea	300.00	100	1746.00	582	3.00	1100	3.00
Drilling: Core	ft	5000.00	1000	19595.00	3919	5.00	9000	5.00
Reaming and Casing	ft	-0-	-0-	74.00	74	1.00	500	1.00
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		5318.90		69690.13				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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 3/15/58 Operator Molybdenum Corp. of America

Per [signature] Title Manager

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Edward W. Buel

DMEA
DEPARTMENT OF THE INTERIOR
MAR 18 1958
REGION III
DENVER, COLORADO

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION

MADE APR 2 1958

224 New Customhouse
Denver 2, Colorado
March 27, 1958

4/4 Com

Memorandum

To: T. A. Christensen

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

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-E1094, Molybdenum Corporation of America, (Moly or Questa mine) Taos County, New Mexico - Operator's Monthly Progress Report for the Month of February, 1958

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Remarks:

Date of Report----------March 15, 1958
Date Received in Field Office----------March 19, 1958
Date Received in Region Office----------March 26, 1958

Original signed by
E. N. HARSHMAN
E. N. Harshman

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2)
DMEA/DFC
MF-104 file, Reg. III
Harshman - w/copy Engr's Report
Chron

DMEA
DEPARTMENT OF THE INTERIOR

MAR 26 1958

REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
March 25, 1958

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: Edward W. Buel

Subject: Docket DMEA 4568 (Molybdenum) Contract Idm-E1094,
Molybdenum Corporation of America (Moly or Questa mine)
Taos County, N. M. -- Progress report for February 1958

An inspection of the subject property was made on March 11, 1958, by R. U. King, Geological Survey, and the writer. The inspecting team was accompanied by Mr. A. L. Greslin, manager.

The new work units checked during the inspection of March 11, 1958, consisted of work in the No. 5 XC-north, No. 4 XC-south, No. 5 XC-south, diamond drilling in the "old" No. 5 XC-south, and other work areas.

The total new work units verified 1/ are tabulated as follows:

No. 5 XC-north
Sta. 3191 to face of drift - 93 ft.
Sta. 3191 to end of timbering - 91 ft.

No. 5 XC-south
Sta. 3204 to face of drift - 110 ft.
Sta. 3204 to end of timbering - 102 ft.

No. 4 XC-south
Sta. 3203 to face of drift - 122 ft.
Sta. 3203 to end of timber - 109 ft.

D. D. No. 6
Bottomed at 500 ft.
Estimated core recovery 6%

D. D. No. 8
Bottomed at 500 ft.
Estimated core recovery 55%

Hole in "old" No. 5 XC-south
Hole down to 407 ft.
Core recovery - not known

1/ As of 3/11/58

The operator asks payment for the following items in his MF-104's for February 1958:

Stage I
Drifting and crosscutting - none
Diamond drill stations - none
Timbering - 7 ft.

Analyses - 100
Core drilling - 1000 ft.
Reaming - none
Casing - none

Stage II
Drifting and crosscutting - 280 ft.
Diamond drill stations - 4 ft.
Timbering - 262 ft.

Analyses - 56
Core drilling - none
Reaming - none
Casing - none

All of the units claimed by the operator are recommended for payment. The operator requests payment for $18,812.42 of which the Government's share at 50% is $9,406.21.

A number of disallowances were made on the vouchers for December 1957 and January 1958. These disallowances were made after the operator submitted his current MF-104's. Therefore, the total units to date and costs to date were not adjusted by the operator.

Edward W. Buel

Edward W. Buel
Mining Engineer

EWB/ew
cc: 6
Idm-E1094
chron

NARRATIVE REPORT FOR FEBRUARY 1958

DMEA
DEPARTMENT OF THE INTERIOR

MAR 18 1958
REGION III
DENVER, COLORADO

Questa, New Mexico
March 15, 1958

Mr. W. H. King, Executive Officer, DMEA
Defense Minerals Exploration Administration
234 New Customhouse
Denver 2, Colorado

Dear Sir;

During the period February 1 through February 28, 1958, there were 24 working days and 4 Sundays.

The No. 4 Crosscut South was worked on a two shift basis. No. 5 Crosscut south was worked on a one shift basis.

153 feet of advance was made in the No. 4 crosscut south. This was in Porphyry and transition rock with some Mos2 showing. 141 feet of this was timbered.

137 feet of advance was made in No. 5 crosscut South. This was in transition rock. 121 feet of this was timbered.

7 feet of timbering were done in Stage I in the drift West. (See advance & Timber Map)

4 feet of raise work were done in the old No. 5 Cxs stub to make more room for diamond drilling.

Diamond Drill Hole No. 6 was completed to 500 feet and Hole No. 8A was completed to 500 feet. See Drill log and maps.

A. L. Greslin

A. L. Greslin, Manager

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

Budget Bureau No. 42-R1036.5

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

RECEIVED MAR 24 1958

Month of January, 1958 Docket No. DMEA 4568 Contract No. DM-E 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 500 Fifth Avenue, New York 18, N Y
Contract Amount, $510,500.00 Government Participation 50 % Amount, $255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	2315.00	12280.00	14595.00			
~~Building~~ D.D. Stations	-o-	1732.77	1732.77			
~~Crosscutting~~ Timber	747.90	3358.80	4106.70			
Drifting	11907.24	63001.74	74908.98			
Analyses	348.00	1509.00	1857.00			
(2) ~~Labor and Supervision:~~ ~~Labor~~ Ream & Casing	-o-	74.00	74.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	15318.14	81956.31	97274.45	15,267.14	81,956.31	97,223.45

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 2/15/58 *Payee Molybdenum Corp. of America
Per [signature] Title Manager

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

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

1) M.L. adjustment
2) Previously disallowed

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
~~25,114.45~~ 15,114.45
76,841.90 92,109.04
$ 7,633.57

Signature RRC
(Authorized Certifying Officer)

Date 3/19/58 Vou. No. DMA-58-100
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Dem-2104 in accordance with the terms of the contract.

Signature Edmund W. Bud $7650.07 Title Mining Engr. Date 3/13/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W H King Title Executive Officer Date MAR 18 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED MAR 24 1958 D.M.E.A.

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

Month of January 1958 Docket No. DMEA 4568 Contract No. IDM-III094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 500 Fifth Avenue, New York 18, N.Y.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Stage I and								
Drifting								
Crosscutting	ft	-0-	-0-	44430.00	1000	44.43	1000	44.43
Raising D.D. Stations	ft	-0-	-0-	1377.33	31	44.43	115	44.43
~~Shafts~~ Timbering	ft	24.30	9	2448.90	907	2.70	1000	2.70
~~Winzes~~ Analyses	ea	138.00	46	1446.00	482	3.00	1100	3.00
Drilling: Core	ft	2315.00	463	14595.00	2919	5.00	9000	5.00
~~Churn~~ Reaming & ~~Auger~~ Casing	ft	-0-	-0-	74.00	74	1.00	500	1.00
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		2477.30		64371.23				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								

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

Date 2/15/58 Operator Molybdenum Corp. of America

Per [signature] Title Manager

Remarks:

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

(Instructions on reverse)

(For Government use only)

Edward W. Buel

INSTRUCTIONS

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

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

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

GPO 872894

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED MAR 24 1958 D.M.E.A.

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

Month of January 1958 Docket No. DMEA 4568 Contract No. ID M E-1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 500 Fifth Avenue, New York 18, N Y

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Stage II								
Drifting and								
Crosscutting	ft	11907.24	268	30478.98	686	44.43	6160	44.43
Raising D.D. Stations	ft	-0-	-0-	355.44	8	44.43	250	44.43
~~Shafts~~ Timbering	ft	723.60	268	1657.80	614	2.70	6160	2.70
~~Winzes~~ Analyses	ea	210.00	70	411.00	137	3.00	3177	3.00
Drilling: Core	ft	-0-	-0-	-0-	-0-	5.00	19500	5.00
~~Churn~~ Reaming &								
~~Auger~~ Casing	ft	-0-	-0-	-0-	-0-	1.00	1000	1.00
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		12840.84		32903.22				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS								

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

Date 2/15/58 Operator Molybdenum Corp. of America

Per [signature] Title Manager

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Edward W. Buel

INSTRUCTIONS

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GPO 872894

FINAL DISTRIBUTION

MADE MAR 21 1958

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative Audit Difference Statement

Molybdenum Corporation of America
500 Fifth Avenue
New York 18, New York

Date: March 21, 1958
Payee's Reference: January 1958

Gentlemen:

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed	$	15,318.14
Difference	$	51.00
Amount Approved	$	15,267.14

The reason for the difference was due to:

Disallowance, Chemical Analyses

A review of the sample data indicates that a total of 116 samples were analyzed during the period; however, 17 of the samples reported for Stage II were taken in an unauthorized concent, and therefore are not allowable. The reported cost for 17 assays is disallowed.

Disallowed, reported cost for 17 assays at $3.00 ---------- $51.00

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

RECEIVED MAR 24

DATE		
3/27	Com	10.0
		800

R-III-B & F Form No. 4
4-15-52 D

224 New Customhouse
Denver 2, Colorado
March 18, 1958

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-E1094, Molybdenum Corporation of America, (Moly or Questa mine) Taos County, New Mexico - Operator's Monthly Progress Report for the month of January, 1958

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

Except as otherwise indicated below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator on the following basis, contingent on your verification of applicable rates and arithmetical accuracy within the report.

Disallowance, Chemical Analyses

A review of the sample data indicates that a total of 116 samples were analyzed during the period; however, 17 of the samples reported for Stage II were taken in an unauthorized crosscut, and, therefore are not allowable. The reported cost for 17 assays is to disallowed.

Disallow, reported cost for 17 assays at $3.00------ $ 51.00

Reconciliation with Amount Reported by the Operator on Form MF-104 for January, 1958

Amount reported on Form MF-104 for January 1958----------$15,318.14
Amount to be disallowed---------- 51.00

Acceptable cost for January, 1958---------- 15,267.14

Government participation at 50 percent----------$ 7,633.57

Note: Disallowances recommended in this memorandum differ from the recommendations contained in the engineer's report because of additional disallowance of analyses in "Old" No. 5 cross-cut South.

Remarks:

Date of Report----------February 15, 1958
Date Received in Field Office----------February 25, 1958
Date Received in Region Office----------March 13, 1958
Reason for delay: Processing delayed due to prolonged illness by DMEA engineer assigned to the project.

Original signed by
W. H. KING
W. H. King

Enclosures

JDC:hsh

cc: Chmn. Op. Comm. (2)
DMEA/DFC
MF-104 file, Reg. III
Harshman } w/copy of
Townsend } Engr's report
Chron

DMEA

RTMENT OF THE INTERIOR

REGION III

MAR 13 1958

REGION III
DENVER, COLORADO

Building 20
Denver Federal Center
Denver 2, Colorado
March 13, 1958

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: Edward W. Buel

Subject: Docket DMEA 4568 (Molybdenum) Contract Idm-21094, Molybdenum Corporation of America (Moly or Questa mine) Taos County, N. M. -- Progress report for December 1957 -- January 1958

At the request of the Field Team, an inspection of the subject property was made by R. U. King, Geological Survey, and the writer on March 11, 1958. During the course of the inspection, the examiners were accompanied by A. L. Greslin, general manager. The last inspection made of the property was conducted during a period from January 9 to 14, 1958, by W. W. Winkel, Bureau of Mines. Shortly after his visit, Mr. Winkel became ill, which has resulted in the operator's MF-104's for December 1957 and January 1958 not being processed. The work units claimed by the operator were checked by the writer during the last inspection, or are verified from other sources of information.

The new work units checked during the inspection of March 11, 1958, consisted of work in the No. 5 XC-north, No. 4 XC-south, No. 5 XC-south, diamond drilling in the "old" No. 5 XC-south, and other work areas.

The total new work units verified 1/ are tabulated as follows:

No. 5 XC-north
Sta. 3191 to face of drift - 93 ft.
Sta. 3191 to end of timbering - 91 ft.

No. 5 XC-south
Sta. 3204 to face of drift - 110 ft.
Sta. 3204 to end of timbering - 102 ft.

No. 4 XC-south
Sta. 3203 to face of drift - 122 ft.
Sta. 3203 to end of timber - 109 ft.

1/ As of 3/11/58

D. D. No. 6
Bottomed at 500 ft.
Estimated core recovery 6%

D. D. No. 8
Bottomed at 500 ft.
Estimated core recovery 55%

Hole in "old" No. 5 XC-south
Hole down to 407 ft.
Core recovery - not known

The operator requests reimbursement for the following items:

104's for December 1957
Stage I
Timbering - 6 ft. Core drilling - 620 ft.
Analyses - 62 Reaming and casing - 70 ft.

Stage II
Drifting and crosscutting - 307 ft. Analyses - 44
D. D. Stations - 8 ft. Timbering - 283 ft.

All of these units are recommended for payment except for a disallowance of 85 feet of drifting and 77 feet of timbering performed in an unauthorized drift, referred to as the "old" No. 5 XC-south, under Stage II. The operator requests payment for $18,263.75 of which $3,984.45 is recommended for disallowance making a remainder of $14,279.30. Of this latter amount, the Government's share at 50% is $7,139.65.

104's for January 1958
Stage I
Timbering - 9 ft. Core drilling - 463 ft.
Analyses - 46

Stage II
Drifting and crosscutting - 268 ft. Analyses - 70
Timbering - 268 ft.

All of the above units are recommended for payment except for 6 analyses which are not accounted for on the assay maps and drill log. It should be noted that the operator did not distribute his sample analyses properly with respect to Stages I and II. From the operator's supporting maps and drill log, the analyses should be distributed 86 under Stage I and 24 under Stage II. Previous month's disallowances for drifting and crosscutting and timbering were not made by the operator; hence his totals and amounts are in need of adjustment.

The operator requests reimbursement of $15,318.14 of which $18.00 is recommended for disallowance. The remainder is $15,300.14 of which the Government's share at 50% is $7,650.07.

Edward W. Buel

Edward W. Buel
Mining Engineer

EWB/mr cc: 6 Idm-E1094 chron

NARRATIVE REPORT FOR JANUARY 1958

Questa, New Mexico
February 15, 1958

Mr. W. H. King, Executive Officer, D.M.E.A.
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Dear Sir:

During the period January 1 through January 31, 1958 there were 27 working days. We worked 24 days. The mine was down three days to repair a broken axle on the main tunnel haulage motor, and were off four sundays.

The No. 4 CxS was worked on a two shift . The No. 5 crosscut north was worked on a one shift basis for part of the month then we stopped this place for a while to see if it would settle down a bit. It is very heavy ground, worse than the No. 2 crosscut north. We plan on going back in this place a little later. We moved the crew from No. 5 crosscut north to the No. 5 crosscut South.

There were 122 feet of advance in the No. 4 crosscut south. This was in Porphyry with some MoS_2 seams showing. 75 feet of advance were done in the No. 5 crosscut north. This was in transition rock with some small bunches of redrock showing in the last part. 71 feet of advance were done in No. 5 crosscut south. This was in transition rock with some MoS_2 showing.

79 feet of timber were put in the No. 5 crosscut north, 119 feet of timber were put in the No. 4 crosscut south and 70 feet of timber were put in No. 5 crosscut south.

There were 9 feet of timber put in the drift west in Stage I of the contract.

Diamond drill hole No. 2 CxN was drilled to a depth of 463 feet. We had to stop this hole. The ground kept squeezing in and we couldn't get the drill rods in or out of the hole.

All the chip samples were taken in all the places up through January 31, 1958.

DMEA
DEPARTMENT OF THE INTERIOR
FEB 24 1958
REGION III
DENVER, COLORADO

A. L. Greslin

A. L. Greslin, Manager

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

Budget Bureau No. 42-R1036.5

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

Month of December, 1957 Docket No. DMEA 4568 Contract No. IDM-E1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 500 Fifth Avenue, New York 18, N Y
Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	3100.00	9180.00	12280.00			
~~XXXXXX~~ DD Stations	355.44	1377.33	1732.77			
~~XXXXXXX~~ Timber	780.30	2578.50	3358.80			
Drifting	13640.01	49361.73	63001.74			
Analyses	318.00	1191.00	1509.00			
(2) ~~Independent Supervisions~~						
~~Labor~~ ~~XXXX~~ Reaming & Casing	70.00	4.00	74.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	18263.75	63692.56	81956.31	13,149.30	63692.56	76,841.86

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

Date January 15'58 Payee Molybdenum Corp. of America

Per A. [illegible] Title Manager

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: 63693.60 76841.90

$ 6,574.65

Signature RRC
(Authorized Certifying Officer)

Date 3/19/58 Vou. No. DMA-58-700
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 2da-E1094 in accordance with the terms of the contract.

Signature Edward W. Buel #7139.65 Title Mining Engr. Date 3/13/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature W H King Title Executive Officer Date MAR 18 1958

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

RECEIVED MAR 24 1958 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1957 Docket No. DMEA 4568 Contract No. IDM-E1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 500 Fifth Avenue, New York 18, N Y

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Stage I								
Drifting and Crosscutting	Ft	-0-	-0-	44430.00	1000	44.43	1000	44.43
Raising ~~D.D. Stations~~	ft	-0-	-0-	1377.33	31	44.43	115	44.43
Shafts ~~XXX Timbering~~	ft	16.20	6	2424.60	898	2.70	1000	2.70
Winzes ~~XXXX Analyses~~	ea	186.00	62	1308.00	436	3.00	1100	3.00
Drilling: Core	ft	3100.00	620	12280.00	2456	5.00	9000	5.00
Churn ~~XXXX Reaming &~~ Auger ~~XXXX Casing~~	ft	70.00	70	74.00	74	1.00	500	1.00
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		3372.20		61893.93				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								

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 1/15/58 Operator Molybdenum Corp. of America

Per A. L. Gresham Title Manager

Remarks:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

Edward W. Buck

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED MAR 24 1958 D.M.E.A.

Month of December 1957 Docket No. DMEA 4568 Contract No. IDM-E1094

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 500 Fifth Avenue, New York 18, N Y

OPERATION Stage II	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting and								
Crosscutting	ft	13640.01	307	18571.74	418	44.43	6160	44.43
Raising DD Stations	ft	355.44	8	355.44	8	44.43	250	44.43
~~Shafts~~ Timbering	ft	764.10	283	934.20	346	2.70	6160	2.70
~~Winzes~~ Analyses	ea	132.00	44	201.00	67	3.00	3177	3.00
Drilling: Core	ft	-0-	-0-	-0-	-0-	5.00	19500	5.00
~~Other~~ Reaming &								
~~Drilling~~ Casing	ft	-0-	-0-	-0-	-0-	1.00	1000	1.00
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		14891.55		20062.38				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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 January 15, 1958 Operator Molybdenum Corp. of America

Per [signature] Title Manager

REMARKS:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

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GPO 872894

FINAL DISTRIBUTION

MADE MAR 21 1958

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative Audit Difference Statement

[redacted]

Date: [redacted]
Payee's Reference: [redacted]

[redacted]

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed	$	[redacted]
Difference	$	[redacted]
Amount Approved	$	[redacted]

The reason for the difference was due to:

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

RECEIVED 24
DATE 3/24 Com 100 800

Timbering:

A total of 77 feet of timbering was set in the "Old" No. 5 cross-cut South. The reported cost for 77 feet of timbering is disallowed.

Disallowed reported cost for 77 feet timbering at $2.70 ---------- $207.90

Diamond Drilling:

Hole No. 13A was drilled to a depth of 200 feet, but was not completed because of caving. The contract stipulates that the Government will not contribute to the cost of an incompleted hole; therefore, the reported cost for 200 feet of diamond drilling is disallowed. (Hole No. 2, which was stopped at 420 feet is considered completed.)

Disallowed, reported cost for 200 feet diamond drilling at $5.00 per foot ---------- $1,000.00

Disallowed, reported cost for 70 feet casing in hole No. 13A at $1.00 per foot ---------- $ 70.00

Chemical Analyses:

Twenty core samples from hole No. 13A were analyzed for MoS_2. The hole is not completed; therefore, the analyses are not allowable.

Disallowed, reported cost for 20 analyses at $3.00 ------ $ 60.00

Total amount to be disallowed ---------- $5,114.45

224 New Customhouse
Denver 2, Colorado
March 18, 1958

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4563 (Molybdenum) Contract Idm-X1094, Molybdenum Corporation of America, (Moly or Questa mine) Taos County, New Mexico - Operator's Monthly Progress Report for the month of December, 1957

Enclosed are the original and four copies of Forms MF-104 and MF-104A, Operator's Narrative Report and supporting data for the above period. The engineer's report covering the December 1957, and January 1958, progress is attached to the January 1958, voucher.

Except as otherwise indicated below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator on the following basis, contingent on your verification of applicable rates and arithmetical accuracy within the report.

Disallowances

Drifting and Crosscutting:

The "Old" No. 5 cross-cut South was driven 85 feet at a location not approved by the Government, therefore, the reported cost for crosscutting in this crosscut is to be disallowed.

Disallow, reported cost for 85 feet crosscutting at $44.43----------$3,776.55

Timbering:

A total of 77 feet of timbering was set in the "Old" No. 5 cross-cut South. The reported cost for 77 feet of Timbering is to be disallowed.

Disallow, reported cost for 77 feet timbering at $2.70 ---------- $ 207.90

Diamond Drilling:

Hole No. 13A was drilled to a depth of 200 feet, but was not completed because of caving. The contract stipulates that the Government will not contribute to the cost of an incompleted hole, therefore, the reported cost for 200 feet of diamond drilling is to be disallowed. (Hole No. 2, which was stopped at 420 feet is considered completed).

Disallow, reported cost for 200 feet diamond drilling at $5.00 per foot ---------- 1000.00

Disallow, reported cost for 70 feet casing in hole No. 13A at $1.00 per foot ---------- 70.00

Chemical Analyses:

Twenty core samples from hole No. 13A were analysed for MoS_2. The hole is not completed, therefore, the analyses are not allowable.

Disallow, reported cost for 20 analyses at $3.00 --------- 60.00

Total amount to be disallowed ---------- $5114.45

Reconciliation with Amount Reported by the Operator on Form MF-104 for December, 1957

Amount reported on Form MF-104 for December, 1957 ----------	$18,263.75
Amount to be disallowed ----------	5,114.45
Acceptable cost for December, 1957 ----------	13,149.30
Government participation at 50 percent ----------	$ 6,574.65

Note: Disallowances recomended in this memorandum differ from the recommendations contained in the engineer's report because of additional disallowance of hole No. 13-A.

Remarks:

Date of Report----------January 15, 1958
Date Received in Field Office------January 20, 1958
Date Received in Region Office-----March 13, 1958
Reason for delay: Processing delayed due to prolonged illness by DMEA engineer assigned to the project.

Original signed by
W. H. KING

W. H. King

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2)
DMEA/DFC
MF-104 file, Reg. III
Harshman) w/copy of Engr's
Townsend) report
Chron

NARRATIVE REPORT FOR DECEMBER 1957

Questa, New Mexico
January 15, 1958

Mr. W. H. King, Executive Officer, D.M.E.A.

Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
JAN 17 1958
REGION III
DENVER, COLORADO

Dear Sir:

During the period, December 1 through December 31, 1957 there were twenty three working days in the mine. There were five Sundays off and three days for Christmas holiday.

The west drift and No. 4 crosscut south were worked on a two shift basis.

No. 5 crosscut north was worked on a one shift basis.

There were 97 feet of advance in drift west. This was all in Porphyry rock containing some visible MoS_2. 94 feet of advance were done in No. 5 crosscut north. This was in Transition rock and very heavy ground. Most of the timber sets had to be doubled. 31 feet of advance were done in No. 4 Crosscut South. This was in Porphyry.

94 feet of timber were put in the drift west. 6 feet of this was in stage 1. 92 feet of timber were put in No. 5 Crosscut North. 26 feet of timber were put in No. 4 crosscut South.

Diamond drill hole No. 13-A was drilled to a depth of 200 feet and had to be stopped. The drillers hit loose ground at 50 to 70 feet and had to case it to 70 feet, then hit more loose ground at the end of this hole and couldn't go any deeper.

Diamond drill hole No. 2 was drilled to a depth of 420 feet when it had to be stopped. They hit caving ground that kept caving in to the hole and couldn't get their rods in or out.

No. 5 crosscut south was completed in to 85 feet before it was stopped and changed to coordinate 400 E. It has 77 feet of timber and 8 feet of raise work for drilling the down hole in Stage II, of the diamond drilling contract.

A. L. Greslin

A. L. Greslin, Manager

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1957 Docket No. DMEA 4560 Contract No. IDM-E1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 500 Fifth Avenue, New York 18, N.Y.
Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	2500.00	6680.00	9180.00			
~~[illegible]~~ D. D. Station	-0-	1377.33	1377.33			
~~[illegible]~~ Timber	604.80	1973.70	2578.50			
Drifting	7064.37	42297.36	49361.73			
Analyses	513.00	678.00	1191.00			
(2) ~~[illegible]~~:						
~~[illegible]~~ Reaming & Casing	4.00	-0-	4.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	10686.17	53006.39	63692.56	10686.17	53006.39	63692.56

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 12/14/57 *Payee Molybdenum Corp. of America

Per [signature] Title Manager

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 5343.09

Signature [signature]
(Authorized Certifying Officer)

Date 2/18/58 Vou. No. DMEA 58-89

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-1094 in accordance with the terms of the contract.

Signature W. W. Winkel Title Mining Engineer Date Jan. 30, 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature W H King Title Executive Officer Date FEB 17 1958

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED FEB 24 1958 DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1957 Docket No. DMEA 4568 Contract No. IDM-E 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 500 Fifth Avenue, New York 18, New York

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Stage I								
Drifting and Crosscutting	ft	2843.52	64	44430.00	1000	44.43	1000	44.43
Raising D.D. Stations	ft	-0-	-0-	1377.33	31	44.43	115	44.43
~~xxxx~~ Timbering	ft	434.70	161	2408.40	892	2.70	1000	2.70
~~xxxx~~ Analyses	ea	453.00	151	1122.00	374	3.00	1100	3.00
Drilling: Core	ft	2500.00	500	9180.00	1836	5.00	9000	5.00
~~xxxx~~ Reaming and ~~xxxx~~ Casing	ft	4.00	4	4.00	4	1.00	500	1.00
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		6235.22		58521.73				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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 12/14/57 Operator Molybdenum Corpo of America

Per [signature] Title Manager

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

REMARKS:

W. W. Winkel

(For Government use only)

INSTRUCTIONS

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GPO 872894

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED FEB 24 1958 DMEA

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1957 Docket No. DMEA 4568 Contract No. IDM-E 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 500 Fifth Avenue, New York 18, New York

OPERATION Stage II	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting and Crosscutting	Ft	4220.85	95	4931.73	111	44.43	6160	44.43
Raising D.D. Stations	Ft	-0-	-0-	-0-	-0-	44.43	250	44.43
~~xxxx~~ Timbering	Ft	170.10	63	170.10	63	2.70	6160	2.70
~~xxxxx~~ Analyses	Ea	60.00	20	69.00	23	3.00	3177	3.00
Drilling: Core	Ft	-0-	-0-	-0-	-0-	5.00	19500	5.00
~~xxxxx~~Reaming and ~~xxxx~~ Casing	Ft	-0-	-0-	-0-	-0-	1.00	1000	1.00
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		4450.95		5170.83				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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 12/14/57 Operator Molybdenum Corp. of America

Per A. Schreckin Title Manager

REMARKS:

W. W. Winkel

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

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GPO 872894

EXTRA COPY
DMEA
RECEIVED FEB 24 1958

DATE	INITIALS	CODE
2/24	Com	100
		800

224 New Customhouse
Denver 2, Colorado
February 17, 1958

FINAL DISTRIBUTION
MADE FEB 20 1958

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4560 (Molybdenum) Contract Idm-E1094, Molybdenum Corporation of America, (Moly or Questa mine) Taos County, New Mexico - Operator's Monthly Progress Report for the month of November, 1957

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Remarks:

Date of Report----------December 14, 1957
Date Received in Field Office---------December 20, 1957
Date Received in Region Office--------February 13, 1958

Original signed by
W. H. KING
W. H. King

Enclosures
MHM:hmh

cc: Chmn. Op. Comm. (2)
DMEA, DFC
MF-104 file, Reg. III
Harshman - w/copy of Engr. report
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

BUILDING 20
DENVER FEDERAL CENTER
DENVER 2, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR
FEB 13 1958
REGION III
DENVER, COLORADO

February 4, 1958

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: W. W. Winkel

Subject: Docket DMEA-4568 (Molybdenum) Contract Idm-E1094, Molybdenum Corporation of America (Moly or Questa mine) Taos County, New Mexico -- Progress report for November 1957

Progress at the subject property was inspected December 10, 1957. The inspecting engineer was accompanied by A. L. Greslin, manager for the operator.

On the day measurements were made all drifting and timbering was well in advance of the footages shown on the 104A forms. No visable markers remained which would indicate the advance claimed by the respective drifting crews. All measurements are made from the nearest survey station.

The face of No. 2 crosscut north was measured to 26.3 ahead of Sta. 3182, an advance of 109.0 feet. The timbering was measured to 13 feet ahead of Sta. 3182. The timbering totaled 109 feet. The operator, for reasons not known to the writer, only claims 64 feet of drifting in this crosscut.

The face of the West drift was advanced to 38 feet ahead of Sta. 3185, or 95 feet for the report period. The timbering was advanced to 6.8 feet ahead of Sta. 3185. Total timbering in drift West was 113 feet.

Drill hole No. 12A was completed at a depth of 500 feet.

Contract Measurements

No. 2 Crosscut North

Sta. 3179 - to face of drift	10/31/57	19.3 feet
Sta. 3179 - to end of timbering	10/31/57	6.0 feet
Sta. 3179 - to Sta. 3182		101.98 feet
Sta. 3182 - to face of drift	11/30/57	26.3 feet
Sta. 3182 - to end of timbering	11/30/57	13.0 feet

West drift

Sta. 3181 - to face of drift	10/31/57	33.1	feet
Sta. 3180 - to end of timbering	10/31/57	79.0	feet
Sta. 3180 - to Sta. 3181		148.22	feet
Sta. 3181 - to Sta. 3185		90.10	feet
Sta. 3185 - to face of drift	11/30/57	38.0	feet
Sta. 3185 - to end of timbering	11/30/57	6.8	feet

The operator has submitted a narrative report for November 1957 in quintuplicate with maps showing extent of drifting, timbering, assays, and geologic structures, forms MF-104 and 104A for Stages I and II, log and assays for drill hole 12A, completed during the period.

Channel sampling of all drifting has been completed to date, and serves as documentation to support the claim for November 1957. The operator has also submitted sample logs of drill holes Nos. 1, 11, and 14.

The operator claims payment for 171 assays run during the reporting period, but did not itemize the location of these assays. It is assumed that 51 assays were for drill hole 12A, 19 chip sample assays in the West drift, and 101 chip sample assays for No. 2 crosscut North. The channel sampling conforms with specifications of the contract.

Payment of $5,343.08 or 50 percent of the amount claimed $10,686.17 is recommended by the inspecting engineer.

H. M. Connors
for W. W. Winkel
Mining Engineer

cc 6
Idm-E1094
Chron.

WWW:ph

C O N T E N T S

November 1957

1. Narrative Report
2. Form MF-104A (Stage 1)
3. Form MF-104A (Stage 2)
4. Form MF-104
5. Geology Map (No. 2 CxN)
6. Geology Map (Dft W)
7. Progress & Timber Map (No. 2 CxN)
8. Progress & Timber Map (Dft W)
9. Chip Assay Map (Dft W)
10. Chip Assay Map (No. 2 CxN)
11. Log & Assays (D.D. Hole 12a)
12. Diamond Drill Hole No. 1 - Map
13. Diamond Drill Hole No. 14- Map
14. Diamond Drill Hole No. 11- Map
15. Diamond Drill Hole No. 12a-Map

NARRATIVE REPORT FOR NOVEMBER 1957

Questa, New Mexico
December 14, 1957

Mr. W. H. King, Executive Officer, D.M.E.A.
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Dear Sir:

During the period November 1 through November 30, 1957, there were twenty five working days. We were down the four Sundays and Thanksgiving day.

The West drift was worked on a two shift basis and the No. 2 CxN on a one shift basis.

With this report the Chip sampling will be up to date in all the working places.

95 feet of advance were done in the drift west. This was all in Porphyry with some MoS2 showing. 64 feet of advance were done in No. 2 CxN. This was in Porphyry with MoS2 showing. The work in this place was completed. The last round in this place broke through the Porphyry into Transition rock with a 6 inch vein of good MoS2.

There were 63 feet of timbering in Stage II and 49 feet of timbering in stage I, in the west drift.

109 feet of timbering were done in the No. 2 CxN.

Diamond Drill hole No. 12-a was completed to 500 feet.

A. L. Greslin

A. L. Greslin, Manager

DMEA
DEPARTMENT OF THE INTERIOR
DEC 19 1957
REGION III
DENVER, COLORADO

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Budget Bureau No. 42-R1036.5

RECEIVED DEC 9 1957 D.M.E.A.

Month of October 7, 195 Docket No. DMEA 4565 Contract No. DM-M109

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 500 Fifth Avenue, New York 18, N Y

Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	5000.00	1680.00	6680.00			
~~xxxxxxxx~~ D.D. Stations	222.15	1155.18	1377.33			
Crosscutting & Timber	510.30	1463.40	1973.70			
Drifting	13284.57	29012.79	42297.36			
Analyses	588.00	90.00	678.00			
~~xxxxxxxxxxxx~~ Supervision:						
~~xxxx~~ Rent & Casing	-0-	-0-	-0-			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	19605.02	33401.37	53006.39	19,605.02	33,401.37	53,006.39

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Nov. 14, 1957 Payee Molybdenum Corporation of America

Per A. L. Gresham Manager

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 9802.51

Signature (Authorized Certifying Officer)

Date 12/4/57 Voucher No. DMEA 58-68

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-1094 in accordance with the terms of the contract.

Signature W. W. Winkel Title Mining Engr. Date Nov. 25, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. S. King Title Executive Officer Date DEC 3 1957

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED DEC 9 1957 D.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1957 Docket No. DMEA 4568 Contract No. IDM-E1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 500 Fifth Avenue, New York 18, N Y

OPERATION Stage 1	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting and								
Crosscutting	ft	12573.69	283	41586.48	936	44.43	1000	44.43
Raising D.D. Station	FT	222.15	5	1377.33	31	44.43	115	44.43
Timbering	ft	510.30	189	1973.70	731	2.70	1000	2.70
Analyses	ea	579.00	193	669.00	223	3.00	1100	3.00
Drilling: Core	ft	5000.00	1000	6680.00	1336	5.00	9000	5.00
Reaming &								
Casing	ft	-0-	-0-	-0-	-0-	1.00	500	1.00
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		18885.14		52286.51				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								

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 Nov. 14, 1957 Operator Molybdenum Corp. of America

Per [signature] Title Manager

Remarks: W. W. Winkel

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(Instructions on reverse)

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GPO 872894

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1957 Docket No. DMEA 4568 Contract No. IDM-E1094

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 500 Fifth Avenue, New York 18, N Y

OPERATION Stage 2	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	ft	710.88	16	710.88	16	44.43	6160	44.43
Raising D. D. Station	ft	-0-	-0-	-0-	-0-	44.43	250	44.43
Timbering	ft	-0-	-0-	-0-	-0-	2.70	6160	2.70
Analyses	ea	9.00	3	9.00	3	3.00	3177	3.00
Drilling: Core	ft	-0-	-0-	-0-	-0-	5.00	19500	5.00
Reaming & Casing	ft	-0-	-0-	-0-	-0-	1.00	1000	1.00
Stripping								
Trenching								
Test Pits								
Roads and Trails								
		719.88		719.88				
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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 Nov. 14, 1957 Operator Molybdenum Corp. of America

Per [signature] Title Manager

REMARKS: W. W. Winkel

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GPO 872894

FINAL DISTRIBUTION
MADE DEC 6 1957

DMEA
RECEIVED DEC 9 1957

DATE		CODE
12-9	C	220
9	Comm	100
"	Hg	100
		800

224 New Customhouse
Denver 2, Colorado
December 3, 1957

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 4568 (Molybdenum) Contract Idm-E1094, Molybdenum Corporation of America, (Moly or Questa mine) Taos County, New Mexico - Progress Report for the month of October, 1957

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Remarks:

Date of Report----------November 14, 1957
Date Received in Field Office----------November 19, 1957
Date Received in Region Office----------December 2, 1957

Original signed by
W. H. KING

W. H. King

Enclosures
JDC:hmh
cc: Chmn. Op. Comm. (2)) w/complete
DMEA, DFC) report
MF-104 file, Reg. III)
Harshman, w/copy of Engr. report
Chron

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DMEA
DEPARTMENT OF THE INTERIOR
DEC 2 - 1957
REGION III
DENVER, COLORADO

REGION III

Building
Denver Fed
Denver 2, Co
Nov. 29, 1957

Memorandum

To: Acting Executive Officer, DMEA Field Team, Region III

From: W. W. Winkel

Subject: Docket DMEA 4568 (Molybdenum) Contract Idm-E1094
Molybdenum Corp. of America (Moly or Questa Mine)
Taos County, N. M. -- Progress report for October 1957

Progress at the subject property was inspected November 6, 1957. The inspecting engineer was accompanied by A. L. Greslin, manager for the operator, and R. U. King, member of the U. S. Geological Survey, DMEA section.

The face of No. 2 crosscut North was measured to 19.3 feet ahead of Sta. 3179, an advance of 112 feet of drifting. The timbering was measured to 11.8 feet ahead of Sta. 3179. The total of timber sets placed was 118 feet.

Drifting in the West drift was advanced to 33.1 feet ahead of Sta. 3181, or 187 feet for the period. The end of the last set of timber placed was 79 feet ahead of Sta. 3180. The timber placed totaled 71 feet.

Drill hole No. 14 was completed at a depth of 500 feet. Hole No. 11 was also completed at a depth of 500 feet.

Preparation of drill station consisted of 5 feet of raising.

The operator claims payment for 196 assays. The assay results on drill holes Nos. 11 and 14 total 193 under Stage I drilling. The 3 channel sample assays from the West drift are claimed under Stage II.
No! 102 drift samples, 94 core samples

Stage I and II contract measurements

No. 2 Crosscut North

Sta. 3178 - to face of drift		9/30/57	47.5 ft.
" 3178 - 3179			140.17 "
" 3179 - to face of drift		10/31/57	19.3 "
" 3178 - to end of timber		9/30/57	28.0 "
" 3179 - to end of timber		10/31/57	6.0 "

West drift

Sta. 3177			45.2 ft.
" 3177 - 3180			50.93 "
" 3180 - 3181			148.15 "
" 3181 - face of drift		10/31/57	33.1 "
" 3180 - end of timber		10/31/57	79.0"

West drift (cont) Sta. 3177 - end of timber 9/30/57 0.0 ft.

The operator has submitted a narrative report for October 1957 in quintuplicate with maps showing extent of drifting, timbering, and assays; geologic maps, forms MF-104 and 104A for Stages I and II, logs and assays for completed drill holes for the reporting period.

Documentation to support the claims for drifting and timbering in the West drift, and drill holes Nos. 11 and 14, has been submitted. Channel sampling and assays for No. 2 crosscut North is in process of being completed, and will be reported with the November 1957 claim. The drift channel sampling conforms with specifications in the contract and is sufficiently progressed to support the claim for drifting in the No. 2 Crosscut North.

Payment of $9,802.51 or 50 percent of the amount claimed $19,605.02 is recommended by the inspecting engineer.

W. W. Winkel
Mining Engineer

WWW/mw
cc: 6
Idm-E1094
chron

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OCTOBER 1957

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6. Geology Map (DFT W)
7. Progress and Timber Map (No. 2 CXN)
8. Progress and Timber Map (DFT W)
9. Chip Assay Map (DFT W)
10. Log and Assays Diamond Drill Hole #14
11. Log and Assays Drill Hole #11

NARRATIVE REPORT FOR OCTOBER 1957

Questa, New Mexico
November 14, 1957

Mr. W.H. King, Executive Officer, D.M.E.A.
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Re: Docket No. D.M.E.A. 4568
(Molybdenum)
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, N. Mex.

Dear Sir:

During the period October 1 through October 31, 1957 there were twenty-seven (27) working days. Four Sundays of no work.

The drift west was worked on a two shift basis and No. 20XN was worked on one shift basis.

We are enclosing in the report the chip sample assays for the drift west to October 31, 1957. The chip sampling for No. 20XN will be completed during November and will be included with the report for November.

During this period there were 137 ft. of advance in the drift west with 71 feet of timbering.

There were 112 ft. of advance in the No. 20XN with 118 ft. of timbering in this place.

The rock in both headings was transition rock for a way, then porphyry for the last part of the month.

Diamond drill hole No. 14 was completed during the month and Diamond drill hole No. 11 was completed. Both were drilled to 500 ft. depth.

Five feet of raise work was done in diamond drill station at coordinate 1065 E.

DMEA
DEPARTMENT OF THE INTERIOR
NOV 18 1957
REGION III
DENVER, COLORADO

A.L. Greslin, Manager

A. L. Greslin

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1957 Docket No. DMEA 4568 Contract No. IDM-E1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 500 Fifth Avenue, New York 18, N Y
Contract Amount, $510,500.00 Government Participation: 50% Amount, $255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	1680.00	-0-	1680.00			
~~Drilling~~ D D Stations	222.15	933.03	1155.18			
Crosscutting & Timbering	477.90	985.50	1463.40			
Drifting	10307.76	18705.03	29012.79			
Analyses	90.00	-0-	90.00			
(2) ~~Labor and Supervision~~:						
~~Labor~~ Ream & Casing	-0-	-0-	-0-			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	12777.81	20623.56	33401.37	12,777.81	20,623.56	33,401.37

I certify that the above bill is correct and just and that payment therefor has not been received.

Date October 25, 57 *Payee Molybdenum Corporation of America

Per G. R. Shrader Title Manager

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 6388.91

Signature (Authorized Certifying Officer)

Date 12/4/57 Voucher No. 58-68

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-1094 in accordance with the terms of the contract.

Signature W. W. Winkel Title Mining Engr. Date Nov. 25, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W H King Title Executive Officer Date DEC 3 1957

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

RECEIVED DEC 9 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1957 Docket No. DMEA 4568 Contract No. IDM-E1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 500 Fifth Avenue, New York 18, N Y

OPERATION Stage 1	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting and								
Crosscutting	ft	9152.58	206	27857.61	627	44.43	1000	44.43
Raising D. D. Station	ft	222.15	5	1155.18	26	44.43	115	44.43
~~XXXX~~ Timbering	ft	477.90	177	1463.40	542	2.70	1000	2.70
~~XXXX~~ Analyses	ea	-0-	-0-	-0-	-0-	3.00	1100	3.00
Drilling: Core	ft	1680.00	336	1680.00	336	5.00	9000	5.00
~~XXXX~~ Casing & ~~XXXX~~ Reaming	ft	-0-	-0-	-0-	-0-	1.00	500	1.00
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		11532.63		32156.19				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS								

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 October 7, 1957 Operator Molybdenum Corp. of America

Per [signature] Title Manager

REMARKS: W. W. Winkel

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED DEC 9 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1957 Docket No. DMEA 4568 Contract No. DM-E1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 500 Fifth Avenue, New York 18, N Y

OPERATION Stage 2	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract Units	Authorized by Contract Unit Costs
Drifting and Crosscutting	ft	1155.18	26	1155.18	26	44.43	6160	44.43
Raising D. D. Station	ft	-0-	-0-	-0-	-0-	-0-	250	44.43
Shafts XXXX Timbering	ft	-0-	-0-	-0-	-0-	-0-	6160	44.43
Winzes XXXX Analyses	ea	-0-	-0-	-0-	-0-	-0-	3177	3.00
Drilling: Core	ft	-0-	-0-	-0-	-0-	-0-	19500	5.00
Reaming XXXXX & Casing Churn	ft	-0-	-0-	-0-	-0-	-0-	1000	1.00
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1155.18		1155.18				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								

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 October 7, 1957 Operator Molybdenum Corp. of America

Per [signature] Title manager

Remarks: W. W. Wickel

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

FINAL DISTRIBUTION

MADE DEC 6 1957

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RECEIVED DEC 9 1957

DATE		CODE
12/9	C	220
9	Com	100
"	FEG	100
		Corr

224 New Customhouse
Denver 2, Colorado
December 3, 1957

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 4568 (Molybdenum) Contract Idm-E1094, Molybdenum Corporation of America, (Moly or Questa mine) Taos County, New Mexico - Progress Report for the month of September, 1957

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator for 50% of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

The Operator reported a portion of the drifting under Stage II. It has now been determined that the September drifting was all performed under Stage I, and the Operator has made the necessary adjustments in conjunction with the October 1957 voucher, which has now been received in this office.

Processing of this report has been deferred pending the establishment of an acceptable method of sampling in the drifts and crosscuts. The sampling is now being performed in accordance with the terms of the contract.

Remarks:

Date of Report----------October 25, 1957
Date Received in Field Office------November 19, 1957
Date Received in Region Office-----December 2, 1957

Enclosures
JDC:hmh
cc: Chmn. Op. Comm. (2))
DMEA, DFC)w/complete
MF-104 file, Reg. III) report

Harshman, w/copy of Engr/report
Chron

Original signed by
W. H. KING

W. H. King

DMEA
DEPARTMENT OF THE INTERIOR

REGION III

DEC 2 - 1957
REGION III
DENVER, COLORADO

Building 20
Denver Federal Center
Denver 2, Colorado
Nov. 27, 1957

Memorandum

To: Acting Executive Officer, DMEA Field Team, Region III

From: W. W. Winkel

Subject: Docket DMEA 4568 (Molybdenum) Contract Idm-E1094
Molybdenum Corp. of America (Moly or Questa Mine)
Taos County, N. M. -- Progress report for September 1957

Progress under the subject contract was inspected October 2, 1957. The inspecting engineer was accompanied by A. L. Greslin, manager of the property.

On the day of inspection the face of No. 2 crosscut North was measured to 47.5 feet ahead of Sta. 3178, an advance of 95.0 feet for the report period. The timbering was measured to 28 feet ahead of Sta. 3178, plus one set of timber replaced during August. This totaled 96 feet of timbering in No. 2 Crosscut North.

The West drift was advanced to 45.2 feet ahead of Sta. 3177, an advance of 137 feet. The end of the last timbering was at Sta. 3177, plus 0. feet. The total timbering placed was 81 feet.

Five feet of additional raising was completed at drill station No. 14.

Diamond drill hole No. 1 was bottomed at 336 feet, at which depth it is considered to have reached its objective.

Stage 1 contract measurements to 9/30/57

No. 2 Crosscut North

Sta. No. 3175 - face of drift	8/31/57	47.5 ft.
Sta. No. 3175 - 3178		94.0 "
Sta. No. 3178 - face of drift	9/30/57	47.5 "
Sta. No. 3175 - end of timbering	8/31/57	28.5 "
Sta. No. 3178 - " " "	9/30/57	34.0 "

West Drift

Sta. No. 3176 - face of drift	8/31/57	51.5 ft.
Sta. No. 3176 - 3177		143.3 "
Sta. No. 3177 - face of drift	9/30/57	45.2 "
Sta. No. 3176 - end of timbering	8/31/57	17.5 "
Sta. No. 3177 - end of timbering	9/30/57	0.0 "

The operator has submitted a narrative report for Sept. 1957 in quintuplicate with maps showing plan of drifting, extent and location of timber sets, geologic maps, forms MF-104 and 104A for Stages I and II, and the log and assays for drill hole No. 1. Documentation to support the claims for drifting and timbering in the West drift has been submitted in acceptable form and complies with the specifications of the contract. Channel sampling and assays of all drifting in No. 2 crosscut North is currently being completed in conformance with the contract, and the results and claim for assays will be submitted with the November 1957 claim.

Payment of $6,388.91 or 50 percent of the amount claimed $12,777.81 is recommended by the inspecting engineer.

for W. W. Winkel
Mining Engineer

WWW/mw
cc: 6
Idm-E1094
chron

NARRATIVE REPORT FOR SEPTEMBER 1957

Mr. W. H. King, Executive Officer, D.M.E.A.
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

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Questa, New Mexico
October 7, 1957

Re: Docket No. D.M.E.A. 4568
(Molybdenum)
Molybdenum Corporation of
America (Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

During the period of September 1 through September 30, 1957 there were 24 working days. 5 Sundays and Labor Day that were not work days.

We started two shifts in the west drift on September 23rd and worked two shifts there through the balance of the month. The No. 2 crosscut north was worked on one shift.

During this time there were 137 feet of advance in the drift west, and 95 feet of advance in the No. 2 crosscut north.

There were 81 feet of timbering in the drift west, and 96 feet of timbering in the No. 2 crosscut north.

We put the assays (grap samples) on the progress and timber map, but did not include them in form 104 and 104A. We hope to have the chip samples by about the 15th of October.

The rock in both headings is about the same. Dark colored, blocky hard, very badly fractured with MoS_2 on all the faces and some good streaks of Quartz with Fe and MoS_2. Mostly Transition rock with some spots of redrock.

The diamond drill hole No. 1 was stopped at 336 ft. There was very little MoS_2 showing on the last few feet, but still it carried some MoS_2. (See log report for Drill hole No. 1)

There was 270 feet of diamond drilling in hole No. 14. The drill crew were having trouble with the drill and some of the helpers quit.

5 feet of raise work was done to get the station ready to drill hole No. 14.

A. L. Greslin

A. L. Greslin, Manager

DMEA
DEPARTMENT OF THE INTERIOR

OCT 28 1957
REGION III
DENVER, COLORADO

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Questa, New Mexico
October 25, 1957

Mr. E. N. Harshman
Acting Executive Officer
D.M.E.A. Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 4568
Molybdenum
Contract IDM-E1094
Molybdenum Corp. of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Mr. Harshman:

Enclosed please find Forms MF-104 for the month of September 1957, revised as per your instructions of October 22, 1957 to be incorporated with the September report.

On this set we are including the analyses costs for the diamond drilling of hole number one, which was completed during September 1957.

Yours very truly,

A. L. Greslin

A. L. Greslin, Manager

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August 195 7 Docket No. DMEA Contract No. IDM-R1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 500 Fifth Aveme, New York 18, New York
Contract Amount, $ 510,500.00 Government Participation: 50% Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	-0-	-0-	-0-			
~~xxxxxx~~Timbering	577.80	407.70	985.50			
Crosscutting and						
Drifting	11329.65	7375.38	18705.03			
D. Drill Stations	710.88	222.15	933.03			
(2) Labor and Supervision:						
~~xxxx~~ Analyses	-0-	-0-	-0-			
~~xxxxxxxx~~Reaming &						
~~xxxxxxxxxxxx~~ Casing	-0-	-0-	-0-			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	12618.33	8005.23	20623.56	12,618.33	8,005.23	20,623.56

DMEA
DEPARTMENT OF THE INTERIOR
SEP 16 1957
REGION III
DENVER, COLORADO

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 9/12/57 *Payee Molybdenum Corporation of America
Per A. G. Greslin Title Manager

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 6309.17
Signature (Authorized Certifying Officer)
Date 12/4/57 Voucher DMEA 58-68
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 5-1094 in accordance with the terms of the contract.

Signature W. W. Winkel Title Mining Engr. Date Nov. 25, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. F. King Title Executive Officer Date DEC 3 1957

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED DEC 9 1957 DMEA

Month of August 1957 Docket No. DMEA 4568 Contract No. DMI-11094

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 500 Fifth Avenue, New York 18, New York

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Stage I								
Drifting and								
Crosscutting	ft	11329.65	255	18705.03	421	44.43	1000	44.43
Raising D. D. Station	ft	710.88	16	933.03	21	44.43	115	44.43
Shafts Timbering	ft	577.80	214	935.50	325	2.70	1000	2.70
Winzes Analyses	ea	-0-	-0-	-0-	-0-	-0-	1100	3.00
Drilling: Core	ft	-0-	-0-	-0-	-0-	-0-	9000	5.00
Churn								
Auger								
Stripping Reaming &								
Trenching casing	ft	-0-	-0-	-0-	-0-	-0-	500	1.00
Test Pits								
Roads and Trails								
Total Distributed Costs		12618.33		20623.56				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								510,500.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 9/12/57 Operator Molybdenum Corp. of America

Per A. R. McGreskin Title Manager

Remarks: W. W. Winkel

DMEA
DEPARTMENT OF THE INTERIOR
SEP 16 1957
REGION III
DENVER, COLORADO

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

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DATE		CODE
12-9	C	220
9	Com	100
11	7-9	880
		800

224 New Customhouse
Denver 2, Colorado
December 3, 1957

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-4568 (Molybdenum) Contract Idm-81094, Molybdenum Corporation of America, (Moly or Questa mine) Taos County, New Mexico - Operator's Monthly Progress Report for the month of August, 1957

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator for 50% of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Processing of this report has been deferred pending the establishment of an acceptable method of sampling in the drifts and cross cuts. The sampling is now being performed in accordance with the terms of the contract.

Remarks:

Date of Report----------September 12, 1957
Date Received in Field Office----November 19, 1957
Date Received in Region Office---November 29, 1957

Enclosures

Original signed by
W. H. KING

W. H. King

JDC:HMH
cc: ~~Chmn. Op. Comm.~~ (2)) w/complete
DMEA/DFC) report
MF-104 file, Reg. III)
Harshman - w/copy of Engr's report
Chron

DMEA
DEPARTMENT OF THE INTERIOR

NOV 29 1957
REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
Nov. 27, 1957

Memorandum

To: Acting Executive Officer, DMEA Field Team, Region III

From: W. W. Winkel

Subject: Docket DMEA 4566 (Molybdenum) Contract 14m-2104
Molybdenum Corp. of America (Moly or Questa Mine)
Taos County, N. M. -- Progress report for August 1957

Progress under the subject contract was inspected Sept. 4, 1957. The inspecting engineer was accompanied by A. L. Greslin, manager of the property, and D. H. Richter, a member of the U. S. Geological Survey, DMEA section.

On the day of inspection the face of No. 2 crosscut North was 188.6 feet ahead of survey sta. 3171 and 184.1 feet at the end of August, an advance of 130.1 feet. The timbering was measured to 47 feet ahead of Sta. 3175 or deducting 2 sets not in place, the measured timbering was 115.1 feet or to 37.5 ahead of Sta. 3175.

The West drift face was advanced to 54.0 feet ahead of Sta. 3176, or to 51.5 feet for August. The timbering was advanced to 28.0 feet ahead of Sta. 3176 or 17.5 feet at the end of August, an advance of 98.9 feet for contract timbering.

Raising at drill station E-1400 measured 5 feet, at drill station #14 5 feet, and drill station E-100 6 feet. The total raising at drill stations totals 16 feet for August.

Drill hole No. 1 was completed on the day of inspection but was incomplete at the end of this reporting period. The operator has also deleted all assay charges made on mine car grab sampling, which were not in accordance with the contract specifications.

Stage I contract measurements to 8/31/57
No. 2 Crosscut North

Sta. No. 3170 - 3171			35.0 feet
" " 3171 - face of drift		8/31/57	184.1 "
" " 3171 - face of drift		7/31/57	54.0 "
" " 3171 - 3175			136.6 "
" " 3175 - face of drift		8/31/57	47.5 "
" " 3171 - end of timbering		7/31/57	47.0 "
" " 3175 - " " "		8/31/57	37.5 "

West drift

Sta. No. 3169 to face of drift	7/31/57	39.0 feet
" " 3169 to 3176		112.4 "
" " 3176 to face of drift	8/31/57	51.5 "
" " 3169 to end of timbering	7/31/57	31.0 "
" " 3176 to end of timbering	8/31/57	17.5 "

The operator has submitted a narrative report for August 1957 in quintuplicate with maps showing plan of drifting, location of timbering, and results of grab-sampling assays; geologic maps, forms MF-104 and 104A.

The grab sampling of loaded mine cars does not conform to specifications contained in the contract, and no claim for assays is reported. Documentation to support the claim for drifting and timbering in the West drift has been submitted in acceptable form. The channel sampling and resulting assays of contract drifting in the No. 2 crosscut North is currently being completed, and conforms to specifications of the contract. The claim for these assays will be submitted with the November 1957 claim.

Payment of $6,309.16 or 50 percent of the amount claimed, $12,618.33 is recommended by the inspecting engineer.

W. W. Winkel
W. W. Winkel
Mining Engineer

www/mr
cc: 6
Idm-2109
chron

NARRATIVE REPORT FOR AUGUST 1957

Questa, New Mexico
September 12, 1957

Mr. W. H. King, Executive Officer D.M.E.A.
Defense Minerals Exploration Administration
824 New Customhouse
Denver 2, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
SEP 16 1957
REGION III
DENVER, COLORADO

Re: Docket No. D.M.E.A. 4568
(Molybdenum)
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir;

During the period of August 1 through August 31, 1957 there were 27 working days. The mine worked all 27 days.

During this time there were 124.9 feet of advance in the drift west and 130.1 feet of advance in the No. 2 crosscut north.

There were 98.9 feet of timbering in the west drift and 115.1 feet of timbering in the No. 2 crosscut north.

We put the assays (grab sample) on the progress and timber map only as a guide but did not include them in form 104 and 104A.

The rock in both headings is about the same, very badly fractured with MoS2 showing in the fractures and also in the rock itself. It is a transitional rock (redrock and greenrock blended together), quite hard but has to be timbered all the way. If not timbered immediately it has to be done shortly after.

The diamond drill hole No. 1 was stopped at 336 feet on September 4th. This was not included in form 104 and 104A since it was not completed before the end of August. The last 40 feet was mostly quartz with very little MoS2 showing.

5 feet of raise work was done in diamond drill station at coordinate E1400. 5 feet of raise work was done in the first drill station in the No. 1 crosscut north for drill hole 14 and 6 feet of work was done at diamond drill station at E 1000.

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DMEA
RECEIVED SEP 9 1957

DATE	INITIALS	CODE

A. L. Greslin, Manager

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1957 Docket No. DMEA 4568 Contract No. IDM-E 1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 500 Fifth Avenue New York 18, N.Y.
Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
Stage I						
(1) Independent Short Form Contracts:						
Drilling	-0-	-0-	-0-			
~~Timbering~~ Timbering	299.70	108.00	407.70			
Crosscutting and						
Drifting	3776.55	3598.83	7375.38			
D D Stations	222.15	-0-	222.15			
(2) Labor and Supervision:						
~~Labor~~ Analysis	~~63.00~~	~~39.00~~	~~102.00~~			
~~Supervision~~ Reaming &						
~~Technical Services~~ Casing	-0-	-0-	-0-			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	~~4361.40~~	3,745.83	~~8107.23~~	~~4298.40~~ 4	3745.83	~~8,044.23~~
				39.00		39.00
				3,706.83		8,005.23
				$ 2149.20		

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 8/8/57 *Payee Molybdenum Corp. of America

Per [signature] Title Manager

*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.

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(Instructions on reverse)

RECEIVED AUG 23 1957 DMEA

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of

Signature (Authorized Certifying Officer)

Date 8/21/57 Voucher No. DMA 58-19

(See other side)

1 Previous Disbursement

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-1094 in accordance with the terms of the contract.

Signature W. W. Winkel ($2,149.20) Title Mining Engr. Date Aug 15, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature E. M. Hardman Title acting Executive Officer Date AUG 16 1957

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1957 Docket No. DMEA 456g Contract No. IDM-E 1094

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 500 Fifth Avenue N Y 18, N. Y.

OPERATION Stage I	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting and Crosscutting	Ft	3776.55	85	7375.38	166	44.43	1000	44.43
Raising D D Station	Ft	222.15	5	222.15	5	44.43	115	44.43
~~Stoping~~ Timbering	Ft	299.70	111	407.70	151	2.70	1000	2.70
~~Wmasx~~ Analysis	Ea	~~63.00~~	~~21~~	~~102.00~~	~~34~~	3.00	1100	3.00
Drilling: Core	Ft	-0-	-0-	-0-	-0-	-0-	9000	5.00
Churn								
Auger								
~~Stripping~~ Reaming & Trenching Casing	Ft	-0-	-0-	-0-	-0-	-0-	500	1.00
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		~~4361.40~~		~~8107.23~~				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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 8/8/1957 Operator Molybdenum Corp. of America

Per G. Schreslin Title Manager

REMARKS: W. W. Winkel

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

FINAL DISTRIBUTION
MADE AUG 21 1957

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III
224 New Custom House, Denver 2, Colorado

Administrative Audit Difference Statement

Date: August 21, 1957
Payee's Reference: July 1957

Molybdenum Corporation of America
500 Fifth Avenue
New York 18, New York

Gentlemen:

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed	$	4,361.10
Difference	$	63.00
Amount Approved	$	4,298.10

The reason for the difference was due to:

Disallowance:

21 sample analyses @ $3.00 each. $63.00

(These samples were not taken in the manner prescribed in the contract & are therefore not acceptable to the Government).

OFFICIAL FILE COPY
D M E A
RECEIVED AUG 23 1957

DATE	INITIALS	CODE

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

224 New Customhouse
Denver 2, Colorado

August 16, 1957

Memorandum

To: T. A. Christensen

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket-4563 (Molybdenum) Contract Idm-21094 Molybdenum Corporation of America (Moly or Questa mine) Taos County, New Mexico - Operator's Monthly Progress Report, for the month of July, 1957

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

Except as otherwise indicated below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of costs is not required. We recommend that payment be made to the Operator on the following basis, contingent on your verification of applicable rates and arithmetical accuracy within the report.

Disallowance, Analyses

The contract requires that horizontal channel samples be cut in the mineralized portions of the drifts and crosscuts. The 21 samples taken during July, 1957, were not taken in the manner prescribed in the contract, and are therefore not acceptable to the Government.

Disallow the reported cost of 21 Sample Analyses at $3.00 per sample---------- $63.00

DMEA
DEPARTMENT OF THE INTERIOR

REGION III

AUG 16 1957
REGION III
DENVER, COLORADO

Building 20
Denver Federal Center
Denver 2, Colorado
August 15, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: W. W. Winkel

Subject: Docket DMEA 4568 (Molybdenum) Contract Idm-E1094, Molybdenum Corporation of America (Moly or Questa mine) Taos County, New Mexico -- Progress report for the month of July 1957

Progress at the subject property was inspected on August 6, 1957. The inspecting engineer was accompanied by A. L. Greslin, manager of the property.

The face of No. 2 crosscut was 29.0 feet ahead of Sta. No. 3170 on June 30, 1957, and was advanced to 89.0 feet on July 31, 1957, or 54.0 feet ahead of Sta. No. 3171. Timbering was at 5.0 feet ahead of Sta. No. 3170, and was timbered to 82.0 feet ahead of Sta. No. 3170, or 47.0 feet ahead of Sta. 3170.

The face of West drift was 14.0 feet ahead of Sta. 3169 on 6/30/57, and was advanced to 39.0 feet on 7/31/57. End of timbering was at 94.0 feet ahead of Sta. 3167 and was timbered to 125 feet ahead of Sta. 3167, or 31.0 feet ahead of Sta. 3169.

Diamond drilling was started on July 25, 1957. Five feet of raise was driven at this drill station, Section E-1800. Hole No. 1 was drilled 158 feet horizontally at the time of inspection. Core recovery was reported to be very low in some sections of this hole. In the interval from 72 to 131 feet the core recovery was only 18 feet, or about 30.5 percent.

STAGE I CONTRACT WORK

No. 2 Crosscut North

Sta. 3170 to face, 6/30/57 was	29.0 feet
Sta. 3170 to Sta. 3171	35.0 feet
Sta. 3171 to face, 7/31/57 is	54.0 feet
Sta. 3170 to start of timbering 7/1/57	5.0 feet
Sta. 3171 to end of timbering 7/31/57	47.0 feet

West Drift

Sta. 3169 to face, 6/30/57	14.0 feet
Sta. 3169 to face, 7/31/57	39.0 feet
Sta. 3169 to end of timbering, 6/30/57	94.0 feet
Sta. 3167 - 3169	97.0 feet
Sta. 3169 to end of timbering, 7/31/57	31.0 feet

All drifting, timbering, and raising has conformed with provisions of the contract.

The operator has submitted a narrative report for July 1957 in quintuplicate with maps showing plan of drifting completed, extent of timbering and results of assays in terms of MoS$_2$, geologic maps, Forms MF-104 and 104A, and laboratory reports of assays. Other documentation to support this claim is not required by the contract.

The claim for 21 assays of grab sampling loaded mine cars does not conform to sampling specifications contained in the contract. All drifting under the contract is to be resampled by cutting a horizontal channel. The claim for assays is recommended for disallowance.

Payment of $2,149.20 or 50 percent of the amount claimed $4,361.40, less $63.00 (21 assays at $3.00 each) is recommended by the inspecting engineer.

W. W. Winkel
W. W. Winkel
Mining Engineer

wwf/mr
ee: 6
I&m-E1094
ehron

NARRATIVE REPORT FOR JULY 1957

Questa, New Mexico
August 8, 1957

Mr. W. H. King, Executive Officer D. M. E. A.
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Re: Docket No. D.M.E.A 4568
(Molybdenum)
Contract No. IDM-E1094
Molybdenum Corporation of
America(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

During the period July 1 through July 31, 1957, there were 24 working days. The mine was down July 4-5-6 for Independence Day holiday.

During this time there were 25 feet of advance in the west drift and 60 feet of advance in No.2 crosscut north.

21 analysis were made from grab samples taken from the loaded cars of the above work. 111 feet of timbering were done during this period. Of this there were 34 feet in the west drift and 77 feet in the No.2 crosscut north.

The ground in both headings is quite soft and broken up. It has to be timbered all the way. There is quite a bit of MoS_2 showing, especially im the slips in the rock.

Diamond drilling was started on July 25 1957. 5 feet of raising were done in the deamond drill station at Section E 1800.

A. L. Greslin

A. L. Greslin, Manager

DMEA
PARTMENT OF THE INTERIOR
AUG 12 1957
REGION III
DENVER, COLORADO

Form ME-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED 1957

Bureau of Technology
U.S. BUREAU OF MINES
Denver, Colorado

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1957 Docket No. DMEA 4568 Contract No. IDM-E1094

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 500 Fifth Avenue, New York 18, N.Y.

Contract Amount, $ 510,500.00 Government Participation: 50 % Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
Stage I						
(1) Independent Short Form Contracts: Drifting & Crosscutting	3598.83	-0-	3598.83			
Timbering	108.00	-0-	108.00			
D. Drill	-0-	-0-	-0-			
Reaming & Casing	-0-	-0-	-0-			
(2) Drill						
Stations	-0-	-0-	-0-			
(3) Analyses	39.00	-0-	39.00			
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3745.83	-0-	3745.83	3706.83	-	3706.83

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Aug. 7, 1957 Payee Molybdenum Corporation of America

Per [signature] Title Manager

RECEIVED AUG 23 D.M.E.A.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$1853.42

Signature [signature]
(Authorized Certifying Officer)

Date 8/21/57 Vou. No. DMA 58-19

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 1094 in accordance with the terms of the contract.

Signature W. A. Winkel (A1,853.42) Title Min., Engr. Date Aug. 14, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature E. M. Kirschmann Title acting Executive Officer Date AUG 16 1957

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1957 Docket No. DMEA 4568 Contract No. IDM-E1094

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 500 Fifth Avenue, New York 18, N.Y.

OPERATION Stage I	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting & Crosscutting	ft	3598.83	81	3598.83	81	44.43	1000	44.43
~~Crosscutting~~ Timbering	ft	108.00	40	108.00	40	2.70	1000	2.70
~~Raising~~ D. Drilling	ft	-0-	-0-	-0-	-0-	-0-	9000	5.00
~~Shaft~~ Reaming & Casing	ft	-0-	-0-	-0-	-0-	-0-	500	1.00
~~Winze~~ Drill Stations	ft	-0-	-0-	-0-	-0-	-0-	115	44.43
~~Drilling Core~~ Analyses	ea	~~39.00~~	~~13~~	~~39.00~~	~~13~~	3.00	1100	3.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		~~3745.83~~		~~3745.83~~				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

REMARKS: W. W. Wilke

Date Aug. 7, 1957 Operator Molybdenum Corporation of America

Per [signature] Title Manager

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

DMEA
ARTMENT OF THE INTERIOR
AUG 12 1957
REGION III
DENVER, COLORADO

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

FINAL DISTRIBUTION

MADE ~~AUG 21 1957~~

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III
224 New Custom House, Denver 2, Colorado

Administrative Audit Difference Statement

Molybdenum Corporation of America
500 Fifth Avenue
New York 18, New York

Date: August 21, 1957
Payee's
Reference: June 1957

Gentlemen:

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed	$	3,745.63
Difference	$	39.00
Amount Approved	$	3,706.63

The reason for the difference was due to:

Disallow:
13 sample analyses @ $3.00 each $39.00
(These samples were not taken in the manner prescribed in the Contract and are therefore not acceptable to the Government).

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 23 1957

DATE	INITIALS	CODE

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

224 New Customhouse
Denver 2, Colorado

August 16, 1957

Memorandum

To: T. A. Christensen

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-4568 (Molybdenum) Contract Idm-E1094 Molybdenum Corporation of America (Moly or Questa mine) Taos County, New Mexico - Operator's Monthly Progress Report, for the month of June, 1957

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

Except as otherwise indicated below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator on the following basis, contingent on your verification of applicable rates and arithmetical accuracy within the report.

Disallowance, Analyses

The contract requires that horizontal channel samples be cut in the mineralized portions of the drifts and crosscuts. The 13 samples taken during June, 1957, were not taken in the manner prescribed in the contract, and are therefore not acceptable to the Government.

Disallow the reported cost of 13 Sample Analyses at $3.00 per sample---------- $39.00

Reconciliation with Amount Reported by the Operator on Form MF-104 for June 1957

Amount reported on Form MF-104 for June, 1957	$3,745.83
Amount to be disallowed	39.00
Acceptable cost for June, 1957	3,706.83
Government participation at 50 percent	$1,853.42

Remarks

Date of Report----------August 7, 1957
Date Received in Field Office----------August 13, 1957
Date Received in Region Office----------August 16, 1957

Original signed by
E. N. HARSHMAN
E. N. Harshman

Enclosures

JDC:hmh
cc: Chmn. Op. Comm. (2))
DMEA/DFC) w/copy complete report
MF-104 file, Reg. III)

Harshman) w/copy Engr's
Townsend) report
Chron

DMEA
DEPARTMENT OF THE INTERIOR
AUG 16 1957
REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
August 15, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: W. W. Winkel

Subject: Docket DMEA 4568 (Molybdenum) Contract Idm-E1094, Molybdenum Corporation of America (Moly or Questa mine) Taos County, New Mexico -- Progress report for the month of June 1957

Progress at the subject property was inspected on August 6, 1957. The inspecting engineer was accompanied by A. L. Greslin, manager of the property.

The face of No. 2 crosscut North was 21.0 feet ahead of survey station No. 3168 at the start of contract work on June 15, 1957, and was advanced to 60.0 feet on June 30, 1957. Survey station No. 3170 was established 31.0 feet ahead of No. 3168, or 29.0 feet back from the face as of June 30, 1957. The total drifting in this crosscut was 39.0 feet. Timbering was started at 21.0 feet ahead of Sta. No. 3168 and was continued to 36.0 feet, or a total of 15.0 feet for June. The end of the last set was 5.0 feet ahead of Sta. No. 3170.

The West drift face was at 69.0 feet ahead of Sta. No. 3167 at the start of contract work on June 15, 1957, and was advanced to 111.0 feet on June 30, 1957. Sta. No. 3169 was established 97.0 feet ahead of Sta. No. 3167, or 14.0 feet back from face of drift on June 30, 1957. Total drifting for June was 42.0 feet. Timbering, under the contract, was started at 69.0 feet ahead of Sta. No. 3167 and was set to 94.0 feet on June 30, 1957, a total of 25.0 feet of timbering.

STAGE I CONTRACT WORK

No. 2 Crosscut North

Sta. No. 3168 to face, June 15, 1957	21.0 feet
Sta. No. 3168 to No. 3170	31.0 feet
Sta. No. 3170 to face, June 30, 1957	29.0 feet
Sta. No. 3168 to start of timbering, June 15, 1957	21.0 feet
Sta. No. 3170 to end of timbering, June 30, 1957	5.0 feet

West Drift

Sta. No. 3167 to face, June 15, 1957	69.0 feet
Sta. No. 3167 to No. 3169	97.0 feet
Sta. No. 3169 to face, June 30, 1957	14.0 feet
Sta. No. 3167 to start of timbering, June 15, 1957	69.0 feet
Sta. No. 3167 to end of timbering, June 30, 1957	94.0 feet

Grab samples were taken from loaded mine cars, and 5 assays were made of material from the No. 2 crosscut North and 8 assays of material from West drift (see progress map). The operator has been informed that this method of sampling is not acceptable under the terms of the contract, and that horizontal channel samples would have to be taken and assayed prior to any allowance for assays under contract terms. The operator has agreed to cut horizontal channel samples of all drifts and crosscuts completed under the contract. ?

The operator has submitted a narrative report for June 1957 in quintuplicate with maps showing plan of drifting completed, extent of timbering, and results of assays in terms of MoS_2, geologic maps, Forms MF-104 and 104a, and laboratory reports of assays. Other documentation to support this claim is not required by the contract.

All drifting and timbering conformed with provisions of the contract.

The claim for 13 assays of grab sampling does not conform with provisions of the contract, and is recommended for disallowance. ?

Payment of $1,853.42 or 50 percent of the amount claimed $3,745.83, less $39.00 (13 assays at $3.00 each) is recommended by the inspecting engineer.

W. W. Winkel
W. W. Winkel
Mining Engineer

WWW/mw
cc: 6
Idm-E1094
chron

Questa, New Mexico
August 7, 1957

Mr. W. H. King, Executive Officer D.M.E.A.
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Re: Docket No. D.M.E.A. 4568
(Molybdenum)
Contract No. IDM-E1094
Molybdenum Corporation of
America (Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

During the period June 15 to June 30, 1957, there were 13 working days. During the 13 days there were 42 feet of advance in the west drift and 39 feet of advance in No. 2 crosscut north.

Only one crew could be worked in these two headings as we had to cut a switch station to be able to handle the empty and loaded cars.

13 analyses were made from grap samples taken of the loaded cars from the above work. (see map attached)

40 feet of timbering were done during this period. Of this there were 25 feet of timbering in the west drift and 15 feet in No. 2 crosscut north.

The ground in the west drift is greenrock, very soft and badly fractured. There is some MoS_2 on the faces. The ground in the No. 2 crosscut north is greenrock, medium hard, blocky with small streaks of quartz and MoS_2.

A. L. Gresline, Manager

DMEA
DEPARTMENT OF THE INTERIOR
AUG 12 1957
REGION III
DENVER, COLORADO

Reconciliation with Amount Reported by the Operator on Form MF-104 for July, 1957

Amount reported on Form MF-104 for July, 1957	$4,361.40
Amount to be disallowed	63.00
Acceptable cost for July, 1957	4,298.40
Government participation at 50 percent	$2,149.20

Remarks

Date of Report---------August 8, 1957
Date Received in Field Office----------August 13, 1957
Date Received in Region Office---------August 16, 1957

Original signed by
E. N. HARSHMAN
E. N. Harshman

Enclosures

JDC:hmh
cc: Chmn. Op. Comm. (2))
DMEA/DFC)w/copy of complete report
MF-104 file, Reg. III)

Harshman) w/copy of Engr's
Townsend) report
Chron.

Contract Division

CERTIFICATION BY THE UNITED STATES OF AMERICA OF A DISCOVERY OR DEVELOPMENT UNDER AN EXPLORATION PROJECT CONTRACT

To: Molybdenum Corporation of America
375 Park Avenue
New York 22, New York

Pursuant to the provisions of Exploration Project Contract No. Idm-E1094, dated May 31, 1957, (Docket No. DMEA-4568), as amended, hereinafter called the "contract," between Molybdenum Corporation of America, a Delaware corporation, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

Underground drifting and crosscutting on the 2nd Tunnel Shaft Level of the Questa mine and diamond drilling from these openings indicated significant areas of molybdenite-bearing material within or near the contact zone of Tertiary intrusive granite porphyry and andesite volcanics (locally termed green rock). The molybdenite occurs with quartz and pyrite in small veinlets, in well developed veins several inches to a foot or more in width, and as a thin veneer or paint on joint and shear surfaces.

Dated: JAN 13 1961

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Office of Minerals Exploration

MMurphy/fw/gla
-11-61

c: Operator (original)
Dotson Minerals Corporation
C.A.Fredell, GSA
Contract Division
Fiscal Section
Region III (2)
Director's Reading File
F. E. Johnson
Review Committee
Harold Kirkemo, USGS
Code 500, Mr. Murphy
Chron

Docket

N 1 3 1961

Molybdenum Corporation of America
375 Park Avenue
New York 22, New York

Re: NMEA-4568 (Molybdenum)
Molybdenum Corporation of America
Moly or Questa Mine
Taos County, New Mexico
Contract Ldm-21004

Gentlemen:

Enclosed is a "Certification by the United States of America of a Discovery or Development Under an Exploration Project Contract." This certification covers all the land described in Article 2 of the subject contract.

By the terms of the Exploration Project Contract, as amended, and of the certification, all minerals mined or produced, or transported through NMEA workings, from May 31, 1957, to May 31, 1973, are subject to the Government's percentage royalty as set forth in the contract until the sum of $280,330.37 (subject to audit) is repaid or until May 31, 1973, whichever occurs first.

Royalty payments should be made to the Field Officer, OME, Region VII, Building 20, Denver Federal Center, Denver 25, Colorado, by the purchaser, with checks drawn payable to the Office of Minerals Exploration. The purchaser should be advised to deduct royalties from the amount due on each shipment and send the check directly to the Field Officer. Each check should be accompanied by suitable evidence - such as copies of settlement sheets - showing the name of the purchaser, the quantity and grade of the products sold, and the price and charges, certified to be correct by the purchaser.

You are requested to notify the Field Officer of any changes in ownership or production rights that may have any effect on the Government's right to its percentage royalty. Your attention is called particularly to Article 3(a) of the contract relating to the preservation of the Government's right to a percentage royalty on production. Also when production starts, please notify the Field Officer. Thereafter, if production ceases for any extended period, please notify him accordingly at six-month intervals.

Sincerely yours,

(signed) FRANK E. JOHNSON

Enclosure

Acting Director

Murphy/Mathiasmoldi/sla
11-4-60
cc to: Director's Reading File
Mr. Johnson
Review Committee
Chief Division
Region III (2)
Harold Kirkham, USGS
Code 500
Chron

JAN 13 1961

Mr. Carl E. Dotson, President
Dotson Minerals Corporation
440 Park
Socorro, New Mexico

Re: DMEA-4568 (Molybdenum)
Molybdenum Corporation of America
Maly or Questa Mine
Taos County, New Mexico
Contract Idm-K1094

Dear Mr. Dotson:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Lien and Subordination Agreements signed by you on December 8, 1959. The Government's prior lien on the land and upon any production therefrom will continue in existance for the length of time mentioned in the enclosed copy of the letter 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 part of your interest in the land or the production therefrom.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosures
FMMurphy/fw-10/28/60
cc: Docket
Director's Read.File
CA&A Division
Fiscal Section
Reg. III (2)
Review Committee
H.Kirkemo, USGS
F.E.Johnson
F.M.Murphy
Chron.

JAN 13 1961

Mr. Clarence A. Fredell, Director
Technical Research and Development Division
Defense Materials Service
General Services Administration
6018 GSA Building
Washington 25, D. C.

Re: IMMA-4568 (Molybdenum)
Molybdenum Corporation of America
Moly or Questa Mine
Taos County, New Mexico
Contract Idn-E1094

Dear Mr. Fredell:

Enclosed is a copy of a certification of discovery or development relating to Exploration Project Contract Idn-E1094. The contract, dated May 31, 1957, as amended, provided Government participation to the extent of 50 percent in an exploration project estimated to cost $510,500.00. Actual expenditures were $400,679.14, with the Government's share being 50 percent or $200,339.57.

Work completed consisted of 3777 feet of drifting and crosscutting, timbering 4130 feet, cutting drill stations 321 feet, and 21,419 feet of diamond drilling. In addition, during the contract period the Operator completed 5979 feet of crosscutting and drifting without Government assistance.

The Operator's estimate of indicated ore reserves resulting from the work is as follows:

	Areas Square Feet	Average Thickness Feet	Tons	Percent MoS_2	Pounds MoS_2
Block 1	911,526	812	61,679,960	0.2412	297,303,924
Block 2	1,519,250	852	107,866,750	0.253	545,803,755
Block 3	1,084,676	1,000	90,589,666	0.233	421,215,843
Totals			259,936,376	0.243	1,264,525,522

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure
FMMurphy/fw-10/28/60
cc: Docket
Director's Read.File

CA&A Division
Reg. III (2)
Review Committee
H.Kirkemo, USGS

FEJohnson
FMMurphy
Chron.

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY O. M. E RECEIVED JUN 23 1960		
DATE	INITIALS	CODE
		800

June 21, 1960

Mr. A. L. Greslin
Moly Mine
Questa, New Mexico

Re: Docket No. DMFA-4568 (Molybdenum)
Contract No. Idm-K1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Mr. Greslin:

In reference to your letter dated June 16, 1960, this constitutes concurrence by the Government for you to stop drilling Hole 43A.

Nothing in the above work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the "Fixed Unit Cost" of any item of work.

Very truly yours,

Original signed by

Hugh M. Connors
Acting Field Officer
OME, Region III

cc: Mr. J. B. Carman
URAD Mine
Empire, Colorado

HMC/lm

cc: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Chief, Division of Field Operations OME (2)
Amendment File, Region III
Hasler
Corres.
Chron

OME
DEPARTMENT OF THE INTERIOR
JUN 20 1960
REGION III
DENVER, COLORADO

June 16, 1960

Mr. Hugh Conners
Acting Field Officer
O.M.E. Field Team, Region III
Building 20, Federal Center
Denver 25, Colorado

Re:
Docket No. UMEA 4568 (Molybdenum)
Contract No. IDM-E 1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

We ask you herewith for approval to stop drill hole No. 43-a.

We drilled drill hole No. 43 to a depth of 136 feet and had to stop due to caving ground in the hole. Then, with your approval, we tried drilling hole No. 43-a at the same location but at an inclination of plus 80 degrees South.

We drilled to a depth of 66 feet in drill hole No. 43-a but couldn't go any farther due to caving ground in the hole and too much sand in the hole that would stick the rods and couldn't get the rods in or out of the hole.

Yours very truly,

A. L. Greslin

A. L. Greslin, Manager

OME
DEPARTMENT OF THE INTERIOR

JUN 9 1960
REGION III
DENVER, COLORADO

June 6, 1960

Mr. Hugh Conners
Acting Field Officer
O.M.E. Field Team, Region III
Building 20, Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 4568 (Molybdenum)
Contract No. IDM-E1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

We ask you herewith for approval to stop drill hole No. 43 at 136 feet.

Drill Hole No. 43 was drilled AX to 136 feet but had to stop due to caving ground to the extent that we couldn't get into the hole nor out with the drill rods. We tried to ream the hole to BX to case it but the rock was too loose to ream and the hole has become too large to do any good reaming.

We ask your approval to drill another hole (No. 43a), at the same location as No. 43 but drill this one at an inclination of Plus 80 Deg. South.

We will try to drill this one BX to get through the broken up zone before going to AX size.

Yours very truly,

A. L. Greslin

A. L. Greslin, Manager

Copy

~~OFFICIAL~~ FILE COPY
O. M. E.
RECEIVED APR 28 1960

DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

April 26, 1960

Mr. A. L. Greslin
Moly Mine
Questa, New Mexico

Re: Docket No. DMEA-4568 (Molybdenum)
Contract No. Idm-E-1094
Molybdenum Corporation of America
Moly or Questa Mine
Taos County, New Mexico

Dear Mr. Greslin:

In reference to your letter dated April 22, 1960, this constitutes concurrence by the Government for you to consider Diamond Drill hole No. 40 completed to a length of 732 feet, since the drill machine is no longer able to rotate the rods any deeper than the 732 feet. In addition, drilling to a depth of 732 feet has provided the information for which the hole was originally designed.

Very truly yours,

Original signed by

Hugh M. Conners
Acting Field Officer
OME, Region III

cc: Mr. J. B. Carman
URAD Mine
Empire, Colorado

HMC/bjo

cc: Fiscal Sec., Div. of
Adm. Svcs, OME
Chief, Div. of Field
Operations (2)
Amendment File, Region III
Hasler
Corres.
Suspense
Chron.

EXTRA COPY O. M. E RECEIVED JUN 13 1960		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

June 9, 1960

Mr. A. L. Gwelin
Moly Mine
Questa, New Mexico

Re: Docket No. MMRA-4568 (Molybdenum)
Contract No. [illegible]
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Mr. Gwelin:

In reference to your letter dated June 6, 1960, this constitutes concurrence by the Government for you to stop drilling hole No. 43 at 136 feet and to drill another hole (No. 43A) at the same location as No. 43 but drill this one at an inclination of plus 80° South.

Nothing in the above work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the "Fixed Unit Cost" of any item of work.

Very truly yours,

Hugh M. Connors

Hugh M. Connors
Acting Field Officer
OME, Region III

cc: Mr. J. B. Carman
UMAD Mine
Empire, Colorado

HMC/lm
cc: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Chief, Division of Field Operations OME (2)
Amendment File, Region III
Hasler
Corres.
Chron

DMEA
DEPARTMENT OF THE INTERIOR

JUL 24 1958
REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
July 24, 1958

Memorandum

To: Acting Executive Officer, DMEA Field Team, Region III

From: M. H. Salsbury

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Ida-X1094, Molybdenum Corp. of America (Moly or Questa mine) Taos County, N. M. -- Progress report for June 1958

Operations under the subject contract were inspected on July 17, 1958 by M. H. Salsbury in company with the operator's manager, A. L. Graslin.

Advance in the headings up to the day of inspection was in excess of the amounts claimed for June 1958. The face of the No. 4 XC S (Stage II) was at 148 feet beyond survey station 3216 or 87.5 feet beyond the point of advance claimed. The face of the Drift West (Stage II) was 78 feet beyond survey station 3217 or 24 feet beyond the point of advance claimed. AX core from diamond drill hole No. 9, 500 feet deep was examined and found to represent the footage claimed. Core recovery averaged only 6.54 percent.

Chemical analyses of 100 samples for MoS_2 were claimed. No claim was made for 34 chemical analyses of drill core. Preparation of drill stations for holes Nos. 15 and 16, next to be drilled, in the amount of 8 feet, and for hole No. 3 now being drilled, in the amount of 4 feet is claimed.

All work was done in accordance with the fixed cost contract, amendments thereto, and work approvals, and is within contract maximums.

CONTRACT MEASUREMENTS
Stage II

No. 4 XC South, face 7/17/58 at station 3216 + 148 feet	
Face 6/30/58, station 3216 +	60.5 ft.
station 3214 to station 3215	65.0 ft.
station 3215 to station 3216	51.5 ft.
	177.0 ft.
Face 5/31/58, station 3214 +	38.0 ft.
Claimed for No. 4 XC South in June 1958	139.0 ft.
Total length No. 4 XC S from start -- 1008 ft.	

Drift West, face 7/17/58 at station 3217 + 78.0 ft.
Face 6/30/58 station 3217 + 53.0 ft.
Station 3212 to station 3217 100.5 ft.
153.5 ft.
Face 5/31/58 station 3212 + 43.5 ft.
Claimed for Drift West in June 1958 110.0 ft.
Total advance claimed in June 1958 249.0 ft.
Total length Drift West from start of BMRA 1016 ft.

A stub drift was excavated in the No. 4 XC South at station 3215. No claim was made for this or for analyses of samples taken in the stub drift.

Timbering claimed by the operator and verified by the BMRA inspector is as follows:

Stage II
No. 4 Crosscut South
Stop at station 3216 plus 57.0 ft.
Station 3215 to station 3216 51.5 ft.
Start at station 3215 minus 36.0 ft. 146.5 ft.

Drift West
Stop at station 3217 plus 18.0 ft.
Start at station 3217 minus 88.5 ft. 106.5 ft.

Stop at station 3209 + 87.0 ft.
Start at station 3209 + 76.0 ft. 11.0 ft.

Stop at station 3208 plus 37.0 ft.
Start at station 3207 plus 31.0 ft. 6.0 ft.

Total measured by BMRA inspector 269.0 ft.
Total claimed in June 1958 270.0 ft.

Stage I (In Drift West)
Stop at station 3180 plus 103 ft.
Start at station 3180 plus 90 ft.
Measured by BMRA inspector 13 ft.
Claimed in June 1958 Stage I 13 ft.

Claims for heading advance are in accordance with the BMRA measurements, and claims for timbering are considered to be virtually in agreement. Any discrepancies in progress measurements can be adjusted when headings are completed at which time the total claims can be checked.

On July 17, 1958 the No. 4 Crosscut South had been advanced to approximately coordinate S.1372. A work approval dated June 23, 1958 authorizes extension of the No. 4 Crosscut South to coordinate S.1800. The Drift West had been advanced to coordinate W.642. The Drift West is presently authorized to coordinate W.800. Both No. 4 Crosscut South and the Drift West were driven

through transition rock described as aplitic or granitic. The country rock was badly broken throughout and the headings were timbered continuously. Three places in previously driven unsupported sections had to be timbered also. There was visible MoS_2 throughout the area traversed by the headings. An increase in MoS_2 content toward the face is indicated by samples from the No. 4 Crosscut South.

Diamond drill hole No. 9, drilled vertically down 500 feet at survey station 3139, exhibited Mo Sg throughout in low concentrations (0.07 to 0.22 percent MoS_2). The hole bottomed in aplite (granite).

The operator has submitted in quintuplicate for June 1958, accounting forms, a narrative report with maps, a drill hole log and assay results on drill core, sludge, and mine samples. Monthly and cumulative totals appear to be correctly reported.

Payment is recommended on the following items:

Stage I	
Diamond drilling 500 feet at $5.00/ft.	$2,500.00
Reaming and Casing 396 ft. at $1.00/ft.	396.00
Excavating drill stations 12 ft. at $44.43/ft.	533.16
Timbering 13 ft. at $2.70/ft.	35.10
Analyses of 50 sludge samples for MoS_2 at $3.00/ea.	150.00
Total Stage I	$3,614.26
Stage II	
Drifting and crosscutting 249 ft. at $44.43/ft.	$11,063.07
Timbering 270 ft. at $2.70/ft.	729.00
Analyses of 50 mine samples for MoS_2 at $3.00/ea.	150.00
Total Stage II	$11,942.07
Total claimed and recommended for approval in June 1958	$15,556.33

Payment is recommended for June 1958 of $7,778.17, or 50 percent of the amount claimed, $15,556.33

M. N. Salsbury
Mining Engineer

MNS/mr
cc: 6
Idm-21094
chron

DMEA

NARRATIVE REPORT FOR JUNE 1958

DEPARTMENT OF THE INTERIOR

JUL 17 1958

REGION III
DENVER, COLORADO

Questa, New Mexico
July 15, 1958

Mr. E. H. Harshman, Acting Director DMEA
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Dear Sir:

During the period June 1 through June 30, 1958 there were 25 working days and 5 Sundays. There were 25 days worked in the mine.

No. 4 CxS was worked on a two shift basis and Drift West was worked on a one shift basis.

139 feet of advance were made in No. 4 CxS. This was in Transition rock for the first 100 feet and then Red rock the rest of the distance. There was 147 feet of timbering in this place.

110 feet of advance were made in Drift West. This was in transition rock. 123 feet of timbering were done in this place.

Diamond drill hole No. 9 was completed to 500 feet. In this hole we had to ream and case 249 feet, then cement another 147 feet to be able to finish the hole.

12 feet of raise work were done in Stage I of the contract. 8 feet of this was done in No. 1 CxN to get ready to drill holes No. 15 and 16. 4 feet were done in the drill station at Coordinate E-1800.

13 feet of timbering were done in stage I of Drift west. This wasn't timbered before but is getting loose now and had to be timbered.

A. L. Greslin

A. L. Greslin, Manager

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED JUN 21 1958 DMEA

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1958 Docket No. DMEA 4568 Contract No. DM-M1094
Operator's Name Molybdenum Corporation of America Minerals Molybdenum
Address 375 Park Avenue New York 22, N Y
Contract Amount, $ 510,500.00 Government Participation: 50% Amount, $ 255,250.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	5000.00	23715.00	28715.00			
Drill Sta.	0.00	2799.09	2799.09			
Crosscutting & Drift	16261.38	110141.97	126403.35			
Timber	642.60	5834.70	6477.30			
Analyses	519.00	2886.00	3405.00			
(2) Supervision:						
Ream & Caso	0.00	521.00	521.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	22422.98	145897.76	168320.74	22422.98	145897.76	168320.74

RECEIVED
JUN 19 1958
Div. of Mineral Technology
BUREAU OF MINES
Denver Experiment Station
Denver, Colorado

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 6/14/58 *Payee Molybdenum Corp. of America
Per R. R. Gresles Title Manager

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 11,211.49
Signature (Authorized Certifying Officer)
Date 7/14/58 Voucher DMA 59-3
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E1094 in accordance with the terms of the contract.

Signature M. H. Lakeburg 11,211.49 Title Mining Engineer Date 6-30-58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Alternate Acting Executive Officer Date JUL 10 1958

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED JUN 18 1958 D.M.E.A.

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1958 Docket No. DMEA 4568 Contract No. DM-U 1094

Operator's Name Molybdenum Corporation of America Minerals Molybdenum

Address 375 Park Avenue New York 22, N.Y.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				STAGE I				
Drifting & Crosscut	ft	0.00	-0-	44430.00	1000	44.43	1000	44.43
Drill Sta	ft	0.00	-0-	2265.93	51	44.43	115	44.43
Timbering	ft	0.00	-0-	2481.30	919	2.70	1000	2.70
Analyses	Spl	300.00	100	2172.00	724	3.00	1100	3.00
Ream & Case	ft	0.00	-0-	249.00	249	1.00	500	1.00
Drilling: Core	ft	5000.00	1000	26680.00	5336	5.00	9000	5.00
				STAGE II				
Drift & Crosscut	ft	16261.38	366	81973.35	1845	44.43	6160	44.43
Drill Sta	ft	0.00	-0-	533.16	12	44.43	250	44.43
Timbering	ft	642.60	238	3996.00	1480	2.70	6160	2.70
Analyses	Spl	219.00	73	1233.00	411	3.00	3177	3.00
Ream-Case	ft	0.00	-0-	272.00	272	1.00	1000	1.00
Core Drill	ft	0.00	-0-	2035.00	407	5.00	19500	5.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		22422.98		168320.74				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

REMARKS:

Date 6/14/58 Operator Molybdenum Corp. of America

Per [signature] Title Manager

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

RECEIVED
JUN 19 1958
Div. of Mineral Technology
BUREAU OF MINES
Denver Experiment Station
Denver, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
JUN 18 1958
REGION III
DENVER COLORADO

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

FINAL DISTRIBUTION
MADE JUL 15 1958

224 New Customhouse
Denver 2, Colorado
July 10, 1958

7/21 Chm 100
800

Memorandum

To: T. A. Christensen

From: Alternate Acting Executive Officer, DMEA Field Team, Region XII

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-H1094, Molybdenum Corporation of America, (Moly or Questa mine) Taos County, New Mexico - Operator's Monthly Progress Report for the Month of May, 1958

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. All of the work was performed at "Fixed Unit Costs" under the short form contract on Form MF-200A, therefore documentation of the costs is not required. We recommend that payment be made to the Operator for 50 percent of the amount reported on Form MF-104, subject to your verification of applicable rates and arithmetical accuracy within the report.

Remarks:

Date of Report----------June 14, 1958
Date Received in Field Office----------June 19, 1958
Date Received in Region Office----------July 1, 1958

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

MGM:hmh

cc: Chmn. Op. Comm. (2)
DMEA/DFC
MF-104 file, Reg. XII
Marshman - w/copy Engr's report
Chron

DMEA
DEPARTMENT OF THE INTERIOR
JUL 9 - 1958
REGION III
DENVER, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR
JUL 1 - 1958
REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
June 30, 1958

Memorandum

To: Acting Executive Officer, DMEA Field Team, Region III

From: M. H. Salisbury

Subject: Docket No. DMEA 4568 (Molybdenum) Contract IAm-21094, Molybdenum Corporation of America (Maly or Questa mine) Taos County, New Mexico -- Progress report for May 1958

Work under the subject contract was inspected on June 11, 1958 by W. W. Winkel in company with the operator's manager, A. L. Grealin.

At the time of the inspection, the work completed was in excess of the amounts claimed for May 1958. The face of the No. 4 XCS (Stage II) was at 78.0 feet beyond survey station 3814 or 38 feet beyond the point of advance claimed. The face of the Drift West (Stage II) was 76.0 feet beyond survey station 3812 or 32 feet beyond the point of advance claimed. Core from diamond drill holes No. 4 and No. 10 (Stage I), each 500 feet deep was inspected and found to check the footages claimed.

Chemical analyses of 100 samples of drill core and sludge and 73 mine samples were claimed.

All work was done in accordance with provisions of the contract amendments and work approvals and within contract maximums.

CONTRACT MEASUREMENTS
STAGE II

No. 4 XC south face 6/12/58 station 3814 +78.0	
face - 5/31/58 station 3814 + 39.0 ft.	
from station 3810 to station 3813 125.5 ft.	
from station 3813 to station 3814 102.5 ft.	
	267.0 ft.
face 4/30/58 station 3810 +	41.7 ft.
total for No. 4 XC South	225.3 ft.

Drift West face 6/12/58 station 3212 + 76.0 ft.	
face 5/31/58 station 3212 +	43.5 ft.
station 3209 to station 3212	112.5 ft.
	156.0 ft.
face 4/30/58 station 3209 +	19.5 ft.
total for Drift West	136.5 ft.
total claimed in May	141.0 ft.
excess	5.5 ft.
total driven in May 1958	361.8 ft.
total claimed in May 1958	366 ft.

The position of the face of the Drift West on May 1, 1958 as reported by the BMRA inspector was 19.5 feet beyond survey station 3209 which gave a measurement for April advance of 63.5 feet or 6.5 feet more than was claimed in that month. This is approximately compensated in May 1958 by the 5.5 feet claimed in excess of the May advance measured. The discrepancy lies in designating the exact position of the face on the first of the month as checked by the BMRA inspector several weeks later. In any case the measurements on the date of the BMRA inspector's visit, June 11, show advances for May in both headings substantially greater than claimed.

Timbering claimed by the operator, and verified by the BMRA inspector:

No. 4 Crosscut South

Stop at survey station 3207 + 42.0 ft.		
Start at survey station 3207 + 33.5 ft.	8.5 ft.	
Stop at survey station 3210 + 53.0 ft.		
Start at survey station 3210 + 24.5 ft.	28.5 ft.	
Stop at survey station 3210 + 80.0 ft.		
Start at survey station 3210 + 68.5 ft.	11.5 ft.	
Stop at survey station 3211 plus 18.5 ft.		
Start at survey station 3211 minus 5.0 ft.	23.5 ft.	
Stop at survey station 3214 + 27.0 ft.		
Start at survey station 3214 - 63.5 ft.	90.5 ft.	
Total in No. 4 Crosscut South		162.5 ft.

Drift West

Stop at survey station 3209 + 80.5 ft.		
Start at survey station 3209 + 30.0 ft.	50.5 ft.	
Stop at survey station 3212 + 12.0 ft.		
Start at survey station 3212 - 13.0 ft.	25.0 ft.	
Total in Drift West		75.5 ft.
Total timbering claimed in May 1958		238.0 ft.

Advance in the No. 4 crosscut south has proceeded to approximately coordinate S.1148. The face is in transitional rock and the crosscut shows visible molybdenum throughout the section driven in May. A work approval dated April 14, 1958 authorizes extension of the No. 4 crosscut south to approximately coordinate S.1300.

Advance in the drift west has proceeded to coordinate W.510. The face is in transitional rock and the drift shows visible molybdenum throughout the section driven in May. Amendment No. 2 authorizes extension of the drift west to approximately coordinate W.500.

Diamond drill holes Nos. 4 and 10 exhibit MoS_2 throughout their length.

The operator has submitted in quintuplicate for May 1958, accounting forms, a narrative report with maps, drill hole logs and assays of drill core, sludge and mine samples. Monthly and cumulative totals appear to be correctly entered.

Payment is recommended of the following:

Stage I	
Diamond drilling 1000 feet at $5.00/ft.	$5,000.00
Chemical analyses of 100 samples for MoS_2 at $3.00/ea.	300.00
Stage II	
Drifts and crosscuts 366 feet at $44.43/ft.	16,261.38
Timbering 232 feet at $2.70/ft.	626.40
Chemical analyses, 73 at $3.00/ea.	219.00
Total claimed for May 1958	$22,406.78

Payment is recommended for May 1958 of $11,211.49 or 50 percent of the amount claimed, $22,422.98.

M. E. Salsbury
M. E. Salsbury
Mining Engineer

M. W. Wanless

MES/mw
cc: 6
Idm-K1094
ehron

Molybdenum Corporation of America

Moly Mine
Questa, New Mexico
April 22, 1960

OME
DEPARTMENT OF THE INTERIOR
APR 25 1960
REGION III
DENVER, COLORADO

Mr. J.W. Townsend
Executive Officer O. M. E.
Field Team Region III
Building 20, Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 4568 (Molybdenum)
Contract No. IDM-E 1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

We ask you herewith for approval to stop drill hole No. 40 at 732 feet.

Drill hole No. 40 was drilled B X to 211 feet and cased. The balance was drilled A X without casing, but due to the changes in rock in the hole we didn't have enough power with the drill machine to rotate the rods any deeper than the 732 feet.

We drilled through the porphyry at 676 feet, then into transition rock.

Yours very truly,

G. L. Wheeler

~~OFFICIAL FILE~~ COPY
O. M. E.
RECEIVED APR 28 1960

DATE	INITIALS	CODE
		800

EXTRA COPY O. M. E. RECEIVED MAR 18 1960		
DATE	INITIALS	CODE
		800

(copy)

Building 20 - Federal Center
Denver 25, Colorado

March 15, 1960

Mr. A. L. Greslin
Moly Mine
Questa, New Mexico

Re: Docket No. DMEA-4568 (Molybdenum)
Contract No. Idm-E1094
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Greslin:

In reference to your letter dated March 10, 1960, this constitutes concurrence by the Government for you to consider Diamond Drill Hole No. 38 completed to a length of 422 feet, since the caving ground encountered makes further drilling impractical. In addition, drilling to a depth of 422 feet has provided the information for which the hole was originally designed.

Very truly yours,

OME Field Team, Region III

By: J. W. Townsend
J. W. Townsend
Executive Officer

cc: Mr. J. B. Carman
Urad Mine, Empire, Colo

JWT/ms

cc: Fiscal Sec, Div of Admin Svcs
Chmn. Op. Comm. (2)
Amendmt File, Reg III
Hasler
OME/DFC
Corres
Suspense
Chron

EXTRA COPY
O. M. E.
RECEIVED MAR 18 1960

DATE	INITIALS	CODE

March 10, 1960

Mr. J. W. Townsend
Executive Officer O.M.E.
Field Team, Region III
Building 20, Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 4568 (Molybdenum)
Contract No. Idm-E1094
Molybdenum Corporation of America
(Moly or Questa Mine
Taos County, New Mexico

Dear Sir:

We ask you herewith for approval to stop drill hole No 38. It was drilled BX to 190 feet then AX to 422 feet. We drilled in porphyry to 223 feet where we hit the contact to the transition rock and it was transition rock from there to 422 feet where we hit very bad caving ground.

We drilled through this caving ground a few times to get to the bottom of the hole but everytime we would drill through it it would get worse, therefore we had to pull out of the hole at 422 feet.

Yours very truly,

A. L. Gresline

OME
DEPARTMENT OF THE INTERIOR
MAR 14 1960
REGION III
DENVER, COLORADO

EXTRA COPY O. M. E RECEIVED MAR 3 1960		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

February 29, 1960

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. [illegible]-4563 (Molybdenum), contract No. [illegible], Molybdenum Corporation of America (Moly or Questa mine), Taos County, New Mexico

Enclosed are the following pertaining to work under the subject contract:

(1) Two (2) copies of Work Approval issued by the OME Field Team, Region III dated February 29, 1960.

(2) Three (3) copies of a joint memorandum dated February 26, 1960 from A. H. Ting, Geologist, Geological Survey, and T. M. Kanals, Mining Engineer, Bureau of Mines.

(3) Two (2) copies of a letter from the Operator dated February [illegible], 1960 with attached geological report wherein request is made for approval for six (6) items of work.

Original signed by

J. W. Townsend

Enclosures 3

JWT/ms
F/O Reg III w/cy work approval
Mailer w/cy work approval
OME/DFC
Corres F1094
Susp
Chron

EXTRA COPY
O. M. E
RECEIVED MAR 3 1960

DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado

February 29, 1960

Mr. J. B. Carman
Molybdenum Corporation of America
Urad Mine
Empire, Colorado

Re: Docket No. DMEA-4568 (Molybdenum)
Contract No. Idm-E1094
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Carman:

In reference to your letter dated February 16, 1960, the following six (6) items of work are conditionally approved for performance under the provisions of Contract No. Idm-E1094, pertaining thereto, with the understanding that every effort will be made to complete all six items of the work on, or before June 30, 1960 as provided for in Amendment No. 4 dated November 25, 1959. It is to be further understood that the Government will not contribute to the costs of a partially completed item of work; therefore, reimbursement to the Operator for the Government's portion of the costs of an individual item of work will be deferred until the item of work is completed to the satisfaction of the Government, and an appropriate accounting report and voucher is submitted by the Operator.

Item	Diamond Drill Hole No.	Location	Approximate Coordinates of Collar	Inclination	Bearing	Maximum Length
(1)	41 ✓	No. 1x-Cut N	2800N-1000E	0°	East	500 ft
(2)	42 ✓	No. 1x-Cut N	2800N-1000E	-90°	0	500 ft
(3)	43 ✓	No. 3 Drift E	2340N-1400E	+90°	0	500 ft
(4)	44 ✓	No. 3 Drift E	2340N-1400E	-90°	0	500 ft
(6)	45 ✓	No. 2x-Cut S, Westerly Drift	750S-1000E	-60°	South	800 ft

(5) Drive a drift a distance of 500 feet on a bearing of approximately S30°W from the most southwesterly face of the No. 2 crosscut South. The drift is to start at approximate coordinates 300S-1250E and end at approximate coordinates 750S-1000E, the location of Diamond Drill Hole No. 45, above.

Nothing in the above work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the "Fixed Unit Cost" of any item of work.

Very truly yours,

OME Field Team, Region III

By J. W. Townsend

By J. W. Hasler

cc: A. L. Greslin
Moly Mine
Questa, New Mexico

Chmn Op Comm (2)
Finance Off, Reg III
Amend File, Reg III
Hasler
OME/DFC
Corres file
Susp
Chron

Building 20 - Federal Center
Denver 25, Colorado
December 21, 1959

Mr. J. E. Carman
Molybdenum Corporation of America
Urad Mine
Empire, Colorado

Re: Docket No. DMEA 4568 (Molybdenum)
Contract Idm-E1094
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Carman:

Reference is made to work request Item 9 of your letter of October 20, 1959, and your letter of December 7, 1959, requesting Government approval for extension of the No. 1 Crosscut North under the provisions of Contract Idm-E1094.

Government contribution to the costs of extending the No. 1 Crosscut North is not considered warranted at this time, at least not until more conclusive information is obtained relative to the trend of the new highly mineralized zone which has recently been encountered in the No. 3 Drift East being driven from the No. 1 Crosscut North at approximate coordinate N 2500; therefore, Government approval of the work request is denied at this time.

Possibly consideration should be given to diamond drilling ahead of the No. 1 Crosscut North, and drilling to the East to test for continuity and extent of the mineralized zone encountered in the No. 3 Drift East.

Very truly yours,

JWT:ltm

DME Field Team, Region III

Original signed by
By _____
J. W. Townsend

Original signed by
J. WILLIAM HASLER
By _____
J. W. Hasler

cc: Chem. Op. Comm.2)w/cpy Joint
Hasler)Memo. from R.U.King
DME/DFC) & T.M.Rosslo dtd.
Corres. file) 12/21/59
Susp.
Chron.

cc: A. L. Creslin
Moly Mine
Questa, New Mexico

IN REPLY REFER TO:

OME

DEPARTMENT OF THE INTERIOR

DEC 21 1959

REGION III

DENVER, COLORADO

UNITED STATES

DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

Office of Minerals Exploration
Denver Federal Center
Denver 25, Colorado

December 21, 1959

Memorandum

To: Executive Officer, OME Field Team, Region III
Through: J. William Beeler

From: R. U. King
T. M. Rumble

Subject: DMEA Docket 4565 (Molybdenum), Contract 14n-K1094, Molybdenum Corporation of America (Moly or Quanta mine), Taos County, New Mexico

The operator on December 9 restated his request of an earlier date to continue driving the No. 1 crosscut north to about coordinate 3100 north.

Strictly on geologic grounds, the operator's consulting geologist, Mr. R. H. Carpenter, makes a good case for continued exploration in a northerly direction. He points out that the Quanta-Green Rock north-trending contact intersected in the No. 4 crosscut west is swinging toward the east, and therefore, continuation of the No. 1 crosscut should also cross the contact. Again if there is an easterly swing to the contact followed by a northerly swing, a northeastward-plunging trough would enter along the contact. That such structural conditions are favorable for mineral concentration is not doubted, but the exploration to date has discovered in these same geologic conditions an enormous volume of material containing 0.2 to 0.3 percent MoS_2. The assays of drift samples over the last several hundred feet do not indicate any significant increase in MoS_2 content over that already discovered. Also coordinate 3100 N could be reached by a 600-foot horizontal drill hole if such a target is considered to have merit.

The face of the No. 1 crosscut north has at this date passed underneath the zone of surface geochemical anomalies, and the grade of mineralization (0.2-0.3 percent MoS_2) is believed to be quite adequate to have furnished sufficient mineral to account for the anomalies (500 to 1,000 ppm).

One possibility remains: the mineralized zone reflected in the surface geochemical anomalies may dip northward reaching the level

(7,805 feet) north of the present face of the No. 1 crosscut north. If this is the situation, a horizontal hole due north should intersect the zone if it is within reasonable reach.

Continuation of crosscutting northward at this time is not recommended.

R. U. King by [illegible]
R. U. King, Geologist

[illegible]
T. H. Kemble, Mining Engineer

Copy to: Director's Reading File
Townsend 5 w/original

RUKing:arh

Audit's Copy

EXPLORATION PROJECT CONTRACT
MOLYBDENUM CORPORATION OF AMERICA
DOCKET NO. DMEA-4568

AMENDMENT NO. 4

It is agreed this 25th day of November, 1959, between the United States of America, acting through the Office of Minerals Exploration, hereinafter called the "Government," and Molybdenum Corporation of America, hereinafter called the "Operator," that Exploration Project Contract No. Ism-m1094 (Docket No. DMEA-4568), dated May 31, 1957, as amended, is further amended, effective November 1, 1959, as follows:

1. The date fixed in Article 1 (a) of the contract for completion of the work is extended from 30 months to 37 months.

2. In Annex II, Item (b) is changed to read as follows: In Article 5 (b) of the contract the period "15 years" is changed to "16 years."

3. It is the essence of this Contract that the work be completed on or before June 30, 1960, in the manner required by the Contract, and if it is not so completed, the following provisions shall thereupon become effective:

(a) The Contract and all obligations of the parties thereunder, except as otherwise herein provided, shall be and are hereby terminated.

(b) The Government will contribute only to the allowable costs incurred prior to June 30, 1960, except the costs for assays of samples shipped to laboratories on or prior to that date, which may be billed subsequently.

(c) The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of a final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain its interest in the land), shall pay to the Government the royalty on production provided for in the Contract (as amended herein), as if certification of discovery or development had been made, such certification being hereby waived by the Operator.

Panels not effective, per Murphy 8/4,
all authorized work complete.
Mr. Johnson agrees.

Amend of Trust

In addition, all rights of the Government provided for in the Contract with respect to a certification of discovery or development, percentage royalty and liens to secure payment thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

(e) The Operator hereby agrees to save the Government harmless from all claims or demands under or arising out of the Contract, except as otherwise provided by this amendment.

4. In Annex I of the Contract the following claims are added:

Buena Vista Nos. 1, 2, 3, 4, 6, and 7, Torbert No. 2, and Renegade, situate in secs. 25, 35, and 36, T. 29 N., R. 13 E., Red River Mining District, Taos County, New Mexico. The claims are as shown by U. S. Mineral Survey No. 1943, and as described in U. S. Patent No. 1013380, dated March 10, 1928.

The approximate locations of the above-mentioned claims with reference to the other claims mentioned in Annex I are shown on the claim map attached to and described in Amendment No. 3 to the Contract, and made a part hereof by reference. These claims are in Area A of the project area as described by the terms of the Contract.

The Operator has rights of possession of the above-named claims under the terms of a "Warranty Deed," dated October 15, 1939, by Dotson Minerals Corporation, which is recorded in Book A-58, pages 391-392, in the official records of Taos County, New Mexico.

A Lien and Subordination Agreement covering the claims, executed by Dotson Minerals Corporation, is attached hereto and made part hereof.

5. In Annex I the following claims owned by the Operator are added:

Phyllis Nos. 5 and 7, situate in secs. 35 and 36, T. 29 N., R. 13 E. Taos County, New Mexico. The claims are recorded in Book F13, pages 238 239, respectively, in the official records of Taos County, New Mexico.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quintuplicate the date and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Office of
Minerals Exploration

MOLYBDENUM CORPORATION OF AMERICA

By _____

Title Pres

Operator's Copy

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of **Taos**, State of **New Mexico**;

described ~~as follows~~:[2] **in a Warranty Deed, dated October 15, 1959 recorded in Book A-58, pp 391-392, in the official records of Taos County, New Mexico.**

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

Molybdenum Corporation of America[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 _____ (State "None" or "See Annex No. _____".)

Dated this 8 day of Dec, 1959.

Carl E. Dotson (Seal) 440 Park (Street) Socorro, N.M. (City & State)

Dotson Minerals Corporation
President

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

_____ (Seal) _____ (Street) (City & State)

I, William R. Noonen (Name) certify that I am the Secretary-Treasurer (Title—Secretary, etc.) of the corporation named herein; that Carl E. Dotson (Name), who signed this agreement was then President (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.

William R. Noonen
(Corporate Seal)

INT.-DUP. SEC., WASH., D.C. 48694

EXTRA COPY O. M. E. RECEIVED DEC 23 1959		
DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado
December 21, 1959

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMRA 4568 (Molybdenum) Contract IAm-F1094
Molybdenum Corporation of America (Moly or Questa mine)
Taos County, New Mexico

Enclosed are the following pertaining to operations under the subject contract:

(1) Government and Audit copies of Amendment No. 4 which was forwarded by your memorandum of November 25, 1959 for signature by the Operator after supplying recording data for the Phyllis claims and execution of OME Form 32, Lien and Subordination Agreements.

(2) Two copies of project work approval issued by the OME Field Team, Region III, authorizing extension of the No. 5 Drift East.

It appears to be a foreseeing conclusion that all the work provided for under the contract will not have been completed by June 30, 1960; therefore, the provisions of Item 34 of Amendment No. 4 would automatically become effective which constitutes Pseudo Certification of the project. Please advise us to whether or not we are correct in the above interpretation of the Amendment.

Original signed by

J. W. Townsend

JWT:ltm

cc: Finance Off. Reg. III)w/cpy Amend. 4
Hasler)& work approval & supporting
OME/DFC)data
Corres. File)
susp.
Chron.

EXTRA COPY O. M. E. RECEIVED DEC 23 1959		
DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado
December 21, 1959

Mr. J. B. Carman
Molybdenum Corporation of America
Urad Mine
Empire, Colorado

Re: Docket No. DMEA 4568 (Molybdenum)
Contract Im-X1094
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Carman:

In reference to your letter of October 20, 1959, enclosed is the Operator's copy of Amendment No. 4 and copy of project work approval issued by the OME Field Team, Region III.

Very truly yours,

Original signed by

J. W. Townsend
Executive Officer, OME
Field Team, Region III

cc: Mr. Al. Grealin
Moly Mine
Questa, New Mexico

JWT:ltm

cc: Chem. Op. Comm. (2)
Hesler
OME/DFC
Susp.
Chron.

MOLYBDENUM CORPORATION OF AMERICA

URAD MINE

EMPIRE COLORADO

OME

REGION III

DENVER COLORADO

December 10, 1959

Mr. J. W. Townsend
Executive Officer, O.D.M.
Field Team, Region III
Building 20, Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 4560 (Molybdenum)
Contract No. Idm-Ele-4
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Townsend:

Confirming our telephone conversation today, the Phyllis Claim record in Taos County, New Mexico shows:

Phyllis No. 5 Located May 1918, Book F-13, Page 238;

Phyllis No. 7 Located May 1918, Book F-13, Page 239.

This supplies the missing information in our application of October 20, 1959 for amending the contract.

Yours very truly,

MOLYBDENUM CORPORATION OF AMERICA
URAD MINE

By

J. B. Damman

JBD:r

CC: ABG

EXTRA COPY O. M. E. RECEIVED DEC 23 1959		
DATE	INITIALS	CODE
		800

Building 50 - Federal Center
Denver 25, Colorado
December 21, 1959

Mr. J. B. Chenoweth
Molybdenum Corporation of America
Urad Mine
Questa, Colorado

Re: Contract No. DMSA 4568 (Molybdenum)
Contract 18s-21094
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Chenoweth:

In reference to Item 10 of your letter dated October 20, 1959, Government approval of work is as follows:

Extend the No. 3 Drift East on a bearing of approximately N 80° W not to exceed 500 feet beginning at coordinate Y 1500.

In reference to Item 9 of your letter of October 20, 1959, extension of the No. 1 Crosscut North, and in reference to your letter of December 7, 1959 requesting reconsideration of the matter, you will be advised at a later date as to the Government's decision.

Nothing in the above work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the "Final Unit Cost" of any item of work.

Very truly yours,

ORE Field Team, Region III

By J. V. Tassinari

By J. W. Hamer

JVT:lm

cc: Chem. Op. Comm. (2)
Finance Off. Reg. III
Assmt. file, Reg. III
Hamer
cc: [illegible] Cavallin
Moly Mine
Questa, New Mexico

Corres. File
Reg.
Chron.

EXTRA COPY
O. M. E.
RECEIVED NOV 19 1959

DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado
November 16, 1959

Mr. J. R. Cannon
Molybdenum Corporation of America
Coral Mine
Eagles, Colorado

Re: Docket No. DMA 4360 (Molybdenum)
Contract No. [illegible]
(Daly or Quarts mine)
Taos County, New Mexico

Dear Mr. Cannon:

Reference is made to the letter dated November 9, 1959, from the OME Field Team, Region III, approving the drilling of holes Nos. 37, 38, 39 and 40.

Please change the Taos coordinates of holes 39 and 40 from 650 E to 60 E.

Thank you for your letter of November 12, calling our attention to the error.

Very truly yours,

J. W. Hammond
Executive Officer, OME
Field Team, Region III

cc: A. L. Gamblin
Molybdenum Corp. of America
Questa, New Mexico

JWT:lbm
cc: Chem. Op. Cons. (2)
Finance Office, Reg. III
Accnt. File, Reg. III
Mather
OME/DPC
Contrs. File, Reg. III
Chron.

EXTRA COPY O. M. E. RECEIVED SEP 28 1959		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado
September 18, 1959

Mr. J. B. Cannon
Molybdenum Corporation of America
Urad Mine
Questa, Colorado

Re: Docket No. IMEA 4568 (Molybdenum)
Contract No. Idm-X1094
Molybdenum Corporation of America
(Maly or Questa mine)
Taos County, New Mexico

Dear Mr. Cannon:

In reference to your two letters dated August 25 and August 27, 1959, this constitutes Government approval for work under the contract as follows:

(1) Confirmation of verbal approval given August 26, 1959 for 100 ft. extension of the drift westerly from Crosscut No. 1 North.

(2) Approval to extend the drift westerly from Crosscut No. 1 North an additional 400 ft., or to a point not to exceed 1000 ft. from the point of beginning of the westerly drift at Crosscut No. 1 North.

(3) Drill holes Nos. 32 and 33 from points in the No. 7 Crosscut North at the following approximate locations and attitudes:

Hole No.	Coordinate Location	Inclination	Depth
32	S200 - W970	- 90°	1/
33	N100 - W1270	- 90°	1/

1/ Holes may be continued to a depth of 800 ft. or within practicable limits as long as drill samples contain visible MoS_2 estimated to be in excess of 0.20 percent.

All of the above approved work is to be performed in conformance with provisions in the contract pertaining thereto.

Nothing in the foregoing work approval shall be construed to increase the total estimated cost of the project, the aggregate amount which the Government may be required to contribute, nor the "Fixed Unit Cost" of any item of work.

JWT:ltm

Very truly yours,

J. W. Townsend
Executive Officer, OME
Field Team, Region III

cc: Assnd. file, Reg. III)w/cpy
Fin. Off. Reg. III)Oper's ltr. &
Chem. Op. Comm. (2)Field Engnr's
Wesler) Rept.
OME/DFC) 9/18/59
Corres. file, Reg. III
Suspense file
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
Denver Federal Center
Denver 25, Colorado

IN REPLY REFER TO:

EXTRA COPY
O. M. E.
RECEIVED SEP 28 1959

DATE	INITIALS	CODE

September 18, 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: J. W. Hasler
T. M. Bussala

Subject: Recommendation for reinstatement of two prior requested holes as well as approval for 500 feet of additional drifting westward from No. 1 crosscut north. DMEA Docket 4568 (Molybdenum) Contract Idm-X 1094, Molybdenum Corporation of America, Questa mine, Taos County, New Mexico

The applicant requested reinstatement of two diamond drill holes that were originally requested in a letter with attached map dated May 18, 1959, and were subsequently denied due to lack of sufficient data. The holes were Nos. 32 and 33 located in the No. 7 XCW some distance from diamond drill holes 30 and 31 in the No. 4 crosscut tunnel south and the main crosscut tunnel west, respectively.

The applicant also requested approval for an additional 500 feet of drifting S 82° W in the No. 4 crosscut west from the No. 1 crosscut north.

A field inspection was made by an OME examining team September 9, 1959.

Diamond drill hole No. 31 was drilled vertically downward at the junction of the 200 Level Second tunnel west drift and the No. 7 crosscut north. Granite was reportedly cut 10 feet below the drift; however, a transition (operator's terminology) zone continues to about 150 feet. Sludge samples averaged 0.21 percent MoS_2 for the first 260 feet.

Diamond drill hole No. 30 in the No. 4 crosscut south reached a depth of 800 feet. Assays from the hole ranged from 0.10 percent to 1.65 percent MoS_2 and averaged 0.20 percent MoS_2. The granite was penetrated at 100 feet below the drift.

It is recommended that upon the strength of assays in diamond drill holes Nos. 30 and 31, as well as upon the knowledge of Green rock-granite contact, request for diamond drill holes Nos. 32 and 33 in the No. 7 crosscut north be reinstated and that both holes be completed.

The operator in a letter dated August 25, 1959, requested an additional 500 feet in the No. 4 drift west from the No. 1 crosscut north as he has completed the first 500 feet. The drift is in fractured granite porphyry, and samples taken assayed from 0.07 percent MoS_2 to 2.89 percent MoS_2 and averages at least 0.20 percent MoS_2.

It is recommended that the additional 500 feet of drifting westward as requested by the applicant be approved because of the favorability of the granite porphyry. Verbal approval was given the operator August 26, 1959, for the first 100 feet, and the balance of 400 feet was to be approved or disapproved pending a field examination which was made September 9, 1959, as previously mentioned.

J W Hasler

J. W. Hasler, Geologist

D M Emmons

F. M. Emmons, Mining Engineer

JWHasler:ark

EXTRA COPY
O.M.E.
DEPARTMENT OF THE INTERIOR
RECEIVED SEP 28 1959
DATE INITIALS CODE
REGION III
DENVER, COLORADO

August 27, 1959

Mr. J. W. Townsend
Executive Officer, O.M.E.
Field Team Region III
Building 20, Federal Center
Denver 25, Colorado

Re: Docket No. D.M.E.A. 4568 (Molybdenum)
Contract No. Idm-E1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Mr. Townsend:

We wish to reinstate our request of May 18th to drill holes No. 32 and No. 33 in Crosscut No. 7 North. Request on these holes was withheld in your letter of July 9th.

2nd LEVEL DRIFT WEST CROSSCUT NO. 7 NORTH

Hole No.	Bearing	Inclination	Coordinate
32	0	- 90°	S 200 - W 970
33	0	- 90°	N 100 - W 1270

Our objective in drilling these holes is to further explore the granite or granite porphyry contact supposedly underlying the transition rock of the No. 7 Crosscut to the east of the Goat Hill porphyry. Hole No. 31, the log of which you have, was stopped in very broken porphyry at 500 feet after having passed through 150 feet of transition rock, 100 feet of granite and 250 feet of porphyry. Deeper drilling in holes 32 and 33 seeking a granite contact may be found necessary.

We consider downward exploration necessary as part of the exploration of this area, not only as to mineralization but as to formation.

Yours very truly,

MOLYBDENUM CORPORATION OF AMERICA
URAD MINE
EMPIRE, COLORADO

By J B Carman

J. B. Carman

JBC:r

Original and 5 Copies

CC: MH
ALG

EXTRA COPY
O.M.E.
RECEIVED SEP 28 1959
DEPARTMENT OF THE INTERIOR
DATE AUG 28 1959
REGION III
DENVER COLORADO

August 25, 1959

Mr. J. W. Townsend
Executive Officer, O. M. E.
Field Team Region III
Building 20, Federal Center
Denver 25, Colorado

Re: Docket No. D.M.E.A. 4568 (Molybdenum)
Contract No. Idm-E1094
Molybdenum Corporation of America
Moly or Questa Mine
Taos County, New Mexico

Dear Mr. Townsend:

As the 500 feet of approved work in the west drift off of Crosscut No. 1 North will probably be completed August 29th, we are asking approval of an additional 500 feet.

This drift started from Crosscut No. 1 North of the second level at approximately 1850 N and was driven S 82° W. We wish approval to continue it 500 feet in the same direction approximately to coordinates 1725 N and 65 E.

This drift as you will note from our July "104" report was in granite porphyry during that month and has so continued up to date. Recently, there have been some small inclusions of "green rock" in the porphyry. According to the chip samples to the end of July and the car samples since that time, the first 80 feet averaged 0.40% MoS_2. The balance of the drift in the porphyry has run consistently 0.16% MoS_2 with no trend in mineralization evident.

Extending this drift should cross the contact at this level. It would allow vertical drilling for contact determination as well as drilling to the north to explore that area. For information in this regard refer to Dr. Carpenter's report with our letter of April 23, 1959.

Incidentally, we drilled Hole No. 36 to 390 feet and abandoned it due to squeezing ground. It was in porphyry to 380 feet and supposedly reached the contact at that point. The last 10 feet was in mud, thought to be transition material. Sludge assays averaged 0.22% MoS_2.

We trust our request will be approved.

Yours very truly,

MOLYBDENUM CORPORATION OF AMERICA
URAD MINE
EMPIRE, COLORADO

By J B Carman

J. B. Carman

JBC:r

Original & 5 Copies

CC: MH
AIG

Building 20 - Federal Center
Denver 25, Colorado
August 17, 1959

Mr. A. L. Gresslin
Molybdenum Corporation of America
Moly Mine
Questa, New Mexico

Re: Docket No. DMEA 4568 (Molybdenum)
Contract No. IAm-x 1098
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Gresslin:

In reference to your letter of August 14, 1959, this constitutes Government concurrence for you to discontinue drilling of hole number 36 at a depth of 350 feet because of adverse conditions encountered.

Very truly yours,

J. W. Trammel
Executive Officer, OME
Field Team, Region III

JWT/cg

cc: Chem. Op. Comm. (2)
Finance Office, Region III
Amendment file, Region III
Emeler
OME/DPC
Corres. file
Susp. file
Chron.

} w/cyy Oper's ltr. 8/14/59

EXTRA COPY
O. M. E.
RECEIVED AUG 20 1959

DATE	INITIALS	CODE
		800

August 14, 1959

Mr. J. W. Townsend
Executive Director, O.M.E.
Field Team, Region III
Building 20 - Federal Center
Denver 25, Colorado

Re: Docket No. IMEA 4568 (Molybdenum)
Contract No. IDM-E1094
Molybdenum Corp. of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

We ask you herewith for approval to stop drill hole No. 36. It was drilled to 100 feet EX, then from 100 to 390 feet AX. Hit the contact from porphyry to greenrock at about 364. From there on to 390 it is a soft green mud and it squeezes in so bad that we can't get to the bottom of the hole.

Yours very truly,

A. R. Gradin

EXTRA COPY
O. M. E.
RECEIVED AUG 20 1959

DATE	INITIALS	CODE

OME
DEPARTMENT OF THE INTERIOR
AUG 17 1959
REGION III
DENVER, COLORADO

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O. M. E.
RECEIVED AUG 20 1959
DATE | INITIALS | COPY

1959

Memorandum

To: Executive Officer, OMK Field Team, Region III

From: Chairman, Operating Committee, OMK

Subject: Docket No. DMEA-4568 (Molybdenum)
Molybdenum Corporation of America
Moly or Questa Mine
Taos County, New Mexico
Contract No. Idm-E1094

In reply to your memorandum of July 8, 1959, this office does not list the subject contract with pseudo-certified projects.

When the project work is completed and if the project is not certified, we will then file the subject contract with other pseudo-certified projects in keeping with the special royalty agreement mentioned in Annex II (c) of the contract.

George C. Selfridge

APPROVED:

Frank D. Lamb
Member, Bureau of Mines

Harold Kirkemo
Member, Geological Survey

FMMurphy/gla 7-14-59
cc to: Director's Reading File
Operating Committee
Contract Adm. & Audit Div
Mr. Lamb, USBM
Mr. Kirkemo, USGS
Docket
Chron

224 New Customhouse
Denver 2, Colorado

JUL 14 1959

EXTRA COPY O. M. E. RECEIVED JUL 17 1959		
DATE	INITIALS	CODE
7-17	gad	vro 800

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket DMEA 4568 (Molybdenum) Contract Idm-21094, Molybdenum Corporation of America (Moly or Questa mine) Taos County, New Mexico

Enclosed are two copies of a project work approval issued by the OME Field Team, Region III. Also enclosed are two copies of a memorandum dated June 24, 1959, from Robert U. King, Geologist, Geological Survey, pertaining to the diamond drilling, and two copies of a memorandum dated July 7, 1959, from K. N. Barshman, Geologist, Geological Survey and member of OME Field Team, Region III, pertaining to the drifting.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JWT:jy

cc: Finance Office, Reg. III
Barshman
OME/DPC
Corres.
Suspense
Chron.
} w/copy of work approval and field memoranda

cc: [illegible]

EXTRA COPY
O. M. E.
RECEIVED JUL 17 1959

DATE	INITIALS	CODE

204 New Customhouse
Denver 2, Colorado

July 9, 1959

Mr. J. B. Carman
Molybdenum Corporation of America
Urad Mine
Empire, Colorado

Re: Docket DMA 4568 (Molybdenum)
Contract 14m-41094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Mr. Carman:

Reference is made to your letters of April 23, May 18, and June 9, 1959, wherein you request Government approval for certain additional drifting, crosscutting, and diamond drilling. Government action in the matter is as follows:

1. Approval is withheld for extending the No. 7 Crosscut North in a northwesterly direction.

2. Approval is withheld for the drilling of diamond drill holes Nos. 32 and 33 from points in the No. 7 Crosscut North.

3. Approval is denied for the drilling of diamond drill hole No. 5 from a point in the No. 1 Crosscut North because of too close spacing to other holes.

4. Approval is granted to drift not to exceed a distance of 500 feet approximately S. 82° west from a point in the No. 1 Crosscut North at approximate coordinate 1590 N.

5. Approval is granted to drill two diamond drill holes from points in the No. 1 Crosscut North as follows:

Hole No.	Approximate Coordinate location of collar	Declination
34	N 1460 - E1100	+ 90°
36	N 1460 - E1040	+ 90°

The work approved under items 4 and 5 above is to be performed in compliance with all provisions in the contract pertaining thereto.

Nothing in the foregoing work approval shall be construed to increase the total estimated cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

OWM Field Team, Region III

J. V. Townsend

E. M. Harshman

E. M. Harshman

JWT:jy

cc: Chm. Op. Comm. (2)
Finance Office, Reg. III
Award. file, Reg. III
Harshman
OWM/DFC
Corres.
Suspense
Charon.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
Denver Federal Center
Denver 25, Colorado

OME
DEPARTMENT OF THE INTERIOR
JUL 8 - 1959
REGION III
DENVER, COLORADO

July 7, 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: E. N. Harshman

Subject: BMEA Docket 4368 (Molybdenum), Contract IDm-E 1094, Molybdenum Corporation of America (Moly or Questa mine), Taos County, New Mexico

With reference to the operator's requests of April 30 and June 9, 1959, for extending the No. 7 crosscut north and drifting westerly from the No. 1 crosscut north, the field examiners recommend as follows:

1. Deny the request to extend the No. 7 crosscut north pending completion of drilling from the westernmost workings and a thorough review of the results of that drilling.

2. Approve the request for drifting approximately S 80° west from approximate coordinate N 1850 in the No. 1 crosscut north. At this time approval should be limited to drifting 500 feet southwesterly; additional drifting, if warranted, may be recommended after completion of the first 500 feet. Drilling to explore laterally from the recommended crosscut is contemplated.

The project was examined on June 3, 1959, at which time the No. 1 crosscut north had been extended to about coordinate 2350 North. The recommendation to drift southwesterly at coordinate 1850 North, in contrast to a previous recommendation for drifting at coordinate 2000 North, was based on the field examination.

I concur with above recommendations.

Original signed by
E. N. HARSHMAN

E. N. Harshman
Member, Field Team

EXTRA COPY
O. M. E.
RECEIVED JUL 17 1959

DATE	INITIALS	CODE

ENHarshman:arh

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
Denver Federal Center
Denver 25, Colorado

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OME M. E.
RECEIVED JUL 17 1959
DEPARTMENT OF THE INTERIOR
DATE | INITIALS | CODE
JUN 25 1959
DENVER, COLORADO

June 24, 1959

Memorandum

To: Executive Officer, OME Field Team, Region III
Through: E. N. Harshman

From: Robert U. King

Subject: Docket ZMMA 4568 (Molybdenum), Contract Idm-X 1094, Molybdenum Corporation of America (Maly or Questa mine), Taos County, New Mexico

In a letter dated May 18, 1959, the operator requested approval to drill the following holes:

A. No. 32, -90°, approx. S 800, W 970, in the No. 7 X-cut N; and No. 33, -90°, approx. N 100, W 1870 also in the No. 7 X-cut N. The objective of these holes is to explore the Goat Hill Porphyry contact which is expected to underlie the crosscut.

B. No. 34, +90°, approx. N 1400, E 1140, No. 1 X-cut N; No. 35, N 650 E, +45°, approx. N 1600, E 1110, No. 1 X-cut N; and No. 36, +90°, approx. N 1840, E 1040, No. 1 X-cut N. The objective of these holes is to explore the Granite-Green rock contact above the level.

A. Holes 32 and 33 cannot be recommended at this time because results of drilling to date have not indicated the probability that the Goat Hill porphyry contact dips eastward under the No. 7 X-cut N. The fact that the X-cut has not yet (6-1-59) encountered the porphyry indicates the contact has a very steep eastward dip of at least 65°. Consequently, vertical down holes would tend to parallel rather than crosscut such a structure.

Furthermore, little evidence has been presented to indicate any significant relations of the Porphyry-Green rock contact to better than average (0.2 percent MoS_2) mineralization.

Finally, exploration from the No. 7 X-cut north logically should follow completion of the currently approved hole No. 31 which is to be drilled from the juncture of the West drift and the No. 7 X-cut N.

B. It is recommended that holes 34 and 36 be approved but that the intervening proposed hole, No. 35, be denied, at least at its proposed inclination and bearing. Drilling at much less than 500-foot centers is not warranted in view of the very uniform character of mineralization indicated to date. A horizontal hole easterly or westerly or a down hole from the proposed location would not be unreasonable and could be recommended if requested by the operator.

Robert U. King

RUKing:arh

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 13 1959
DATE 7-13 | INITIALS Jad | CODE 220 800

Audit's copy

EXPLORATION PROJECT CONTRACT
MOLYBDENUM CORPORATION OF AMERICA
DOCKET NO. DMEA-[illegible]

AMENDMENT NO. 3

It is agreed this 23d day of June, 1959, between the United States of America, acting through the Office of Minerals Exploration, and Molybdenum Corporation of America, that Exploration Project Contract No. Idm-8102 (Docket No. DMEA-4558), dated May 31, 1957, as amended, is further amended, effective May 15, 1959, as follows:

In Exhibit "A", Description of the Work, the subtitle "Stage II (Area B)" is changed to read "Stage II (Areas A and B)"; in the first paragraph under the same subtitle the first sentence is deleted; the third paragraph is changed to read "Favorable areas disclosed by work under Stage I and Stage II in Areas A and B shall be further explored by not more than 19,500 feet of diamond drilling. Also, under Fixed Unit Costs the subtitle "Stage II - Area B" is changed to "Stage II - Areas A and B".

In Annex I of the contract the following claims are added:

Name of Claim	Section	Township	Range	Book	Page
Summit No. 4	35	29N	13E	S-33	405
Summit No. 5	35	29N	13E	S-33	406
Summit No. 7	35	29N	13E	S-33	408
Summit No. 8	35	29N	13E	S-33	409
Summit No. 16	35	29N	13E	S-33	417

The operator is the owner of the claims.

The approximate locations of the above-mentioned claims with reference to the other claims mentioned in Annex I are shown on the map entitled "Molybdenum Corporation of America, 375 Park Avenue, New York 22, N. Y., Moly Mine Questa, New Mexico, Claim Map and Adjacent Claims, Scale - 1 inch = 500 feet, drawn by T.D.R. 9/11/58, Revised by T.D.R. 12/31/58", attached hereto and made part hereof.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, or the amount of any item designated as maximum.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank C. Johnson
Acting Director, Office of
Minerals Exploration

MOLYBDENUM CORPORATION OF AMERICA

By Max Busch

Title President

224 New Customhouse
Denver 2, Colorado

May 14, 1959

EXTRA COPY O. M. E. RECEIVED MAY 18 1959		
DATE	INITIALS	
		800

Mr. A. L. Grenlin, Manager
Molybdenum Corporation of America
Questa, New Mexico

Re: Docket DMEA 4568 (Molybdenum)
Contract Ida-E1094
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Grenlin:

Supplementing drilling approval dated September 30, 1958, and in reference to your letter of May 11, 1959, regarding the drilling of Hole No. 29 to a depth greater than 500 feet, this constitutes Government concurrence for the drilling of the hole to a greater depth.

Hole No. 29 may be continued within practical limits as long as the visible MoS_2 is estimated to be in excess of 0.2%.

Nothing in this concurrence in the drilling of Hole No. 29 to greater depth shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

OME Field Team, Region III

By/ J. W. Townsend
Executive Officer

Copy to:
J. B. Carman
Empire, Colorado

JWT:jy

cc: Finance Office, Reg. III
Amend. File, Reg. III
Chm. Op. Comm. 2
Corres. file
Contract file
Harshman
Belser, OME/DFC
Suspense file
Chron.

w/copy of Oper's. ltr. of May 11.

Molybdenum Corporation of America

Moly Mine
Questa, New Mexico

May 11, 1959

OME
DEPARTMENT OF THE INTERIOR
MAY 14 1959
REGION III
DENVER, COLORADO

Mr. J. W. Townsend
Executive Officer, O. M. E.
DMEA Field Team III
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 4568
(Molybdenum)
Contract IDM-E1094
(Moly or Questa Mine)
Taos County, New Mexico
Molybdenum Corp. of America

Dear Mr. Townsend:

We herewith ask your approval to continue drilling hole No. 29 beyond 500 feet. Diamond drill hole No. 29 is located at coordinate 850E and about 150 south, bearing south at a minus 45 degree.

We hit Granite at 140 feet and are still in Granite with some good mineralization.

Yours very truly,

A. L. Greslin, Manager

EXTRA COPY
O. M. E.
RECEIVED MAY 18 1959

DATE	INITIALS	CODE

EXTRA COPY
O. M. E.
RECEIVED APR 27 1959

DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado
April 24, 1959

Mr. A. L. Grealin, Manager
Molybdenum Corporation of America
Questa, New Mexico

Re: Docket No. DMEA 4568
(Molybdenum)
Contract IAm-M1094
Molybdenum Corporation of
America
(Maly or Questa mine)
Taos County, New Mexico

Dear Mr. Grealin:

In reference to your letter of April 22, 1959, this constitutes concurrence by the Government for you to discontinue drilling in hole No. 22 at a depth of 800 feet, due to adverse drilling conditions encountered. The hole is considered completed at its present depth of 800 feet.

Very truly yours,

OME Field Team, Region III

Original signed by
By J. W. TOWNSEND
J. W. Townsend
Executive Officer

JDC:hmh

cc: Chmn. Op.Comm. (2)
Finance Office, Reg. III
Harshman
Belser, OME/DFC
Corres.file, Reg.III
Amendment File, Reg. III
Cooper
Charon

) w/copy of Operator's letter of 4/22/59

cc: Mr. J. B. Carman
Uranium Mines,
Empire, Colorado

OME
DEPARTMENT OF THE INTERIOR
APR 25 1959
REGION III
DENVER, COLORADO

April 22, 1959

Mr. J.W.Townsend
Executive Officer O.M.E.
D.M.E.A. Field Team 111
224 New Customhouse
Denver 2 Colorado

Re: Docket D.M.E.A. 4568
(Molybdenum)
Contract I.D.M. M1094
(Moly or Questa Mine)
Taos County, New Mexico
Molybdenum Corp. of America

Dear Mr. Townsend:

We Herewith ask your approval to discontinue drilling in hole No.22 located in Sexs bearing 60 degrees west at a -70 degrees.

We set up on this hole again and drilled beyond 500 feet to a depth of 800 feet. That was as far as they could drill with their equipment. There was some good mineralization still showing in the core when we had to quit.

Yours very truly

A. L. Greslin

A.L. Greslin, Manager

EXTRA COPY
O. M. E.
RECEIVED APR 27 1959

DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado
April 14, 1959

Mr. A. L. Grealin, Manager
Molybdenum Corporation of America
Questa, New Mexico

Re: Docket No. DMM 4568
(Molybdenum)
Contract No. Idm-11094
Molybdenum Corporation of America
(Moly Or Questa mine)
Taos County, New Mexico

Dear Mr. Grealin:

In reference to your letter of April 4, 1959, this constitutes concurrence by the Government for you to discontinue drilling in hole No. 27 at a depth of 679 feet, due to adverse drilling conditions encountered. The hole is considered completed at its present depth of 679 feet.

Very truly yours,

GMK Field Team, Region III

Original signed by
J. W. TOWNSEND

By _____
J. W. Townsend, Member

cc: Mr. J. B. Carman
Dead Mine
Empire, Colorado

JDC:hmh

cc: Chmn. Op. Comm. (2)) w/copy of
Finance Office, Reg.III) Operator's
Harshman) letter of
Belcer, GME/IPC) 4/4/59
Corres.file, Reg. III)
Amendment file, Reg.III
Cooper
Chron

OME
DEPARTMENT OF THE INTERIOR
APR 6 - 1959
REGION III
DENVER, COLORADO

April 4, 1959

Mr. J. W. Townsend
Executive Officer, O.M.E.
D.M.E.A. Field Team III
224 New Customhouse
Denver 2, Colorado

Re: Docket D.M.E.A. 4568
(Molybdenum)
Contract I.D.M. E 1094
(Moly or Questa Mine)
Taos County, New Mexico
Molybdenum Corp. of America

Dear Mr. Townsend:

We herewith ask your approval to discontinue drilling in hole No. 27 in No. 4 CxS, at Coordinate 700 S. It is a minus 90 degree hole.

We drilled hole No. 27 to a depth of 679 feet but stuck the rods and lost some of them as well as the bit in the hole and couldn't get them out.

Yours very truly,

A. L. Greslin

A. L. Greslin, Manager

cc: J. B. Carman

800

Box 25227
Denver 25, Colorado
March 31, 1959

Mr. A. L. Gramlin, Manager
Molybdenum Corporation of America
Questa, New Mexico

Re: Docket No. [illegible] 4568
(Molybdenum) Contract Ida-[illegible]
Molybdenum Corporation of America
(Maly or Questa mine)
Taos County, New Mexico

Dear Mr. Gramlin:

In reference to your letter of March 30, 1959, this constitutes concurrence by the Government, for you to discontinue drilling in hole No. 26 at a depth of 396 feet, due to adverse drilling conditions encountered. The hole is considered completed at the present depth of 396 feet.

Very truly yours,

ORE Field Team

Original signed by
J. W. TOWNSEND

By _____
J. W. Townsend
Executive Officer, ORE
Field Team, Region III

JBC:kmh

cc: Mr. J. B. Carman
Urad Mine
Empire, Colorado

cc: Chmn. Op. Comm. (2)
Finance Office, Reg. III
Harshman
Belmet, ORE/DPC
Corres. file, Reg. III
Amendment file, Reg. III
Cooper
Chron

} w/copy of Operator's letter of 3/30/59

March 30, 1959

Mr. J. W. Townsend
Executive Officer, U.M.B.
D.M.E.A. Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket D.M.E.A. 4368
(Molybdenum)
Contract IDM-E 1094
Molybdenum Corp. of Am.
(Moly or Questa Mine)
Taos County, New Mexico

Dear Mr. Townsend:

We herewith ask your approval to discontinue drilling in hole No. 26 No. 26 in No. 4 Cut at coordinate 700 L. It is a plus 45 degree hole bearing West.

We drilled hole No. 26 to a depth of 396 feet but had to stop because it was squeezing so bad we couldn't get back to the bottom of the hole. Going into the hole with the rods and core barrel we would get a core barrel full of broken core before we could get to the bottom of the hole.

Yours very truly,

A. L. Greslin

A. L. Greslin, Manager

cc: J. B. Carman

22b New Customhouse
Denver 2, Colorado
March 25, 1959

800

Mr. J. E. Carman
Molybdenum Corporation of America
Urad Mine
Empire, Colorado

Re: Docket No. DMEA 4568
(Molybdenum)
Contract Ida-M1094
Molybdenum Corporation of
America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Carman:

In reference to your letter of March 3, 1959, this confirms verbal approval given by the Government for you to perform the following work under Stage II of the captioned contract.

1. Drill two holes as follows:

Hole No.	Location	Inclination
30	No. 4 x-cut S., at approx. coord. 1200 S	-90°
31	West drift, at approx. coord. 800 W	-90°

The two holes are to be drilled in accordance with the general provisions of EXHIBIT "A" to the contract, as amended by Amendment No. 2. Drilling in the holes may be continued, within practical limits, as long as the visible MoS_2 mineralization is estimated to be in excess of 0.2 percent.

2. Continue drilling in hole No. 22, as practicable, as long as the visible MoS_2 mineralization is estimated to be in excess of 0.2 percent.

3. Reenter hole No. 27, and drill beyond present length of 500 feet, as practicable, as long as the visible MoS_2 mineralization is estimated to be in excess of 0.2 percent.

Nothing in the verbal approval, or this confirmation thereof, shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

OME Field Team

By J. W. Townsend
J. W. Townsend

By E. N. Harshman
E. N. Harshman

cc: Mr. A. L. Grealin
Questa, New Mexico

JDC:hmh

cc: Finance Office, Reg. III
Amendment file, Reg. III
Chmn. Op. Comm. (2)) w/copy Operator's letter of
Corres.file, Reg.III) 3/3/59 and Joint Memo. of 3/16/59 by OME examiners
Harshman) w/copy Joint Memo. of 3/16/59
Belser, OME/DFC)
Cooper
Chron

OME
DEPARTMENT OF THE INTERIOR

MAR 5 - 1959
REGION III
DENVER, COLORADO

March 3, 1959

Mr. J. W. Townsend
Executive Officer, O.M.E.
D.M.E.A. Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket D.M.E.A. 4568
(Molybdenum)
Contract Idm-E1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Mr. Townsend:

We ask approval of the following as part of Area B Stage II drilling program on the 2nd Tunnel Shaft Level.

	Hole No.	Location	Inclination	Bearing
(1)	30	No. 4 X-Cut S at Coord. 1200 S	-90°	---
(2)	31	Drift West at Coordinate 800 W	-90°	---

Hole No. 30 will explore the area to the south of Hole No. 27 which has shown interesting mineralization.

Hole No. 31 will explore below the level ore indications exposed nearby in Cx No. 7 North.

(3) Continue Hole No. 27 in the No. 4 X-Cut S at coordinate 700 S beyond 500 feet an indefinite distance depending on MoS_2 mineralization.

(4) Re-enter, if possible, Hole No. 22 located in the face of No. 5 Cx S (New) at approximate coordinates E400-S590 bearing S 60° W and inclined at -70° and drill beyond 500 feet under the same plan as (3) above.

Our wish to continue these holes is based on the comparatively good assays found at or near the bottom of each.

Yours very truly,

MOLYBDENUM CORPORATION OF AMERICA
URAD MINE
EMPIRE, COLORADO

By J. B. Carman

J. B. Carman

JBC:r

Original & 5 Copies

CC: MH
ALG
file

100

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Office of Minerals Exploration
Denver Federal Center
Denver, Colorado

OME
DEPARTMENT OF THE INTERIOR
MAR 18 1959
REGION III
DENVER, COLORADO

March 16, 1959

Memorandum

To: Executive Officer, OME Field Team, Region XII
Through: E. H. Harshman EHH

From: R. W. King
Carl Selser

Subject: MMA Docket 4368 (Molybdenum), Contract Idm-E 1094, Molybdenum Corporation of America (Moly or Questa mine), Taos County, New Mexico

In a letter dated March 3, 1959, the operator requested (1) to drill a vertical down hole from each of two locations on the 2nd tunnel shaft level at approximate coordinates 1300 S, 900 W and 350 S, 800 W, (2) to re-enter and deepen hole #2 if practicable, and (3) to continue hole #7 beyond a 900-foot depth. Verbal authorization of the Field Team was conveyed to the operator, pending receipt of his letter of justification.

Because favorable results have been obtained in the first 500 feet below the level (0.4 percent MoS_2) in hole No. #7, it is concluded that additional exploration is warranted, and that this hole should be continued to reasonable depths beyond the 500-foot point as long as the grade of mineralization holds up.

The proposed -90° holes from the East Drift and No. 4 crosscut south are considered necessary to determine the extent and attitude of the ore-grade material discovered in hole No. #7. Deepening of hole No. #2 (No. 5 crosscut south) is likewise justified, particularly so because of the high grade assays obtained at the bottom of this hole.

It is recommended that the operator's request be approved as follows:

1. Continue hole No. #7 beyond 900 feet, as practicable, provided visible MoS_2 mineralization is estimated to be better than 0.2 percent.

2. Re-entry hole No. #2 and deepen as under (1) above.

3. Vertical down hole from West Drift at approximate coordinates 350 S, 800 W, with depth limitation as per (1) above.

4. Vertical down hole from No. 4 crosscut south at approximate coordinates 1200 S, 300 W, with depth limitations as per (1) above.

R U King

R. U. King, Geologist

Carl Belzer

Carl Belzer, Mining Engineer

RUKing:arh

224 New Customhouse
Denver 2, Colorado

DEC 22 1958

TRA COPY
O. M. E.
RECEIVED DEC 29 1958
INITIALS | CODE
RPO

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract No. Idm-E1094
Molybdenum Corporation of America (Moly or Questa mine)
Taos County, New Mexico

Enclosed are the following pertaining to the drilling of hole No. 30, proposed by the Operator by letter of December 11, 1958:

1. Tow copies of a joint memorandum, dated December 17, 1958, from R. U. King, Geologist, Geological Survey and Carl Belser, Mining Engineer, Bureau of Mines.

2. Two copies of denial of the Operator's request for a approval of the drilling of the hole, issued by the OME Field Team, Region III under date of December 18, 1958.

Original signed by
J. W. TOWNSEND

J. W. Townsend

JWT/ad
Enclosure
cc: Harshamn) w/copy of
Belser, OME/DFC) Field Team
Corres. File) denial
Cooper
Chron.

EXTRA COPY
O. M. E.
RECEIVED DEC 29 1958

DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado
December 18, 1958

Mr. J. B. Carman
Molybdenum Corporation of America
Urad Mine
Empire, Colorado

Re: Docket No. DMEA 4568 (Molybdenum)
Contract No. Idm-E1094
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Carman:

Reference is made to your letter of December 11, 1958, wherein you request the Government's approval for the drilling of a 500 foot horizontal drill hole south from the face of the No. 4 crosscut south.

This confirms advice by telephone to A. L. Greslin on December 15, 1958.

Since the 500 foot drill hole to the west from the face of the No. 4 crosscut south did not encounter the porphyry mass postulated to be present at that depth, did not encounter significant mineralization, and did not encounter geologic structure conducive to ore deposition; it is considered likely that these same conditions prevail to the south of the face of the crosscut. It is considered doubtful that the neck of porphyry projected to a position ahead of the crosscut will exist at that elevation. If it does exist at that elevation, it appears unlikely that it would be reached by the proposed 500 foot drill hole.

Under the circumstances, Government participation in the costs of the proposed drill hole No. 30 is not considered warranted; therefore, your request for Government approval for the drilling of the hole is denied.

Very truly yours,

OME Field Team, Region III

Original signed by
By J. W. TOWNSEND
J. W. Townsend

Original signed by
By E. N. HARSHMAN
E. N. Harshman

JWT:ltm
cc: Chmn. Op. Comm. (2)
Harshman
Belser, OME/DFC
Corres. file
cc: ~~Codpe~~ Greslin
Questa, New Mexico

Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
Denver Federal Center
Denver, Colorado

IN REPLY REFER TO:

EXTRA COPY
O. M. E.
RECEIVED DEC 29 1958

DATE	INITIALS	CODE
December 17, 1958		

Memorandum

To: Executive Officer, OME Field Team, Region III
Through: E. H. Barchman

From: R. U. King
Carl Belser

Subject: Docket IMA 4503 (Molybdenum), Contract Im-E 1094, Molybdenum Corporation of America (Moly or Questa mine), Taos County, New Mexico

The operator of the subject contract requested in a letter dated December 11, 1958, approval of a proposed drill hole at the face of the No 4 crosscut 5 (1800 S) to be drilled 900 feet due south and horizontal. The purpose of the hole is stated to be to explore the contact area of the porphyry shown on the surface in that locality (see fig. 3 examination report).

One hole (-55°) has been drilled and one hole (0°, west) is nearly completed from this location, the results of which, however, are not given in the request, but have only been summarized verbally by the operator.

The down hole apparently penetrated 900 feet of weakly mineralized green rock (less than 0.1 percent MoS_2) and did not reach the contact of the green rock with the underlying granite, and did not intersect the porphyry mass referred to above.

The westerly flat hole similarly provided unfavorable information. This hole penetrated 900 feet of weakly mineralized green rock

estimated by the operator to assay about 0.07 percent MoS_2 and likewise did not reach the porphyry even though drilled to a depth sufficient to have penetrated to the center of the mass of porphyry if projected vertically to the level.

These results strongly indicate that the porphyry either plunges gently southwestward or dips flatly northwestward, or for some other reason it does not persist downward as far as the 2nd tunnel shaft level, and therefore it is not probable that the porphyry can now be reached by a 300-foot hole.

The evidence obtained to date does not indicate a "potential ore area south of the crosscut face..." inasmuch as (1) the tenor of mineralization decreases southward along the crosscut, (2) favorable geologic environments have not been found, and (3) geochemical MoS_2 soil anomalies are entirely absent from this area.

It is recommended therefore that the request to drill hole 3C be denied.

R. U. King, Geologist

for Carl Balser, Mining Engineer

RUKing:arh

224 New Customhouse
Denver 2, Colorado
DEC 9 1958

RECEIVED COPY
DATE
1958

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4563 (Molybdenum) Contract No. Idu-31094
Molybdenum Corporation of America (Moly or Questa mine)
Taos County, New Mexico

Enclosed are the following pertaining to operations under the subject contract:

1. Three copies of confirmation of verbal approval issued by the OME Field Team, Region III for the drilling of hole No. 22 and wherein previous approval for the drilling of hole No. 23 is rescinded.

2. Three copies of a joint memorandum dated November 26, 1958 from R. U. King, Geologist, Geological Survey and Carl Belser, Mining Engineer, Bureau of Mines pertaining to the drilling of hole No. 22.

Copies of the confirmation of work approval have been distributed to the Operator, the Finance Office, and others concerned in Region III.

J. W. Townsend

J. W. Townsend

JWT/ad
Enclosure
cc: Finance Office, Region III } w/ copy of material
Harshman } under items 1 & 2
Belser, OME DFC }
Corres. File }
Cooper
Chron.

224 New Customhouse
Denver 2, Colorado

December 5, 1958

EXTRA COPY
O. M. E.
RECEIVED DEC 12 1958

DATE	INITIALS	CODE

Mr. J. B. Carman
Molybdenum Corporation of America
Urad Mine
Empire, Colorado

Re: Docket No. DMEA 4568
(Molybdenum)
Contract No. Idm-E1094
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Carman:

In reference to your letter of November 8, 1958, this confirms verbal approval, issued by the Government November 10, 1958, for the drilling of hole No. 22 from the face of the No. 5 crosscut south (new). The hole will be located approximately at coordinates 600 S, 400 E, and will be directed on a bearing of S60° W at an inclination of -70°.

The hole No. 22 will essentially explore the area intended for exploration by previously approved hole No. 28. Therefore, approval for the drilling of hole No. 28 issued by the Field Team on September 30, 1958 is hereby rescinded.

Nothing in the verbal approval for the drilling of hole No. 22 or this confirmation, thereof, shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

OME Field Team, Region III

By J. W. Townsend
J. W. Townsend

By E. N. Harshman
E. N. Harshman

JWT/ad
cc: Mr. A. L. Grealin
Questa, New Mexico
cc: Chm. Op. Comm. (3)
Finance Office, Region III
Amendment File, Region III
Harshman
Belser, OME/DFC
Correa File
Cooper
Chron.

IN REPLY REFER TO:

OME
DEPARTMENT OF THE INTERIOR

DEC 5 - 1958
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
Denver Federal Center
Denver, Colorado

November 20, 1958

EXTRA COPY
O. M. E.
RECEIVED DEC 12 1958

DATE	INITIALS	CODE
	EWH	

Memorandum

To: Executive Officer, OME Field Team, Region III
Through: E. J. Harshman

From: R. U. King
Carl Belser

Subject: Docket DMSA 4500 (Molybdenum), Contract Lim-S 1094, Molybdenum Corporation of America (Moly or Questa mine), Taos County, New Mexico

In letters dated November 8, 1958, the operator requested approval of core drill hole No. 22 to be drilled from the face of No. 5 crosscut south (new) approximate coordinates 600 S, 400 E, on a bearing of S 60° W and at an inclination of -70°. Although vertal approval was given on November 10 for this hole, the operator indicated that actual drilling would be postponed pending modification of the drill station to accomodate the drill.

The purpose of proposed hole 22 is to explore for molybdenum in the contact zone of the Green rock and the underlying soda granite, below and west of the No. 5 crosscut south. The results of drilling holes Nos. 18 (-90°; 200 S, 00 E), 21 (-45°, S; 600 S, 400 E), and 23 (-90°; 200 S, 400 E) indicate that proposed hole No. 22 is suitably located, and it is recommended therefore that the request be approved.

This hole, if approved, should be contingent on the removal of hole No. 28 (-45°, S; 300 S, 50 E) from the list of holes approved in the Field Team work approval of September 30, 1958, because if drilled, both holes would bottom less than 300 feet apart. Proposed hole 22 is preferred because due to its steeper inclination (-70°) it will reach a greater depth than hole 28.

RUKing
R. U. King, Geologist

Carl Belser
Carl Belser, Mining Engineer

RUKing:arh

EXTRA
O
RECEIVED
DATE
10/16 C
10/17 GET
220
800

224 New Customhouse
Denver 2, Colorado
October 13, 1958

Memorandum

To: Chairman, Operating Committee, OME

From: Acting Executive Officer, OME Field Team, Region III

Subject: Project No. [illegible] (Molybdenum), Contract No. [illegible], Molybdenum Corporation of America (Daly or Quartz Mtn), Taos County, New Mexico

Enclosed are three copies of confirmation of conversation by the OME Field Team, Region III, to discontinue drilling in hole No. 15, due to difficult drilling conditions.

Also enclosed is a memorandum, dated October 10, 1958, from Carl Baker, Mining Engineer, Bureau of Mines, relative to the matter. Two copies of the Operator's letter of September 4, 1958 were forwarded to you with copies of our memorandum of September 9, 1958 to the Field examiner.

Copies of the confirmation of conversation to discontinue drilling in hole No. 15 have been distributed to the Operator, the Finance Office, and others concerned in Region III.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

ENH:ysd

cc: Finance Office,
Region III - w/copy of confirmation.
Harshman) w/copy of confirmation
Baker, OME/BMC) and Baker's memorandum
Corres. file) of October 10.
Cooper
Chron.

EXTRA COPY
O. M. E.
RECEIVED OCT 16 1958

DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado
October 13, 1958

Mr. A. L. Gwalin, Manager
Molybdenum Corporation of America
Questa, New Mexico

Re: Contract No. [illegible] 4968 (Molybdenum)
Contract No. [illegible]
Molybdenum Corporation of America
(Daly or Questa mine)
Taos County, New Mexico

Dear Mr. Gwalin:

In reference to your letter of September 4, 1958, this confirms verbal concurrence given September 11, 1958 to discontinue drilling in hole No. 15 at a depth of 406 feet, due to difficult drilling conditions encountered in the hole.

Nothing in the verbal concurrence of this confirmation thereof shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

OME Field Team, Region III

By [signature]
E. F. Hardman
Acting Executive Officer

cc: Mr. J. R. Cannon
Head Mine
Raglan, Colorado

JDC:prl

cc: Chmn. Op. Comm. (3)
Finance Office, Region III
Amendment file, Region III
Hardman
Belser, OME/DPC
Corres. file
Cooper
Chron.

FILE COPY
O. M. E.
RECEIVED OCT 16 1958
FILE | INITIALS | CODE

October 10, 1958

Memorandum

To: Executive Officer, OME

From: Carl Belser

Subject: Docket No. DMEA 4568 (Molybdenum) Contract No. Idm-E1094
Molybdenum Corporation of America (Moly or Questa mine)
Taos County, New Mexico

No. 15 diamond drill hole in crosscut No. 1 N. of the Questa mine was inspected on September 11, 1958. The hole was 426 feet deep. The drill hole penetrated a crushed zone which made further drilling impractical because of the trouble encountered in entering and pulling rods. The hole bottomed in what Mr. Greslin terms transitional, green-colored rock. Core recovery was very poor. Mr. E. N. Harshman was consulted by telephone and verbal permission given to the Molybdenum Corporation to abandon Hole No. 15.

It is not believed practical to continue drilling on Hole No. 15.

Carl Belser
Carl Belser
Mining Engineer

CB/mw
cc: 6
Idm-E1094
chron

OME
DEPARTMENT OF THE INTERIOR
OCT 10 1958
REGION III
DENVER, COLORADO

EXTRA COPY

800

224 New Customhouse
Denver 2, Colorado
September 30, 1958

Memorandum

To: Chairman, Operating Committee, OME

From: Acting Executive Officer, OME Field Team, Region III

Subject: Docket No. ERDA 4568 (Molybdenum), Contract No. IAm-[illegible]. Molybdenum Corporation of America (Daly or Quarta mine), Taos County, New Mexico

Enclosed are three copies of a work approval, issued by the OME Field Team, Region III, for the drilling of six (6) additional holes under the provisions of Stage II of the subject contract.

Also enclosed are three copies of a joint memorandum, dated September 24, 1958, by R. U. King, Geologist, Geological Survey, and Carl Balser, Mining Engineer, Bureau of Mines, pertaining to the matter; and three copies of a letter from this office to the Operator, calling attention to a typographical error in its request of September 18, 1958.

Two copies of the Operator's letter, dated September 18, 1958, were forwarded to you with copies of our memorandum of September 19, 1958, to the field examiners.

Copies of the work approval have been distributed to the Operator, the Finance Office, and others concerned in Region III.

Original signed by
E. N. HARSHMAN
E. N. Harshman

Enclosures

JEC:prl

cc: Finance Office,
Region III - w/copy of work approval.
Harshman } w/copy of work approval,
Balser OME RFC } joint memorandum, and
Corres. file } letter to Operator.
Cooper
Chron.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Office of Minerals Exploration
Denver Federal Center
Denver, Colorado

OME
DEPARTMENT OF THE INTERIOR
SEP 26 1958
REGION III
DENVER, COLORADO

EXTRA COPY
O. M. E.
SEP 26 1958
CODE

September 24, 1958

Memorandum

To: Acting Executive Officer, OME Field Team, Region III
Through: E. N. Abrahamson

From: R. U. King
Carl Belser

Subject: Docket DMEA 4568 (Molybdenum), Contract Idm-2 1094, Molybdenum Corporation of America (Moly or Questa mine), Taos County, New Mexico

The operator of the subject contract requested by letter dated September 18, 1958, approval of six additional Stage II core drill holes as follows:

No.	Location	Coordinates	Inclination	Bearing
24	No. 4 X-cut S	800 S	0°	W
25	do.	800 S	-90°	-
26	do.	700 S	+45°	W
27	do.	700 S	-90°	-
28	No. 5 X-cut (old) S	320 S, 50 E	-45°	S
29	Drift west	750-800 S	-45°	S

In conference with Mr. J. B. Carman, western manager for the operator, mutual agreement was reached on the six holes as listed above except that the location and coordinates of holes Nos. 24 and 29 were to be at the face of No. 4 X-cut S, and coordinate 1300 S respectively.

It was expected that the face of the No. 4 X-cut S, upon completion of the approved drifting, would be approximately at coordinate 1500 S.

Holes 24 through 27 will further explore for MoS_2 in fractured green rock to the west of the No. 4 S X-cut, and will give needed information on the vertical thickness of the MoS_2 mineralization in the westernmost area reached by drifting.

Holes 28 and 29 will explore south of and below the East Drift in the area that at this time contains the best grade of MoS_2 mineralization (0.2 to 0.3 percent MoS_2). They are considered necessary to provide data in an area where large gaps exist.

It is recommended that the operator's request to drill the six holes listed above be approved but that holes 24 and 25 be located near the face of the No. 4 X-cut S at approximately coordinate 1500 S.

R. W. King
Geologist

Carl Nelson
Mining Engineer

RWKing:mp

224 New Customhouse
Denver 2, Colorado
September 30, 1958

FILE COPY
O. M. E.
RECEIVED OCT 3 1958

Mr. J. B. Carman
Molybdenum Corporation of America
Urad Mine
Empire, Colorado

Re: Docket No. DMEA 4568 (Molybdenum)
Contract No. EDs-EI6Gh
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Carman:

Your attention is directed to an apparent typographical error in your letter of September 18, 1958, whereby you requested the Government's approval for the drilling of six (6) additional holes under the provisions of Stage II of the contract.

As discussed with you by OME field personnel September 17, 1958, holes 24 and 25 are to be located at the face of the No. 4 crosscut South at the approximate coordinate 1800 S., not at coordinate 800 S., as indicated in your letter of September 18, 1958.

A work approval has been issued by the Government to drill the two holes at approximate coordinate 1800 S. If you are in agreement with the approved location, you may proceed with the drilling of holes 24 and 25. If this location does not agree with your understanding in the matter, please inform this office immediately and, in the meantime, defer drilling of holes 24 and 25.

Very truly yours,

E. N. Hershman
Acting Executive Officer

K

cc: Mr. A. L. Gresslin
Questa, New Mexico

JDC:prl
cc: Chan. Op.Comm. (3)
Hershman
Bulser (OME DPC
Corres. file
Cooper
Chron.

EXTRA COPY
O. M. E.
RECEIVED OCT 3 1958
DATE

[illegible]
[illegible], Colorado
September 30, 1958

Mr. J. R. [illegible]
Molybdenum Corporation of America
Urad Mine
Empire, Colorado

In: Docket No. [illegible] (Molybdenum)
Contract No. [illegible]
Molybdenum Corporation of America
(Maly or Quartz mine)
Taos County, New Mexico

Dear Mr. [illegible]:

In reference to your request of September 18, 1958, this constitutes the Government's approval for the drilling of six (6) additional holes under the provisions of Stage II of the referenced contract. The locations of the six approved holes are as follows:

Hole No.	Location	Inclination	Bearing
24	Face of No. 4 x-Cut S. at coordinate 1800 E.	0°	West
25	Face of No. 4 x-Cut S. at coordinate 1800 E.	-90°	-
26	No. 4 x-Cut S. at coordinate 700 E.	+45°	West
27	No. 4 x-Cut S. at coordinate 700 E.	-90°	-
28	The old No. 3 x-Cut S. at coordinates 300 N. 50 E.	-45°	South
29	Drift N. between coordinates 750 E. and 800 E.	-45°	South

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which

the Government may be required to contribute, nor the final unit cost of any item of work.

Very truly yours,

OWI Field Team, Region III

By E. V. Hardman
E. V. Hardman

By J. V. Brennan
J. V. Brennan

cc: Mr. A. L. Graplin
Molybdenum Corporation of America
Questa, New Mexico

JBC:prl

cc: Chmn. Op. Comm. (3)
Finance Office, Region III
Assessment file, Region III
Hardman
Baker OGE/DFC
Courses. file
Cooper
Chmn.

800

20th New Customhouse
Denver 2, Colorado
September 4, 1958

Mr. J. B. Chapman
Molybdenum Corporation of America
Urad Mine
Empire, Colorado

Re: Docket No. IMBA 4968 (Molybdenum)
Contract No. IBm-[illegible]
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Chapman:

In our telephone conversation on August 25, 1958, you were given verbal approval to crosscut north a distance of 500 feet from a point in the Second Tunnel Shaft level at coordinate W. 750. The verbal approval was contingent on immediate receipt in this office of your written request for Government approval of the crosscutting.

Since your written request has not been received, and since you have decided not to crosscut north, as verbally approved, but, instead, to crosscut northwesterly and are doing so at company expense, without contribution by the Government, pending resolution of all matters concerned with it, therefore, as a matter of record, my verbal approval to crosscut north from the west drift at coordinate W. 750 is hereby rescinded.

Very truly yours,

J. W. Townsend
Alternate Acting Executive Officer
IMBA Field Team, Region III

JWT:prl

cc: Chem. Op. Comm. (2)
Marshman
Salsbury, IMBA HQ
Assessment file, Region III
Corres. file
Cooper
Chron.

224 New Customhouse
Denver 2, Colorado
September 4, 1958

800

Memorandum

To: Chairman, Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4968 (Molybdenum), Contract No. [illegible], Molybdenum Corporation of America (Moly or Questa mine), Taos County, New Mexico

Enclosed are three copies of approval, issued by the DMEA Field Team, Region III, to stop Stage I diamond drill hole No. 16, in Area A, at a depth of 645 feet, and to change the direction of diamond drill hole No. 16 from N. 45° E. to N. 60° E.

Also enclosed are three copies of a joint memorandum, dated August 22, 1958, from E. E. Marchman, Geologist, and M. E. Salisbury, Mining Engineer, Bureau of Mines, pertaining to the matter; and two copies each of the Operator's two revised letters of request, dated August 30, 1958.

Copies of the approval have been distributed to the Operator, the Finance Office, and others concerned in Region III.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JDC:grl

cc: Finance Office,
Region III - w/copy of approval.
Marchman) w/copy of approval,
Salisbury, DMEA DPC) joint memorandum,
Corres. File) and Operator's letters.
Cooper
Chron.

[illegible] New Customhouse
Denver 2, Colorado
September 4, 1958

Mr. A. L. Grenlin, Manager
Molybdenum Corporation of America
Questa, New Mexico

Re: Contract No. IMMA 4568 (Molybdenum)
Contract No. [illegible]
Molybdenum Corporation of America
(Daly or Questa mine)
Taos County, New Mexico

Dear Mr. Grenlin:

In reference to your two letters of August 30, 1958, this constitutes the Government's approval for the following:

1. Discontinue drilling in hole No. 16 at a depth of 245 feet, due to difficult drilling conditions encountered.

2. Drill hole No. 15 on a bearing of N. 60° E. instead of N. 45° E., as originally provided for in the contract.

Nothing in this work approval shall be construed to increase the total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

IMMA Field Team, Region III

By J. B. [illegible]

By E. E. Hanchman

cc: Mr. J. B. Sargent
Chief Mine
Hughes, Colorado

JBC:pri
cc: Chem. Op. Comm. (3)
Finance Office, Region III
Accountant File, Region III
Hanchman

Salsbury IMMA HPC
Courses. file
Cooper
Chron.

DMEA
DEPARTMENT OF THE INTERIOR
AUG 22 1958
REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
August 22, 1958

Memorandum

To: Alternate Acting Executive Officer, DMEA Field Team, Reg. III

From: E. N. Harshman
M. H. Salsbury

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-K1094, Molybdenum Corporation of America (Moly or Questa mine) Taos County, New Mexico

In two letters to the Acting Executive Officer dated August 18, 1958, the operator requests permission to stop Diamond Drill Hole No. 16 at 245 feet and to change the direction of Diamond Drill Hole No. 15. These letters confirm verbal requests made to E. N. Harshman by telephone on August 14, 1958.

The drillers were attempting to pull rods from Hole No. 16 at the time the undersigned DMEA engineer was inspecting progress on August 14, 1958, and the difficulty being encountered was verified. Hole No. 16 penetrated porphyry from a point 30 feet from the collar to the bottom at 245 feet. It is not considered advisable to continue this hole in porphyry under the difficult conditions encountered.

It appears likely that hole No. 15 would enter the same porphyry mass on the previously approved bearing of N. 45° E. By changing the direction of the hole to N. 60° E. it may be possible to stay out of the porphyry.

Approval of the operator's requests of August 18, 1958 is recommended.

E. N. Harshman
E. N. Harshman
Member Field Team

M. H. Salsbury
M. H. Salsbury
Mining Engineer

MHS/mw
Idm-K1094

DMEA
DEPARTMENT OF THE INTERIOR
SEP 3 - 1958
REGION III
DENVER, COLORADO

August 30, 1958

Acting Executive Officer
DMEA Field Team, Region III
324 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4568
(Molybdenum)
Contract IDM-F 1084
Molybdenum Corporation of
America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

We are herewith making application to change the direction of Diamond Drill hole No. 15 to North 60 degrees East instead of North 45 degrees West as planned in the contract.

Changing the direction of the hole to North 60 degrees East would more or less follow the contact of the porphyry and should be better drilling.

Yours very truly,

A. L. Grealin

A. L. Grealin, Manager

DMEA
DEPARTMENT OF THE INTERIOR
SEP 3 - 1958
REGION III
DENVER, COLORADO

AUGUST 30, 1958

SEP 8 1958

	INITIALS	CODE

Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 4560
(Molybdenum)
Contract IDM-E 1094
Molybdenum Corporation of
America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

We are herewith making application under Stage I Area A of the contract to stop diamond drill hole No. 10.

We drilled hole No. 10 to a depth of 245 feet. It was in Aplite for the first 30 feet then in Porphyry to 245.

The ground was squeezing badly at 30 feet and at 150 feet. Tried reaming the hole but it would squeeze so bad we had a hard time getting the reaming bit out.

Yours very truly,

A. L. Greslin

A. L. Greslin, Manager

224 New Customhouse
Denver 2, Colorado
August 25, 1958

Mr. J.B.Gaenan
Molybdenum Corporation of America
Urad Mine
Empire, Colorado

Re: Docket No. DMRA 4968 (Molybdenum)
Contract No. Xlm-[illegible]
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Gaenan:

Reference is made to your letter of August 14, 1958, which constitutes your request for the Government's approval to extend the Second Tunnel Shaft Level northwesterly from coordinate W. 800 a distance of 1,500 feet.

A review of your request in conjunction with the map, Figure 5, attached to the contract, indicates that there is insufficient ground presently subordinated under the contract to permit 1,500 feet of drifting in a northwesterly direction.

Therefore, your request for extension of the Second Tunnel Shaft Level 1,500 feet in a northwesterly direction is denied.

Very truly yours,

DMRA Field Team, Region XIII

By J. V. Townsend
J. V. Townsend

By Robert U. King
Robert U. King
for H. E. Hawkins

JVT:pri

cc: Chmn. Op. Comm. (3)
Hawkins
Salsbury DMRA/DFC
Corres. file
Cooper
Chron.

Aug 27

800

25th New Customhouse
Denver 2, Colorado

August 20, 1958

ORIGINAL COPY	
RECEIVED AUG 25 1958	
DATE INITIALS	COPY

Memorandum

To: E. N. Barnhart
M. H. Salsbury, DMEA/DFC

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract IAm-E109h
Molybdenum Corporation of America (Moly or Questa mine)
Taos County, New Mexico

Enclosed are one copy each of two letters from the subject Operator, dated August 18, 1958, whereby the Operator requests the following:

1. Government approval to change the location of diamond drill hole No. 16 from North 45 degrees East to North 60 degrees East, in order to better follow the Porphyry contact and to facilitate drilling.

2. Government concurrence to discontinue drilling in diamond drill hole No. 15 at 895 feet, due to difficult drilling conditions encountered.

Please forward to this office a joint memorandum containing your recommendations in the matter.

Original signed by
J. W. TOWNSEND
J. W. Townsend

Enclosures

JWC:mh

cc: Chem. Op. Comm. (2) w/copy Operator's
Corres.File, Reg.III) two letters 8/18/58
Cooper
Garon.

DMEA
DEPARTMENT OF THE INTERIOR
AUG 20 1958
REGION III
DENVER, COLORADO

August 18, 1958

Acting Executive Officer
D.M.E.A. Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 4568
(Molybdenum)
Contract IDM-X 1094
Molybdenum Corporation
of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

We are herewith making application to change the direction of Diamond Drill Hole No. 16 to North 60 degrees East instead of North 45 degrees East as planned in the contract.

Changing the direction of the hole to North 60 degrees East would more or less follow the contact of the Porphyry and should be better drilling.

Yours very truly,

A. L. Greslin

A. L. Greslin, Manager

DMEA
DEPARTMENT OF THE INTERIOR
AUG 20 1958
REGION III
DENVER, COLORADO

EXTRA COPY
DMEA
RECEIVED AUG 25 1958

DATE	INITIALS	CODE

August 18, 1958

Acting Executive Officer
D.M.E.A. Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 4568
(Molybdenum)
Contract IDM-E 1084
Molybdenum Corporation
of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sir:

We are herewith making application under Stage I, area A of the contract to stop Diamond Drill Hole No. 15.

We drilled Hole No. 15 to a depth of 245 feet. It was in Aplite for the first 30 feet then in Porphyry to 245.

The ground was squeezing badly at 30 feet and 150 feet. Tried reaming the hole but it would squeeze so bad we had a hard time getting the reaming bit out.

Yours very truly,

A. L. Greslin

A. L. Greslin, Manager

224 New Customhouse
Denver 2, Colorado

AUG 5 - 1958

Memorandum

To: Chairman, Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract IAm-[illegible], Molybdenum Corporation of America, (Moly or Questa mine) Taos County, New Mexico

Enclosed are three copies of a work approval issued by the DMEA Field Team, Region III, for the drilling of four holes under Stage II of the contract.

Also enclosed are three copies of a joint memorandum from R. U. King, Geologist, Geological Survey, and M. E. Salsbury, Mining Engineer, Bureau of Mines, containing their recommendations in the matter. Two copies of the Operator's request, dated July 28, 1958, were forwarded to you by our memorandum of July 30, 1958, to the field examiners.

Copies of the work approval have been distributed to the Operator, the Finance Office, and to others concerned, in Region III.

Original signed by
J. W. TOWNSEND
J. W. Townsend

Enclosures

JDC:bmk

cc: Finance Office, Reg. III
Bureaus
DMEA/DFC (Salsbury)
Curves.file, Reg. III
Cooper
Chron

} w/copy of work approval

800

[illegible] New Customhouse
Denver 2, Colorado

AUG 5 - 1958

Mr. J. E. Carman
Urad Mine
Empire, Colorado

Re: Docket No. DMEA 4568 (Molybdenum)
Contract Ida-31094
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Carman:

In reference to your letter of July 28, 1958, this constitutes the Government's approval for drilling the following four holes under the provisions of Stage II of the contract:

Hole No.	Location	Coordinates	Bearing	Inclination
19	Face No. 2 X-cut E	E 425, N 410	North	-45°
20	Face No. 5 X-cut E	E 400, S 590	South	0°
21	Face No. 5 X-cut S	E 400, S 590	S 45° E	-45°
23	No. 5 X-cut S	E 400, S 280	---	-90°

Government approval for drilling of proposed Stage II hole 22 cannot be given until the results obtained from drilling holes 20 and 21, have been furnished to the Government as the results of holes 20 and 21 will be used in determining proper bearing and inclination of hole 22. As soon as holes 20 and 21 have been completed you should forward the results of the drilling to this office, together with a written request for the drilling of hole 22.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

JEC:hmh

cc: Chem. Op. Comm. (3)
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
DMEA/DFC (Salsbury)
Corres. file, Reg. III
Cooper
Chron

cc: A. L. Gremlin, Manager
Questa,
New Mexico

Very truly yours,

DMEA Field Team, Region III

By J. W. Townsend
J. W. Townsend

By E. M. Harshman
E. M. Harshman

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
AUG 1 - 1958
REGION III
DENVER, COLORADO

July 31, 1958

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: E. N. Hershman

From: R. U. King
M. H. Salsbury

Subject: DMEA Docket 4568 (Molybdenum), Contract Ida-E 1094, Molybdenum Corporation of America (Moly or Questa mine), Taos County, New Mexico

The operator in a letter dated July 23, 1958, requested approval of five Stage II holes as follows:

Hole No.	Location	Coordinates	Bearing	Inclination
19	Face No. 2 X-cut N	E 425, N 410	North	-45°
20	Face No. 5 X-cut S	E 400, S 590	South	0°
21	Face No. 5 X-cut S	E 400, S 590	S 45° E	-45°
22	Face No. 5 X-cut S	E 400, S 590	S 45° W	-45°
23	No. 5 X-cut S	E 400, S 220	--	-90°

The objective of these holes, to explore the marginal zone in and above the soda granite for disseminated molybdenite, was discussed with Mr. Carmen, Manager, Questa mine. Holes 19 and 20 will explore the ground beyond (north and south of) the points reached in the exploration crosscuts; and holes 21, 22, and 23 will explore at depth below the No. 2 shaft tunnel level.

It is recommended that the operator's request to drill the above holes be approved in accordance with the contract but with a provision that hole 20 shall be the hole next drilled after completion of one or the other of the -45° holes (21 or 22), in order to allow for possible changes in bearing and inclination in the final drill hole should the results of the first two of these holes so indicate.

R U King
R. U. King, Geologist

M. H. Salsbury
M. H. Salsbury, Mining Engineer

RUKing:arh

800

224 New Customhouse
Denver 2, Colorado

JUN 25 1958

Memorandum

To: Chairman, Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum), Contract No. Idm-E1094, Molybdenum Corporation of America (Moly or Questa mine), Taos County, New Mexico

Enclosed are three copies of project work approval issued by the DMEA Field Team, Region III, pertaining to additional work in Area B under Stage II of the contract.

Also enclosed are three copies of a joint memorandum, dated June 20, 1958, from R. U. King, Geologist, Geological Survey, and W. W. Winkel, Mining Engineer, Bureau of Mines, pertaining to the additional work.

Copies of the work approval have been distributed to the Operator, the Finance Office, and others concerned in Region III.

Original signed by
J. W. TOWNSEND
J. W. Townsend

Enclosures

JWT:prl

cc: Finance Office, Region III } w/copy of work approval.
Harshman
DMEA/DFC(Salsbury
Corres. file } w/copy of work approval and joint memorandum.
Cooper
Chron.

MASTER COPY
D
RECEIVED
COPY

Denver 2, Colorado
224 New Customhouse
June 23, 1958

Mr. J. B. Carman
Molybdenum Corporation of America
Urad Mine
Empire, Colorado

Re: Docket No. DMEA 4568 (Molybdenum)
Contract No. Idm-E1094
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Carman:

In reference to your letter of May 29, 1958, this constitutes approval by the Government for the driving of the No. 4 crosscut south, in Area B, an additional 500 feet under the provisions of Stage II of the contract, except that the crosscut shall be stopped short of that distance if the tunnel penetrates rock which does not contain visible molybdenum over a section measuring approximately 50 feet in length, as provided for in the contract.

Nothing in this approval of additional work under Stage II of the contract shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Very truly yours,

DMEA Field Team, Region III

By J. W. Townsend
J. W. Townsend

By E. H. Harshman
E. H. Harshman

cc: Mr. A. L. Cwealin, Manager
Molybdenum Corporation of America
Questa, New Mexico

JWT:prl
cc: Chem.Op.Comm. (3)
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
DMEA/DPC (Salsbury)
Corres. file
Cooper
Chron.

IN REPLY REFER TO:

DMEA
DEPARTMENT OF THE INTERIOR
JUN 23 1958
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

June 20, 1958

DMEA COPY
DMEA
JUN 27 1958
CODE

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: E. N. Harshman

From: R. U. King
W. W. Winkel

Subject: Docket DMEA 4568 (Molybdenum), Contract Ism-E 1094, Molybdenum Corporation of America (Moly or Questa mine), Taos County, New Mexico

The operator of the subject contract in a letter dated May 29, 1958, requests approval to continue crosscut No. 4 (Coord 300 W) from Coord 1300 S for 500 feet southward to approximately Coord 1800 S.

Since Crosscut No. 4 south has been driven in mineralized rock (porphyry, green rock, granite) to date, and the grade of mineralization is reported to be increasing, it is recommended that the operator's request be approved.

R U King
R. U. King, Geologist

for H. M. Forman
W. W. Winkel, Mining Engineer

RUKing:arh

EXTRA COPY
D M E
RECEIVED MAY 9 1958
DATE | CODE
800

924 New Customhouse
Denver 2, Colorado
May 8, 1958

Memorandum

To: Chairman, Operating Committee

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum) Contract Idm-31094
Molybdenum Corporation of America (Moly or Questa mine)
Taos County, New Mexico

Enclosed are two copies of a letter from this office dated May 8, 1958, pertaining to continued drilling of Stage I hole No. 3, in Area A. Also enclosed are three copies of a joint memorandum dated May 5, 1958, from R. U. King, Geologist, Geological Survey and W. W. Winkel, Mining Engineer, Bureau of Mines, pertaining to the matter.

Original signed by
E. N. HARSHMAN

E. N. Harshman

JWT:dp
cc: Harshman
DMEA/DFC Winkel
Corres. File
Townsend
Chron.

EXTRA COPY	
RECEIVED	
DATE	CODE

294 New Customhouse
Denver 2, Colorado
May 5, 1958

Mr. A. L. Gresslin, Manager
Molybdenum Corporation of America
Questa, New Mexico

Re: Docket No. DMEA 4568 (Molybdenum)
Contract IDm-81094
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Gresslin:

Reference is made to your letter of April 14, 1958, the reply from this office dated April 16, 1958, and your letter of April 26, 1958, all in reference to the drilled depth of Stage I hole No. 3, in Area A.

Since you have found that hole No. 3 encountered molybdenum mineralization throughout its drilled length of 372 feet, it is the desire of this office that the hole be continued to its original objective length of 500 feet, unless the hole penetrates rock not containing visible molybdenum mineralization for a distance of 20 feet as stipulated in the contract.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

cc: J. D. Garman
Grand Mine
Empire, Colorado

JWT:dp
cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC Winkel
Corres. File
Townsend
Chron.

IN REPLY REFER TO:

DMEA
DEPARTMENT OF THE INTERIOR
MAY 6 1958
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

EXTRA COPY
DMEA
RECEIVED MAY 12 1958

DATE	INITIALS	CODE

May 5, 1958

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: E. N. Harshman

From: R. U. King
W. W. Winkel

Subject: Docket DMEA 4568 (Molybdenum), Contract Idm-E 1094, Molybdenum Corporation of America (Moly or Questa mine), Taos County, New Mexico

In letters dated April 14 and 26, 1958, the operator (first) reported that Hole No. 3 (S 50, E 1800) penetrated 322 feet of MoS_2 mineralized rock and 50 feet of barren rock, and (later) that the hole was in MoS_2-bearing ground for its entire length of 372 feet.

Inasmuch as the operator states that the hole is open, and it appears that the ground being explored by this hole contains visible MoS_2, we recommend that the hole be reoccupied and drilled to the maximum allowable depth of 500 feet as provided for in the contract.

Although assays are not submitted, the operator states that significant MoS_2 mineralization is visible in the core, and that assays confirm the visual determination.

Hole No. 3 was located, and directed (+45°, north) so as to penetrate the marginal zone of the intrusive soda-granite, roughly

parallel to its contact with overlying green rock. It is therefore properly located to explore this favorable zone for low grade disseminated MoS_2, above the 2nd tunnel shaft level. In view of the wide lateral extent of exploration accomplished on this level it seems important to the maintenance of a balanced project to obtain as much information as possible in the vertical dimension. Whether or not the granite-green rock contact is crossed by the hole when deepened, valuable information on the attitude of the structure and its relationship to disseminated MoS_2 mineralization will result.

R. U. King
Geologist

W. W. Winkel
Mining Engineer

RUKing:mp

21

800

224 New Customhouse
Denver 2, Colorado
April 17, 1958

Memorandum

To: Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum), Contract No. Idm-E1094, Molybdenum Corporation of America (Moly or Questa mine), Taos County, New Mexico

Enclosed are three copies of confirmation of work approval and Government concurrence in the stoppage of certain work as issued by the DMEA Field Team, Region III.

Also enclosed are three copies of a joint memorandum, dated April 15, 1958, from R. W. King, Geologist, Geological Survey, and W. W. Winkel, Mining Engineer, Bureau of Mines, pertaining to the matters under items 1 to 3 inclusive.

Copies of the letter have been distributed to the Operator, the Finance Office, and others concerned in Region III.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

JWT:prl

cc: Finance Office,
Region III - w/copy of letter to Operator.
Harshman) w/copy of letter to
DMEA/DFC (Winkel)) Operator and joint
Corres. file) memorandum.
Townsend
Chron.

holes in the future, by cementing and drilling out or reaming and coring, as provided for in the contract, to assure continuation of holes drilled in the future to their stated objectives.

3. Concurrence to abandon the north crosscut off the westerly drift of the Second Tunnel Shaft Level at a length of approximately 168 feet, because of soft, caving ground conditions, instead of driving the crosscut the full distance of 400 feet as approved by the DMEA Field Team, Region III, under item 1 of a letter dated December 11, 1957.

Nothing in this confirmation of work approval and concurrence in work stoppage shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the final unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

By E. M. Hardman
E. M. Hardman

By J. W. Forwood
J. W. Forwood
Acting Member

cc: Mr. A. L. Gamble
Molybdenum Corporation of America
Questa, New Mexico

JWFrgrl

cc: Chem. Op. Gen. (3)
Finance Office, Region III
Amendment File, Region III
Hardman
DMEA/DFC (Winkel)
Course File
Hammond
Chron.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
DEPARTMENT OF THE INTERIOR
APR 16 1958
REGION III
DENVER, COLORADO

Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

EXTRA COPY

April 15, 1958

RECEIVED APR 21 1958
DATE | INIT. | CODE
2 MH

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: E. N. Harshman

From: R. U. King
W. W. Winkel

Subject: DMTA Docket 4563 (Molybdenum), Contract Idm-E 1094, Molybdenum Corporation of America (Moly or Questa mine), Taos County, New Mexico

The operator of the subject contract project requested in three letters dated April 8, 1958, that the Government (a) approve stopping of hole 13A at 200 feet, (b) approve stopping no. 5 north crosscut at 169 feet, and (c) approve continuation of no. 4 crosscut south an additional 500 feet.

Hole no. 13A was lost at 200 feet as a result of caving of the hole, caused by the highly fractured and altered condition of the mineralized rocks. In view of the costly experiences resulting from attempting reentry and deepening of holes 7 and 17 by reaming and casing through bad ground, the operator concludes that he is not likely to succeed in attempts to continue hole 13A. The operator also concludes that the hole has served its main exploration purpose and that little additional information would be gained by continuing the hole. No supporting data is given for this conclusion. Hole 13A (+45°,

south) was substituted for hole 13 (-90°) to explore for disseminated molybdenite in the green rock that overlies the soda granite. The substitution was based on new information obtained during the progress of the contract project (Joint Engineering and Geologic Report, 11-20-57). According to the drillers' log, hole 13A penetrated 180 feet of "Transition" rock and was in granite from that point to the bottom. Molybdenite content ranges from 0.07 to 0.52 percent, and averages better than 0.3 percent MoS_2 for the last 20 feet.

Although we are inclined to agree with the operator's request to stop the hole on the basis of the engineering problems involved, we wish to point out that exploration above and south of the 2nd tunnel shaft level, is likely to be critical to the successful prosecution of this project and therefore every precaution should be taken to assure completion of holes 5 and 10. It is recommended that the operator's request to abandon hole 13A at 200 feet be approved.

No. 5 crosscut north was driven for 169 feet in mineralized and highly altered "Transition" rock; the MoS_2 content of the rock averages about 0.17 percent. It is the operator's contention that due to the swelling ground, it would be impossible to continue the crosscut except at undue costs of retimbering. In view of the engineering problem involved and the proximity of this crosscut to no. 2 crosscut north, we recommend that the crosscut be approved as completed to 169 feet.

No. 4 crosscut south (coord. W 300) is reported to be in significantly mineralized green rock at 475 feet. MoS_2 content of the

various rocks penetrated, including granite porphyry, "Transition" rocks, and green rock averages about 0.15 percent for the first 300 feet. The operator reports a significant increase in the MoS_2 content over the last 100 to 150 feet. Inasmuch as the grade of the mineralization is as good or better than that observed in much of the previous tunnelling and as favorable host rocks (granite porphyry) occur on the surface south and west of the crosscut, we recommend approval of continuing the no. 4 crosscut south for an additional 500 feet, subject to provisions in the contract relating to visible MoS_2 mineralization.

Since advance of the west drift, already approved, has not been started by the operator as of this date, we suggest that some provision be made to enforce prosecution of the west drift in the event that either engineering problems or geologic conditions cause discontinuance of any work.

R. U. King
Geologist

W. W. Winkel
Mining Engineer

RUKing:mp

224 New Customhouse
Denver 2, Colorado
April 1, 1958

Mr. A. L. Greslin, Manager
Molybdenum Corporation of America
Questa, New Mexico

Re: Docket No. DMEA 4568 (Molybdenum)
Contract No. Idm-81094
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Greslin:

In reference to your letter of March 29, 1958, this constitutes concurrence by the Government for you to discontinue Stage I drill hole No. 7 in Project Area A at a depth of 414 feet, because of the conditions encountered.

Nothing in this concurrence to discontinue drill hole No. 7 shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

By E. M. Hardman
E. M. Hardman
Acting Executive Officer

cc: Mr. J. B. Carman
Urad Mine
Empire, Colorado

JWT:prl
cc: Chmn.Op.Comm.-3) w/copy of
Finance Office, Region III) Operator's letter of March 29.
Amendment file, Region III)
Hardman)
DMEA/DFC-Winkel)
Corres.file)
Townsend
Chron.

Molybdenum Corporation of America
500 Fifth Avenue
New York

QUESTA UNIT
TELEGRAPH ADDRESS
W. U. VIA TAOS, N. M.

PLEASE REPLY TO
QUESTA, NEW MEXICO

900

Questa, New Mexico
March 29, 1958

Mr. W. H. King, Executive Officer, D.M.E.A.
Field Team, Region III
U. S. Bureau of Mines
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4568
(Molybdenum)
Contract No. IDM-E1094
Molybdenum Corp. of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Mr. King:

We are herewith making application for approval to stop diamond drill hole No. 7. This is the drill hole in Stage I of the contract at coordinate E 1600 drilled -45 degrees south.

This hole was drilled to 414 feet. The drill rods stuck at that depth and could not be removed. Lost the bit, reamer, corebarrel and about 30 feet of rods in the hole.

Yours very truly,

Molybdenum Corporation of America

A. L. Greslin

A. L. Greslin, Manager

DMEA
DEPARTMENT OF THE INTERIOR
MAR 31 1958
REGION III
DENVER, COLORADO

EXTRA COPY
RECEIVED APR 4 1958
DATE CODE
800

224 New Customhouse
Denver 2, Colorado
April 1, 1958

Memorandum

To: T. A. Christensen

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. 4568 (Molybdenum) Contract Idm-E1094
Molybdenum Corporation of America, (Moly or Questa mine) Taos County, New Mexico

Attached is a copy of a letter dated March 26, 1958, from the subject Operator, requesting a change of mailing address as follows:

Molybdenum Corporation of America
375 Park Avenue
New York 22, New York.

Please forward all future checks and related correspondence to the new address.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosure

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC
Townsend
Corres.file, Reg. III
Chron

T
C
M

Molybdenum Corporation of America

375 Park Avenue
New York 22, N. Y.

DMEA
DEPARTMENT OF THE INTERIOR
MAR 31 1958
REGION III
DENVER, COLORADO

March 26, 1958

United States Dept. of the Interior
Bureau of Mines, Region III
224 New Customhouse
Denver 2, Colorado

Dear Sirs: Re: DMEA Docket No. 4568
Contract No. IDM-E 1094

Please change our New York mailing address for all correspondence relative to the above DMEA contract to Molybdenum Corporation of America, 375 Park Avenue, New York, N. Y.

Yours very truly,

Wm. R. Kuntz

Wm. R. Kuntz

WRK/mm

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 30 1958

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Aud[illegible]s copy

EXPLORATION PROJECT CONTRACT
MOLYBDENUM CORPORATION OF AMERICA
DOCKET NO. DMEA-4568

AMENDMENT NO. 2

It is agreed this 6th day of January, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Molybdenum Corporation of America, that Exploration Project Contract No. Idm-E1094 (Docket No. DMEA-4568), dated May 31, 1957, is amended effective May 31, 1957, as follows:

1. In Exhibit "A", Description of the Work, under the heading General Provisions, the following sentence is added to paragraph four:

> "In the event insufficient core is recovered to make a representative sample from a section of any drill hole, then in lieu of a core sample the sludge from such section of hole shall be recovered and assayed for its MoS_2 content."

2. In Exhibit "A", Description of the Work, Stage II, (Area B), the second paragraph is revised to read:

> "The work consists of extending the Second Tunnel Shaft Level westward to a point approximately 400 feet west of coordinate W. 400 shown on map, Figure 4. With prior written Government approval crosscuts shall be driven north and/or south (from this drift) to explore for possible occurrences of molybdenum-bearing rock near the contact zones of the granite and 'Green rock' or volcanics; and additional exploratory drifts may be driven from the north-south crosscuts to follow the strike of favorable zones encountered. No crosscut driven from the Second Tunnel Shaft Level in Area B shall be closer than 400 feet to any crosscut driven in the same direction."

Amend. 2

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as maximum.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

MOLYBDENUM CORPORATION OF AMERICA

By _____

Title President

EXTRA COPY DMEA RECEIVED JAN 30 1958		
DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado

January 27, 1958

Mr. J. D. Carman
Molybdenum Corporation of America
Empire, Colorado

Re: Docket No. DMEA 4563 (Molybdenum)
Contract No. Idm-E1094
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Carman:

Enclosed are the "Operator's Copy" and one photo copy of Amendment No. 2 to Contract No. Idm-E1094, which has been executed to provide for the extension of the drift westerly on the Second Tunnel Shaft Level to a point approximately 400 feet west of coordinate W 400.

Consistent with provisions in the Contract pertaining to prior approval by the Government for performance of work under Stage II, this constitutes approval to extend the drift westerly on the Second Tunnel Shaft Level to a point approximately 400 feet west of coordinate W 400, as provided for by Amendment No. 2.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

By W. H. King
W. H. King

By E. N. Harshman
E. N. Harshman

JWT:prl

cc: Chmn.Op.Comm.(3)
Finance Office, Region III) w/copy of Amendment No. 2
Amendment file, Region III)
Harshman)
DMEA/DFC-Winkel)
Corres. file)
Townsend)
Chron.

DMEA
RECEIVED JAN 16 1958

DATE	INITIALS	CODE
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		800

Memorandum

224 New Customhouse
Denver 2, Colorado

January 13, 1958

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum), Contract No. Idm-E1094, Molybdenum Corporation of America (Questa or Moly mine), Taos County, New Mexico

Enclosed are three copies of confirmation of verbal work approval issued by the DMEA Field Team, Region III, pertaining to the drilling of one hole under Stage II of the contract.

Also enclosed are three copies of a joint memorandum, dated January 7, 1958, from R. U. King, Geologist, Geological Survey, and W. W. Winkel, Mining Engineer, Bureau of Mines, pertaining to the drill hole.

Three copies of the Operator's request, dated December 14, 1957, pertaining to the drill hole, were forwarded by copy of our memorandum to the field examiners, dated December 17, 1957.

Copies of the confirmation of verbal work approval have been distributed to the Operator, the Finance Office, Region III, and to others concerned.

Original signed by
W. H. King

W. H. King

Enclosures

JWT:prl

cc: Finance Office,
Region III - w/copy of confirmation of work approval.
Harshman)
DMEA/DFC(Winkel)) w/copy of confirmation of work approval and joint memorandum.
Corres. file)
Townsend
Chron.

224 New Customhouse
Denver 2, Colorado

January 6, 1958

Mr. A. L. Crosilla
Molybdenum Corporation of America
Questa, New Mexico

Re: Docket No. DMEA 4588 (Molybdenum)
Contract No. Ida-21094
Molybdenum Corporation of America
(Questa or Moly Mine)
Taos County, New Mexico

Dear Mr. Crosilla:

In reference to your request of December 14, 1957, this confirms verbal approval by the Government on December 11, 1957, which was subsequently verbally confirmed January 6, 1958, for you to drill a vertical down hole to a depth of approximately 500 feet from a point near the face of an existing turnout from the west drift approximately at coordinates E. 50 - S. 300, under the provisions of Stage II of the Contract.

The approximate location of the drill hole is shown on the map entitled, "Plan of Part of 2nd Tunnel Shaft Level Showing Location of Proposed Diamond Drill Hole, Questa Mine, Molybdenum Corporation of America. DMEA 4588, Ida-21094," which is attached hereto and made a part of this confirmation of vertal work approval.

In order to give priority to the drilling of the above approved hole, the Government hereby concurs in deferring the balance of drilling under Stage I, in Area A, pending completion of the herein approved hole.

Nothing in this confirmation of vertal work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor any item of allowable cost which is expressly designated "maximum."

Very truly yours,

DMEA Field Team, Region III

By C. H. King
C. H. King

By E. W. Hershman
E. W. Hershman

J.T:pri
cc: Chon. Op. Comm. (2)
Finance Office, Region III
Amendment File, Region III
Hershman
DMEA/DFC (Winkel)
Corres. File
Townsend
Chron.

cc: Mr. J. S. Carman
Molybdenum Corporation of America
Empire, Colorado

IN REPLY REFER TO:

DMEA
DEPARTMENT OF THE INTERIOR
JAN 8 - 1958
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

January 7, 1958

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: E. N. Harshman

From: S. U. King
W. W. Winkel

Subject: Docket No. DMEA 4568 (Molybdenum), Contract No. Idm-E 1094, Molybdenum Corporation of America (Moly or Questa mine), Taos County, New Mexico

In a letter dated December 14, 1957, the operator of the subject contract project requested approval to defer temporarily Stage I drilling to permit the drilling, at this time, of one Stage II hole. The hole in question, is to be drilled from near the face of an existing turnout from the West drift, approximately at coordinates E 50, S 300. The advisability of drilling this hole was discussed with the operator on December 11, 1957, and verbal approval given as of that date. He was advised that formal approval would be by letter from the DMEA Field Team pending receipt of his written request.

Exploration in the western part of the project area, actually confined to a horizontal plane (2nd tunnel shaft level) has covered an area greater than 800 x 1,000 feet. In the eastern part of the project area exploration above and below the plane, consists so far of only three drill holes.

Since the hypothesis that the low-grade disseminated MoS_2 mineralization is largely confined to the relatively thin contact zone between the soda granite and overlying "green rock" has not been disproved, it seems that it would be vital to the execution of any systematic exploration program to have current information on the thickness of the ore deposit being explored.

It is therefore recommended that the operator's request to drill a -90° hole at approximate coordinates E 50, S 300, from near the face of an existing stub drift, be approved, and that he be permitted to temporarily defer Stage I drilling for this purpose. This substitution of drilling in Area B for drilling in Area A is recommended only because the operator has stated that he does not have sufficient power nor air pressure to operate two diamond drills.

The attached sketch map shows the approximate location of the proposed drill hole.

RUKing

R. U. King
Geologist

W. W. Winkel
Mining Engineer

RUKing:mp

EXTRA COPY
RECEIVED
DATE
CODE
800

[illegible] Customhouse
[illegible], Colorado
December 20, 1957

Mr. [illegible] Carman
Molybdenum Corporation of America
[illegible], Colorado

Re: Docket No. [illegible] ([illegible])
Contract [illegible]
Molybdenum Corporation of America
(Molycorp Questa mine)
Taos County, New Mexico

Dear Mr. Carman:

In reference to work request, item [illegible], of your letter of December 16, 1957, this confirms verbal approval by the DMEA Field Team, Region III, on December 18, 1957, for you to perform the following work as provided for in Area B, under Stage II, of the contract:

A crosscut shall be driven southerly a maximum length of [illegible] feet; however, the crosscut shall be stopped short of that distance if the tunnel penetration rock which does not contain visible molybdenum over a section measuring approximately 5[illegible] feet in length.

The location of the above described crosscut is shown on the map enclosed, "Plan of Western Part of 2nd Tunnel Main Level Workings, Showing Location and Extent of Recommended Exploration, Questa Mine, Molybdenum Corporation of America, DMEA 655[illegible]," which is to be attached hereto and made a part of this confirmation of work approval.

Within, in this confirmation of verbal approval to perform the above work shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Yours very truly,

DMEA Field Team Region III

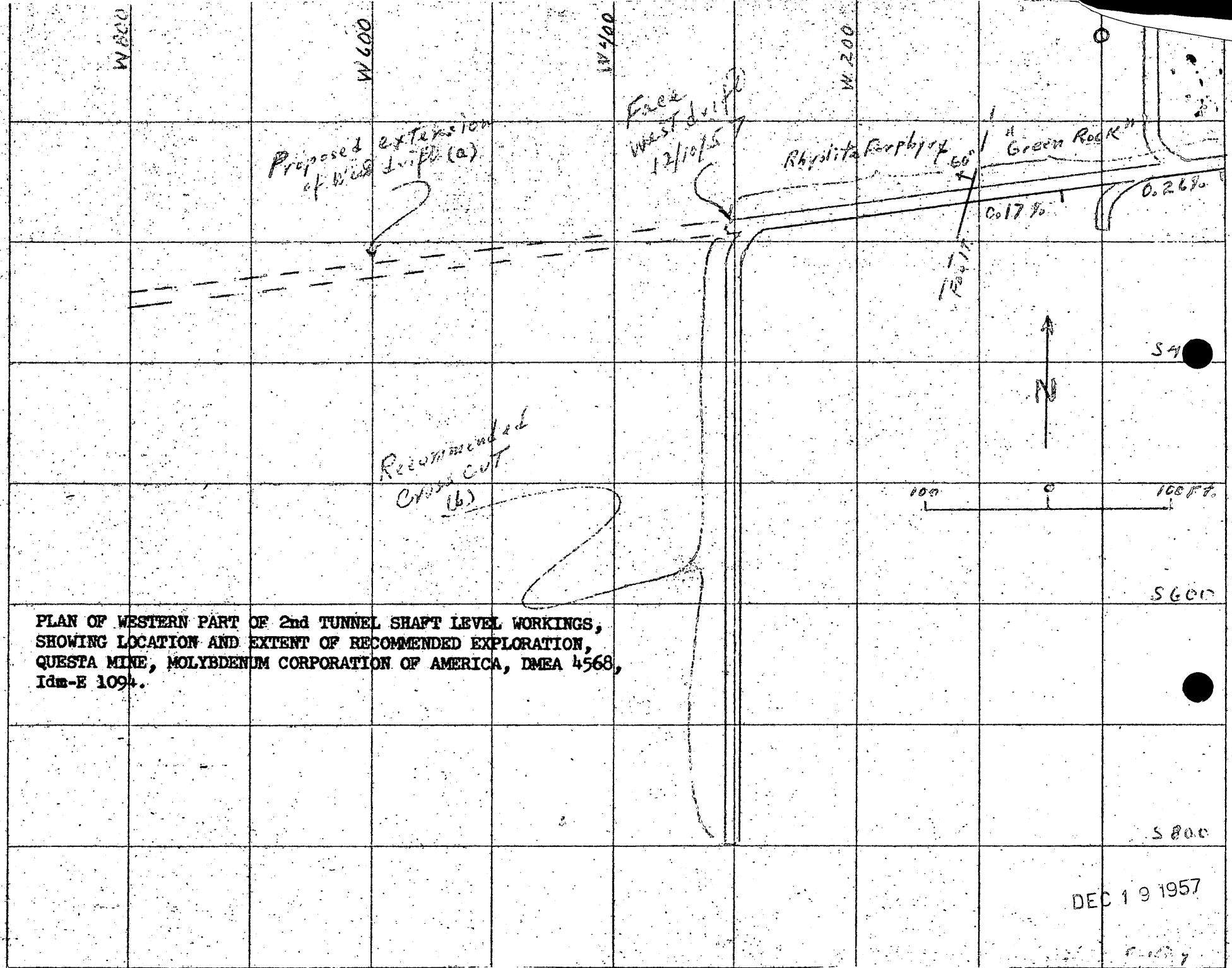
W. H. King
[illegible]

E. M. Hershman
[illegible]

Enclosure:

cc: Chu[illegible] Corr. (3)
Finance Office, Reg. III
Amendment File, Reg. III
Harshman
DMEA/DEC (Winkel)
Townsend
Corres. file, Reg. III
Chron

cc: Mr. A. L. Greelin
Questa, New Mexico



PLAN OF WESTERN PART OF 2nd TUNNEL SHAFT LEVEL WORKINGS, SHOWING LOCATION AND EXTENT OF RECOMMENDED EXPLORATION, QUESTA MINE, MOLYBDENUM CORPORATION OF AMERICA, DMEA 4568, Idm-E 1094.

DEC 19 1957

IN REPLY REFER TO:

DMEA
DEPARTMENT OF THE INTERIOR
DEC 23 1957
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

FILE COPY
DMEA
RECEIVED JAN 2 1958

DATE	INITIALS	CODE

December 19, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: R. N. Harshman RNH

From: W. W. Winkel
R. U. King

Subject: DMEA Docket 4563 (Molybdenum), Contract No. Idm-3 1094
Molybdenum Corporation of America (Moly or Questa mine),
Taos County, New Mexico

The operator requested by letter dated December 10, 1957, approval of the following additional work under Stage II: (a) Extension of the second tunnel shaft level (west drift) westward to coordinate W 300, and (b) crosscutting approximately along coordinate W 300 southward for 500 feet.

Although continuation of the west drift is justified as the porphyritic rock in the face is mineralized, and it is likely that the "green rock"-granite contact will be encountered again, such work would probably require an amendment to the contract, and this work will be dealt with in a separate memorandum report. Since the operator stressed the need for immediate approval of an additional working face, it is recommended that approval for work (a) be deferred in favor of work (b) above.

Inasmuch as the face of the west drift is in mineralized porphyry a crosscut started from that location will be exploring the horizontal extent of the disseminated MoS_2 mineralized area, in the "green rock". The crosscut will also provide access to locations from which core holes can be drilled to explore for the underlying green rock-granite contact.

For these reasons it is recommended that approval be given the operator to drive a crosscut southerly 500 feet approximately along coordinate J 300, but with limitations regarding barren ground as specified in the contract.

The attached plan of part of the workings of the Questa mine shows the location and extent of the proposed exploration.

Verbal approval was given the operator on December 11, 1957, to proceed with the crosscut, and advised that formal confirmation would follow by letter from the DMEA Field Team, Region III.

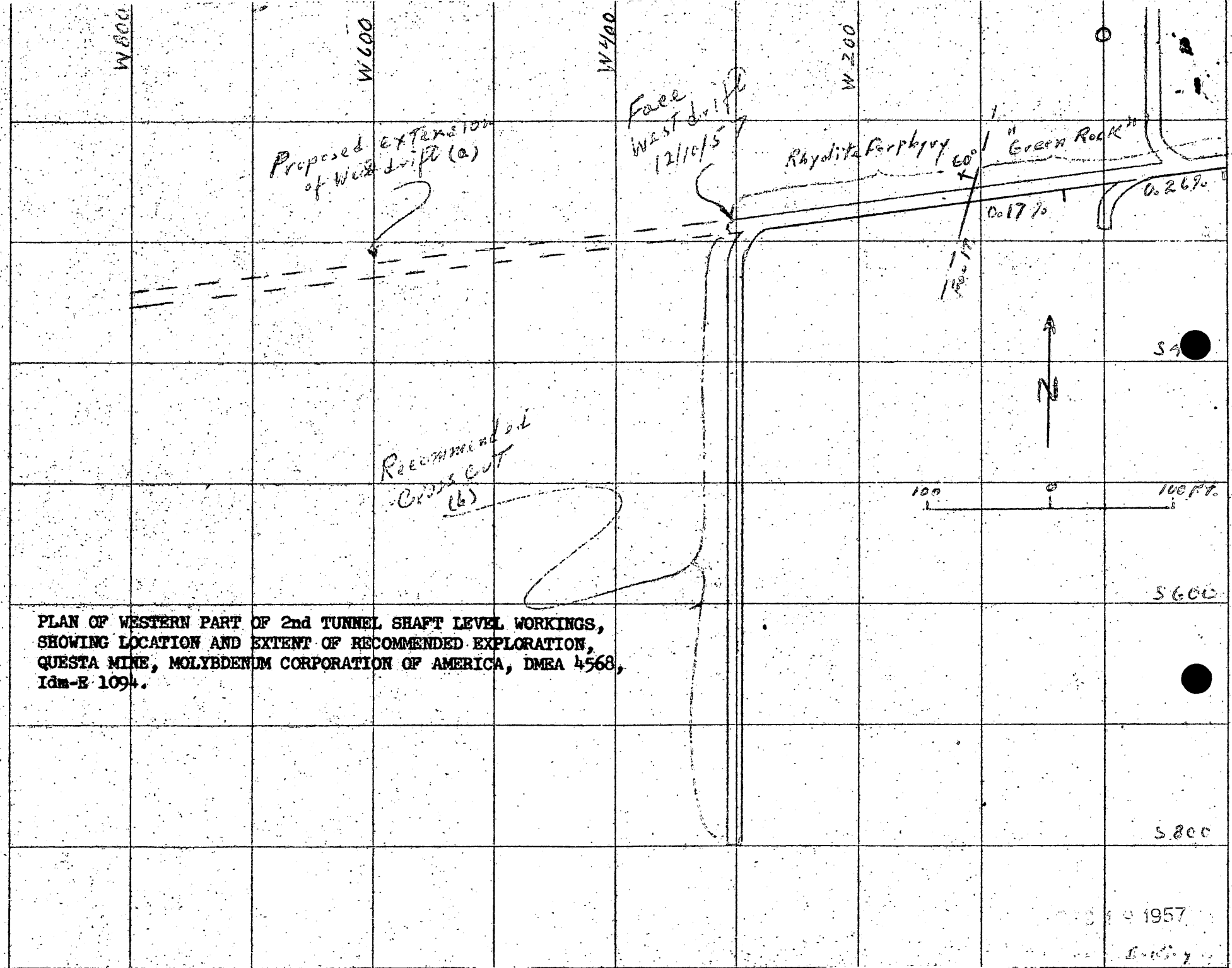
W. W. Winkel

W. W. Winkel
Mining Engineer

R U King

R. U. King
Geologist

RUKing:mp



PLAN OF WESTERN PART OF 2nd TUNNEL SHAFT LEVEL WORKINGS, SHOWING LOCATION AND EXTENT OF RECOMMENDED EXPLORATION, QUESTA MINE, MOLYBDENUM CORPORATION OF AMERICA, DMEA 4568, Idm-E 1094.

MOLYBDENUM CORPORATION OF AMERICA
URAD MINE
EMPIRE, COLORADO

December 10, 1957

Mr. E. N. Harlman
Acting Executive Officer
D.M.E.A. Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket D.M.E.A. 4568
(Molybdenum)
Contract Ia-R1094
Molybdenum Corp. of America
(Moly or Quartz Mine)
Teller County, New Mexico

Dear Mr. Harlman:

We are herewith making application for D.M.E.A. approval under Stage II Area B for additional work on the west end of the second level. We consider this quite necessary at the present time even though we have recently been granted approval for 800 feet of crosscutting back from the west face which we plan to carry on concurrently with the west end exploration.

Certain extraordinary operating problems are present in the Quartz Mine work. To explain: The face of the west drift is reached from the surface by the 5,000 ft. Moly tunnel, then down 200 feet of winze to the 2nd level, then by some 3,500 feet of drift to the west. About 1,000 feet west of the winze a raise connects through various drifts and raises through "Z" tunnel with the surface, a total of 700 feet upward and about 5,000 feet horizontal.

Ventilation is obtained by circulation through Moly tunnel, down the winze to the 2nd level then up through the 2nd level raise and finally out "Z" tunnel.

The present workings are all west of the 2nd level raise connection. Just east of this raise, two fans in series are located to ventilate the west workings through 15 inch vent pipe. Power facilities are sufficient to ventilate only from 2 to 3 headings at one time.

The ground through the last 1,200 feet of the 2nd level has been heavy requiring continuous timbering. Suspension of circulating air through this timbered section will cause almost unbelievable rapid deterioration of the timber. Thus, continuous work to the west becomes a necessity as long as more work is contemplated there.

Further, in turning off crosscuts, it is necessary, as a matter of economy and not later interrupting work ahead, that, whenever possible, such crosscuts be anticipated so that they can be started as the main drift reaches the point of the crosscut.

In connection with this application for work approval our geologist Sam Hinkle has made a map showing geological sections through the area in question and in stating our objectives we will refer to the various figures on this map which we attach hereto. These sections while based on present surface and underground evidence are of necessity partly hypothetical.

December 10, 1957

Mr. E. N. Hartlman
Acting Executive Officer
D.M.E.A. Field Team, Region III
Denver, Colorado

Re: Docket D.M.E.A. 4568
Contract Idm-71094

Approval is asked for:

A--Extension of the 2nd Tunnel Shaft level westward beyond coordinate 300 W to, as a first stage, to coordinate W 800. Refer to Fig. 5.

Objectives:

(1) Test the porphyry for MoS2.

(2) Explore for the west porphyry contact with the transition green rock.

(3) Explore the transition green rock between the two prophyry intrusions.

(4) Approach and enter the porphyry to the west.

B--Drive a crosscut off the 2nd Tunnel Shaft level at approximately 300 W, as a first stage, a distance of 500 feet south. Refer to Fig. 3 and Fig. 4.

(1) Test the prophyry for MoS2.

(2) Seek a south porphyry transition green rock contact.

(3) Explore intervening green or transition rock.

(4) Enter an area indicated by surface geology to be bounded by porphyry on the north, west and south. Favorable fracturing is expected here. Chances for greater depth in overlying transition rock (silicified and otherwise altered green rock) appear to be favorable. This transitionrrock is considered favorable host rock for MoS2 mineralization as evidenced in that found in the 2nd level west drift and that found in hole #14 off the No. 1 Crosscut north. We emphasize this objective, for based on information now available, consider it the most favorable of all.

For future reference concerning exploration to the north of the 2nd level west drift there is shown in Fig. 1 and Fig. 2 of the accompanying map a hypothetical ridge line of the intrusive sodic granite. The location of this ridge line was determined by connecting the high points of the east and west massive granite outcrops. Consequently, until more information is available, the ridge, and its location, is indefinite. However, by this sketch, we hope to make more clear the exploration objectives in this locality.

We trust that you will be able to give prompt consideration to the above application as the west drift will shortly reach the approved limit.

Yours very truly,

MOLYBDENUM CORPORATION OF AMERICA

by J. B. Carman

J. B. Carman

JBC:r

Original & 5 Copies

CC: MH
ALG

[illegible] New Customhouse
Denver 2, Colorado
April 17, 1958

Mr. J. B. Cannon
Climax Mines
Empire, Colorado

Re: Docket No. DMEA 4968 (Molybdenum)
Contract No. [illegible]
Molybdenum Corporation of America
(Moly or Quartz mine)
Clear County, New Mexico

Dear Mr. Cannon:

In reference to your three letters, dated April 10, 1958, Government approval is as follows:

1. Confirmation of verbal approval, given April 14, 1958, for the driving of the No. 4 crosscut north an additional 500 feet to that approved by the DMEA Field Team, Region III, under date of December 26, 1957; except that the crosscut shall be stopped short of that distance if the tunnel penetrates rock which does not contain visible molybdenum over a section measuring approximately 50 feet in length, as provided for in the contract.

   The foregoing approval for continuation of the north crosscut is given with the contingent provision that in the event the westerly extension of the drift on the Second Tunnel Shaft level and the north crosscut cannot be extended concurrently that preference will be given to the continued extension of the drift westerly as approved by the DMEA Field Team, Region III, by letter of January 27, 1958.

2. Concurrence to abandon drill hole No. 13-A at a length of approximately 500 feet because of the extremely unconsolidated ground conditions encountered which make the hole untenable. The foregoing approval is given contingent on the understanding that all reasonable precautions will be taken in drilling other

224 New Customhouse
Denver 2, Colorado

December 23, 1957

12/26 gb 220 800

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum), Contract No. Idm-E1094
Molybdenum Corporation of America (Moly or Questa Mine)
Taos County, New Mexico

Enclosed are three copies each of two letters to the Operator, dated December 23, 1957, which constitute Field Team approval of the change in the location of the horizontal hole northerly from the end of the No. 2 crosscut north, and change in locations of Holes 15 and 16 from the end of the No. 1 crosscut north.

Also enclosed are two copies of the Operator's letters dated December 18, 1957, pertaining to the two matters.

Copies of the Government's concurrence in the location of the drill hole have been distributed to the Operator, Finance Office, Region III, and to others concerned.

Original signed by
W. H. KING

W. H. King

Encls.

JWT:bh

cc: Finance Office,) w/copy of Gov't. concurrence
Region III) change of hole locations

Amendment File

Harshman) w/copy of concurrence and
DMEA/DFC (Winkel)) Operator's letter 12/18/57
Corres. File)

Townsend
Chron.

224 New Customhouse
Denver 2, Colorado

December 23, 1957

Mr. J. E. Carman
Molybdenum Corporation of America
Urad Mine
Empire, Colorado

Re: Docket No. DMA 4560 (Molybdenum)
Contract No. Idm-1094
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Carman:

In reference to your letter of December 13, 1957, this constitutes concurrence by the Government for the drilling of the Stage I hole in Area B, horizontally in a northerly direction from the end of the No. 2 crosscut north, approximately at coordinate E 440, N 400.

Nothing in this concurrence in the change of location of the drill hole shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

Original signed by
W. H. KING
W. H. King

Original signed by
E. N. HARSHMAN
E. N. Harshman

JWT:bh
cc-Chairman, Op. Comm.(3)
Finance Office, Reg.III
Amendment File, Reg.III
Harshman
DMEA/DFC (Winkel)
Corres. File
Townsend
Chron.

cc-Mr. A. L. Grealis
Molybdenum Corp. of America
Questa, New Mexico

EXTRA COPY
DMEA
RECEIVED DEC 26 1957

DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado

December 23, 1957

Mr. J. R. Carman
Molybdenum Corporation of America
Urad Mine
Empire, Colorado

Re: Docket No. DMEA 4568 (Molybdenum)
Contract No. Ida-E1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Mr. Carman:

In reference to your letter of December 18, 1957, and supplementing concurrence by the Field Team under date of October 29, 1957, this constitutes concurrence by the Government for the drilling of Holes Nos. 15 and 16 in Area A under Stage I at the end of the No. 1 crosscut north, approximately at coordinate E 1160, N 830, as follows:

(1) Hole No. 15 is to be directed on a course of approximately north 45° east at an angle of plus 45°.

(2) Hole No. 16 is to be directed on a course of approximately north 45° west at an angle of plus 45°.

Nothing in this concurrence in the change of location of Holes Nos. 15 and 16 shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

Original signed by
W. H. KING

W. H. King

Original signed by
E. N. HARSHMAN

E. N. Harshman

JWT:bh
cc: Chairman, Op. Comm.(3)
Finance Office, Reg. III
Amendment File, Reg. III
Harshman
DMEA/DFC (Winkel)
Corres. File
Townsend
Chron.
cc-Mr. A. L. Greslin
Molybdenum Corp. of America
Questa, New Mexico

DMEA
DEPARTMENT OF THE INTERIOR
DEC 20 1957
REGION III
DENVER, COLORADO

December 18, 1957

Mr. W. H. King, Executive Officer
D.M.E.A. Field Team, Region III
U. S. Bureau of Mines
224 New Customhouse
Denver 2, Colorado

Re: Docket No. D.M.E.A. 4568
(Molybdenum)
Contract No. Idm-21694
Molybdenum Corp. of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Mr. King:

Please refer to the contract, page 2 under Exhibit A, last paragraph relative to holes No. 15 and 16.

We ask your approval of drilling hole No. 15 North 45° East plus 45 degrees and hole No. 16, E 45° S, plus 45 degrees at the location of the present face of the No. 1 Crossent North at approximately coordinates E 1160 and N 850. This is under Project Area A, Stage I of the contract.

Yours very truly,

MOLYBDENUM CORPORATION OF AMERICA

By J B Carman

J. B. Carman

JBC:r

Original & 5 copies

CC: MM New York
MC Questa

EXTRA COPY
DMEA
RECEIVED DEC 26 1957
DATE | INITIALS | FILE

DMEA
DEPARTMENT OF THE INTERIOR
DEC 20 1957
REGION III
DENVER, COLORADO

December 18, 1957

Mr. W. H. King, Executive Officer, D.M.E.A.
Field Team, Region III
U. S. Bureau of Mines
224 New Customhouse
Denver 2, Colorado

Re: Docket No. D.M.E.A. 4568
(Molybdenum)
Contract No. 14m-M1094
Molybdenum Corp. of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Mr. King:

Kindly refer to the contract, page 3, "Project Area B", 4th paragraph referring to a crosscut north (Crosscut No. 2 North) at approximately coordinate E 440 to be extended north to approximately N 340:

This crosscut has been driven to approximately coordinate N 400 and we hereby ask your approval to drill the horizontal drill hole under Stage I Area B, north 500 feet from N 400 instead of from N 340.

Yours very truly,

MOLYBDENUM CORPORATION OF AMERICA

By J B Carman

J. B. Carman

JBC:r

Original & 5 copies

CC: MK New York
AIG Questa

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D M E A
RECEIVED DEC 23 1957

DATE	NOTES	CODE

RECEIVED DEC 16		
DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado

December 11, 1957

Mr. J. B. Carman
Molybdenum Corporation of America
Empire, Colorado

Re: Docket No. DMEA 4568 (Molybdenum)
Contract No. Idm-51024
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Carman:

In reference to your letter of November 29, 1957, this confirms verbal approval by the DMEA Field Team, Region III, given December 2, 1957, for the performance of the following work in Area B, under the provision of Stage II of the contract:

1. From the second tunnel shaft level westerly at approximately coordinate 0 - 0, crosscut northerly for a distance not to exceed 400 feet.

2. From a point in the second tunnel shaft level westerly at approximately coordinate S - 400, crosscut southerly for a distance not to exceed 400 feet.

The objective of the crosscuts is to explore for possible contacts of the granite and overlying "Green rock" or volcanics.

Nothing in this confirmation of verbal approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

JWT:prl

Very truly yours,

DMEA Field Team, Region III

By W. H. King
W. H. King

By E. N. Harshman
E. N. Harshman

cc: Chm. Op. Comm. (3)
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
DMEA/DFC-Winkel
Corres. file
Townsend Chron.

cc: Mr. A. L. Greslin
Molybdenum Corporation of America
Questa, New Mexico

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
DEC 9 - 1957
REGION III
DENVER, COLORADO

December 6, 1957

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DMEA
RECEIVED DEC 16 1957

DATE	INITIALS	CODE
	CMH	800

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: E. M. Harshman

From: W. W. Winkel
R. U. King

Subject: Docket DMEA 4568 (Molybdenum), Contract Ida-B 1094, Molybdenum Corporation of America (Moly or Questa mine), Taos County, New Mexico

In a letter dated November 29, 1957, the operator of the subject contract requested approval of Stage II work in the amount of 300 feet of crosscutting. The operator requested that the crosscut be located along coordinate E 40 and be driven northerly and southerly from the west drift.

Preliminary evaluation of the results of exploration (Joint Interim Report November 20, 1957) supports the earlier conclusion that the soda granite-green rock contact dips gently southwestward. The contact of the granite with the overlying green rock crosses the west drift at approximate coordinate E 1000.

The No. 2 north crosscut, along coordinate E 400, crosses from green rock into a coarse rhyolite porphyry, and the west drift encountered the same rock type at about coordinate W 100.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
DEC 9 - 1957
REGION III
DENVER, COLORADO

December 6, 1957

EXTRA COPY
DMEA
RECEIVED DEC 16 1957

DATE	INITIALS	CODE
	CMH	800

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: E. N. Harshman

From: W. W. Winkel
R. U. King

Subject: Docket DMEA 4568 (Molybdenum), Contract Idm-b-1094, Molybdenum Corporation of America (Moly or Questa mine), Taos County, New Mexico

In a letter dated November 29, 1957, the operator of the subject contract requested approval of Stage II work in the amount of 300 feet of crosscutting. The operator requested that the crosscut be located along coordinate E 40 and be driven northerly and southerly from the west drift.

Preliminary evaluation of the results of exploration (Joint Interim Report November 20, 1957) supports the earlier conclusion that the soda granite-green rock contact dips gently southwestward. The contact of the granite with the overlying green rock crosses the west drift at approximate coordinate E 1000.

The No. 2 north crosscut, along coordinate E 400, crosses from green rock into a coarse rhyolite porphyry, and the west drift encountered the same rock type at about coordinate W 100.

If the porphyritic rocks encountered in these two openings are facies of the soda granite then it would appear that the strike of the granite-green rock contact has changed from NW to NE with a corresponding change in dip from SW to SE. If, on the other hand, the porphyritic rocks represent late intrusive dikes or stocks not directly related to soda granite then no change in the original strike and dip of the contact is indicated.

A crosscut driven northward along coordinate E 40 should cross the green rock-porphyry contact at somewhat less than 400 feet from the west drift, and would provide a third point on which to base geologic correlations.

In either case a northerly crosscut would trend toward the contact and therefore would constitute exploration in the zone most favorable for disseminated low grade molybdenite mineralization.

A crosscut driven southerly from the west drift although appearing to trend away from the contact would reach locations from which holes could be drilled downward and laterally to explore for the granite-green rock contact below the second tunnel shaft level.

In contrast to earlier hypothesis that the molybdenite mineralization would be chiefly confined to the border zone of the granite, data are being accumulated that indicate that all of the rock types encountered have been subjected to faulting and fracturing and have been relatively equally mineralized.

Because at this time so little is known of the relationship of rock type to MoS_2 distribution it is recommended that the first southerly crosscut be located so as to provide a wide spaced uniform exploration pattern in the area south of the west drift. Such a pattern would require the crosscut to be driven approximately along coordinate E 400. This location would be approximately midway between holes 11 and 8A, and the western limit of proposed exploration.

With the accumulation of information indicating a widespread uniformly low grade type of MoS_2 mineralization every attempt should be made to establish a systematic exploratory pattern, and at this early stage of exploration it is believed advisable to avoid unnecessary concentration of exploration in small areas.

It is recommended therefore that the operator's request for 800 feet of crosscutting along coordinate E 40 be modified to provide for about 400 feet of crosscutting northerly approximately along coordinate E 40 and about 400 feet of crosscutting southerly approximately along coordinate E 400. This relocation of the southerly crosscut was discussed with and agreed to by operator on December 2, 1957, subsequent to verbal authorization given by the Field Team on the same date.

The operator was advised by letter dated December 2, 1957, that formal confirmation by the DMEA Field Team, Region III would follow receipt of his written request.

W. W. Winkel

W. W. Winkel, Mining Engineer

R. U. King

R. U. King, Geologist

RUKing:mp

DMEA
DEPARTMENT OF THE INTERIOR
DEC 2 - 1957
REGION III
DENVER, COLORADO

November 29, 1957

Mr. E. N. Harshman
Acting Executive Officer
D.M.E.A. Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket D.M.E.A. 4568
(Molybdenum)
Contract No. Idm-E 1094
Molybdenum Corp. of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Mr. Harshman:

We ask government approval of work under Stage II Area B:

Crosscutting a total of 800 feet north and south from the west drift second tunnel shaft level at approximately coordinate 40 E.

Objectives:

1. Explore for MoS_2 values.

2. Explore for geological features.

3. Make openings from which drilling may be done to further accomplish the above objectives.

We have, you will note, asked approval for 800 feet of crosscutting without specifying how much to the north and how much south. We suggest that the distance crosscut in either direction be left open to depend on conditions encountered as the work progresses.

Yours very truly,

MOLYBDENUM CORPORATION OF AMERICA

By: J B Carman

J. B. Carman

JBC:r
Original, 5 copies
CC: MH
AIG

EXPEDITE COPY
DMEA
RECEIVED DEC 3 1957

DATE	INITIALS	CODE

EXTRA COPY
DMEA
RECEIVED NOV 27 1957

DATE	INITIALS	CODE
11/27	glr	220
		800

224 New Customhouse
Denver 2, Colorado

November 25, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4568 (Molybdenum), Contract No. Idm-8109k, Molybdenum Corporation of America (Moly or Questa mine), Taos County, New Mexico

Enclosed are the following concerning approval for certain work and concurrence in the modification of the description of other work to be performed:

1. Three copies of letter of approval and concurrence by the DMEA Field Team, Region III, dated November 25, 1957.

2. Two copies each of the Operator's letter of October 29, and two letters of October 30, 1957.

3. Three copies of a joint memorandum, dated November 20, 1957, from W. W. Winkel, Mining Engineer, Bureau of Mines, and R. U. King, Geologist, Geological Survey, pertaining to stepping of hole No. 1, continuation of drifting under Stage II, and change in the location, inclination, and bearing of three holes to be drilled under Stage I in Area A.

Copies of the Field Team's letter have been distributed to the Operator, the Finance Office, Region III, and to others concerned.

Original signed
E. N. HARSHMAN

E. N. Harshman

Enclosures

JWT:prl

cc: Finance Office,
Region III - w/copy of letter under item 1.
Harshman) w/copy of material under
DMEA/DFC(Winkel)) items 1 and 3.
Corres. file - w/copy of enclosures items 1, 2, and 3.

Townsend
Chron.

EXTRA COPY
DMEA
RECEIVED NOV 29 1957
DATE | NUMBER | CODE

224 New Customhouse
Denver 2, Colorado

November 25, 1957

Mr. J. B. Carman
Molybdenum Corporation of America
Urad Mine
Empire, Colorado

Re: Docket No. DMEA 4568 (Molybdenum)
Contract No. I4s-E109h
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Carman:

In reference to Mr. Greslin's letter of October 29 and your two letters of October 30, 1957, pertaining to stopping hole No. 1 at a depth of 336 feet; continuation of the Second Tunnel Shaft Level westerly; and change in the direction pertaining to drill holes Nos. 8, 12, and 13, the Government's approval and concurrence are as follows:

1. Confirming verbal approval by this office on October 29, 1957, the Second Tunnel Shaft Level may be continued westerly under the provisions of Stage II of the Contract to the extent provided therefor.

2. The Government concurs that hole No.1 be considered as having reached its objective at a depth of 336 feet.

3. The Government concurs that holes Nos. 8, 12, and 13 will be replaced by holes Nos. 8A, 12A, and 13A, which will be drilled as follows in reference to the map, "Figure 4," attached to the Contract and in conformance with provisions in the Contract pertaining to the drilling under "Stage I," "Project Area A":

   Hole No. 8A will be cabored approximately at coordinate S 310, W 1240, and will be directed horizontally on a course due south.

Hole No. 12A will be located at the same point as shown for deleted hole No. 12 and will be directed north at an angle of -45°.

Hole No. 13A will be located at the same point as shown for deleted hole No. 13 and will be directed south at an angle of +45°.

Nothing in this confirmation of verbal approval and concurrence in the modification of the description of work to be performed shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

By E. H. Harshman
E. H. Harshman

By J. W. Townsend
J. W. Townsend
Acting Member

cc: Mr. A. L. Gresslin
Molybdenum Corporation of America
Questa, New Mexico

JWT:prl

cc: Chmn. Op. Comm. (3)
Finance Office, Region III
Amendment file, Region III
Harshman
DMEA/DFC (Winkel)
Corres. file
Townsend
Chron.

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RECEIVED NOV 27 1957

DATE	INITIALS	CODE

DMEA
DEPARTMENT OF THE INTERIOR
OCT 30 1957
REGION III
DENVER, COLORADO

Questa, New Mexico
October 29, 1957

Mr. E. N. Hazelman
Acting Executive Officer
D.M.E.A. Field Team, Region III
326 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 4568
Molybdenum
Molybdenum Corp. of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Mr. Hazelman:

This is a request to stop diamond drill hole No. 1. This is the drill hole at coordinate F-3000, drilled horizontal to the north.

This hole was drilled 333 feet deep and was stopped on September 3, 1957.

The reason we stopped the hole was that the last 50 feet of hole drilled was in very hard ground and with very little ROP showing.

Yours very truly,

A. L. Greslin

A. L. Greslin, Manager

DMEA
DEPARTMENT OF THE INTERIOR
OCT 31 1957
REGION III
DENVER, COLORADO

October 30, 1957

EXTRA COPY
DMEA
RECEIVED NOV 27 1957

DATE	INITIALS	CODE

U. S. Department of the Interior
224 New Customhouse
Denver 2, Colorado

Att: Mr. E. N. Hartman, Acting Executive Officer

Re: Docket No. DMEA-4503 (Molybdenum)
Contract No. Idm-[illegible]
Molybdenum Corp. of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Sirs:

We herewith make application for approval of Stage II (Area B) as the Second Tunnel Shaft level has now approximately reached the end of Stage I and shows visible molybdenum. This is in accord with the stipulations set forth in Exhibit A, page 10, under paragraph "Stage II (Area B)" of the contract.

Yours very truly,

MOLYBDENUM CORPORATION OF AMERICA

By J. B. Carman

J. B. Carman
Grad Mine
Empire, Colorado

JBC:r

CC: Marx Hirsch, N.Y.
A. L. Gaslin, Questa, N.M.

EXTRA COPY
DMEA
RECEIVED NOV 27 1957

DATE	INITIALS	CODE

DMEA
DEPARTMENT OF THE INTERIOR
NOV 4 - 1957
REGION III
DENVER, COLORADO

October 30, 1957

Mr. N. E. Hawkman
Acting Executive Officer
D.M.E.A. Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket D.M.E.A. 4566
Molybdenum
Contract Idm-M1094
Molybdenum Corp. of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Mr. Hawkman:

We propose and ask your agreement to changes in the location and direction of drill holes #8, #12 and #13 as shown on Fig. 4 of the contract in Sec. E 1400, N 1200 and Sec. E 1050. These are part of Stage I, Area "A" of the contract.

We send you herewith a map on which these changes are indicated. This map is to be used in connection with Fig. 4 of the contract.

Change 1. Omit hole #8 Sec. E 1400 and substitute for it #8A, Sec E 1200, a horizontal hole bearing South.

Reasons: Hole #11 now drilling S at -40° from Sec. E 1200 cut two high grade veins 1½' to 8' wide at hole depth 158-164 feet. A horizontal hole S would prospect the ground above this location. We believe this would give more information than hole #8. Hole #8 as planned would supposedly roughly parallel the contact at a comparatively short distance from it. If favorable results were obtained from this hole, we would probably discount their value due to the hole's proximity to the contact.

Change 2. Omit hole #12, -30° N at Sec. E 1050. Substitute for it #12A, -40° N.

Reasons: #12A would be more nearly normal to the contact and would explore practically the same territory as both #12 and #13 holes.

Change 3. Omit hole #13, -30° Sec. E 1050. Substitute #13A, plus 45° S Sec. E 1050.

Reasons: Hole #14, N 175, E 1250 in the No. 1 Crosscut North, just completed to 500 feet, shows appreciable MoS2 mineralization throughout. This ore mineralization might penetrate the overlying "green rock" much more than was originally contemplated. Overlying "green rock" therefore warrants exploration.

Yours very truly,

J. B. Carman

JBC:r

CC: HH
AID

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

IN REPLY REFER TO:
DMEA
DEPARTMENT OF THE INTERIOR
NOV 21 1957
REGION III
DENVER, COLORADO

Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

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DMEA
RECEIVED NOV 27 1957

DATE	INITIALS	CODE

November 20, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: E. N. Harshman

From: W. W. Winkel
R. U. King

Subject: Docket No. DMEA 4568 (Molybdenum), Contract No. Idm-E 1094
Molybdenum Corporation of America (Moly or Questa mine),
Taos County, New Mexico
Joint Interim Engineering and Geologic Report

In letters dated October 29 and 30, 1957, the operator requested approval of (1) stopping hole No. 1, (2) Stage II exploration, and (3) changes in locations, inclinations, and bearings of holes Nos. 8, 12, and 13.

The property was visited on November 6, 1957, by W. W. Winkel, U. S. Bureau of Mines, and R. U. King, U. S. Geological Survey, in company with Mr. A. L. Greslin, manager.

Hole No. 1 was drilled horizontally due north from the West drift along coordinate E 2000 for 336 feet. Its purpose was to explore the marginal zone of the soda granite intrusive for disseminated molybdenum mineralization. The operator's core log indicates the hole penetrated aplite containing in addition to molybdenite, quartz, pyrite, and fluorite. Molybdenite is visible megascopically in the bottom

50-foot section only at 319 feet and from 330 to 336 feet. Silicification and brecciation are intense with fully 50 percent of the rock being replaced by fine crystalline quartz, the remainder having a white, chalky, aplitic texture. The rock is tentatively correlated with the soda granite on the basis of spatial relationship only. Under the microscope finely divided molybdenite is sparsely disseminated throughout the silicified rock and is not confined to veinlets and areas of quartz. Core recovery ranges from none to 85 percent, and averages about 30 percent. The average MoS_2 content of all sludge samples is 0.24 percent, and the average content of core samples is 0.22 percent MoS_2. Mechanical grouping of assays of core samples gives the following averages: 0 to 130 feet, 0.24 percent; 130 to 210 feet, 0.18 percent; 210 to 336 feet, 0.21 percent MoS_2.

The hole has penetrated a sufficient distance into the marginal zone of the soda granite, consistent with geologic data at hand, to be considered as having accomplished its original objective. We therefore concur with the operator's decision to complete the hole at 336 feet.

We wish to point out, however, that the hole has bottomed in rock that is highly silicified, which may have important bearing on MoS_2 deposition. Although the relationship of pervasive silicification to MoS_2 mineralization at Questa is not yet understood, it may be worth noting that at the Climax Molybdenum deposit this has for many years served as a major guide to ore.

The face of the West drift on November 6, 1957, was in weakly mineralized porphyritic granite (Red Rock). It is mapped by the operator as a coarse-grained facies of the soda granite intrusive. The drift had penetrated about 50 feet of this rock after crossing a fault contact with mineralized "Green Rock". Although the grade for the last 50 feet does not appear to be better than 0.2 percent MoS_2, molybdenite veinlets and quartz-molybdenite veins are visible in the rock up to the face.

It is recommended, therefore, that the West drift be continued under Stage II, with limitations as specified, in the contract.

Results of DMEA exploration to date indicate that disseminated mineralization ranging from 0.3 percent to better than 0.5 percent MoS_2 occurs not only in the marginal zone of the soda granite near the contact with "Green Rock", but that it also extends for a considerable distance into the "Green Rock". In view of this new information, exploration along the contact zone would be less desirable than exploration normal to the contact zone. We therefore recommend approval of the operator's request for the following changes in location, bearing, and inclination of Stage I drill holes Nos. 8, 12, and 13.

Hole 8 is to be abandoned and replaced with hole 8 A. Hole 8 A will be horizontal, bear south, and collared in the face of existing No. 2 south crosscut (coord: S 310, E 1240). This recommended collar location is modified from the operator's proposed

location to avoid duplicate exploration near existent workings. The operator concurred in conference, with the above modification. Hole 8 A will explore for MoS_2 mineralization in the "Green Rock" south of the West drift in an area largely untested except for the West drift, and hole 11.

Holes 12 and 13 are to be replaced with holes 12 A and 13 A respectively. Hole 12 A will bear north but be inclined at -45° to explore more nearly normal to the granite-"Green Rock" contact. Hole 12 A would effectively explore the ground previously covered by holes 12 and 13. Hole 13 A will bear south but be inclined at +45°. The recommended holes, 12 A and 13 A, if drilled to their maximum length would indicate a thickness of nearly 1,000 feet to the mineralized zone.

Hole No. 11, collared at coordinates S 190, E 1200, was drilled southward at -45° a depth of 500 feet. Core recovery averaged slightly less than 10 percent. This hole collared in the soda granite and stayed in the same formation to the bottom with the exception of 20 feet of porphyry at 110 to 130 feet. MoS_2 content of the core ranges from 0.12 percent to 0.72 and averages 0.26 percent; the sludge assays range from 0.25 to 1.28 percent MoS_2 and average 0.50 percent. No explanation is offered at this time for the variance between the core and sludge assays.

Hole 14, collared at coordinates N 200, E 1220 was drilled westward at +45° to a depth of 500 feet. The core log indicates the

hole penetrated aplite to 70 feet and Transition (Green Rock ?) Rock from that point to the bottom of the hole. The MoS_2 content of the core samples representing 26.1 percent recovery, range from 0.15 to 0.70 percent, and average 0.24 percent, whereas assays of sludge samples range from 0.20 percent to 0.57 percent and average 0.29 percent. Results of this hole confirm the predicted flat southwesterly dip (15° SW) of the soda granite-"Green Rock" contact.

Holes 14 and 15 were drilled to their maximum allowable length and are considered to have been satisfactorily completed.

W. W. Winkel

W. W. Winkel
Mining Engineer

R. U. King
Geologist

RUKing:mp

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224 New Customhouse
Denver 2, Colorado

October 29, 1957

Mr. A. L. Greslin
Molybdenum Corporation of America
Questa, New Mexico

Re: Docket No. DMEA 4566 (Molybdenum)
Contract No. Idm-51194
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Greslin:

In reference to your letter of October 19, 1957, and consistent with provisions in the Contract pertaining to the drilling of holes Nos. 15 and 16, this constitutes agreement by the Government for the drilling of the holes from a point in the No. 1 crosscut north at approximately co-ordinate 840 N. The holes will be directed on the bearing and at the inclination as indicated on the map, "Figure 4," attached to the Contract.

Nothing in this agreement as to the location of holes Nos. 15 and 16 shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

By E. N. Harshman
E. N. Harshman

By J. W. Townsend
J. W. Townsend
Acting Member

JWT:prl

cc: Chmn. Op. Comm. (3)
Finance Office, Region III
Amendment File, Region III
Harshman
DMEA/DFC (Winkel)
Corres. file
Townsend
Chron.

cc: Mr. J. B. Carman
Molybdenum Corporation of America
Empire, Colorado

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
DEPARTMENT OF THE INTERIOR
OCT 28 1957
REGION III
DENVER, COLORADO

Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

October 28, 1957

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DATE	INITIALS	CODE

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: E. W. Harshman

From: W. W. Winkel
D. H. Richter

Subject: Docket DMEA 4568 (Molybdenum), Contract Idm-R 1094, Molybdenum Corporation of America (Moly or Questa mine), Taos County, New Mexico

The operator in a letter dated October 19, 1957, requests permission to change the location of two Stage I drill holes (nos. 15 and 16) from coordinate N 400 on the No. 1 crosscut north to coordinate N 840 on the No. 1 crosscut north (see fig. 4, Examination Report).

Holes 15 and 16 were originally designed to aid in delineation of the possible low grade ore-body in Project Area 1. The drill station for the two holes was tentatively located at coordinate N 400 on the No. 1 crosscut north--the estimated face of the crosscut when (and if) the contract was approved. Due to various delays, however, the No. 1 crosscut north was extended to N 840 before the contract was signed. The requested relocation of these two holes would move them 650 feet north of the closest hole (No. 14) in Project Area 1 and it appears that, although their primary purpose will be geologic exploration rather than delineation of the ore zone, the change is apparently

justified. Inasmuch as the No. 1 crosscut north is in mineralized granite along its entire length, the relocated holes, while giving valuable information on the nature of the granite and possible granite-"greenrock" contact, can still be considered exploration of the low-grade ore body.

It is recommended, therefore, that holes 15 and 16 be relocated from coordinate N 400 to N 840 without changing their original bearing or inclination. This recommendation, however, does not imply that the 650 feet of mineralized crosscut between coordinate N 190 (hole 14) and coordinate N 840 does not warrant further exploration. Certainly additional work, which may necessitate an amendment to the contract, will have to be undertaken to properly evaluate this part of Project Area 1.

H. M. Connors
for W. W. Winkel
Mining Engineer

E. M. Hardman
for D. H. Richter
Geologist

DHRichter:mp

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Questa, New Mexico
October 18, 1957

Mr. W. H. King
Executive Officer, D.M.E.A.
Region III, U. S. Bureau of Mines
324 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4568
(Molybdenum)
Contract No. IDM-21094
Molybdenum Corp. of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Mr. King:

This is a request to establish the location of diamond drill holes 15 and 16 shown on map figure 6 under stage 1, Project area A.

Crosscut North No. 1 was advanced beyond coordinate 400N and we would like to drill the holes above mentioned at Coordinate 840N. This is approximately the end of the No. 1 Crosscut North.

Yours very truly,

A. L. Greslin

A. L. Greslin

DMEA
DEPARTMENT OF THE INTERIOR
OCT 22 1957
REGION III
DENVER, COLORADO

Audit copy

EXPLORATION PROJECT CONTRACT
MOLYBDENUM CORPORATION OF AMERICA
DOCKET NO. DMEA-4568

AMENDMENT NO. 1

It is agreed this 4th day of October, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and the Molybdenum Corporation of America, hereinafter called the "Operator," that Exploration Project Contract No. Idm-E1094 (Docket No. DMEA-4568), dated May 31, 1957, hereinafter called the "Contract," is amended effective May 31, 1957, as follows:

In Exhibit "A," Description of the Work, Stage I, the second paragraph under Project Area B is revised as follows:

> "From the west face of the Second Tunnel Shaft Level at the time work under this contract begins, continue the tunnel westward a distance of approximately 500 feet, or to a point where the tunnel has penetrated rock which does not contain visible molybdenum over a section measuring approximately 50 feet in length. At the west end of such a barren section a hole shall be drilled approximately horizontal westward until rock containing visible molybdenum has been penetrated, or the bottom of the hole has reached the approximate intersection of coordinate W. 400 shown on map Figure 4."

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O P Mitchell
Administrator, Defense Minerals
Exploration Administration

MOLYBDENUM CORPORATION OF AMERICA

Amend. 1

By Wm B Kennedy

Title TREASURER

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DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado

August 27, 1957

Mr. J. B. Carman
Molybdenum Corporation of America
Urad Mine
Empire, Colorado

Re: Docket No. DMEA-4568 (Molybdenum)
Contract No. Idm-E1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Mr. Carman:

Receipt is acknowledged of your letter of August 26, 1957, concerning the method of sampling as presently provided for in Contract No. Idm-E1094.

As you were informed on your recent visit to this office, any change in the sampling specifications will require an amendment to the contract, which cannot be prepared within the authority delegated to this office. Therefore, the matter must be forwarded to the Washington Office, DMEA, for their consideration and appropriate action.

When you have obtained results from the different methods of sampling you propose, it is suggested that you submit at that time for the Government's consideration your proposal relative to revision of the sampling specifications presently incorporated in the contract.

We will be very interested to learn the results of the different methods of sampling. In the meantime we are unable to express an opinion on your conclusions as stated in your letter of August 26; neither can we make a commitment relative to our willingness to modify the sampling procedure in the contract, inasmuch as the final decision in the matter is not within the authority delegated to this office.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer,
DMEA Field Team, Region III

JWT:bh
cc-Chairman, Op. Comm.(3)) with copy
DMEA/DFC (Winkel)) of Opera-
Harshman) tor's
Townsend) letter of
Corres. File E-1094) 8/26/57
Chron.

MOLYBDENUM CORPORATION OF AMERICA
URAD MINE
EMPIRE, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR
AUG 27 1957
REGION III
DENVER, COLORADO

August 26, 1957

Mr. E. H. Harshman
Acting Executive Officer
D.M.E.A. Field Team Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA-4368 (Molybdenum)
Contract Idm-E1094
Molybdenum Corporation of America
(Moly or Questa Mine)
Taos County, New Mexico

Dear Mr. Harshman:

We have your letter to Mr. Hirsch of August 16th concerning the disallowances of the amount reported for analyses on Forms MF-104 for June and July, 1957.

We question the efficacy of the method of sampling outlined in the contract both due to the friability of the rock and the mineral occurrence as well as previous experience in this type of sampling. We are, we might add, more concerned with obtaining true results than getting credit from D.M.E.A. for analysis costs.

We propose therefore to run a test on the two methods of sampling, i.e., grab and trench by the following procedure:

Send all the muck from at least two rounds in the drift to the mill and obtain automatic samples of them.

Grab sample each round as we are now doing.

Trench sample the drift from the same place the rounds samples come.

We believe that a comparison of the results should give a conclusion as to the better method of sampling.

We will be pleased to have your opinion on our conclusions and an expression as to your willingness to modify the sampling procedure in the contract should our ideas be verified.

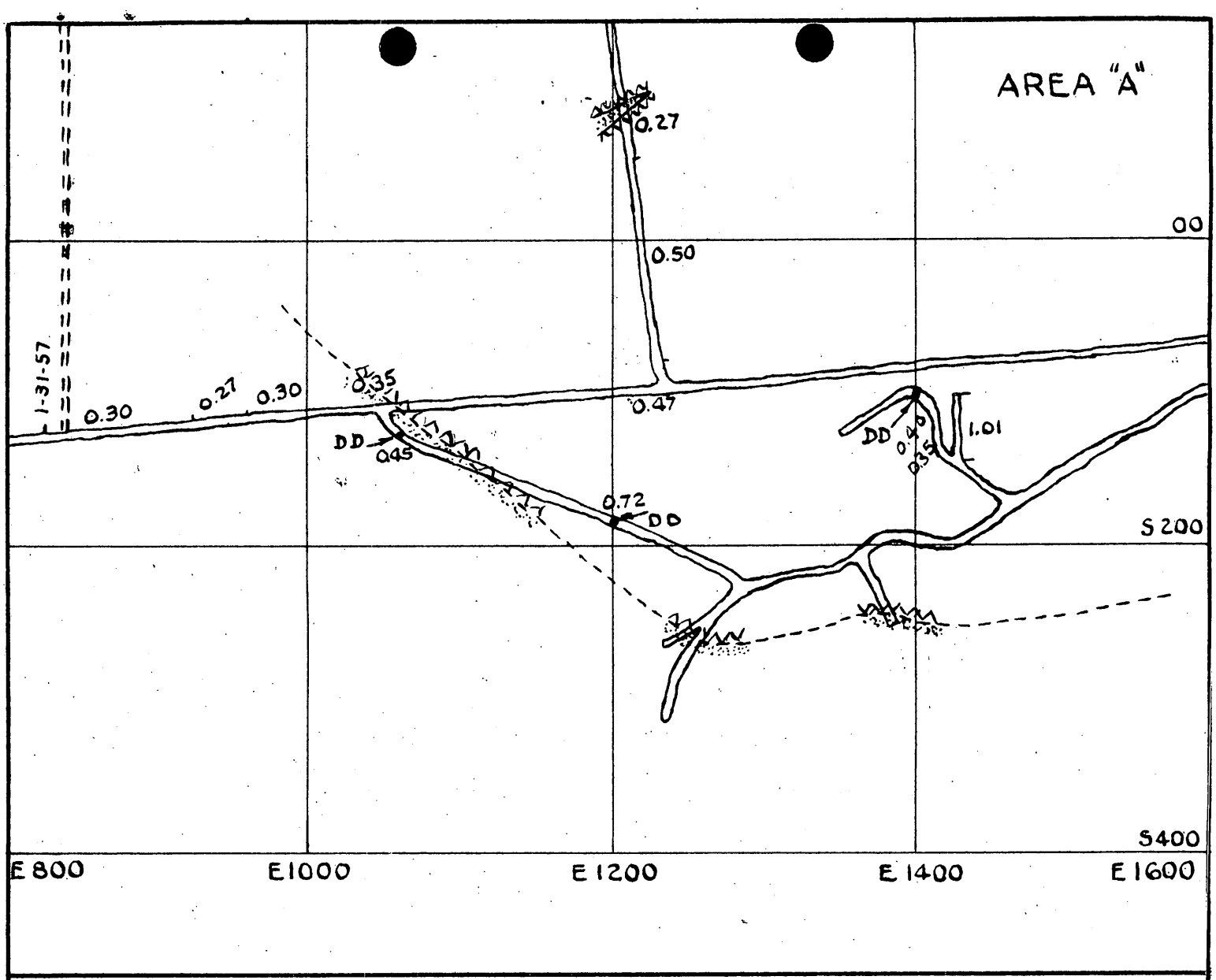
Yours very truly,

MOLYBDENUM CORPORATION OF AMERICA

By J. B. Carman

J. B. Carman

JBC:r
CC: EH
AJO
CSV


AREA "A"
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0.50
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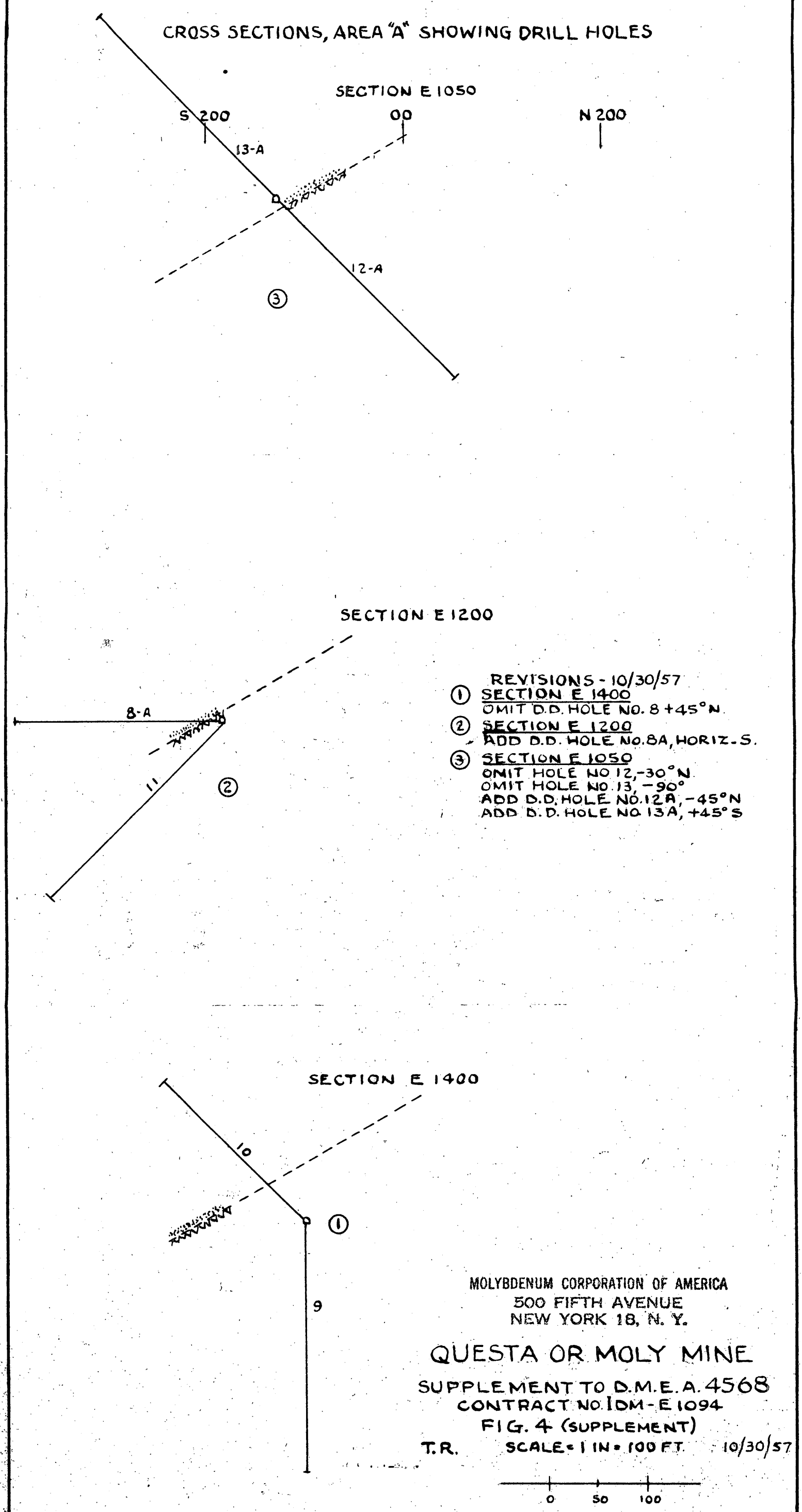
1-31-57
0.30
0.27
0.30
0.35
0.47
DD
0.45
0.72
DD
DD
0.40
0.35
1.01
S 200
S400
E 800
E1000
E 1200
E 1400
E 1600


CROSS SECTIONS, AREA "A" SHOWING DRILL HOLES
SECTION E 1050
S 200
00
N 200
13-A
12-A
3
SECTION E 1200
8-A
11
2
REVISIONS - 10/30/57
1 SECTION E 1400
OMIT D.D. HOLE NO. 8 +45° N.
2 SECTION E 1200
ADD D.D. HOLE No. 8A, HORIZ. S.
3 SECTION E 1050
OMIT HOLE NO 12, -30° N.
OMIT HOLE NO 13, -90°
ADD D.D. HOLE NO. 12A, -45° N
ADD D.D. HOLE NO 13A, +45° S
SECTION E 1400
10
1
9
MOLYBDENUM CORPORATION OF AMERICA
500 FIFTH AVENUE
NEW YORK 18, N. Y.
QUESTA OR MOLY MINE
SUPPLEMENT TO D.M.E.A. 4568
CONTRACT NO. IDM-E 1094
FIG. 4 (SUPPLEMENT)
T.R.
SCALE = 1 IN = 100 FT.
10/30/57
0
50
100

MME Form 14
Sept. 1958

No. 66

Contract No. Idm-E) 14-23) 1094

Docket No. DMEA) MME) 4569

Date of Action January 26, 1961
Terminated 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:

Molybdenum Corporation of America
200 Fifth Avenue
New York 10, N.Y.

Date of Contract	Region	State	Commodity
May 21, 1957	III	New Mexico	Molybdenum

	Reserve	Obligation
Prior Amount	0	0255,250.00
Increase	0	0
Decrease	0	54,910.43
Revised Amount	0	200,339.57

Remarks:

cc: 800
210

43244

DMEA Form 14

Contract No. Idm-E 1094

Docket No. 4568

DEPARTMENT OF THE INTERIOR

Executed contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
May 31, 1957	III	New Mexico	Molybdenum

Name and Address of Operator: Molybdenum Corporation of America
500 Fifth Avenue
New York 18, N. Y.

	Reserve	Obligation
Prior Amount	$255,250.00	0
Increase	0	$255,250.00
Decrease	$255,250.00	0
Revised Amount	0	$255,250.00

Remarks:

ALLEN S. DAKAN
(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 6/19/57

16416

MF-200A
(Rev. April 1956)

OFFICIAL FILE COPY
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DATE	INITIALS	CODE
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		800

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT
(Short Form)

DMEA No.	*Commodity*	*Contract No.*	*County*	*State*
4568	Molybdenum	*Idm-E* 1094	Taos	New Mexico

It is agreed 31 MAY 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [illegible], a Delaware Corporation.

whose mailing address is 500 Fifth Avenue
New York 18, New York
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before June 15, 1957, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 30 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 project work is $510,500.00. The Government will contribute 50 percent of the fixed unit cost of the work performed, not exceeding $255,250.00, in accordance with the provisions of Articles 4 and 5.

(c) 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 property rights.*—(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 rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: None

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows: None

(c) The Operator shall preserve and maintain his right, title, and 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 percentage royalty on production and lien for the payment thereof. Two 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, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations 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 also after certification of discovery or development, to inspect production operations and underground workings. 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, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses 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) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; 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 progress report and voucher). 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 percentage 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 in the opinion of the Government 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 making or completion of such 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 a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development. **See Article 10, and Annex II.**

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. **See Article 10, and Annex II.**

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, 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, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid 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. Any costs of treatment processes, sampling, assaying, or transportation performed or paid by the Operator or by anyone other than the buyer are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, 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.

(d) *Unsold production.*—If any production (ore, concentrates, 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, concentrates, 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) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—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, as above provided in this Article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *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 Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner 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 the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. 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 a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the 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. *Changes and added provisions.*—
See Annex II.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By [illegible]
Administrator, Defense Minerals
Exploration Administration

MOLYBDENUM CORPORATION OF AMERICA
(Operator)

By Marx Hirsch

Title President

I, James S. Crawford, certify that I am the secretary of the corporation named as Operator herein; that Marx Hirsch, who signed this contract on behalf of the Operator, was then President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

James S. Crawford

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE : 1956—O-383069

EXPLORATION PROJECT CONTRACT
MOLYBDENUM CORPORATION OF AMERICA
DOCKET NO. DMSA-4568

ANNEX I

The land referred to in Article 2 of the Contract consists of twenty-one (21) contiguous lode mining claims, 2 patented and 19 unpatented. Notices of the locations of the claims are recorded in the County Clerk's Office, Taos, New Mexico, as follows:

Name of Claim	Section	Township	Range	Book	Page
Rhyolite No. 2	36	29 N	13 E	F-15	37-38
Rhyolite No. 3	35, 36	29 N	13 E	F-15	38
Rhyolite No. 4	35, 36	29 N	13 E	F-28	232
	2	28 N	13 E		
Rhyolite No. 5	35	29 N	13 E	F-28	233
	2	28 N	13 E		
Rhyolite No. 6	35	29 N	13 E	F-28	234
Rhyolite No. 7	35	29 N	13 E	F-28	250
Rhyolite No. 8	35	29 N	13 E	F-28	251
	2	28 N	13 E		
Rhyolite No. 9	35	29 N	13 E	F-28	252
	2	28 N	13 E		
Rhyolite No. 10	35	29 N	13 E	F-28	253
	2	28 N	13 E		
Aplite No. 1	2	28 N	13 E	5-33	6
Aplite No. 2	2	28 N	13 E	5-33	7
Aplite No. 3	2	28 N	13 E	5-33	8
Aplite No. 4	2	28 N	13 E	5-33	9
Aplite No. 5	2	28 N	13 E	5-33	10
Aplite No. 6	2	28 N	13 E	5-33	11
Aplite No. 7	2	28 N	13 E	5-33	12
Aplite No. 8	2	28 N	13 E	5-33	13
Aplite No. 9	2	28 N	13 E	5-33	14
Aplite No. 10	2	28 N	13 E	5-33	15
Sargent No. 6	35, 36	29 N	13 E	Patent No. 1909	
Sargent No. 7	35, 36	29 N	13 E	Patent No. 1909	

The approximate locations of the above claims with reference to section, Township, and Range lines are shown on the map entitled "Figure 5. Claim Map, Moly or Questa Mine, Molybdenum Corporation of America, Taos County, New Mexico," attached hereto and made part hereof.

The Operator is the owner of the mining claims.

See Amend. 3 + 4 for [illegible]

EXPLORATION PROJECT CONTRACT
MOLYBDENUM CORPORATION OF AMERICA
DOCKET NO. DMEA-4568

ANNEX II

(Article 10. Changes and Added Provisions.)

(a) Annex II is added to the items listed in Article 1 as a part of this contract.

(b) In Article 6(b), the period "10 years" is changed to "15 years."

(c) 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, shall pay to the Government a royalty on any production, regardless of where it comes from, that is transported through any shaft, winze, raise, crosscut, drift, or other working to the cost of which the Government has contributed, or any portion of said workings, for the same period as is described in Article 6(b)(2) of the contract and pursuant to the terms of Article 6(c) et seq. However, in no event shall more than one royalty be due on or paid on the same production.

EXPLORATION PROJECT CONTRACT
MOLYBDENUM CORPORATION OF AMERICA
DOCKET NO. DMSA-4568

EXHIBIT A

Description of the Work

General Provisions

The object of this project is to explore for deposits of molybdenum ore by means of diamond drilling, drifting, and crosscutting.

The Government will not contribute to the cost of a diamond drill hole that bottoms less than AX size, or to one that is not completed, excepting individual holes where the Government, in writing, waives these provisions because of unforeseen drilling conditions. Drill holes shall be cemented and drilled out or reamed and cased as necessary.

All drifts and crosscuts shall be timbered as necessary, and shall be not less than 5 feet by 7 feet in cross section clear of the timber. Drill stations shall be of sufficient size to permit breaking the drill rods in at least 10-foot sections.

Mineralized core shall be split over 10-foot sections. In mineralized areas the drifts and crosscuts shall be sampled by cutting a continuous 5-foot horizontal channel approximately three inches wide and one inch deep along one wall. In case it is impractical to cut a continuous 5-foot channel along the same wall, the other wall may be sampled opposite the interval where the channel cut was interrupted and the two samples combined.

The Operator shall have one-half of the mineralized core and one-half of each channel sample assayed for MoS_2. The remaining half of the core shall be stored with the non-mineralized portion of the core in boxes identified as to hole number, with markers placed in the core sections to show the depths represented; and the remaining half of each channel sample shall be stored in a suitable container properly identified as to the location where it was procured in the drifts or crosscuts. The stored core and channel samples shall be kept available for Government inspection and possible use, and the Operator may dispose of the stored portions of the core and channel samples only after prior Government approval. See Amend. 2 for additions.

All drill holes shall be logged, and the drifts and crosscuts shall be mapped geologically. The Operator's monthly progress report shall include maps or sketches showing the extent of the drilling, drifting, and crosscutting completed during the reporting period; the structures and the type of rock formations encountered; and the assay values of the samples. The report shall also include the drill hole logging records, together with the assay certificates of the core and channel samples.

The Operator shall employ sufficient personnel to provide the necessary technical services and the direction of the work. When possible, the work under the contract shall be on the basis of at least two shifts for each 24-hour period.

The location, direction, inclination, extent, and methods of sampling the work under the contract are subject to Government approval.

The work shall be performed in two stages. The Operator shall perform all the Stage I work, and as much of Stage II work as is approved in advance in writing by the Government.

Stage I (Areas A and B)

The work under Stage I consists of exploring the two areas designated as Area A and Area B on the map entitled "Figure 4. Plan and Cross Section Map Showing Recommended Exploration on the Second Tunnel Shaft Level, Questa Molybdenum Mine, . . .," attached hereto and made a part hereof.

The approximate locations, bearings, and extent of the exploratory drifts, crosscuts, and drill holes, and the inclinations of the latter, are also shown on Figure 4.

The work in the areas may be performed simultaneously as follows:

Project Area A

The work in Project Area A consists of drilling 16 holes from the locations shown on map Figure 4. However, if Crosscut No. 1 north has advanced beyond the 400 N. coordinate, the Government and Operator shall agree in writing as to new locations for holes Nos. 15 and 16.

It is estimated that 8 drill stations and not more than 8,000 feet of diamond drilling will be required to complete the 16 holes. No drill hole shall exceed 500 feet in depth and no hole shall penetrate more than 20 feet into rock that contains no visible molybdenum mineralization.

Project Area B

The work in Area B consists of drifting, crosscutting, and drilling as follows:

From the west face of the Second Tunnel Shaft Level at the time work under this contract begins, continue the tunnel westward to about coordinate E90 shown on map Figure 4. From this point a hole shall be drilled approximately horizontal to the west to a depth of about 500 feet.

Revised by Amend 1

At approximately coordinate E440 in the above-described west-trending tunnel, a crosscut shall be driven in a north direction to approximately coordinate N340. From this point a diamond drill hole shall be drilled approximately horizontal to the north to a depth of about 500 feet.

It is estimated that to complete the exploratory work in Areas A and B will require the cutting of 8 drill stations amounting to 115 lineal feet of raises, drifts, and/or crosscuts; 9,000 feet of diamond drilling; 1,000 feet of drifting and crosscutting (exclusive of drill stations); 1,000 feet of timbering; and 1,100 sample analyses for MoS_2 content. However, if this estimate is too low, then with previous written Government approval, requirements of work and their costs may be transferred from Stage II with a corresponding reduction in that stage.

Stage II (Area B) (A+B per Amend 3)

The work under Stage II shall be limited to exploring Area B. The work will not be approved by the Government unless the face of the Second Tunnel Shaft Level is in rock containing visible molybdenum at the termination of Stage I, or unless the westward-bearing diamond drill hole from its face penetrates rock containing visible molybdenum.

The work consists of extending the Second Tunnel Shaft Level westward to approximately coordinate W. 300 shown on map Figure

Revised by Amend 82.

4. At about coordinates E 40 and W 300, crosscuts shall be driven in both north and south directions to explore for possible contacts of the granite and overlying "Green rock" or volcanics.

Revised by Amend 86

Favorable areas disclosed by work under Stage I and Stage II in this Area B shall be further explored by not more than 19,500 feet of diamond drilling.

Under Stage II of this contract, not in excess of 19,500 feet of diamond drilling with 250 feet of drifts, crosscuts, and/or raises for drill stations; 6,160 feet of drifting and crosscutting (exclusive of drill stations); 6,160 feet of timbering, shall be performed; nor more than 3,177 samples analyzed for their MoS_2 content.

Fixed Unit Costs

Stage I - Areas A and B

Diamond drilling, 9,000 feet @ $5.00/ft.	$ 45,000.00	
Reaming and casing, or cementing and drilling out drill holes, 500 feet @ $1.00/ft.	500.00	
Drill stations: 115 lineal feet of drifts, crosscuts, and/or raises @ $44.43/ft.	5,109.45	
Drifts and crosscuts, 1,000 feet @ $44.43/ft.	44,430.00	
Timbering drifts and crosscuts (as needed), 1,000 feet @ $2.70/ft.	2,700.00	
Chemical analyses for MoS_2 content of 1,100 samples @ $3.00/sample	3,300.00	
Estimated Total Cost Stage I		$101,039.45

Stage II - Area B

Diamond drilling, 19,500 feet @ $5.00/ft.	97,500.00	
Reaming and casing, or cementing and drilling out drill holes, 1,000 feet @ $1.00/ft.	1,000.00	

Drill stations: 250 lineal feet of drifts, crosscuts, and/or raises @ $44.43/ft.	$ 11,107.50	
Drifts and crosscuts, 6,160 feet @ $44.43/ft.	273,688.80	
Timbering drifts and crosscuts (as needed), 6,160 feet @ $2.70/ft.	16,632.00	
Chemical analyses for MoS_2 content of 3,177 samples @ $3.00/sample	9,531.00	
Estimated Total Cost Stage II		$409,459.30

S U M M A R Y

Estimated Total Cost Stage I	$101,039.45	
Estimated Total Cost Stage II	409,459.30	
Estimated Total Cost of Project (rounded)		$510,500.00
Government Participation @ 50%		$255,250.00

224 New Customhouse
Denver 2, Colorado

June 14, 1957

CERTIFIED MAIL

Mr. Mark Hirsch, President
Molybdenum Corporation of America
500 Fifth Avenue
New York 18, N. Y.

Re: Docket No. DMEA 4568 (Molybdenum)
Contract No. Idm-E1094
Molybdenum Corporation of America
(Moly or Questa mine)
Taos County, New Mexico

Dear Mr. Hirsch:

Enclosed herewith is the "Operator's Copy" of Exploration Project Contract No. Idm-E1094, Docket No. DMEA 4568.

Also enclosed are six copies of form MF-104, "Operator's Monthly Report and Voucher," and six copies of form MF-104A, "Operator's Unit Cost and Progress Report." At the end of the first calendar month after work is commenced, and monthly thereafter, you are required to submit the original and four copies of each form to the Executive Officer, Defense Minerals Exploration Administration, 224 New Customhouse, Denver 2, Colorado. The extra copy is for your records.

Forms MF-104 and MF-104A are to be combined into five sets of one of each form; each set of the combined forms is to be accompanied by a map or sketch showing the location and extent of work performed, and a signed narrative report which describes the work performed, conditions encountered, and results of the work. The monthly accounting report will not be processed for reimbursement to you unless it is accompanied by a signed narrative report and other required and pertinent data. Additional copies of forms MF-104 and MF-104A will be sent to you each month on receipt of your report for the prior month.

For your information and in reply to many questions that have been asked, after forms MF-104 and MF-104A are received, an engineer will check progress and approve your accounts, after which they will be sent to the Regional Office, Region III, U. S. Bureau of Mines, 224 New Customhouse, Denver 2, Colorado, for administrative examination and vouchering. If the report is in order, a check will

be issued by the Treasury Department for the Government's portion of the approved costs. If you have any difficulty in completing these forms and the reports, please call on this office for assistance.

In the matter of your claim for reimbursement of drilling costs under the terms of the contract, reimbursement to you will be on the basis of a hole or holes completed to the objective, which has, or have been drilled in compliance with the conditions under the "General Provisions" section of Exhibit "A" of the contract and the special conditions pertaining to the drilling under each stage. Therefore, your monthly report should include only such holes which are completed to that extent, and the required records made a part of your claim for reimbursement.

The contract is prepared on form MF-200A, and under its provisions and as outlined in Exhibit "A", the work is to be performed at "Fixed Unit Costs," which will be the basis of reimbursement to you as units of work are completed and reported on forms MF-104 and MF-104A.

Your requests to this office for work approval, changes in the contract, or any other communication pertaining to operations under the contract, must be in writing, of which please supply the original and five copies, each copy complete with maps or other pertinent data. Each request for action by this office must pertain to one matter only and such requests are not to be incorporated in your narrative report accompanying monthly progress report forms MF-104 and MF-104A.

The location of the work to be performed under Stage I is indicated on the map, "Figure 4," attached to the contract. Should conditions encountered necessitate any appreciable change in the location or direction of any of the work, approval of this office for the change must be obtained prior to performance of the work. Otherwise, the work may not be acceptable for reimbursement to you under the terms of the contract.

Your attention is directed to the provision that Stage II work is contingent on the results obtained from Stage I, and performance of the work under Stage II is subject to the prior written approval of the Government.

When work under Stage I has been completed, you must request approval from this office for the work you propose to perform under the next stage. Your request for the work approval must be in sextuplicate, each copy complete with a map showing the location and extent of the work completed and the location of the additional work proposed. Also, your request must include an evaluation of the work completed and include assay returns and any other pertinent data which will be of value to the Government in appraising the results of the work.

You should anticipate a suspension of operations between stages of work, to enable the Government geologist and engineer to evaluate the results of the work performed and make their recommendations to this office relative to the additional work you propose.

To eliminate as much delay to operations as possible, if that is of serious consideration, you should expedite forwarding of the results of the work completed and your request for the Government's approval of the additional work you propose.

No oral statement of any person shall be construed to modify or change the terms of the contract. Field representatives of the Government are not authorized to approve any changes in the work program or contract provisions. Such approval can only be given by the Washington Office, DMEA, or by the DMEA Field Team, Region III.

It is a regulation that reimbursement for the cost of work accomplished prior to the date of the contract will not be allowed.

Very truly yours,

Original signed by
W. H. KING

W. H. King
Executive Officer, DMEA
Field Team, Region III

Enclosures

JWT:pri

cc: Chan.Op.Comm.-3
Finance Office, Reg. III
Amendment file, Reg. III
Marshman
DMEA/DPC
Townsend
Corres. file
Chron.

April 30, 1957

Memorandum

To: Chairman, Operating Committee

From: Jay L. Chambers, Chief (Signed) J. L. Chambers
Contract Administration and Audit Division

Subject: Proposed Contract
Docket No. DMEA-4568 (Molybdenum)
Molybdenum Corporation of America
Moly or Questa Mine
Taos County, New Mexico

I am submitting the attached proposed contract without my surname for the following reasons:

1. The incidental allowance for each foot of drilling at $4.29 a foot amounts to approximately $122,000.00, while the drilling costs on which this incidental allowance is made amounts to only approximately $101,000.00. Because the work outside of drilling is on a fixed unit cost basis, and because the amount per unit for this work appears to be liberal, the incidental allowance can be assumed to pertain only to those expenses incurred in drilling.

2. The proposed method of calculating incidental allowances would be difficult to administer and would require the withholding of all but $1.48 per foot of this allowance until the project was complete. If the project was never complete for some reason, no more than the $1.48 a foot could be used. This might cause us some trouble.

3. In the 4th paragraph on page 2 whose first sentence is "The work shall be performed in two stages", there is a contradiction in terms.

4. The paragraph headed Project Area A forbids the payment for any hole which penetrates more than 20 feet in rock that contains <u>no visible molybdenum</u>. There are other things in this paragraph which also need attention.

5. The first paragraph under Stage II on page 3 contradicts the essence of the description given in Exhibit "A".

6. Paragraph 3 under Stage II on page 3 is not understandable to me in its present state. It certainly should come after the next succeeding paragraph and probably should be clarified.

7. It appears to me that this type of a contract should be on a long-form with all the categories outlined and probably certain maximums established for certain kinds of work.

JLChambers/wb
April 30, 1957

Copy to: Docket, Admr. Reading File, Mr. Chambers

DMEA Form 14

Contract No. Idm-E 1094

Docket No. 4568

Approved Contract

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
May 31, 1957	III	New Mexico	Molybdenum

Name and Address of Operator: Molybdenum Corporation of America
500 Fifth Avenue
New York 18, N. Y.

	Reserve	Obligation
Prior Amount	0	0
Increase	$255,250.00	0
Decrease	0	0
Revised Amount	$255,250.00	0

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 5/31/57

16416

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

EXAMINATION REPORT
DMEA 4568

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

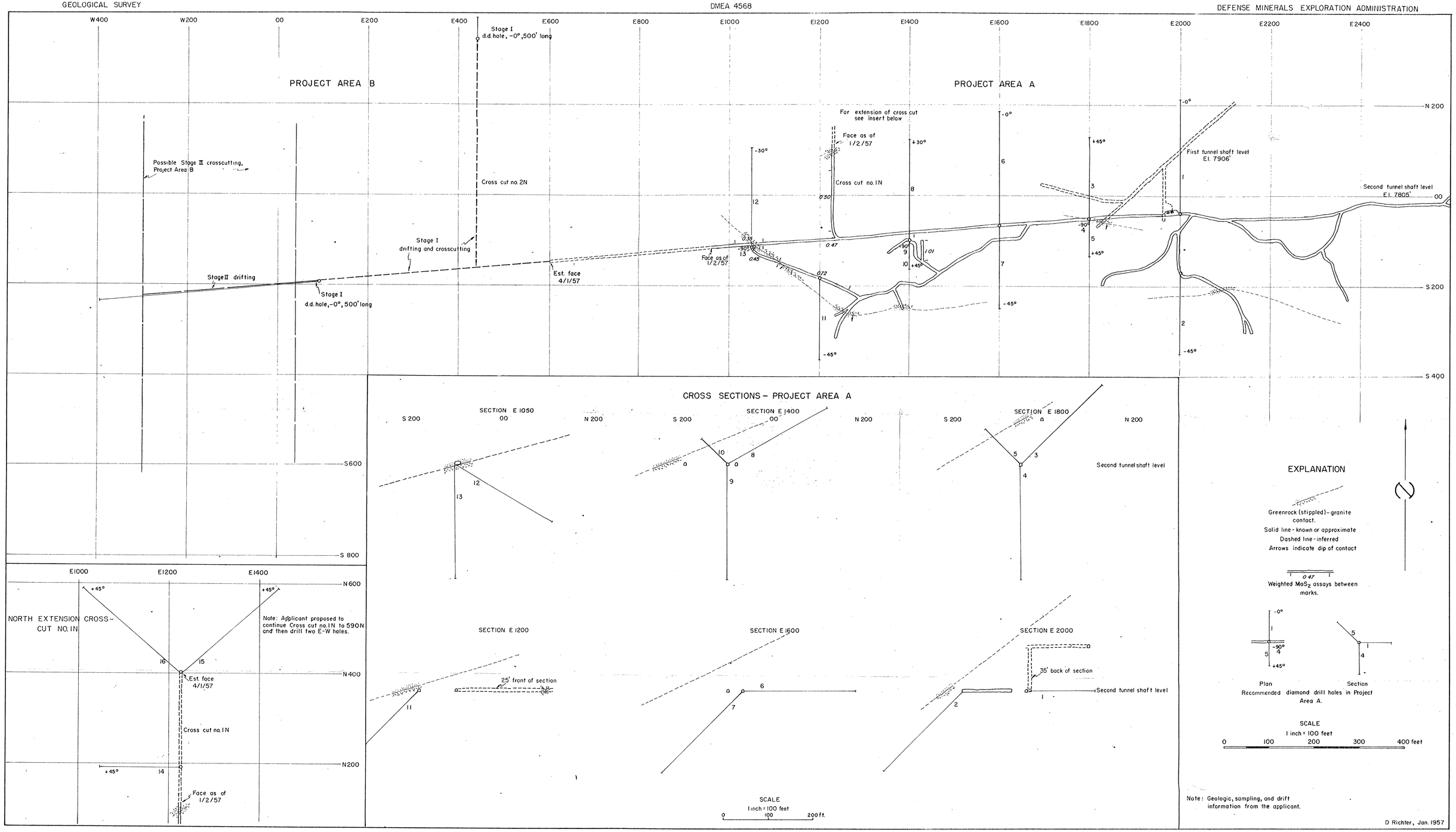

FIGURE 4. PLAN AND CROSS SECTION MAP SHOWING RECOMMENDED EXPLORATION ON THE SECOND TUNNEL SHAFT LEVEL, QUESTA MOLYBDENUM MINE, TAOS COUNTY, NEW MEXICO. DMEA 4568.

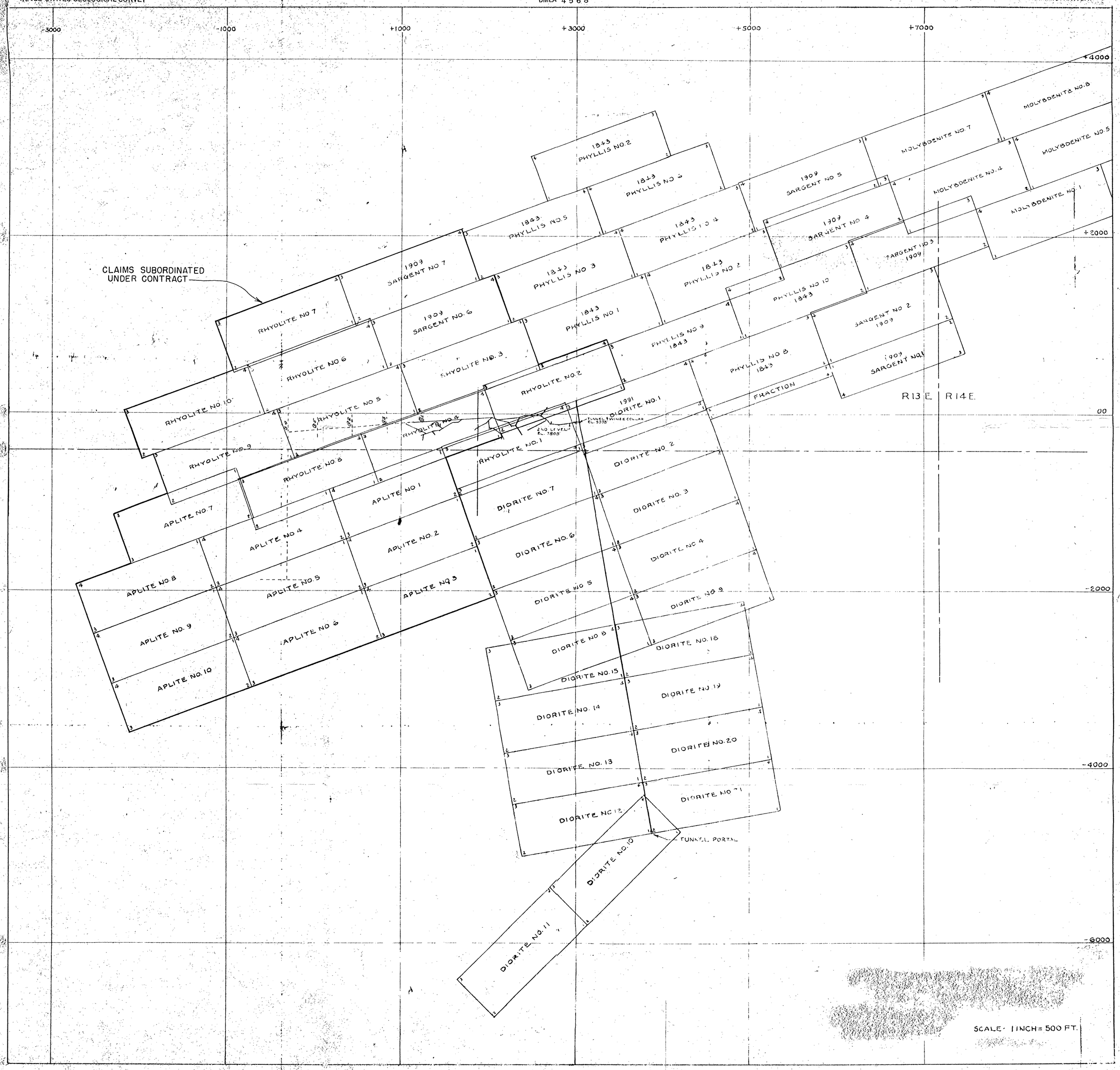

FIGURE 5. CLAIM MAP, MOLY OR QUESTA MINE, MOLYBDENUM CORPORATION OF AMERICA, TAOS COUNTY, NEW MEXICO. DMEA 4568.