AUG 27 1963

Claims Division
General Accounting Office
Washington 25, D. C.

Re: DMA (Zinc-Lead)
Ely Valley Mines, Inc.
Ely Valley Mine
Lincoln County, Nevada
Contract Idm-E404

Gentlemen:

In accordance with the provisions of 4 GAO 5000 and Comptroller General's decision B-136443 there is referred to you the matter of delinquent royalty in the amount of $231.46 on minerals production applicable to Defense Minerals Exploration Administration contract Idm-E404. The facts pertinent to the determination of this debt and the collection efforts of this office, as successor to the DMEA, follow.

On September 23, 1952, Ely Valley Mines, Inc., a Nevada corporation, entered into exploration project contract Idm-E404 with the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration. In general, this contract as amended provides that: (a) the contractor (hereinafter referred to as the Operator) shall conduct an exploration project for zinc and lead; (b) the Government will pay to the Operator 50 percent of the agreed costs for units of exploration work actually performed; and (c) the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land for a period of 13 years from the date of the contract or until the amount contributed by the Government is fully repaid.

Under the provisions of Amendment No. 5, the exploration work was terminated effective September 1, 1953, for failure of the Operator to resume contract work by July 1, 1956. The Government contributed an aggregate of $5,054.75 to the $10,109.50 acceptable costs of the exploration work performed. No production of minerals subject to royalty under the contract, as amended, was ever reported by the Operator.

During 1962 it came to the attention of this office that manganese ore had been shipped during 1953 and 1954 from the Ely Valley Mine and sold during June 1954 to the Combined Metals Reduction Company. By letter dated August 28, 1962, the Operator confirmed that this ore was produced from land (the Ely Valley Claim) under the contract. Subsequent correspondence with the purchaser established the quantities purchased and the proceeds of the seven lots of ore involved and a confirmation that no other ores were purchased thereafter from the Operator. It was found that royalty of $231.46 was due to the Government at the contractual rate of 1½ percent on the total proceeds of $15,430.54. These findings are set forth in a Report of Royalty Review dated January 3, 1963.

By letter dated January 24, 1963, our field representative in San Francisco submitted a copy of the Report of Royalty Review to Americo Compini, Receiver, 23 Manor Road, Fairfax, California, and requested remittance of the delinquent royalty. Mr. Compini was appointed receiver over the affairs of the Operator by a March 16, 1962, order of the United States District Court for the District of Nevada under Civil No. 311.

Neither reply nor remittance was received from Mr. Compini even though a follow-up demand was made by the field representative on March 28, 1963. Mr. Compini, however, informally advised the field representative that the request for payment should be directed to the U. S. District Court. Accordingly, on May 7, 1963, this office directed a request to the Clerk of the Court, who replied on May 22, 1963, that correspondence in the matter should be addressed to Sullivan, Roche, Johnson & Farrahar, 220 Bush Street, San Francisco, California, Attorneys for the Receiver.

A letter addressed to the Attorneys on May 24, 1963, resulted only in the receipt of a copy of the Attorneys' May 31, 1963, letter to the Receiver requesting information in order that a petition to the Court might be prepared. Another letter addressed on July 24, 1963, to the Attorneys and requesting advice as to the status of the petition remains unanswered as of this date.

Two copies each of the following documents, as referred to in the preceding paragraphs, are enclosed:

(1) Contract Idm-E404, including Amendments Nos. 4 and 5 and Annex II, but excluding Exhibit "A", Amendments Nos. 1, 2, and 3, and Annex I, which are not considered pertinent to the matter of the indebtedness;
(2) Operator's August 28, 1962, letter;
(3) Report of Royalty Review, dated January 3, 1963;
(4) Letter of January 24, 1963, to Receiver;

(5) Letter of March 23, 1963, to Receiver;
(6) Letter of May 7, 1963, to the Clerk of the Court;
(7) Letter of May 22, 1963, from the Clerk of the Court;
(8) Letter of May 24, 1963, to the Attorneys;
(9) Attorneys' letter of May 31, 1963, to Receiver; and
(10) Letter of July 24, 1963 to the Attorneys.

All means administratively available to this office to effect collection of the $231.46 indebtedness for royalty have been unsuccessful. Accordingly, the matter is reported to you for such action as may be deemed appropriate. In the event of collection, it is requested that the proceeds be deposited to "14X4401 Revolving Fund, Defense Production Act, Interior".

Sincerely yours,

George Fumich, Jr.

Director

Enclosures

EDTalbert/cac
August 27, 1963

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

JUL 24 1963

Sullivan, Roche, Johnson & Farrahar
220 Bush Street
San Francisco, California

Re: DMA-66 (Zinc-Lead)
Ely Valley Mines, Inc.
Ely Valley Mine
Lincoln County, Nevada
Contract Idm-E404

Gentlemen:

On the suggestion of the Clerk of the United States District Court, District of Nevada, we addressed a letter to you on May 24 regarding the indebtedness of Ely Valley Mines, Inc., for royalty delinquently due to the Government since 1954 under the referenced contract. The only acknowledgement received to date has been a copy of your May 31 letter to Mr. Americo Campini, Receiver, requesting him to present to you all information in the matter in order that the Court might be petitioned for instructions.

As we advised in our May 24 letter, we shall be required to refer this indebtedness to the Comptroller General of the United States unless a motion requesting the Court's authorization of payment is filed promptly. Accordingly, your advice as to the present status of the petition will be appreciated.

Sincerely yours,

George Fumich, Jr.

Director

EDTalbert/ama 7-24-63

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

SULLIVAN, ROCHE, JOHNSON & FARRAHER
ATTORNEYS AT LAW
MILLS TOWER, 220 BUSH STREET
SAN FRANCISCO 4
DOUGLAS 2-[illegible]

May 31, 1963

Mr. A. Campbell
[illegible] Road
Fairview, California

Re: Fiesta

Dear Mr. Campbell:

We enclose copy of letter we have received from the Department of the Interior with reference to the their claim for royalty.

You should present this matter promptly to the court which appointed you receiver, for instructions.

Please bring in to us all information you have concerning this matter in order that we may prepare a petition for instructions for you.

Very truly yours,

SULLIVAN, ROCHE, JOHNSON & FARRAHER

By Gerald J. O'Connor

GJO:ch

MAY 8 1963

Sullivan, Roche, Johnson & Farrahar
220 Bush Street
San Francisco, California

Re: DMA-66 (Zinc-Lead)
Ely Valley Mines, Inc.
Ely Valley Mine
Lincoln County, Nevada
Contract Idm-X404

Gentlemen:

By letter dated January 24, 1963, the Acting Field Officer, GSE Region II, submitted to Mr. Americo Campini, Receiver, Ely Valley Mines, Inc., a copy of a Report of Royalty Review dated January 3, 1963, and requested the prompt remittance of $231.46 indicated therein as delinquently due to the Government. This amount represents a 1½% royalty payable to the Government, under provisions of the referenced contract, on the $15,430.54 proceeds from seven lots of ore sold during June 1954 to the Combined Metals Reduction Company.

On March 28, 1963, the Acting Field Officer addressed a follow-up letter to Mr. Campini and again requested prompt remittance. Neither remittance nor reply was received. On or about May 1, 1963, however, Mr. Campini called upon our Acting Field Officer and stated that you had instructed him to inform us that our request for payment should be addressed to the Clerk of the United States District Court, Las Vegas, Nevada.

In reply to our inquiry the Clerk of the Court has advised this office that as of May 22, 1963, no motion had been filed requesting an order by the Court authorizing payment of this indebtedness. He further suggested that correspondence concerning this matter be addressed to you as attorneys for the Receiver.

This office does not have the authority to postpone indefinitely such action as may be necessary to collect monies properly payable to the Government under exploration project contracts. Accordingly, unless a motion requesting the Court's authorization of payment is filed within the immediate future, we shall have no alternative but to refer the matter to the Comptroller General of the United States

for appropriate action. Such action may include enforcement of the lien on the Ely Valley and Ely Valley No. 3 Claims, which was granted to the Government to secure payment of its percentage royalty.

Sincerely yours,

George Fumich, Jr.

Director

EDTalbert/ama 5-24-63

cc:
Docket
Director's Reading File
CA & A Division
Region II (2) (w/cys of inc. ltr.)

P. O. [illegible]
Las [illegible]
May [illegible]

United States Department of the Interior
Bureau of Minerals Exploration
Washington 25, D.C.

Attention: Mr. George Fenich, Jr.,
Director

Re: NOTMAN, et al v. ELY VALLEY [illegible]
Civil No. 311

Your Reference: EMA-66 (Kinsa-Lopez)
Ely Valley Mines [illegible]
Ely Valley Mines [illegible]
Lincoln County [illegible]
Contract I[illegible]

This is to advise that your letter of May 7, 1963, concerning the above captioned matter has been referred to Sullivan, Roche, Johnson & Farraher, 220 Bush Street, San Francisco, California, attorneys for Mr. Americo Campini, Receiver, Ely Valley Mines, Inc.

To date no motion has been filed requesting an order by the Court authorizing royalty payment under your [illegible] lease contract.

[illegible] matter be directed to the attorneys for the Receiver.

Sincerely yours,

[illegible] F. HART,

By

Frances C. Bulloch,

cc: Sullivan, Roche, Johnson &
Farraher
Mr. Americo Campini

MAY 7 1963

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Field Operations

Subject: DMEA-66 (Zinc-Lead)
Ely Valley Mines, Inc.
Ely Valley Mine
Lincoln County, Nevada
Contract Idm-E404

In accordance with your May 2 memorandum in regard to royalty due under the subject contract, we have addressed a letter to the Clerk of the U. S. District Court at Las Vegas, Nevada. The regional copies are enclosed.

No further action on your part is required at the present time.

George C. Selfridge

Enclosures

EDTalbert/ama 5-6-63

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

MAY 7 1963

The Clerk of the Court
U. S. District Court
for the District of Nevada
Las Vegas, Nevada

Re: DMA-66 (Zinc-Lead)
Ely Valley Mines, Inc.
Ely Valley Mine
Lincoln County, Nevada
Contract Idm-8404

Dear Sir:

By order dated March 16, 1962, your Court appointed Americo Campini receiver over the affairs of Ely Valley Mines, Inc., pending final determination of Civil No. 311 or until further order of the Court.

Since the date of the Court's order appointing Mr. Campini as receiver, the matter of the Corporation's indebtedness to the United States Government under the referenced contract for $231.46 in royalty has come to light. Letters addressed to Mr. Campini have resulted in neither reply nor remittance. Mr. Campini, however, recently called upon our field representative in San Francisco, California, and advised that, in order to obtain payment, we should write to your Court.

The amount of $231.46 represents a 1½% royalty on the $15,430.54 proceeds from seven lots of ore sold by Ely Valley Mines, Inc., during June 1954 to the Combined Metals Reduction Company. Full details are set forth in a Report of Royalty Review dated January 3, 1963, a copy of which was sent to Mr. Campini as an enclosure to a January 24, 1963, letter requesting prompt payment.

Mr. Campini indicated that remittance would be made upon approval of the Court. It is hoped that this approval will be given without undue delay in order that this long delinquent indebtedness may be liquidated. If further information is needed, your request therefor will be given immediate attention.

Sincerely yours,

George Fumich, Jr.

Director

cc: Mr. Americo Campini, Receiver
Ely Valley Mines, Inc.
23 Manor Road
Fairfax, California

cc: Docket
Director's Reading File
CA & A Division
Acting Field Officer, Region II (2)

EDTalbert/ama
5-6-63

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

EXTRA COPY
O. M. E
RECEIVED MAY 6 1963
DATE
800

May 2, 1963

Memorandum

To: Chief, Division of Field Operations, OME, Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: DMA-66 (Zinc,Lead)
Ely Valley Mines, Inc.
Ely Valley Mine
Lincoln County, Nevada
Contract Idm-E 404

Reference to your memorandum of March 1, 1963, Mr. Campini, the appointed Receiver of the above subject, called our office and upon advice from his attorneys, Sullivan, Roche, Johnson, and Farraher, Mills Tower Building, 220 Bush Street, San Francisco, California, instructed him to inform us that in order for us to obtain the delinquent royalty payment of $231.46, we would have to write to the Clerk of United States Federal Court, Las Vegas, Nevada.

Since the Company's holdings are under Federal Court proceedings, Civil 311, Dolman v Janney, et al., it is my understanding upon receiving approval from Federal Judge, royalty payment of $231.46 will be remitted by Mr. Campini.

Please advise if further information is required.

PAUL V. FILLO

Paul V. Fillo

cc:
Chief, Division of Field Operations, OME, Washington, D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

March 28, 1963

Mr. Ame[illegible] Campi[illegible] (Receiver)
23 [illegible] Road
Fairfax, California

Re: D[illegible]-6[illegible] (Lead, Zinc)
Ely Valley Mines, Inc.
Ely Valley Mine
Lincoln County, Nevada
Contract [illegible]-E 404

Dear Mr. Campini:

Reference to my letter of January 24, 1963, with the accompanied Report of Royalty Review by E. D. Talbert, OME, Auditor.

It is again requested to remit $231.4[illegible] delinquently due to the Government on 1953 and 1954 production of manganese ore sold to Combine Metals Reduction Company. If payment is not received within thirty days, the matter will be referred to our Washington office.

Sincerely yours,

Paul V. Fillo

cc:

Chief, Division of Field Operations, OME, Washington, D. C.

MAR 1 1963

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Field Operations

Subject: DMA-66 (Zinc-Lead)
Ely Valley Mines, Inc.
Ely Valley Mine
Lincoln County, Nevada
Contract Idm-K404

By letter dated January 24 you requested the Receiver for the Operator under the subject contract to remit $231.46 delinquently due to the Government on 1953 and 1954 production of manganese ore sold to Combined Metals Reduction Company in June 1954. To date neither remittance nor evidence of a reply has been received by this office. Accordingly, a follow-up appears to be in order.

It is suggested that a demand be made for payment of the $231.46 and the Receiver advised that, if payment is not received within thirty days, the matter will be referred to this office.

George C. Selfridge

EDTalbert/ama 3-1-63

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

RECEIVED
DATE
O. M. E
29 1963
800

555 Battery Street
San Francisco 11, California

January 24, 1963

Memorandum

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

From: Acting Field Officer, OME, Region II

Subject: DMA-66 (Lead, Zinc)
Ely Valley Mines, Inc.
Ely Valley Mines
Lincoln County, Nevada
Contract Idm-E404

Enclosed is the original of a Report of Royalty Review covering the subject contract. This office concurs in the facts as stated in the Report of Royalty Review.

Paul V. Fillo

Enclosure

cc:
Chief, Division of Field Operations, OME, Washington, D. C.
Contract Administration & Audit Division, OME, Washington, D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

extra

~~OFFICIAL~~ FILE COPY
O. M. E
RECEIVED JAN 28 1963

DATE	INITIALS	CODE
		800

555 Battery Street
San Francisco 11, California

January ~~24~~, 1963

Memorandum

To: E. D. Talbert, Chief, Contract Administration and Audit Division, OME, Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: DMA-66 (Zinc, Lead)
Ely Valley Mines, Inc.
Ely Valley Mine
Lincoln County, Nevada
Contract Idm-E-404

With reference to the third paragraph of your letter of January 7, 1963, concerning the above subject, the Operator and the Receiver are the same person--Mr. Americo Campini.

Paul V. Fillo
Paul V. Fillo

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 Idw-8404, Docket MMA-66 (zinc-lead), dated September 23, 1952, with

Ely Valley Mines, Inc.
Pioche, Nevada

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 Ely Valley Mine located in Lincoln County, Nevada, during the period September 23, 1952, through December 19, 1962.

In accordance with Amendment Nos. 4 and 5 and Annex II of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 13 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 July 17, 1956, indicated accepted costs under the exploration contract amounting to $10,109.50 with the Government's contribution on a 50 percent basis being $5,054.75.

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 $15,430.54. Royalty payable to the Government at the rates specified in the contract is $231.46.

A prior Report of Royalty Review erroneously found no sales subject to the Government's royalty through December 31, 1958, and stated the royalty account as being:

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

As of December 19, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$231.46
Total Royalty Paid	-0-
Balance of Royalty Due	$231.46

E. D. Talbert

E. D. Talbert, OME Auditor

January 3, 1963

Idu-K404 Ely Valley Mines, Inc. DMA-66

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract as amended provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all mineral production from the patented Ely Valley and Ely Valley No. 3 Claims, located in the Ely Valley Mining District and owned by the Operator. The so-called "abandonment" provision in this contract was deleted by Amendment No. 4.

Exploration work under the contract was suspended on August 10, 1953, due to insufficient capacity of the pumps. On September 1, 1953, all equipment was removed, the pumps were pulled, and the shaft was allowed to fill with water to the 963 level. On May 10, 1954, the installation of pumping equipment and other necessary work preliminary to resumption of contract work was started. This rehabilitation work was discontinued during August 1954 for financial reasons. Another start at rehabilitation during 1955 also was discontinued due to lack of funds. The same thing occurred during 1956, and, under the provisions of Amendment No. 5, the contract was terminated effective September 1, 1953, for failure to resume contract work by July 1, 1956. This amendment also provides for the payment of royalty in the same manner and amount as if certification of discovery or development had been made.

A Report of Royalty Review prepared on May 27, 1959, by George Mavor, OME Auditor, found no royalties payable on production during the period of September 23, 1952, to December 31, 1958. This finding was based on the November 30, 1957, Final Report of the Region II Field Team, wherein it is stated that "No ores were produced, no royalties have been paid, and no royalty is due the Government", and the several subsequent semi-annual reports of examining engineers. This current review has disclosed that the former findings were erroneous.

The files indicate that the property has been more or less inactive since 1956 and that all pumps were removed in 1960; however, during 1953 and 1954 ore was shipped from the Ely Valley Mine and stockpiled at the Caselton plant of the Combined Metals Reduction Company. During June 1954 Combined Metals purchased the entire stockpile in seven lots aggregating 2,225.458 dry tons of manganese ore. By letter dated August 28, 1962, the Operator confirmed that the production "was taken from the Ely Valley winze 400' level and this is on the Ely Valley claim of Ely Valley Mines, Inc." A listing of the settlements and the royalty payable follows:

Idm-8404 | Sky Valley Mines, Inc. | DMA-66

Date	Lot No. C.M.R.Co.	Dry Tons	Proceeds Total	Proceeds Per Ton	Royalty %	Royalty Amount
6/24/54	3737	299.924	$ 2,073.78	$6.91	1½	$ 31.11
6/24/54	3738	457.691	3,416.24	7.46	1½	51.24
6/24/54	3739	213.084	1,522.94	7.15	1½	22.84
6/5/54	3740	383.582	2,576.18	6.72	1½	38.64
6/5/54	3741	378.986	2,596.53	6.85	1½	38.95
6/3/54	3742	265.000	1,773.13	6.69	1½	26.60
6/8/54	3743	227.191	1,471.74	6.48	1½	22.08
Totals		2,225.458	$15,430.36			$231.46

By letter dated December 19, 1962, the Manager of Nevada Operations of Combined Metals stated that these seven lots represented the total tonnages of the stockpile and no other ores have been purchased from the Operator since that time.

On March 16, 1962, Americo Campini was appointed receiver over the affairs of the Operator by order of the United States District Court for Nevada. This was the result of the Court's findings on complaint of stockholders that the Operator has been wrongfully controlled and mismanaged for many years by its president, John Janney.

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

(1) The files indicate that all sales of production from the claims under the contract since the date thereof have been accounted for;

(2) The property has been inactive for several years; and

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

extra

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 28 1963
DATE

800

555 Battery Street
San Francisco 11, California

January 24, 1963

Mr. Americo Campini (Receiver)
23 Manor Road
Fairfax, California

Re: DMA-66 (Lead, Zinc)
Ely Valley Mines, Inc.
Ely Valley Mine
Lincoln County, Nevada
Contract Idm-E404

Dear Mr. Campini:

Enclosed is a copy of a Report of Royalty Review made by E. D. Talbert, OME Auditor, covering the reference contract. A balance of $231.46 in royalties was found to be due the Government.

Reasons for the royalty amounts due the Government are stated in the fourth paragraph of the second page of the Report of Royalty Review.

It is requested that a remittance of $231.46 be submitted to our office for the sale of seven lots, aggregating 2,225.458 dry tons of manganese ore, to Combined Metals Reduction Company in June 1954.

We will appreciate your prompt attention to this delinquent royalty payment.

Sincerely yours,

Paul V. Fillo
Acting Field Officer
OME, Region II

Enclosure

cc:
Chief, Division of Field Operations, OME, Washington, D. C.
Contract Administration and Audit Division

January 7, 1963

Memorandum

To: Acting Field Officer, Region II

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

Subject: DMA-66 (Zinc-Lead)
Ely Valley Mines, Inc.
Ely Valley Mine
Lincoln County, Nevada
Contract Idm-K404

The original and three copies of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, U. S. Department of the Interior, Washington 25, D. C.;
(b) One copy for the Operator;
(c) One copy for the Receiver; and
(d) One copy for your files.

As evidence of your concurrence, a copy each of your letters transmitting the Operator's and the Receiver's copies should be furnished this Division. These letters, of course, should request prompt payment of the $231.46 royalty delinquently due on the 1954 sales. If for any reason you do not concur, the original and all copies of the report should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 1-7-63

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

COPY

COMBINED METALS REDUCTION COMPANY

Caselton Plant Pioche, Nevada

December 19, 1962

Mr. Paul V. Fillo
Acting Field Officer
United States Department of the Interior
Office of Mineral Exploration
420 Custom Street
San Francisco 11, California

Dear Mr. Fillo:

In response to your letter dated November 26, relative to ore purchases from Ely Valley Mines subsequent to September 23, 1962.

Reference is made to our letter of October 24, 1962, and enclosed copies of each settlement sheets, numbers 1 to 7 inclusive, and a provisional - (advance on stockpile).

Settlement No. 7 was the final clean-up on Manganese ore stockpile from Ely Valley Mines. This Ely Valley Mines Manganese Ore stockpile was started in the first part of 1953. Lots number 1 to 7 inclusive are the total tonnages of the stockpile. No other ores were purchased from Ely Valley Mines since that time.

Hoping this will give you the information you desire.

Very truly yours,

/s/ Reginald G. Lee

Reginald G. Lee
Manager Nevada Operations

cc: Burton
File

C
O
P
Y

COMBINED METALS REDUCTION COMPANY
P. O. Box 150
Salt Lake City 10, Utah

December 10, 1962

Mr. Paul V.Fillo
Acting Field Officer
United States Department of the Interior
Office of Minerals Exploration
420 Custom House
555 Battery Street
San Francisco 11, Calif.

Dear Mr.Fillo: Re: Ely Valley Mines Idm-E404

In response to your letter dated November 26 to our Mr. R.G.Lee, Pioche,Nevada concerning ore purchased from the above project and milled.

According to our record and as previously broken down by lots for you this company purchased from Ely Valley Mines 2,225.458 dry tons of crude ore and placed in stockpile for subsequent milling. As ore was delivered and stockpiled provisional settlements were figured and cash advanced as the shipping record of the shipper should reveal. Final sett lement was made in June,1954 for which the shipper was paid the balance after the mill assays were determined.

We do not keep ore settlement sheets beyond 6 years, but our matallurgical books are complete and open for inspection. You should also be able to obtain the settlements from the shipper.

We will request Mr. Lee to make another search of his office record to see if he can locate the final settlement in 1954. If he has his copy he will mail an Ozalid copy to you direct.

Sincerely yours,

/s/ O.F.Burton, Treasurer

cc R.G.Lee

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

November 26, 1962

Mr. Reginald G. Lee
Combined Metals Reduction Company
Caselton Plant
Pioche, Nevada

Re: EMA-56X (Lead, Zinc)
Ely Valley Mines, Inc.
Ely Valley Claims
Lincoln County, Nevada
Contract No. Idm-[illegible]

Dear Mr. Lee:

In reference to your letter of October 24, 1962, we would appreciate a clarification on "Provisional Stockpile Settlement" dated April 27, 1953--identified as C.M.R. Co., Lot No. 3530-E, and copies of the final settlement; or advise as to the final disposition of the $1,276.85 withheld. Your prompt reply will be greatly appreciated.

Sincerely yours,

Paul V. Fillo
Acting Field Officer

[illegible] Operation [illegible]

NOV 5 1962

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Field Operations

Subject: DMA-66K (Lead-Zinc)
Ely Valley Mines, Inc.
Ely Valley Claims
Lincoln County, Nevada
Contract Idm-R404

The attachments to your October 29 memorandum appear to account for the 1953 and 1954 shipments from the property under the subject contract. One item, however, needs clarification.

The March 1953 shipments, identified as C. M. R. Co. Lot No. 3536-E, are covered by a "Provisional Stockpile Settlement" dated April 27, 1953. This settlement indicates the withholding of $1,276.85 in proceeds as a "30% Provisional Reserve". Before the royalty payable can be computed, the amount of final settlement must be ascertained. Accordingly, it is suggested that you apologetically request the Combined Metals Reduction Company for copies of the final settlement or, at least, advice as to the final disposition of the $1,276.85 withheld.

Promptly upon the receipt of this information, the Contract Administration and Audit Division will prepare a Report of Royalty Review. On the basis of such report, demand then may be made upon the Operator for payment of the royalty delinquently due to the Government.

George C. Selfridge

EDTalbert/ama 11-5-62

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

COMBINED METALS REDUCTION COMPANY

Salt Lake City, Utah June 8, 1954

Pay Ely Valley Mines, Inc.

Ore Mn C.M.R. Co. Lot No. 3743 Shippers Lot No. 7 Class Mill

Received CMRCo. 6/4/54 E & M J Quotations: Gold Silver Lead 14.05 Fe-Mn $225/Long Ton

Assays	Ozs. Au.	Ozs. Ag.	% Pb.	% Zn.	% Fe.	% Insol.	%	% Mn	%	%	%
C.M.R. Co.	.005	.90	1.9	3.0				15.5			
Shipper			1.8					16.1			
Umpire (AFB)								16.0			
Gross	.005	.90	1.85	3.0				16.0			
Settlement	.005	.90	1.85	3.0				16.0			

Values Per Ton					Treatment		
Gold		@			Base	3	250
Silver		@					
Lead	-2.0	@					
Zinc		@					
Mn	-3.0 100%	@	.75	9 750			
Gross Metal Payment				9 750			
Less Treatment				3 250			
Net Value Per Ton				6 500	Net Treatment	3	250

Initial	Car Number	Weight				
			227.191 Dry Tons @ 6.500 Per Ton		1,476	74
			Control	5 00		
		243,480				
Total Wet Weight 6.69 % Moisture		486,960		Total Deductions	5	00
Dry Weight		454,382		Net Proceeds	1,471	74

Approved by KE Checked by HES:pf

COMBINED METALS REDUCTION COMPANY

Salt Lake City, Utah June 5, 1954

Pay Ely Valley Mines, Inc.

Ore Mn C.M.R. Co. Lot No. 3742 Shippers Lot No. 6 Class Mill

Received CMRCo. 6/3/54 E & M J Quotations: Gold _____ Silver _____ Lead 14.050 ~~Fe-Mn~~ $225/Long Ton

Assays	Ozs. Au.	Ozs. Ag.	% Pb.	% Zn.	% Fe.	% Insol.	%	% Mn	%	%	%
C.M.R. Co.	.005	.85	2.0	3.5				16.1			
Shipper			1.9					16.8			
Umpire (Union)								16.3			
Gross	.005	.85	1.95	3.5				16.3			
Settlement	.005	.85	1.95	3.5				16.3			

Values Per Ton					Treatment		
Gold		@			Base	3	250
Silver		@					
Lead	-2.0	@					
Zinc		@					
Mn	-3.0 100%	@ .75	9	975			
Gross Metal Payment			9	975			
Less Treatment			3	250			
Net Value Per Ton			6	725	Net Treatment	3	250

Initial	Car Number	Weight					
			265.000 Dry Tons @ 6.725	Per Ton		1,782	13
			Umpire (Union)		4 00		
			Control		5 00		
		286.084					
Total Wet Weight				Total Deductions		9	00
7.37% Moisture		572,168					
Dry Weight		530,000		Net Proceeds		1,773	13

Approved by KE Checked by HES:pf

COMBINED METALS REDUCTION COMPANY

Salt Lake City, Utah June 5, 1954

Pay Ely Valley Mines, Inc.

Ore Mn C.M.R. Co. Lot No. 3741 Shippers Lot No. 5 Class Mill

Received CMRCo. 6/2/54 E & M J Quotations: Gold Silver Lead 14.00 Fe-Mn $225/Long Ton

Assays	Ozs. Au.	Ozs. Ag.	% Pb.	% Zn.	% Fe.	% Insol.	%	% Mn.	%	%	%
C.M.R. Co.	.005	.81	2.10	3.3				16.4			
Shipper			1.82					17.25			
Umpire (D & N)								16.50			
Gross	.005	.81	1.96	3.3				16.50			
Settlement	.005	.81	1.96	3.3				16.50			

Values Per Ton					Treatment		
Gold		@			Base	3	250
Silver		@					
Lead	-2.0	@					
Zinc		@					
Mn	-3.0 100%	@ .75	10	125			
Gross Metal Payment			10	125			
Less Treatment			3	250			
Net Value Per Ton			6	875	Net Treatment	3	250

Initial	Car Number	Weight					
			378.986 Dry Tons @ 6.875 Per Ton			2,605	53
			Umpire (D & N)	4	00		
			Control	5	00		
		416.331					
Total Wet Weight, 8.97 % Moisture		832.662		Total Deductions		9	00
Dry Weight		757.972		Net Proceeds		2,596	53

Approved by KE Checked by HES:pf

COMBINED METALS REDUCTION COMPANY

PROVISIONAL STOCKPILE SETTLEMENT

Salt Lake City, Utah April 27, 1973

Pay Ely Valley Mines - Manganese Ore

Ore Mn C.M.R. Co. Lot No. 3536-E Shippers Lot No. Class Mill

Received CMRCo. 3/1 to 3/31 E & M J Quotations: Gold Silver Lead Zinc

Assays	Ozs. Au.	Ozs. Ag.	% Pb.	% Zn.	% Fe.	% Insol.	%	% Mn	%	%	%
C.M.R. Co.											
Shipper											
Umpire											
Gross											
Settlement								20.27			

Values Per Ton					Treatment		
Gold	@				Base		
Silver	@						
Lead	@						
Mn - 3.0	100% @	.75	12	953			
Copper	@						
Gross Metal Payment			12	953			
Less Treatment			3	250			
Net Value Per Ton			9	703	Net Treatment		

Initial	Car Number	Weight					
			438.644 Dry Tons @ 9.703 Per Ton			4,256	16
			30% Provisional Reserve	1276	85		
Total Wet Weight 10.63% Moisture		981,630			Total Deductions	1,276	85
Dry Weight		877,288			Net Proceeds	2,979	31

Approved by KE Checked by HES:sp

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

October 5, 1962

Mr. Otto Burton, Controller
c/o Combined Metals Reduction Company
Felt Building
Salt Lake City, Utah

Re: DMEA-66X (Lead, Zinc)
Ely Valley Mines, Inc.
Ely Valley Mine
Pioche, Nevada
Contract Idm-B404

Dear Mr. Burton:

We are reviewing the Ely Valley Mines, Inc. files that had a contract (Idm-B404) with the Government for exploratory work, and find that the company made ore shipments in April, 1953 to your Cancelton plant in Nevada.

In order to bring our files up to date, we would appreciate your providing us with two copies of each of the settlement sheets of any or all shipments subsequent to September 23, 1952.

Your early reply to this request will be appreciated.

Very truly yours,

Paul V. Fillo
Acting Field Officer, OME
Region II

cc:
Chief, Division of Field Operations, OME, Washington, D.C.

SEP 5 1962

Memorandum

To: Acting Field Officer, Region II

From: Chief, Division of Field Operations

Subject: DMA-66X (Lead-Zinc)
Ely Valley Mines, Inc.
Ely Valley Claims
Lincoln County, Nevada
Contract Idm-8404

Your August 31 memorandum requests advice as to the amount of royalty delinquently due to the Government on the basis of an "enclosed" copy of a letter from Mr. Janney. A copy of the letter, however, was not received with your memorandum.

If Mr. Janney's letter refers to the seven settlements (lots nos. 3737 to 3743, inclusive) submitted to you by the August 2, 1962, letter of the Combined Metals Reduction Company, the amount of royalty payable is $231.46. This amount is 1½% of the $15,430.54 proceeds.

It is to be noted that all of these settlements are dated in June 1954. On the other hand, a report of Mr. Gentry's examination of the property on April 2, 1959, states that ore "is" being shipped via truck to the Caselton plant. This indicates that possibly other sales prior to those covered by the June 1954 settlements remain unreported.

Your further advice in the matter, together with a copy of Mr. Janney's letter, is solicited.

EDTalbert/ama 9-5-62

George C. Selfridge

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

800

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

August 31, 1962

Memorandum

To: Chief, Division of Field Operations, OME, Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: DMA-66X (Lead-Zinc)
Ely Valley Mines, Inc.
Ely Valley Claims
Lincoln County, Nevada
Contract Idm-E 404

Enclosed is a copy of a letter from Mr. J. Janney, who was managing the subject property during the time shipments of manganese ore were made from Ely Valley mine. On the support of Mr. Janney's letter, these shipments are subject to DMEA royalty. Please advise the correct amount of delinquent payment due to the Government.

Paul V. Pillo

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

August 10, 1962

EXTRA COPY
O. M. E
RECEIVED AUG 14

Memorandum

To: Chief, Division of Field Operations, OME, Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: DMA-66X (Lead-Zinc)
Ely Valley Mines, Inc.
Ely Valley Claims
Lincoln County, Nevada
Contract Idm-E404

With reference to your memorandum of July 5, 1962, enclosed is a copy of each of the settlement sheets and a copy of Combined Metals Reduction Company's letter.

A conference was held with Mr. Americo Campini August 9, 1962, to determine which claims the ore was mined. It appears that the ore was taken from some other part of the property.

Additional information was requested from Mr. Campini; name of the lessees and the claims that were worked during 1954.

Mr. Campini has been most cooperative in determining if this ore was obtained from the claims the DMEA contract covered.

I had the good fortune of talking with Mr. Roscoe M. Smith, (U.S.G.S.), presently in Menlo Park, California. The statement he gave me was, to the best of his knowledge, no manganese ore came out of the Ely Valley shaft.

In my discussion with Mr. Campini, he mentioned that Mr. Janney is in Pioche and with this information I will write him to see if he can recall where this ore was mined.

Paul V. Fillo

Enclosures 2

Note: All settlements are June 1954, but Keating reported shipments in April 1954.

C
O
P
Y

COMBINED METALS REDUCTION COMPANY
P. O. Box 150
Salt Lake City 10, Utah

August 2, 1962

Mr. Paul V. Fillo
Acting Field Officer, OME
Region II
United States Department of the Interior
Office of Minerals Exploration
555 Battery Street
San Francisco 11, Calif.

Dear Mr. Fillo:

Subject: Ely Valley Mines
Ore Settlements

This is in reply to your letter addressed to Mr. Paul Gemmill, Pioche, Nevada dated July 17, 1962.

Enclosed are two copies of the following manganese ore settlements all in June 1954:

LOTS NUMBER	DRY TONS	NET PROCEEDS
3737	299.924	$2,073.78
3738	457.691	3,416.24
3739	213.084	1,522.94
3740	383.582	2,576.18
3741	378.986	2,596.53
3742	265.000	1,773.13
3743	227.191	1,471.74
	2,225.458	15,430.54

Very truly yours,

/s/ O. F. Burton

O. F. Burton, Treasurer

cc Mr. R. G. Lee Pioche, Nevada

Memorandum

To: Acting Field Officer, Region II

From: Acting Chief, Division of Field Operations

Subject: DMA-66X (Lead-Zinc)
Ely Valley Mines, Inc.
Ely Valley Claims
Lincoln County, Nevada
Contract Idm-8404

Reference is made to the Combined Metals Reduction Company's June 27 letter, a copy of which was forwarded by your June 29 memorandum. The letter indicates that two shipments of manganese ore from the subject Operator were received during 1954 by the Caselton plant of Combined Metals. These shipments may represent the ore referred to in Mr. Gentry's reports of examinations in 1953 and 1954.

It is suggested that the purchaser be requested to provide two copies of each of the settlement sheets involved. Upon receipt thereof, if it appears probable that the shipments are subject to DMA royalty, an appropriate demand for payment should be made upon Mr. Americo Campini, the recently appointed receiver for the Operator.

One copy of each of the settlement sheets, together with two copies of your letter demanding payment of the royalty should be forwarded to this office. One copy of each of the settlement sheets should be retained in your files.

W. R. Griswold

EDTalbert/ama 7-5-62

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

EXTRA COPY
O. M. E
RECEIVED
June 29, 1962
800

Memorandum

To: Chief, Division of Field Operations, OME, Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: DMA-66X (Lead-Zinc)
Ely Valley Mines, Inc.
Ely Valley Claims
Lincoln County, Nevada
Contract Idm-E 404

With reference to your letter of May 10, 1962, enclosed is a copy of a letter from Mr. Gemmill showing the manganese ore shipments from the subject mine. You will note, the name of the claims have been omitted from where the ore was obtained.

Paul V. Fillo

Enclosure

C
O
P
Y

COMBINED METALS REDUCTION COMPANY

Salt Lake City 10, Utah

June 27, 1962

United States Department of the Interior
Office of Mineral Exploration
555 Battery Street
San Francisco 11, California

Attention: Mr. Paul V. Fillo
Acting Field Officer OME
Region II

Re: ELY VALLEY MINE

Dear Sir:

In reply to your inquiry with respect to manganese ore production from the Ely Valley Mines, Inc. we find that in 1954 custom manganese ore receipts at our Caselton, Nevada plant lists the following two items:

		Assay				
	Dry Tons	oz. Au	oz. Ag	% Pb	% Zn	& Mn
Ely Valley Mine	970.7	.007	0.90	2.00	3.15	16.97
Ely Valley Mine Lease	1,254.8	.005	0.84	2.01	3.26	16.28
	2225.5					

Yours very truly,

/s/ Paul Gemmill

Paul Gemmill
General Manager

PG:b

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

June 1, 1962

EXTRA COPY
RECEIVED
O. M. E.
DATE

800

Memorandum

To: Chief, Division of Field Operations, OME
Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: DMA-66X (Lead, Zinc)
Ely Valley Mines, Inc.
Ely Valley Claims
Lincoln County, Nevada
Contract Idm-E404

With reference to your letter of May 10, I have talked to Mr. Gentry in regards to the manganese ore shipments from the above subject mine. He suggested I write to Mr. Gemwill, manager of the Combined Metals Reduction Co. in Pioche, Nevada, and possibly an answer can be obtained. A copy of my letter to Mr. Gemwill is enclosed.

PAUL V. FILLO
Paul V. Fillo
Acting Field Officer, OME
Region II

Enc.

800

MAY 1 0 1962

Memorandum

To: [illegible] Field Officer, Region II

[illegible]

[illegible]
[illegible], Ya.
[illegible]
[illegible]
[illegible]

[illegible] to you of March 12. [illegible] were limited; it [illegible] probably the [illegible] of much help.

[illegible] entry. It [illegible] came from [illegible] would be done. [illegible] collect this back [illegible]

[illegible] receiver [illegible] If indicated, we [illegible]

George C. Selfridge

[illegible]
[illegible]
[illegible] Director's Reading File
[illegible]
[illegible]
[illegible]
Code 800

May 7, 1962

Memorandum to the File

From: W. R. Griswold, Chief
Division of Minerals

Subject: DMA-66X (Lead-Zinc)
Ely Valley Mines, Inc.
Ely Valley Claims
Lincoln County, Nevada
Contract Idm-E404

There would be little purpose in sending out a form 63 on this project since the property is now in the hands of a receiver appointed by the court, as of March 16, 1962.

A group of stockholders won a legal action against John Janney, president of Ely Valley Mines, Inc. In their report by Helen Dolman, it is stated that John Janney had removed the pumps and permitted flooding of the mine workings; hence, we may say, with reasonable assurance, that there has been no production from July 1, 1958, to present date.

W. R. Griswold

cc: Contract Division
Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

April 18, 1962

RECEIVED APR
DATE

800

Memorandum

To: Chief, Division of Field Operations, OME

From: Acting Field Officer, OME, Region II

Subject: DMA-66X (Lead-Zinc)
Ely Valley Mines, Inc.
Ely Valley Claims
Lincoln County, Nevada
Contract Idm-840

Mrs. Helen Dolman, a stockholder member in the Ely Valley Mines, Inc., is requesting authorization to review the files of the above subject contract. The following information was taken over the phone: Mrs. Dolman filed an action in the Federal Court of the United States at Las Vegas No. Civil 311 and sued John Janney, President of Ely Valley Mining and Pioche Mines, Inc. Several other parties of the plaintiff joined in the action against Mr. John Janney. The case was won by default. An order filed on March 16, 1962 and signed by Honorable Roger T. Foley, U. S. District Judge appointed Mr. Americo Campini as receiver for the affair of these corporation. Last fall, Mrs. Dolman was instructed by Mr. Gentry that to see DMEA files, she would have to have the president of the company's permission to do so, but since she had sued him she could not ask for his O.K. Now that Mr. Campini has been made receiver of their affairs, Mrs. Dolman feels that she and Mr. Campini both could look at the files. She is interested in reviewing subject contract, and what mining claims are involved in the contract.

Enclosed are three letters and a copy of a court order appointing Mr. Americo Campini as a receiver for the affairs of the above subject. Please advise if Mr. Campini and Mrs. Dolman are authorized to review the files.

PAUL V. FILLO

Paul V. Fillo

Enclosures 4

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

March 27, 1962

Memorandum

To: E. D. Talbert, Acting Chief, Contract Administration and Audit Division, OME, Washington, D. C.

From: Acting Field Officer, OME, Region II

Subject: DMA-66X (Lead-Zinc)
Ely Valley Mines, Inc.
Ely Valley Claims
Lincoln County, Nevada
Contract Idm-E404

In reference to your memorandum of March 12, 1962, our files have no record of further production or activity of the subject contract.

PAUL V. FILLO

Paul V. Fillo

RECEIVED
O. M. E.
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MAR 1 2 1962

Memorandum

To: Acting Field Officer, Region II

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

Subject: DMA-66X(Lead-Zinc)
Ely Valley Mines, Inc.
Ely Valley Claims
Lincoln County, Nevada
Contract Idm-F 404

According to the files of the Washington office the last report on the status of the subject property covers the period ending December 31, 1958. Your advise as to whether any examination of the property has been made or any information has been received on its status since that date will be appreciated. I assume, however, that the property has remained inactive.

In reviewing the docket file, I have noted that production was reported by Mr. Gentry during 1953. In a report of an examination on April 2, 1953, the following statement appears:

> "Manganese ore is being mined at the rate of approximately 30 tons per day and at the time of inspection about 500 tons had been produced. This ore is being shipped, via truck, to the Caselton Plant of the Combined Metals Reduction Company and is reported to have averaged 19% Mn."

In a later report dated February 8, 1954, Mr. Gentry states:

> "The applicant retains a watchman at the mine and has employed a small crew in the production of manganese ore from upper levels and above the water line."

On page 6 of the Field Team's Final Report dated November 30, 1957, appears the following apparently conflicting statement:

> "No ores were produced, no royalties have been paid, and no royalty is due the Government."

Am I correct in assuming that none of the reported production came from the property under the contract, i.e. the Ely Valley Claim and the Ely Valley No. 3 Claim?

EDTalbert/cac
cc: Director' reading file
CA&A Division ✓

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

OME
JUN 1 1959

REPORT OF ROYALTY REVIEW

I have reviewed the files and records of the OME Field Team, Region II, pertaining to Contract No. Idm-E404, Docket No. DMA-66X (Zinc-Lead), dated September 23, 1952, including Amendment Nos. 1 to 5, inclusive, with

Ely Valley Mines, Inc.
Pioche, Nevada

for the purpose of determining the amount of royalties due the U. S. Government on sales of zinc and lead ores from property known as the Ely Valley Claim and Ely Valley No. 3 Claim, located in Lincoln County, Nevada, during the period September 23, 1952 to December 31, 1958.

A pseudo certification of discovery or development was incorporated under Item 4 (c) of Amendment No. 5 of the contract, and accordingly royalty is payable on all production from the land described in Article 2 of the contract, for a maximum period of 13 years from date of contract as stipulated under Item 3 of Amendment No. 5 of the contract. A Report of Review in lieu of final cost audit dated July 17, 1956, indicated acceptable costs under the exploration contract amounted to $10,109.50 with the Government's contribution on a 50 percent basis, being $5,054.75.

No royalties have been paid to date in connection with this contract.

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

(a) According to the Field Team's Semi-Annual Report of Certified Projects for the period July 1, 1958 to December 31, 1958, there was no production during the period covered by this review.

(b) 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.

George Mavor
George Mavor, OME Auditor

May 27, 1959

JUN 2 1959

Memorandum

To: Mr. George Hawor, OME Auditor

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

Subject: Docket No. DMEA-66 (Zinc-Lead)
Ely Valley Mines, Inc.
Contract No. Idm-E4O4

Your Report of Royalty Review on the above-cited contract is acceptable and normal distribution is authorized.

AMAlley/ama
June 2, 1959

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

REPORT
OF REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
JUL 20 1956

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Ely Valley Mines, Inc.,
a corporation duly organized
and existing under and by
virtue of the laws of the State of Nevada
Pioche, Nevada

pertaining to Exploration Project Contract No. Idm-1404, Docket No. DMA-66X, including Amendments Nos. 1, 2, 3, 4 and 5 for the months of November 1952 to August 1953, inclusive, covering a project for the exploration of zinc-lead, on property, known as the Ely Valley Claim and Ely Valley No. 3 Claim, located in Lincoln County, Nevada.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with Executive Officer in charge of the project, 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 costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of units of work actually performed.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by contractor	$10,109.50
Exceptions	None
Total Accepted Cost	$10,109.50

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Five Thousand Fifty Four and 75/100 Dollars.

** $5,054.75 **

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

George Mavor
George Mavor
Auditor

July 17, 1956

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Defense Minerals Administration
RECEIVED
OCT - 4 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August 1954 Docket No. DMEA 66 Contract No. DMA-3 404
Operator's Name Ely Valley Mines, Inc. Minerals Lead-Zinc
Address Pioche, Nevada
Contract Amount, $ 86,200.00 Government Participation: 50 % Amount, $ 43,100.00

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~~ Shaft Cleanout		1,500.00	1,500.00			
~~Bulldozing~~ 1200 Pocket		1,200.00	1,200.00			
Crosscutting		5,484.50	5,484.50			
Drifting Shaft Sinking		1,925.00	1,925.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS		10,109.50	10,109.50			

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

Date Sept. 13-54 *Payee Ely Valley Mines, Inc.

Per S. D. Aikman Title Asst. Secty.

*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:

$ — 0 —

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature [illegible] Title Mining Methods Engineer Date September 7, 1954.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Records Engineer Executive Officer DMA Field Team Region III Date September 20, 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MEP-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT - 4 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1954 Docket No. DMEA 66 Contract No. DMS-B 404
Operator's Name Ely Valley Mines, Inc. Minerals Lead - Zinc
Address Pioche, Nevada

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	1 ft			5,484.50	156.7	35.00	1600	35.00
Crosscutting ~~Shaft cleanout~~				1,500.00	50.0	30.00	50	30.00
Raising ~~Sinking~~				1,925.00	19.25	100.00	20	100.00
~~Shaft 1200 pocket~~				1,200.00				1,200.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs				10,109.50			Total Costs Authorized by Contract	86,200.00
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs				~~10,109.50~~				

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 9/13/54 Operator Ely Valley Mines, Inc.

Per A.D. Hickman Title Asst. Secty.

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)

INSTRUCTIONS

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

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

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

GPO 83-38475

ELY VALLEY MINES, Inc.

Mining Department

OCT - 4 1954

EXPLORATION AND RELATED WORK AT THE ELY VALLEY MINE FOR AUGUST, 1954

The following report covers the work performed at the Ely Valley Mine during the month of August:

During the first half of the month, the ground around the shaft as indicated on the drawing in red was all removed. Hitches were cut for the installation of 2-15" by 50 Lb. I-beams.

Forms were installed and concrete was poured on either side of the shaft as supports for the 2 I-beams.

The pump column on the present 963 level pump was altered to make room for the installation of the beams, and at a later date, the deep-well pump.

During the last half of the month, the large I-beams were painted with a rust preventative paint and installed. These I-beams are each 16' in length and are installed with an unsupported span of 10'-6", and 22 inches apart. These two beams together are capable of supporting a centrally located load of nearly 34 tons working load. The pump and the 10" pump column from the 963 level to the 800 level will be supported thereon. The pump will weigh 9 tons and the column slightly over 4 tons. With this load, the beamswill be far within the limits of their strengths.

The I-beams were cross braced with 2½ x 2½ x 3/8 angle iron, these x-braces being welded in place after installation of the beams and take care of any stresses that might tend to make the beams twist.

The I-beams were then grouted with concrete level with the inside edge of the flanges.

Work was commenced on the installation of the power cable. A 4" galvanized iron conduit was installed from a point in the shaft 6 Ft. below the collar to the main transformer station on the surface. This conduit was placed in a trench 36" to 18" in depth, covered with sand to aid in the prevention of rust and then the trench was backfilled. This conduit will easily accomodate the 3/0 high-voltage power cable which will carry the power underground to the transformers to be located on the 963 level.

Respectfully submitted,

Sept. 12, 1954

ELY VALLEY MINES, Inc.

Bruce Condie

Bruce Condie, Supt.

Form M[illegible]-161 (Rev.)
(April 1952)

Budget Bureau No. 42-R1085.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
ACCOUNTS AUG 24 1954 RECEIVED

OPERATOR'S MONTHLY REPORT AND VOUCHER

AUG 31 1954

Month of July, 1954 Docket No. DMEA 66 Contract No. [illegible]
Operator's Name Lily Valley Mines, Inc. Minerals Lead - Zinc
Address Pioche, Nevada
Contract Amount, $ 86,200.00 Government Participation: 50 % Amount, $ 43,100.00

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 Contracts:						
Short Form						
Drilling Shaft Cleanout		1,500.00	1,500.00			
Bulldozing 1200 pocket		1,200.00	1,200.00			
Crosscutting		5,484.50	5,484.50			
Drifting						
Shaft sinking		1,925.00	1,925.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS		10,109.50	10,109.50			

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

Date Aug. 12, 1954 *Payee Lily Valley Mines, Inc.

Per L. D. Hickman Title Asst. Sectary

*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:

$ - 0 -

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature [illegible] Title Mining Methods Date August 20, 1954

George H. Mahnke, Jr. Research Engr.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Date August 23, 1954

H. G. Miller Boylan III

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF 104A
(April 1950)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS DIVISION AUG 24 1954 Defense Minerals Administration

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED AUG 31 1954

Month of July 1954 Docket No. DMEA 66 Contract No. DMA 104
Operator's Name Ely Valley Mines, Inc. Minerals Lead - Zinc
Address Pioche, Nevada

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	1 ft.			5,480.50	156.7	35.00	1600	35.00
Crosscutting								
~~Raising~~ Shaft Cleanout				1,500.00	50.0	30.00	50	30.00
Shafts Sinking				1,925.00	19.25	100.00	20	100.00
~~Winzes~~ 1200 pocket				1,200.00				1200.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS				10,109.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								86,200.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				10,109.50				

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

Date Aug. 12, 1954 Operator Ely Valley Mines, Inc.

Per S. O. Hickman Title Asst. Secretary

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)

INSTRUCTIONS

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

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

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

GPO 83-38475

ELY VALLEY MINES, INC.

MINING DEPARTMENT

EXPLORATION AND RELATED WORK AT THE ELY VALLEY MINE FOR JULY, 1954

The following report covers the work performed at the Ely Valley mine during the month of July:

July 1st through July 4th

During this 3-day period, 4 man-shifts were expended in removing broken rock from the pump station. One man-shift was employed in moving rock and mud from the sump.

The underground crew was likewise employed 1/2 shift in repairing 963 pump.

July 5th through July 11th

No work was performed on July 5th, a holiday, with the exception of 1/2 man-shift required to repair pump electrical lines when one leg of the 3-phase 440 volt system burned off at the master switch on the 900.

We spent the remainder of the time available to us underground in plugging and removing the bottom 4 feet wide for a trackway into the pump station. Six man-shifts were employed.

Other Company maintenance work required the service of the entire crew an additional 9 man-shifts.

July 12th through July 18th

On Monday, July 12th, a timber bulkhead was installed over the sump along the margin where the pump station will connect with it. This was done to prevent broken rock from falling into the sump. By Friday, July 16th, all the ground required was removed for the pump station. Ten man-shifts were expended on this work.

Forms were put in for one of the pump bases and the reinforcing iron and anchor bolts were fabricated. Forms were placed for the transformer base which is also to be of concrete. An additional 4 man-shifts were put in on this job, the 17th and 18th.

Two men were employed on the surface in hauling sand, gravel and cement, and moving in concrete mixing equipment. This work was likewise performed on the 17th and 18th.

July 19th through July 23rd

All concrete, as shown on the accompanying cross-section of pump station, was poured during this period. Rails were installed and the track completed into the area. This work required 20 man-shifts. The pump station is now completed excepting for the installation of pumps and electrical control equipment.

Exploration Work at the Ely Valley Mine, July , 1954

July 24th and 25th

The mine was down these two days, Saturday and Sunday. Work was carried on the 18th, a Sunday, at the request of the men to enable them to have the 2-day holiday at this time.

July 26th through July 28th

Preparatory to the removal of ground around the shaft for the pump installation, it was necessary to remove electrical wiring and switches which were directly in the way. A new panel board was built, the wires and switches were then moved to it and the old control panel removed. Six man-shifts were expended.

July 29th through July 31st

This period was used in removing ground from the southeast end of the shaft at the 963 level as indicated on the accompanying sketch in red. A great amount of caution was required due to the proximity of shaft and station timbers.

Our schedule of work to be completed in August calls for the completion of the excavation as indicated on the sketch of the deep well pump installation. After this ground is removed, the opening formed will be timbered. Concrete slabs will be poured, one of either side of the shaft, and two 15" I-beams weighing 50 lbs per foot will be installed. These beams will form the base for the 200 HP Pamona pump, and will extend out over the concrete footings as indicated in the sketch. The Pomona deep well pump, when installed, will pump the water from the bottom of the shaft lifting the 1200 level exploration drift water to the 963 level sump.

After this work is completed, power cables will be put down from the surface to the 963 level transformer station. Work will then be commenced on the installation of the 10" water column from the new pump station to the surface.

Respectfully submitted,

Aug. 11, 1954

by

ELY VALLEY MINES, Inc.

Bruce Condie

Bruce Condie, Supt.

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

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

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

Month of June 1954 Docket No. DMEA 66 Contract No. IMS-3 404
Operator's Name Ely Valley Mines, Inc. Minerals Lead-Zinc
Address Pioche, Nevada
Contract Amount, $ 86,200.00 Government Participation: 50 % Amount, $ 43,100.00

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:						
Dr~~illing~~ ~~xxx~~ Shaft cleanout		1,500.00	1,500.00			
~~xxxxxx~~ 1200 pocket		1,200.00	1,200.00			
Crosscutting		5,484.50	5,484.50			
Drifting						
shaft sinking		1,925.00	1,925.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS		10,109.50	10,109.50			

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

Date July 9, 1954 *Payee Ely Valley Mines, Inc.

Per L. O. Hickman Title Asst. Secty.

*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:

$ - 0 -

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-2404 in accordance with the terms of the contract.

Signature R. C. Johnson Title Chief, Mining Div., Region III Date July 12, 1954.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer, DMEA Field Team Region III Date July 13, 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

ACCOUNTS JUL 13 1954

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1954 Docket No. DMEA 66 Contract No. [illegible]
Operator's Name Fly Valley Mines, Inc. Minerals Lead-Zinc
Address Elko, Nevada

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	1 ft.			5,484.50	156.7	35.00	1600	35.00
Crosscutting								
Raising shaft cleanout				1,500.00	50.0	30.00	50	30.00
Shafts sinking				1,925.00	19.25	100.00	20	100.00
Winzes 1200 pocket				1,200.00				1,200.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS				10,109.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								86,200.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				10,109.50				

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 9, 1954 Operator Fly Valley Mines, Inc.

Per L. D. Kuhlmann Title Asst. Secy.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Mining Department

EXPLORATION AND RELATED WORK AT THE KIT VALLEY MINE FOR JUNE, 1954

The following report covers the work performed at the Kty Valley Mine during the month of June.

June 1 through June 6

During this period work was carried on in the cutting out of the ground for the transformer station. Two men worked 5-1/2 days for a total of 5 man-shifts. An additional 240 cubic feet of ground being excavated.

Other company maintenance work required the services of the entire crew on additional 7-1/2 man-shifts.

June 7 through June 11

Work was continued on the transformer station through Thursday, June 10th. Besides the laborer, 2 men were employed 5-3.4 shifts in removing 152 cubic feet of ground. Aside from removing the ground out of the back for head room for pulse controlling the power, the transformer area is completed.

Work was commenced on Friday, June 11 toward the completion of the pump station commenced in May. A total of 5 man-shifts were employed in removing 120 cubic feet.

Other Company maintenance work required the services of this mining crew 1 man-shift.

June 14 through June 19

During this one-week period work was pressed toward completion of the pump station. Ground was excavated totaling 423 cubic feet in working 14-man-shifts underground. In addition, as previously, 1 man was employed on the surface running hoist and dressing steel.

June 21 through June 27

An additional 360 cubic feet of ground was removed from the pump station and 420 cubic feet from the transformer station. The temporary ground has now been cupped for the transformer station making it 12 ft. high by 12 feet in length with a depth of 6 feet. This outline is indicated on the enclosed sketch. Two men worked a total of 12-man-shifts on this work.

June 28 through June 30

All exploration work performed during this 3-day period was expended in removing ground for the pump station, 153 cubic feet of ground being excavated.

Two man-shifts were expended on maintenance work repairing the pump now in use on the 963 level sump.

As of July 1, the transformer station has been completely excavated, and the pump station is about 80 percent complete. As shown on the accompanying sketch there is a narrow pillar remaining to be removed between the station and the sump. The back must be raised an additional 4 feet to allow clearance for an overhead crane and chain block for installing and repairing the pumps. The station at the present time is 8 feet high.

During the month of July the remainder of the ground will be removed after which time forms will be built and concrete poured for the pumps and control panel installations. Our program then calls for the commencement of work for the installation of a 700 H.P. Pomona deep well pump on this 963 level to lift the water from the 1200 level.

Respectfully submitted,

July 8, 1954

SKY VALLEY MINES, Inc.

Bruce Condie

Bruce Condie, Supt.

Form MF-10 (Rev.)
(April 1952)

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

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

Month of May, 1954 Docket No. DMEA 66 Contract No. DMA-E 404
Operator's Name Ely Valley Mines, Inc. Minerals Lead-Zinc
Address Pioche, Nevada
Contract Amount, $ 86,200.00 Government Participation: 50 % Amount, $ 43,100.00

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) [redacted] Short Form Contracts:						
Drilling Shaft cleanout		1,500.00	1,500.00			
B[redacted]zing 1200 pocket		1,200.00	1,200.00			
Crosscutting		5,484.50	5,484.50			
Drifting						
Shaft sinking		1,925.00	1,925.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS		10,109.50	10,109.50			

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

Date June 15, 1954 Payee Ely Valley Mines, Inc.

Per A. D. Kirkman Title Asst. Secretary

*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:

$ — 0 —

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E404 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Date June 23, 1954.

A. C. Johnson Region III

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Date June 24, 1954

H. C. Miller Region III

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

JUN 25 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May, 1954 Docket No. DMEA 66 Contract No. [illegible]
Operator's Name Lily Valley Mines, Inc. Minerals Lead-Zinc
Address Pioche, Nevada

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	ft			5,484.50	156.7	35.00	1600	35.00
Crosscutting								
Raising Shaft Cleanout				1,500.00	50.0	30.00	50	30.00
Shafts sinking				1,925.00	19.25	100.00	20	100.00
Winze 1200 pocket				1,200.00				1,200.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs				10,109.50			Total Costs Authorized by Contract	66,200.00
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs				10,109.50				

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 15, 1954 Operator Lily Valley Mines, Inc.

Per S. D. Hickman Title Asst. Secy.

Remarks: Resumed work on project May 1, 1954 after authorized vacation centers.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

FLY VALLEY MINES, INC.

Mining Department

EXPLORATION AND RELATED WORK AT THE FLY VALLEY MINE FOR MAY, 1954.

The following report covers the work performed at the Fly Valley Mine during the Month of May.

On May 10th work was commenced in the Fly Valley shaft, on the D.M.A. Doc. No. 66X. The work in the shaft comprised the pumping out of water which had been allowed to raise - at the time of the recess last September - in order to cut down the flow and the cost of pumping. The water was lowered 87' from the 988' level to the 1075' level. This relieved the pockets so as to permit the hoisting of muck from the 963' level to the surface and made way for the excavation for additional space on the 963' level pump station.

In order to install the large Ingersoll-Rand 407 pumps - two of which are on hand - it becomes necessary to remove an additional 2,890 cubic feet of rock. Power for these pumps must be sent underground at 2,300 volts. This in turn necessitates the removal of 1,280 cu. ft. of ground for the installation of transformers. On May 17th work was commenced toward the removal of this additional rock.

Four men were employed 19 man-shifts in the excavatin of the ground as indicated on the accompanying sketch in red. This includes the time required for preliminary work, the installation of track, a slusher, air, water and electrical lines.

It should be noted that the necessary pumps for this installation as well as automatic control panels, switches, power cable and transformers are on hand.

The concrete foundations for these pumps will have to be put in and allowed to set. This applies also for the transformers in the station being provided. The power cable and necessary switch panels and controls will then be installed. After a reasonable concrete curing period, the pumps will be placed and put in operation.

This work has been proven necessary from the experience gained in driving the 1200' level drift just before the recess period started. Additional water is expected to be encountered as the drift is extended. We do not estimate this added flow to produce more than 600 G.P.M., however, pumps as they will finally be installed will give us a capacity of well past 1,500 G.P.M.

I sincerely trust that this report will give you any necessary information and will meet with your approval.

Respectfully submitted,
FLY VALLEY MINES, INC.,

Bruce Condie

Bruce Condie, Supt.

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

JAN 25 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 9 1954

Month of December 1953 Docket No. DMEA 56 Contract No. [illegible]
Operator's Name Lily Valley Mines, Inc. Minerals [illegible]
Address Pioche, Nevada
Contract Amount, $ 86,200.00 Government Participation: 50% Amount, $ 43,100.00

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~~ Contracts:						
Short Form						
~~Drilling~~ Shaft cleanout		1,500.00	1,500.00			
~~Bulldozing~~ 1200 pocket		1,200.00	1,200.00			
Crosscutting		5,184.50	5,184.50			
Drifting		1,925.00	1,925.00			
Shaft sinking						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS		10,109.50	10,109.50			

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

Date Feb. 13, 1954 *Payee Lily Valley Mines, Inc.

Per S. A. Hickman Title Asst. Secretary

*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:

$ — 0 —

Signature
(Authorized Certifying Officer)

Date FEB 4 1954 Vou. No.

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature A. C. Johnson Title Chief, Mining Div Region III Date Jan. 20, 1954.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer [illegible] Date January 22, 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

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

Budget Bureau No. 1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JAN 29 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1953 Docket No. DMEA 66 Contract No. DMEA-B 404
Operator's Name Sly Valley Mines, Inc. Minerals Lead - Zinc
Address Pioche, Nevada.
Contract Amount, $ 86,200.00 Government Participation: 50 % Amount, $ 43,100.00

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 Contracts: Short Form						
Drilling Shaft Cleanout		1,500.00	1,500.00			
Bulldozing 1200 Pocket		1,200.00	1,200.00			
Crosscutting						
Drifting		5,484.50	5,484.50			
Shaft Sinking		1,925.00	1,925.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS		10,109.50	10,109.50			

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

Date 12/31/53 *Payee Sly Valley Mines, Inc.

Per [signature] Title Asst. Secretary

*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:

$

Signature
(Authorized Certifying Officer)

Date JAN 21 1954 Vou. No.

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature [illegible] Title Chief, Mining Div. Reg. III Date 12/23/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Region III Date 12/30/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 41-R1036.4
Approval expires 6-30-53.

RECEIVED
NOV 30 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 195 3 Docket No. DMEA 66 Contract No. IDM - E 404
Operator's Name Ely Valley Mines, Inc. Minerals Lead - Zinc
Address Pioche, Nevada
Contract Amount, $ 86,000.00 Government Participation: 50 % Amount, $ 43,100.00

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) [redacted] Contracts: Short Form						
Drilling Shaft Cleanout		1,500.00	1,500.00			
Bulldozing 1200 Pocket		1,200.00	1,200.00			
Crosscutting						
Drifting		5,484.50	5,484.50			
Shaft Sinking		1,925.00	1,925.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS		10,109.50	10,109.50			

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

Date Nov. 14, 1953 *Payee Ely Valley Mines, Inc.

Per L. D. Hickman Title Asst. Secretary

*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:

$ — 0 —

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 1dm-E404 in accordance with the terms of the contract.

Signature George H. Holmes, Jr. Title Mining Methods Research Engr. Date Nov. 16, 1953.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date November 18, 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1131.1
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
Nov 30 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1953 Docket No. DMEA 66 Contract No. IDM-S 404
Operator's Name Ely Valley Mines, Inc. Minerals Lead-Zinc
Address Pioche, Nevada

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	1 ft.			5,484.50	156.7	35.00	1600	35.00
Crosscutting								
~~Raising~~ Shaft Cleanout				1,500.00	50.0	30.00	50	30.00
Shafts sinking				1,925.00	19.25	100.00	20	100.00
~~Winzes~~ 1200 Pocket				1,200.00				1,200.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS				10,109.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								86,200.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				10,109.50				

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, 1953 Operator Ely Valley Mines, Inc.

Per S.O. Nikmans Title Asst. Secretary

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

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

ACCOUNTS OCT 22 1953

DEPARTMENT OF THE INTERIOR Defense Minerals Administration RECEIVED OCT 30 1953

Month of September, 1953 Docket No. DMEA 66 Contract No. IDM-3-404
Operator's Name Ely Valley Mines, Inc. Minerals Lead - Zinc
Address Pioche, Nevada
Contract Amount, $ 86,200.00 Government Participation: 50 % Amount, $ 43,100.00

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) [redacted] Short Form Contracts:						
Dr[redacted] Shaft cleanout		1,500.00	1,500.00			
B[redacted]g 1200 Pocket		1,200.00	1,200.00			
Crosscutting						
Drifting		5,484.50	5,484.50			
Shaft sinking		1,925.00	1,925.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS		10,109.50	10,109.50			

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

Date Oct. 15, '53 Payee Ely Valley Mines, Inc.

Per S. D. Hickman Title Asst. Secretary

*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:

$ — 0 —

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E404 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Region III Date October 21, 1953.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. C. Miller Title DMEA Field Team Executive Officer Region III Date October 22, 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration
RECEIVED
OCT 30 1953
ACCOUNTS OCT 22 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 195 3 Docket No. DMEA 66 Contract No. IDM-E 404
Operator's Name Ely Valley Mines, Inc. Minerals Lead-Zinc
Address Pioche, Nevada

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				$5,484.50	156.7	35.00	1600	35.00
Crosscutting								
Raising ~~xxx~~ Shaft Cleanout				1,500.00	50.0	30.00	50	30.00
Shafts sinking				1,925.00	19.25	100.00	20	100.00
Winzes ~~xxx~~ 1200 Pocket				1,200.00				1,200.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS				10,109.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								$86,200.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				10,109.50				

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 15, Operator Ely Valley Mines, Inc.

Per S. D. Wickman Title Asst. Secretary

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.

U. S. GOVERNMENT PRINTING OFFICE 205676

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1953 Docket No. DMEA 66 Contract No. [illegible]
Operator's Name Sky Valley Mines, Inc. Minerals [illegible]
Address [illegible], Nev. Ca.
Contract Amount, $ 66,800.00 Government Participation: 50 % Amount, $ 49,100.00

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: Short closeout		1,500.00	1,500.00			
Bulldozing: 1200 [illegible]		1,200.00	1,200.00			
Crosscutting						
Drifting	1,702.50	3,703.00	5,405.50			
Short carrier		1,975.00	1,975.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1,702.50	8,378.00	10,080.50			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept. 10, 1953 *Payee Sky Valley Mines, Inc.
Per S. D. Huffman Title Asst. Secretary

*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:

$ 890.75

Signature Lloyd H. Sjolander
Authorized Certifying Officer
(Authorized Certifying Officer)
Date SEP 21 1953 Vou. No. SF-DMEA-75

(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. [illegible] in accordance with the terms of the contract.

Signature [illegible] Title [illegible] Date Sept. 26, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Date Sept. 17, 1953

S. Victor for J. C. Miller Region III

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS SEP 18 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1953 Docket No. DMEA 63 Contract No. [illegible]
Operator's Name Sky Valley Mines, Inc. Minerals [illegible]
Address Reno, Nevada

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	ft	1,782.50	59.2	5,144.50	156.7	33.00	2600	35.00
Crosscutting								
Raising: 3 [illegible] elevator				2,500.00	50.0	50.00	50	50.00
Shafts: [illegible]				1,975.00	19.75	100.00	20	100.00
Winzes: 1200 Feet				1,200.00				1,200.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1,782.50	59.2	10,819.50				Total Costs Authorized by Contract
Operating Equipment Purchased								20,200.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1,782.50		10,819.50				

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

Date Sept. 10, 1953 Operator Sky Valley Mines, Inc.

Per S. O. Kirkman Title Asst. Secretary

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

ELY VALLEY MINES, Inc.

Pioche, Nevada

EXPLORATION AND RELATED WORK AT THE ELY VALLEY MINE FOR AUGUST, 1953

The following report covers the exploration program carried on at the mine for the month of August.

August 1 through August 6

1,200 Sump Installation

The excavation of additional room for water storage was completed on August 6th. An additional 850 cubic feet of rock was removed in sideswiping to the left from the heading driven in July. This work is shown in red on the accomanying sketches. In all, 10 man-shifts were expended.

Surface Work

Hoistman	5 man-shifts	
Blacksmith	4 man-shifts	
Pump Repair	1 man-shift	--- overhauling spare pump to be used on 1,100 level installation.

August 7 through August 10

1,200 Pump Station

At a point in the main cross-cut 52 feet from the shaft, a section of ground 5.0' X 8.0' x 7.5' high was removed between the cross-cut and the newly excavated sump. The bottom of the section removed is on the drift level, and, as shown on the sketch, is connected with the sump. Station pumps will be installed in this station. In removing this section for pump installations, 4 man-shifts were expended.

Surface Work

Hoistman	2 man-shifts	
Blacksmith	2 man-shifts	
Pump Repair	2 man-shifts	--- the discharge on the 1,100 pump broke resulting in a one-day delay in exploartion work.

August 10 through August 31st

No exploration work was carried on during this period.

We now feel that sufficient time has elapsed to demonstrate the possibility of draining the water from the No. 1 fault between the 900 and 1,200 levels, and it is demonstrated that larger pump installation is required. Until larger pumps are installed the drift should not be progressed as there would be developed a water flow in excess of the present water pump capacity. We have requested that the visiting Engineer from the Bureau of Mines confere with us on his next visit on this situation.

Description of Footage Claimed For August

We are resubmitting our claim for part of the work done in July which we reported on form MF-104 and MF-104A. This is necessary work as shown on the narrative report for July and is subject to the approval of our application in Amendment No. 1 for work done in July for which work we have been requested to resubmit with this report our application for payment in the amount of $1,781.50.

Geology

In the added work carried on in excavating the sump no change in geology was encountered.

Respectfully submitted,

by Bruce Condie, Supt.

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS AUG 26 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Defense Minerals Administration

Month of July, 195 3 Docket No. DMEA 66 Contract No. [redacted]
Operator's Name Ely Valley Mines, Inc. Minerals Lead-Zinc
Address Pioche, Nevada
Contract Amount, $ 86,200.00 Government Participation: 50 % Amount, $ 43,100.00

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) [redacted] Short Form } Contracts:						
[redacted] Shaft Cleanout		1,500.00	1,500.00			
[redacted] 1250 Pocket	300.00	900.00	1,200.00	300.00	900.00	1200.00
Crosscutting						
Drifting	1,781.50	3,703.00	5,484.50	-0-	3703.00	3703.00
Shaft Sinking		1,925.00	1,925.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2,081.50	8,028.00	10,109.50	300.00	8028.00	8328.00

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

Date August 12, 1953 Payee Ely Valley Mines, Inc.

Per S. P. Hickman Title Asst. Secretary

*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)

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

$ 150 00

Lloyd H. Sjolander
Authorized Certifying Officer

Signature
(Authorized Certifying Officer)

Date 1953 Vou. No. SF-DMEA-9

(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. [illegible] in accordance with the terms of the contract.

Signature [illegible] Title [illegible] Date [illegible]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title [illegible] Date August 19, 1953

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:

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(*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".

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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.

GPO 83-39476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS AUG 26 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1953 Docket No. DMEA 66 Contract No. DMEA-3 Loh
Operator's Name Ely Valley Mines, Inc. Minerals Lead-Zinc
Address Pioche, Nevada

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	ft	~~3,201.50~~	~~50.9~~	~~5,444.50~~	~~156.7~~ 105.8	35.00	1600	35.00
Crosscutting								
Raising Stage Cleanout				1,500.00	50.0	30.00	50	30.00
Shafts Sinking				1,925.00	19.25	100.00	20	100.00
Winzes 1200 pocket		900.00		1,200.00				1200.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		~~2,001.50~~ 300.00	~~50.9~~	~~10,069.50~~ 8,328.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								106,200.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		~~2,001.50~~ 300.00		~~10,069.50~~ 8,328.00				

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

Date August 12, 1953 Operator Ely Valley Mines, Inc.

Per S. D. Hickman Title Asst. Secretary

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

LIL VALLEY MINES, Inc.

Engineering Department

EXPLORATION AND DEVELOPMENT WORK ON THE LILY VALLEY MINE FOR JULY, 1953

I present herewith a report on the operations carried on in July incident to the Government approved exploration program for the Lily Valley Mine.

July 1 through July 8

No work was carried on during this period thereby giving the water encountered in the loading the last of June a chance to drain off if this should prove possible.

July 9 through July 12

As no appreciable decrease was noted in the water flow, exploration work was resumed with the program in mind of cutting a sump on the 1200 level and to finish work on the loading pocket and 1200 station.

1200 Station

The remainder of the ground necessary to be removed for the station was drilled, blasted and hoisted to the surface.
Man-shifts expended, 5½.

1200 Sump installation

Drilling was commenced for a sump to collect the water being made on the 1200 level.
Man-shifts expended, 1.

Moving equipment

1-½ man-shifts were spent in moving necessary equipment back to the 1200 level. This included rock drills, steel, slusher and scraper, and air hoses.

Surface Work

Hoistman	3 man-shifts	
Topman	2 man-shifts---	loading equipment to be used on 1200 level, levelling off for dumping of waste.

July 13 through July 19

1200 Station

Installing timber for switch and telephone panel
Man-shifts expended, 1.

1200 Sump Installation

The heading for the sump was driven 4 Ft., north 60 degrees east on a 30 degree incline downward, at a point 31 feet from the shaft to center-line, on the right side of station. Man-shifts expended, 8. This represents one round of shots. The muck was not removed.

1200 Loading Pocket

An additional 380 cubic feet of rock was removed for the skip loading pocket making a total length of 30 feet for the trench. Man-shifts required, 6. The skip loading pocket is now completed.

Shaft Pump Repair

The 27-stage Pomona pump lifting the water from the bottom of the shaft failed to shut off. A check of the wiring on automatic control showed a short in the wiring.
Man-shifts spent making repairs, 1.

Surface Work

Note: Due to the impossibility of making a breakdown on the numerous jobs carried on in the shop such as steel sharpening, tool repair, rock drill repair, etc. I am now including all these charges under the single head, blacksmith.

Blacksmith, 5 man-shifts--- sharpening bits (insert type), repairing equipment and sharpening tools.

Truck driver, 1 man-shift--- hauling waste to waste dump.

July 20 through July 26

1200 Sump Installation

The heading, 6 feet wide, was advanced 12.8', on a north 60 degrees east course and on an incline of 30 degrees. Three rounds were blasted and the muck removed in an expenditure of 6 man-shifts. This work progressed slowly due to the necessity of having to hand muck much of the broken rock due to the steepness of the incline.

Surface Work

Hoistman	4 man-shifts	
Blacksmith	2 man-shifts	--- dressing insert bits, repairing tools.
Truckdriver	½ man-shift	--- hauling waste to dump.

Note: The reason for the limited amount of work being accomplished during this period was the result of my using the entire crew 15½ man-shifts doing necessary maintenance work in the mine on other levels.

July 27 through July 31

1200 Sump Installation

During this period, 8 man-shifts were expended driving this heading for the sump 17.4' horizontally (sufficient depth now having been gained) on a north 60 degree east course. This progress required the blasting of 4 rounds of shots.

Underground Electrical Lines

To expedite the carrying forward of this underground work, and to conform to the wishes of the State Mine Inspector, 2 man-shifts were expended in installing electric lights and a telephone on the 1200 station with the necessary lines down the shaft. It was felt that the lights were desirable to give the men on the level warning in case of power outages.

Surface Work

Hoistmen	5 man-shifts	
Blacksmith	3 man-shifts ---	sharpening insert bits
Pump Repair	1 man-shift ---	overhauling auxiliary pump for 1100 sump installation
Hauling Waste	1 man-shift.	

Description Of Progress and Footage Claimed For July, 1953

1200 Pocket Installation

We would now like to receive credit for the 25% of this project not previously claimed. This completes the project, and would result in an allowance of $300.00.

Drifting on 1200 Level.

Footage previously claimed, 105.8

Although no progress was made in the main cross-cut to the northand east, we would like to make application for an allowance of footage for the ground taken out in widening the original station. In January of 1953, we asked for and were allowed 14.0' of footage for ground taken out in widening the station near the shaft (shown on sketch for January, 1953) When Mr. Gentry was here on July 13th, I asked him if an allowance would be made for ground taken out along the station up to the point at which drifting commenced. He recommended that I make application for this footage with the thought that perhaps it could be allowed.

Further, we would like to make application for an allowance of footage in drifting for the work done in cutting the sump. As an allowance was made for the sump needed on this level, and

in view of the fact that this sump is urgently needed, such an allowance would be of great financial assistance to us. I regret very much that I failed to take this item up with Mr. Jauncy when he was in Pioche.

Additional footage claimed for ground removed on the station 16.7'

Additional footage asked for ground removed on cutting sump 34.2'

Geology

The work done in cutting the sump was entirely in Prospect Mountain quartzite, the beds dipping 12 degrees to the south-west and striking north 35 degrees west.

A bed 3" to 4" in thickness shows up very conspicuosly about waist-high in the face of the heading. This bed contains a large amount of iron pyrites and quartz but little else. An assay taken 31 feet in from the station on the right hand side showed the following:

Gold, Oz. per ton	0.005
Silver Oz. " "	0.26
Lead, percent	0.10
Zinc, percent	1.00
Copper, percent	0.10

The water flow in the main cross-cut has diminished somewhat, but according to my calculations amounts to only 10 gallons per minute. The flow calculated to be 150 G.P.M. now seems to be between 135 and 140. One point is worthy of note, as we advanced the drift in June and since that time while the water has been draining, many points on the station and in the shaft have appeared to diminish in flow or discontinue entirely.

I have endeavored to cover all phases of our operation during the month of July. I sincerely hope that it will prove satisfactory and give you an insight into our operation along with its problems and aims.

Respectfully submitted,

Aug. 11, 1953 by

Bruce Condie

Bruce Condie, Asst. Supt.

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS JUL 17 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED JUL 20 1953

Month of [illegible], 1953 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: 50 % Amount, $[illegible]

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		[illegible]	[illegible]			
Bulldozing		[illegible]	[illegible]			
Crosscutting						
Drifting	2[illegible]	[illegible]	3[illegible]			
[illegible]		1,925.00	[illegible]			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2[illegible]	[illegible]	8[illegible]			

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

Date [illegible] *Payee [illegible]

Per [illegible] Title [illegible]

*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:

$1293 25

[illegible] H. Spencer
Authorized Certifying Officer

Signature (Authorized Certifying Officer)

Date JUL 22 1953 Vou. No. SF-DMEA-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. ..... in accordance with the terms of the contract.

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title Executive Officer DMEA Field Team Region III Date July 16, 1953

R. C. [illegible]

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

ACCOUNTS JUL 17 1953 RECEIVED

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

JUL 20 1953

Month of [illegible] 1953 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Crosscutting								
Raising				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shafts				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Winzes				[illegible]	[illegible]			[illegible]
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		[illegible]	[illegible]	[illegible]			TOTAL COSTS AUTHORIZED BY CONTRACT	
Operating Equipment Purchased							[illegible]	
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		[illegible]		[illegible]				

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 [illegible] Operator [illegible]

Per [illegible] Title [illegible]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

ELY VALLEY MINES, Inc.

Engineering Department

EXPLORATION AND RELATED WORK AT THE ELY VALLEY MINE FOR June, 1953

The following report covers operations at the Mine incident to the carrying forward of the Government approved exploration program.

June 1 through June 7

Shaft Sinker Pump

As stated in my report for May, the slow, 1160 R.P.M. motor on the 4-stage deep well pump made the de-watering of the shaft almost impossible. To correct this diffuculty, a 27-stage Pomona Pump was installed to pump the water from the bottom of the shaft. The results were encouraging and on June 3rd the water was pumped down to where mining operations could be resumed. On June 5th, the 10 H.P. Electric motor sent in for re-winding was returned and installed on the 27-stage pump. This pump and motor change-over required 4 man-shifts.

Mucking the Shaft Bottom

Before the drift driving operations could continue, it was necessary to clean the broken and spilled muck from the bottom of the shaft. The 2" air line was extended down the shaft from the 1140 level, and an inch water line was put in to the 1200 level along with a pressure reducing valve. The shaft guides were changed for 42' in the center compartment. The above work required 15-man-shifts

1200 Station

Broken muck was cleaned from the 1200 station. Extra timber and surplus equipment was moved to the surface preparatory to further drifting in the 1200 level cross-cut hereafter referred to as the 1200 #1 drift

Surface Work

Sawyer	1 man-shift	framing guides, making ladders
Topman	1 " "	loading and unloading supplies
Truck driver	2-2/8 man-shifts	hauling waste from bin to dump
Timekeeper	2-1/2 " "	
Rock drill Rep.	1 man-shift	
Blacksmith	1-1/2 man-shifts	
Steel sharpening	1-1/2 man-shifts	
Tool Repair	1/2 man-shift	

June 8 through June 14

1200 #1 Drift

The main cross-cut to the north and east was started on

June 8th, on a one-shift basis. The drift was driven 27.8' during this period for an average of 5' per round. This work was contracted.

Mine Ventilation

An American Blower, type ELS, was installed on the 800 level of the main shaft. A suction line of 12" diameter was installed from the blower and up the shaft some 20' to assure the obtaining of fresh air from the down- draft in the shaft. Galvanized fan line was then installed down the shaft to the 1200 level. This line is of 12" size for the first 300 feet and 8" for the remainder of the distance. The entire project required 16-1/2 man-shifts.

Skip Tender

A man was employed 1/2 man-shift moving the muck from the 1200 station to the surface.

Surface Work

Hoistman	9-1/2 man-shifts	
Truck driver	1 man-shift	hauling waste
Timekeeper	2-1/2 man-shifts	
Blacksmith	5 man-shifts	making supports for fan line.

June 15 through June 21

1200/1 Drift

The drift was advanced 27.6' on a two-shift per day program requiring a total of 16 man-shifts.
The heading started to make a little more water, as expected, due to our proximity to the faulting in our major uplift which we designate the No. 1 fault.

In drilling during this period we have been experimenting with a Jackleg rock drill and tungsten-carbide insert bits. The results have been very satisfactory on this quartzite ground.

1200 Station

An additional 562 cubic feet of ground was removed from the station to make room for a siding needed for switching equipment as well as for additional storage area. 5 man-shifts were expedned in breaking and removing this ground.

Surface Work

Hoistmen	12 man-shifts

Topman	1 man-shift	loading and unloading equipment
Truckdriver	2-1/8 man-shifts	hauling waste.
Blacksmith	2 man-shifts	
steel Sharp.	2 " "	
Air pump Rep/	1 " "	

June 22 through June 28th

1200 #1 Drift

Eight man-shifts were expended in driving 18.5' of drift during the week.

Further experimantation was performed with other types of drill rods and insert bits and another type of Jackleg machine. Again we found the results very satisfactory indicating to us that this type of equipment should be used.

Each round blasted resulted in the producing of more water. We are entering the No. 1 fault, and while the increased flow is not as much as we expected, it measures up to 76% of our pumping capacity. This fault has the contained water up to our 963' level, a distance of 230 feet. Unless this supply can be drained in a few days we plan to increase the pumping capacity before going ahead with the drift. On the other hand, if this stored water should drain out to the 1200 level in a reasonable period of time bringing the flow back to 65 gallons per minute, we will not have to suspend the work for a change in the pumping system and capacity.

The last round was drilled on June 27, and, due to the small reserve on our pumps, the holes were not blasted.

900 Sump

The sump on the 900 level was cleaned of sludges, requiring 3 man-shifts.

300 Sump

The sump on the 300 level was cleaned, requiring 1 man-shift.

300 Pump

The pump on the 300 level was pumping less water per minute than other pumps in the system with the result that frequently the storage reservoir would run over before pumps below it in the system would cut out. This pump was replaced with one of greater output. Six man-shifts were expended in making the change-over.

1100 Sump

Two man-shifts were required to place the pump formerly on the 300 level in this location. This was done to provide us with a spare pump for higher heads for other installations. For the 180 Ft. of head from the 1100 sump to the 963 Ft. level, the new installation is most satisfactory.

Moving Equipment

The rockdrills and steel as well as the pump formerly on the 1100 level were moved to the surface.

Surface Work

Hoistman	8 man-shifts
Truckdriver	1-1/2 man-shifts
Topman	1 man-shift
Steel sharpening	1 man-shift
Rock drill Rep.	1 " "

Description Of Work Claimed For Month Of June, 1953

Drifting on 1200 level

The drift was advanced 73.9'
Total drift advance to date --- 105.8'

Geology

The drift is entirely in the Prospect Mountain Quartzite. Numerous faults were cut - as shown on the accompanying sketch - many of which show sulfide mineralization the predominate mineral of which is pyrite.

Samples were cut and assayed on all mineralization observed. The location and sample number are likewise noted on the enclosed sketches.

The water encountered was found on these faults and other small fractures mostly parallel to them.

Although the strike and dip on the faults are in most cases parallel to the major No. 1 fault, and are undoubtedly part of that fault system, still, the main slippage has not been encountered. It can only be a few feet away. It is from this main fault that the water is draining which is bleeding off through the holes drilled in the face.

Assay Record

Sample No.		Description	Oz. Au per ton	Oz. Ag per ton	Percent Pb	Percent Zn	Percent Cu
A84	3"	out of Min. in bed	----	Tr.	0.05	0.15	0.10
A85	12"	" breccia in fault	----	----	0.05	0.20	0.15
A86	6"	" fault-fissure	Tr.	0.14	0.20	0.25	0.10
A87	10"	" " "	----	0.07	0.05	0.10	0.05
A88	2"	" Qtz. and pyrites in fissure	----	Tr.	0.05	0.10	0.10
A89	4"	" Fault-fissure	----	----	0.15	0.20	0.20

Respectfully submitted,

July 10, 1953

ELY VALLEY MINES, Inc.

by Bruce Condie

Bruce Condie, Asst. Supt. & Eng.

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

Defense Minerals Administration
RECEIVED
JUL 20 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 48-R1036.3.
Approval expires 6-30-53.

ACCOUNTS JUN 17 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1953 Docket No. DMEA 66 Contract No. [redacted]-8 494

Operator's Name Sly Valley Mines, Inc. Minerals Lead-Zinc

Address Pioche, Nevada

Contract Amount, $86,200.00 Government Participation: 50% Amount, $43,100.00

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) [redacted] Short Form Contracts:						
[redacted] Shaft Cleanout		1,500.00	1,500.00			
[redacted] 1200 pocket	300.00	600.00	900.00			
Crosscutting						
Drifting	626.50	490.00	1,116.50			
shaft sinking		1,925.00	1,925.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	926.50	4,515.00	5,441.50			

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

Date June 11, 1953 Payee Sly Valley Mines, Inc.

Per [signature] Title Asst. Secretary

*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:

$ 463.25

Signature Lloyd H. Sjolander
Authorized Certifying Officer
(Authorized Certifying Officer)

Date JUL 13 1953 Vou. No. SF-DMEA-1

(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. [illegible] in accordance with the terms of the contract.

Signature [illegible] Title [illegible] Date [illegible]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Date June 17, 1953

H. C. Miller Region III

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS JUN 17 1953
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 20 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1953 Docket No. DMEA 66 Contract No. DMA-3 404
Operator's Name Ely Valley Mines, Inc. Minerals Lead - Zinc
Address Pioche, Nevada

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	1'	626.50	17.9	1,116.50	31.9	35.00	1600	35.00
Crosscutting								
Raising ~~xxxx~~ shaft cleanout				1,500.00	50.0	30.00	50	30.00
Shafts sinking				1,925.00	19.25	100.00	20	100.00
Winzes ~~xxxx~~ 1200 pocket	12	300.00	3	900.00	9	3/4 done		1,200.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		926.50	20.9	5,441.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								$ 86,200.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		926.50		5,441.50				

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 11, 1953 Operator Ely Valley Mines, Inc.

Per S. D. Kirkman Title Asst. Secretary

→ 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)

INSTRUCTIONS

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

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

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

GPO 83-38475

ELY VALLEY MINES, Inc.

Engineering Department

EXPLORATION AND DEVELOPMENT AT ELY VALLEY MINES, MAY, 1953

The following report covers operations incident to the carrying forward of the Government approved exploration program.

May 1 and 2

1200 Level Skip Loading Pocket

The loading hopper, made of 3/8" mild steel plate was partially installed on these two days. The timbers to support the bottoms and sides were put in place. Eight man-shifts were expended.

Surface Work

The only worked performed and chargable to the program was 2 man-shifts for the hoistman, and 1/2 for the timekeeper.

May 4 through May 10

1200 Level Skip Loading Pocket

The loading hopper installation was completed with the exception of side bracing and the alignment of air cylinders and doors. 20 Lb. rails were placed in the bottom of the trench at its juncture with the measuring hopper to form a runway for the scraper. During the week 20-1/2 man-shifts were worked on this project. Some further excavating was done for the trench, 96 cubic feet of ground being removed.

Surface Work

The following time was put in on work carried out on the surface:

S2-Hoist	6-1/2	man-shifts		
Timekeeper	2-1/2	"	"	
Truck driver	1	"	"	hauling waste
Top man	1/2	"	"	loading equipment on skip.
Blacksmith	2-1/2	"	"	

May 11 through May 17

1200 Level Skip Loading Pocket

The installation of the chutes, gates and air cylinder controls was completed in the 7 man-shifts worked during the week. Bumpers were likewise installed at the bottom of the gates to keep these plates from rolling and binding in the guides.

1200 Level Station

The rock previously broken was removed from the station.

The slusher was installed to handle the muck from the face and for loading the skips.

Collar bracing was installed for the station set which is 4'-0" out from the shaft.

Cribbing was put in over the top of the station set to catch up the slabby ground in the back.

The station was floored with 3" X 12" lagging to a point 11' out at the slusher, thence around the trench and across the westerly part of the station to the west end of the shaft.

Temporary timber was installed to fill up the openings around the loading hopper pending the completion of the trench and final timbering thereafter.

The work for the week required 10-1/2 man-shifts.

Surface Work

Hoistman	6 man-shifts
Timekeeper	2-1/2 man-shifts
Blacksmith	2 man-shifts

The blacksmith was employed making the bumpers which went under the air gates and in cutting and welding braces to be anchored from the lower ends of the chutes to the shaft timbers.

May 18th through May 24th

1200 Level Skip Loading Pocket

The angle iron braces made by the blacksmith the week previous were installed.
The air cylinders had to be relocated to erase the shock from the pistons hitting the upper end of the cylinder.
Additional ground was taken out for the trench - Approx. 100 cubic feet - making it now 11 feet long by 4' wide by 4' deep. The trench is still not finished.

Three man-shifts were expended on the above work.

1200 Level Station

Drilling was commenced on the 18th and the first round was blasted to extend the station to the north and east on the course of the proposed drift. The face was carried 14' wide to allow ample room for a side track and future underground storage area.

The ground was drilled with Gardner-Denver'94 stopers two machines were used to drill 22 holes. A 3-hole burn cut 5' deep pulled 415' of ground. The round was shot with standard delay electric blasting caps and 148 sticks of Hercules 45%, 2" gelamite. Fragmentation was good and indicates that the ground though hard to drill is quite easily broken. The holes were drilled with Liddicoat single-pass bits. For the 22 holes, 72 bits, or 4 changes of 18 bits, were used to drill the round.

The broken rock was slushed into the skip and it was found that a skip could be loaded with approximately 3 tons of broken rock every 3 minutes. This includes hoisting time and 6 minutes would thus represent the complete cycle for loading and hoisting the 2 skips in balance.

The blasting of the round on the 18th severed one of the pump-down control cables on the sump pump. This resulted in the water's raising in the shaft to the point where the skips could not be lowered to a loading position. The crew working on the station were held up and not able to make any progress for one shift.

A second round, similar in every respect to the round above described, was drilled and blasted on the 22nd. No work was performed on the 23rd as the crew were employed on maintenance work elsewhere in the mine.

Pump Repair

The electrician and hoisting engineer were employed 2 man-shiftson the 19th to repair the damage done to the control line by the blasting on the 18th.

Surface Work

Hoistman	6 man-shifts
Timekeeper	2-1/2 man-shifts
Steel Sharpening	2-1/2 man-shifts
Blacksmith	1/2 man-shift

Steel sharpening — In drilling the 2 rounds, several of the steel were broken. The additional time was spent in dressing extra steel.

Blacksmith — Sharpening picks and axyles.

Surface Work

Hoistman	3 man-shifts
Timekeeper	2-1/2 man-shifts
Blacksmith	1-1/2 " "
Cable Maintenance	1 " "

The blacksmith was employed on the pump repair work excepting for the 1-1/2 shifts which were used in making pipe clamps and staples for fastening the bell signal lines.
The main hoist cables were lubricated on the 25th.

Description Of Work Claimed For the Month Of April

1200 Pocket installation — 25% of total cost allowed or $300.00 This covers the cost of installing the measuring hopper and the removal of 196 cubic feet of rock.

The remainder of the trench could not be excavated until the station was further extended.

Drifting on 1200' Level — 17.9' on a course north 26 degrees east.

Geology

The beds in the face of the drift now strike N 30° W and dip 11 degrees southwest. There are 3 small parallel breaks showing no throw 2' back of the face on the right side striking N58°W, dipping 81 degrees northeast. The beddings are still a vitreous quartzite with a pinkish coloration and range from 3" to 36" in thickness. There are 2-3" beddings which or more greyish in color and are somewhat argilliceous in appearance. These thin beds show a good deal of pyrites in some small sections. A sample was cut in such a spot at a point 3' back of the face on the right as designated by sample number A83 on the enclosed sketches. The assay showed the following:

Gold	0.02 Oz. per ton
Silver	0.15 Oz. " "
Lead	———
Zinc	0.1%
Copper	0.2%

The only water encountered thus far in the drifting is no more than seepage, and this appears on the small breaks described above.

June 10, 1953

Respectfully submitted,

ELY WALLAY MINES INC.

Bruce Condie, Asst. Supt. & Eng.

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

Budget Bureau No. 45-R1036.3.
Approval expires 6-30-53.

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

Month of April, 1953 Docket No. DMEA 66 Contract No. [illegible]

Operator's Name Ly Valley Mines, Inc. Minerals Lead-Zinc

Address Fiesta, Nevada

Contract Amount, $ 86,200.00 Government Participation: 50 % Amount, $ 43,100.00

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 Short cleanout		1,500.00	1,500.00			
Bulldozing Road	600.00	—	600.00			
Crosscutting						
Drifting		490.00	490.00			
Short sinking	530.00	1,395.00	1,925.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1,130.00	3,385.00	4,515.00			

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

Date May 19, 1953 *Payee Ly Valley Mines, Inc.

Per S. A. Hickman Title Asst. Secretary

*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:

$ 565 00

Lloyd H. Sjolander
Authorized Certifying Officer

Signature

JUN 1 1953 (Authorized Certifying Officer)

Date Vou. No. SF-DMEA-43

(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. [illegible] in accordance with the terms of the contract.

Signature [illegible] Title [illegible] Date [illegible]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date May 22, 1953

E. C. Miller Region XIX

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 8-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

JUN 8 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1953 Docket No. DMEA 66 Contract No. DMA-R 104

Operator's Name Ely Valley Mines, Inc. Minerals Lead-Zinc

Address Pioche, Nevada

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				490.00	14.0	35.00	1600	35.00
Crosscutting								
~~Raising~~ Shaft cleanout				1,500.00	50.0	30.00	50	30.00
Shafts Sinking	1'	520.00	5.3	1,925.00	19.25	100.00	20	100.00
~~Winzes~~ Const. pocket	1/1200	600.00	1/600	600.00	1/600	600.00	1/1200	1,200.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1,130.00		4,515.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								$ 86,200.00
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 May 13, 1953 Operator Ely Valley Mines, Inc.

Per S.D. Mekman Title Asst. Secretary

S.D. Mekman

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)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

ACCOUNTS MAY 25 1953

ELY VALLEY MINES, Inc.

Engineering Department

[illegible]

April, 1953

The following report covers operations carried on incident to the carrying forward of the Government approved exploration program.

No progress was made on the program during the month of March. The water had been allowed to come up in the shaft. On March 28th work was started in dewatering the shaft. The electrical controls were found to be shorted out, and as a result of this and the need to re-install the sinker pump 9 man-shifts were required to pump out the water.

April 1 through April 5

Shaft Sinking Operations

The round reported drilled in the February report was cleaned out, loaded and blasted. Two days were required to clean up the station and drift. The remainder of the week was spent in removing the broken rock. This entire operation required 10 man-shifts.

Surface Work

The only surface work carried out during the week was by the hoistman and truck driver, 5 man-shifts in all.

April 6 through April 12

Shaft Sinking Operations

The first 3 days of the week were spent in removing the rest of the broken rock. As the result of blasted holes in key cut-holes, only 3.0' of the round broke. Two days was spent in blowing out the remaining portions of the holes, loading and blasting them. The remainder of the week was employed in removing the ground broken by the blast. The entire operation required 22 man-shifts.

Surface Work

The services of a hoistman for the entire week, a truck driver for 2-1/2 shifts and a blacksmith sharpening steel for 3 shifts were required to supplement the shaft-sinking operation.

April 13 through April 19

Shaft Timbering

It had been our plan since the start of the project to sink the

shaft by using temporary timber then to cut out substantial hitches for a bearing set and build up from there.

Exploration Work for April, 1953

Ground was drilled and blasted to make room for hitches for the bearer set 13'-8" below the planned level for the new station. The shaft was walkheaded immediately below this point and stulls installed as a permanent means of supporting the shaft guides below the bearing set. The broken rock was removed and the stringers for the set installed. The work for the entire week required 23 man-shifts.

Compressor Repair

Trouble had been encountered during the last few days in March with the Ingersoll-Rand Compressor. Two men were employed on the 13th in changing one of the valves and refacing the valve seats.

Surface Work

Six man-shifts were required for a hoistman, and 3 man-shifts were required for the repair of tools by a blacksmith of which 2 man-shifts were chargeable to the exploration work.

April 20 through April 26

Shaft Timbering

The bearing set was completed during this period. Building up from this point, 3 additional sets were installed up to the station level. The station set itself was about one-third completed. By direction of the management, the station cut was shortened up to 14'. Three men worked 19-5/8 man-shifts.

Surface Work

The following time was expended on work carried out on the surface:

Hoistman	6-1/4 man-shifts
Topman	1-1/2 man-shifts
Blacksmith-Mechanic	6 man-shifts

The topman was required to load the large amount of timber which was cut underground.

The blacksmith-mechanic was employed 2 days in sharpening steel and repairing tools.

The remaining 4 days were spent in fabricating the loading hopper to be installed on the 1200 level. This hopper is built of steel with steel rollers and guides.

As shown in previous reports, the timber used in the shaft had been treated.

April 27 through April 30

Shaft Timbering

The timbering of the shaft was completed with the exception of installation of ladders and landings. At some later date, a revision in the guides will be required. The timbering required 9 man-shifts.

1200 Pocket installation

Drilling was done for the removal of sufficient ground to install the loading hopper and chute. The chute will load the skip at a point 11.5' below the station level. A later measurement showed that 311 cubic feet of ground was drilled and blasted.

Surface Work:

The following time was expended in work carried out on the surface:

Hoistman 4-6/8 man-shifts

Blacksmith-Mechanic 4 man-shifts

The mechanic was employed in further work in the building of the loading hopper.

Electrical Repair

Moisture from the recent rains seeped into the electrical conduit below the 300 level and resulted in the short-circuiting of the bell signal system in the shaft. The electrician and a helper worked 6 hours installing a new line from the 300 to the 800 levels, or 1-1/2 man-shifts.

Geology

The 5.3' of additional footage gained in the shaft showed no change in strike or dip of the beds. The rock is a vitreous thin-bedded quartzite throughout and contains numerous thin shaley partings. Some copper stain shows in these beds near the bottom and in the south-east corner of the shaft. An assay showed 0.2% copper on a specimen taken from the muck pile. Only a trace could be detected in the rock still in place.

Description of The Footage Gained For The Month of April

Shaft Sinking	5.30'
1200 Pocket Installation	50% due to cost of materials used and labor itemized as follows:
Labor	$194.07
Expensive	1.79

Structual Steel 476.80

Exploration Work for April, 1953

Drill Bits	20.00
Bolts	3.52
Welding Rod	3.[illegible]
Total	709.26

In view of the itemized costs and my estimate that the jacket is 50% completed as of date, we have submitted our report asking for this allowance.

Respectfully submitted,

[illegible], Inc.

By Bruce Condie

Bruce Condie, Asst. Supt. & Engr.

SAN FRANCISCO OFFICE

RECEIVED
REGION III
BUREAU OF MINES
DEPARTMENT OF INTERIOR

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

Budget Bureau No. 42-R1038.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS MAR 27 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1953 Docket No. DMEA 66 Contract No. [illegible]
Operator's Name Lily Valley Mines, Inc. Minerals Lead-Zinc
Address Reno, Nevada
Contract Amount, $ 6,200.00 Government Participation: 50 % Amount, $ 3,100.00

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: Short Clearance			1,500.00		1,500.00	1,500.00
Bulldozing						
Crosscutting						
Drifting			490.00		490.00	490.00
Shaft Sinking	865.00	530.00	1,395.00	865.00	530.00	1,395.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	865.00	530.00	1,395.00	865.00	2,520.00	3,385.00

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

Date Mar. 26, 1953 *Payee Lily Valley Mines, Inc.

Per [signature] Title Asst. Secretary

*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:

$ 432.50

Signature A. J. Renner
Authorized Certifying Officer
(Authorized Certifying Officer)

Date APR 6 1953 Vou. No. SF-DMEA-39

(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 A. C. Johnson Title _____ Date _____

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date March 24, 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R3151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

ACCOUNTS MAR 27 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1953 Docket No. DMEA 66 Contract No. IDM - R 404
Operator's Name Ely Valley Mines, Inc. Minerals Lead-Zinc
Address Pioche, Nevada

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				490.00	14.0	35.00	1600	35.00
Crosscutting								
~~Shafts clean-out~~ Shafts Sinking	1 ft.	865.00	8.65	1,500.00 1,395.00	50.0 13.95	30.00 100.00	50 20	30.00 100.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		865.00	8.65	3,385.00				
Operating Equipment Purchased							Total Costs Authorized by Contract	$86,200.00
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 March 14, 1953 Operator Ely Valley Mines, Inc.

Per A.O. Hickman Title Asst. Secretary

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.

U. S. GOVERNMENT PRINTING OFFICE 205676

ELY VALLEY MINES, Inc.

Engineering Department

EXPLORATION AND RELATED WORK AT ELY VALLEY MINES, Inc., FOR FEBRUARY, 1953.

The following report covers operations carried on incident to the carrying forward of the Government approved exploration program.

February 2 through Feb. 8

Shaft Sinking operations

Four men were employed in the bottom for 4-3/4 days. The work performed was drilling and blasting. Blasting was done with electric blasting caps. 100 Lbs. of 60% extra Hercules gelatin was used in blasting 37 four-foot holes.

The shaft is making quite a little more water. The volume has doubled in drilling this round, however, only 40 Gals. per minute is flowing into the shaft.

For 1-1/4 shifts the crew was unable to work on the bottom due to trouble with the footvalve and control switch of the Sinker Pump. The shaft crew assisted in making repairs.

Pump Repair

The shaft crew, as above stated, and a mechanic worked 1-1/4 shifts repairing the footvalve, replacing the control switch and replacing a broken pipe fitting on the suction hose.

Surface work.

The two surface mechanics, besides duties performed underground, were employed in various duties, renovating ventilation lines, sharpening steel, making casing for shaft work, framing a set of shaft timber and repairing one of the drifters being used in sinking the shaft.

February 9 through February 15

Shaft Sinking Operations

The same four-man crew were employed in removing the rock broken in the round of blasts. In all, 3-1/2 shifts were spent mucking. Measurements showed that 3.1' of progress was made.

The remainder of the week was spent in setting up drills and drilling.

Cleaning Sump

The shaft crew spent 2 hours cleaning the 1100 Sump on 13th.

February 9 through February 15 (Cont.)

Surface Work

As during the previous week, the surface mechanics were employed in various ways. Repair work was done on all three air compressors; a new valve was installed on the Gardner-Denver; a main bearing was installed on the Chicago Pneumatic;and new brushes were installed on the motoor of the Ingersoll-Rand. This work required, 3 man-shifts.

Work was continued in the repairing of fan line to be installed in the proposed 1200 level drift for ventilation, in the framing of shaft timber and the dressing and sharpening of steel.

Besides the above mentioned work, these two men trammed waste to waste dump and operated compressors.

February 16th through February 22

Shaft sinking operations

The drilling of the round of shots was completed and the round was blasted. The round consisted of 37 8' holes in a V-type cut. An additional 5 holes were drilled as plugs in the easterly end to make room for timber in ground previously broken. There wase 42 electric primers used and 150 Lbs of powder.

Surface Work

The surface crew was employed in their usual work, operating compressors, hauling waste, sharpeneing steel and framing timber.

February 23 through February 28

Shaft Sinking Operations

Broken rock was cleared from the bottom of the shaft resulting from the blasting on Feb. 18th.

Another round was drilled, and consists of 40 7-foot holes. The round was not loaded as drilling was completed at the latter part of the afternoon on the 28th.

Equipment used in sinking was moved to the surface.

Moving Equipment

The sinker pump and tugger were moved to the surface and pumping from 1100 sump set to work automatically when the water in the shaft raised to that point.

Surface Work

The surface crew completed the framing of the 5th set of shaft timber. All the sets required have now been completed. Both drifters used in sinking were sent to the surface for minor repairs. Three man-shifts were spent by one mechanic in performing maintenance work. This time has not been included in our costs of the exploration program.

GEOLOGY

The formation so far encountered in the shaft sinking operations is Prospect Mountain Quartzite. This quartzite lays in layers of varying thickness from 1 inch to 26 inches. The beds are still striking approximately north 60 degrees east and are dipping 10 degrees to the south-east.

No further mineralization was encountered so no sampling was done.

DESCRIPTION OF FOOTAGE CLAIMED FOR MONTH OF FEBRUARY

Shaft Sinking 8.65'

I have again endeavored to cover the work performed relative to the carrying on of our shaft work. I sincerely hope that this report will be satisfactory.

Respectfully submitted,

March 11, 1953 by Bruce Condie

Bruce Condie, Asst. Supt. & Eng.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3
Approval expires 3-31-53

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
ACCOUNTS FEB 25 1953
MAR 16 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 1953 Docket No. DMEA 66 Contract No. DMA-B 404
Operator's Name Ely Valley Mine, Inc. Minerals Lead - Zinc
Address Pioche, Nevada
Contract Amount, $86,200.00 Government Participation: 50 % Amount, $43,100.00

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						
~~Bulldozing~~ Shaft sinking	$530.00	none	$ 530.00			
Crosscutting	~~$490.00~~					
Drifting	490.00	none	490.00			
Shaft clean out	417.00	$1083.00	1,500.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1,437.00	1,083.00	2,520.00			

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

Date Feb. 9, 1953 *Payee Ely Valley Mine, Inc.

Per S. D. Hickman Title Asst. Sec.

*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:

$718.50

Lloyd H. Sjolander
Authorized Certifying Officer

Signature
(Authorized Certifying Officer)

Date MAR 12 1953 Vou. No. SF-DMEA-36

(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. [illegible] in accordance with the terms of the contract.

Signature [illegible] Title [illegible] Date [illegible]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Region III Date Feb. 24, 1953

H. C. Miller

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
SAN FRANCISCO, CALIF.

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
ACCOUNTS FEB 25 1953
MAR 16 1953

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

Month of January 1953 Docket No. DMEA 66 Contract No. EDI - 1404
Operator's Name Ely Valley Mine, Inc. Minerals Lead - Zinc
Address Pioche, Nevada.

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	1 ft.	490.00	14	490.00	14.0	35.00	1600	35.00
Crosscutting								
Raising								
Shafts clean-out	1 ft.	417.00	13.9	1,500.00	50.0	30.00	50	30.00
~~[illegible]~~ shaft sinking	1 ft.	530.00	5.3	530.00	5.3	100.00	20	100.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1,437.00	33.2	2,520.00				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 Feb. 9, 1953 Operator Ely Valley Mine, Inc.

Per A. O. Hickman Title Asst. Sec.

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.

U. S. GOVERNMENT PRINTING OFFICE 205676

ELY VALLEY MINES, Inc.

Engineering Department

EXPLORATION AND RELATED WORK AT ELY VALLEY MINES, Inc.

January, 1953

The following report is a resume of operations carried out at the Ely Valley Mine incident to the carrying forward of our Government approved exploration program:

January 1st through January 3rd

No work was carried on New Years day.

Shaft mucking operations

On the 2nd only, backfill was removed from the shaft which had run in from the 1200 Station.

1200 Level Station

Drilling was started for the taking up of 3 feet of bottom from the station. This is necessary inorder to give us 16 feet of heighth for the station.

900 Pump

The labor of 2 men for 4 hours was required to replace a shaft bearing on the motor end of the 900 pump. This bearing had burned out.

Sinker Pump Operation

It was necessary to call out a mechanic and hoisting engineer to go underground and start the sinker pump. The entire shaft sinking crew, otherwise, would have been unable to work until the water was pumped down. This required 1 hour each for the 2 men on the 2nd and 3rd.

January 5th through January 11th.

1200 Level Station

Work was carried on throughout the week in drilling, blasting and removing the broken rock for the additional station area required, the drilling of which would interfere with our timbering of the shaft. Time was taken out from the station operations for part of the 8th and 9th to repair the 1100 pump and part of the 10th to clean the 1100 sump of slimes. This work is more fully explained under these headings.

1100 Pump

The shaft crew as well as 2 mechanics and one electrician worked a total of 2.7 hours per man on different phases of repair on the 1100 pump.

The discharge hose blew off and efforts to make ordinary type bands hold were fruitless. We finally made2 bands from ½" round iron. This seemed to hold.

Trouble was had with the mechanical float switch on the 1100

sump. The electrician spent 4 hours installing a Gerraty Floatles Electrode switch which had proven to be trouble free in our other installations. It was necessary to run a 110 volt line 220 feet from the 900 levle.

Timber Framing

One man worked 8 hours framing shaft sets for later installation.

Blacksmithing

One man worked 3 shifts making hanging rods and tie rods for the shaft sets. He further worked 3 shifts sharpening and dressing drill rods.

1100 Sump

The slimes were cleaned from the 1100 sump, 4 men worked 2 hours each on the operation. Four 3½ tonskips of material was hoisted to the surface.

300 Pump

The coupling bolts on the 300 pump sheared off. It was necessary to call out a mechanic and hoistman to make the repairs, as it happened Sunday the 11th.

January 12th through January 16th

Shaft Mucking Operations

Shaft mucking was resumed on Jan. 17th.
Progress 3.5'

1200 Station

The remainder of the ground, as shown on the accompanying drawing, was blasted and removed. Four men worked 5 days on the project.

Sinker Pump operation

It was necessary on 3 consecutive occasions to have mechanic and hoistman come to work an hour early and start the sinker pump. The large reservoir area in the station results in a long interval between pumpings.

Blacksmithing

One mechanic worked 3 shifts sharpening drill steel used in cutting the 1200 station and in making conventional starters to be used in the shaft deepening operations.

Rock drill repair.

One day was spent by a mechanic in repairing machines to be used in shaft deepening operations.

January 19th throught January 24th

Shaft Mucking Operations

The removal of backfill was accomplished in its entirity at 12 N., the 21st.
Progress for entire week, 5.7'
Progress for entire cleanout 45.3'

Shaft Sinking Operations

Work was started at 12;30 P.M. on Jan. 21st toward sinking the shaft 20 feet. The first round was drilled during remainder of the week.

The following covers data in drilling the first round:

Machines used	2-Ingersoll-Rand bar-mounted DA-35's
Type of steel	1-1/4 round leyner
Type of bits	Conventional starters 2/5/16" bits Liddicoat single-pass detatchable for 2nd 3rd and 4th steels, 2", 1-3/4 and 1-7/8" sizes in 5L type.
Number of holes drilled	26
Depth of holes	7.0'
Explosives	Hercules extra 60% powder, electric blasting caps. 100 Lbs of powder used for round.
Actual drilling time	16 hours.
Footage pulled	5.3'
Number of men in bottom	4

1100 Pump repair

The parts ordered for the 27-stage pomona replacement pump were received. Two man-shifts were expended repairing and reassembling this unit.

The discharge hose which gave us trouble earlier this month broke again. The hose was no longer in a servicable condition so a new 10' hose was installed on the pump discharge.

The shaft crew made the underground installation as they were unable to work in the bottom until water could be pumped out.

Compressor Repair

Water valves which were not in good operating condition were replaced on the Ingresoll-Rand compressor. Due to the prospect of cold weather, water jackets must be drained when the compressor is not in use.

Blacksmithing

The blacksmith was engaged for 2½ days in making 2" by 9" sections of pipe to be used for casing the drill holes in the shaft bottom. These casings are necessary to keep the holes clear of ravelings.

January 26th to January 31st

Shaft Sinking

The entire time chargable to sinking was spent in mucking out. Eleven man-shifts worked in all for the week.

300 Pump Repair

The coupling bolts on the 300 pump again sheared on the night of the 27th. The discharge line to the surface had formed a bad leak. It was necessary to call out a hoistman and a mechanic to repair them. The men were on the job 5 hours.

1100 Sump

The slimes were again cleaned from this sump. Three men were required for 4 hours to remove 13 skips of material to the surface.

900 Sump

The slimes from the backfill which was recently removed from the shaft had very nearly filled the 900 sump. It required 5½ man-shifts to remove 24 skips of such material.

Blacksmithing

The blacksmith worked 2½ shifts making hanging rods and drill casing to be used in the shaft.
Another day was spent by him in sharpening starters used in drilling the first round. All bits were usable only for one hole or about 28 inches each.

300 Sump

The slimes were likewise cleaned from the 300 sump. Two men worked 4 hours in removing 5 skips of such material.

GEOLOGY

The formation encountered in the entire project to date is Prospect Mountain Quartzite.

No faulting of consequence has as yet been cut. On the station, however, there are numerous small breaks almost at right angles to the bedding planes. These small breaks are passageways for a small flow of water, perhaps 6 or 7 gallons per minute.

At a point 1,191' below the surface and in the east end of the shaft about 3" to 6" of quartz with varying amounts of iron pyrites was encountered. This quartz lies between and parallel to the beds striking north 60 degrees east and dipping 10 dgrees to the south-east. A sample was cut designated on the enclosed print as No. A 82.

At a point 1,187' below the surface, in the center of the south side of the shaft, a fissure of varying thickness from ½" to 3" was cut. This fissure is composed of a quartz filling with varying amounts of sulfides the bulk of which is iron, and is striking north 50 degrees west and dipping 55 degrees to the north-east. A sample was cut designated by the number A81.

Assays

Sample No.	Oz. Au/ton	Oz. Ag/ton	percent Pb	Percent Zn.
A81	0.05	0.88	0.2	4.8
A82	0.005	0.16	0.15	0.3

DESCRIPTION OF FOOTAGE CLAIMED FOR MONTH OF JANUARY

Backfill Removal

For material removed from the shaft 9.2'

For material removed from the station 4.7'
This footage added to the 45.3' actually removed from the shaft would give us the 50.0' approved in the contract. During the shaft cleaning period as the job progressed, we were forced to removed 2,550 cubic feet of backfill from the station on the 1200 level. To assist us somewhat in the cost of removing this fill we are asking, now, for the approval of this 4.7 additional footage.

Shaft Sinking

For footage actually gained 5.3'

Drifting

Total footage requested 14.0'
As shown on the accompanying sketch, the ground to the west of the station was removed during the month of January, 8' by 8' in section and 14.0' long along the course of our proposed drift. As this drift will necessarily bi-pass the shaft on its west and be extended somewhat to the south as a tail drift this area now excavated would be included within its boundaries.

I have endeavored to cover in this report all phases of our operation during the past month. I sincerely hope that it shall prove satisfactory and give you an insight into our operation along with its problems for the period covered.

Respectfully submitted,

February 12, 1953 by

Bruce Condie

Bruce Condie, Asst. Supt. & Eng.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR ACCOUNTS JAN 26 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1952 Docket No. DMEA 66 Contract No. FEDM-R104

Operator's Name Ely Valley Mines, Inc. Minerals Lead-Zinc

Address Pioche, Nevada

Contract Amount, $ 86,200.00 Government Participation: 50 % Amount, $ 43,100.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Shaft Development	838.00	195.00	1,033.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	838.00	195.00	1,033.00			

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

Date 1/10/53 *Payee Ely Valley Mines, Inc.

Per S. D. Hickman Title Asst. Sec.

*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:

$ 444.00

Signature _____ (Authorized Certifying Officer)

Date _____ Vou. No. SF-DMEA-32

(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. [illegible] in accordance with the terms of the contract.

Signature [illegible] Title [illegible] Date [illegible]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Region III Date January 26, 1953

E. C. Miller

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-101A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Minerals Administration
ACCOUNTS
JAN 26 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1952 Docket No. DMEA 66 Contract No. DMA - R1-06
Operator's Name Ely Valley Mine, Inc. Minerals Lead - Zinc
Address Pioche, Nevada

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								
Crosscutting								
Raising								
Shafts Clean-out	1 Ft.	888.00	29.6	1,003.00	36.1	30.00	50	30.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		888.00		1,003.00				

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 1/10/53 Operator Ely Valley Mine, Inc.

Per [signature] Title Asst. Sec.

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)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

FLY VALLEY MINES, INC.

Engineering Department

EXPLORATION AND ASSOCIATED WORK AT FLY VALLEY MINE

December, 1952

Shaft mucking operations were carried on with diligence during the month of December. However, there were many factors which were obstacles to a continuous operation. The following is a resume of operations:

Dec. 1st through Dec. 6th.

Shaft mucking operations 12.7' of progress.

#11 Pump (pumping from the new 1100 sump to the 900 level)
Mucking operations were held up on 2 occasions when float switch failed to operate allowing the sump to run over.
A new float switch was installed.

Dec. 8th through Dec. 13th.

Shaft mucking operations 4.2' of progress.
This operation was carried out on 8th and 9th only. No further progress could be made until the last 3 sets of shaft timber-which had been under the muck - could be reblocked.

Shaft Repair The before mentioned sets were realigned and blocked. New hanging rods were required. The raising and blocking of these sets required 2 days for the full underground crew.

Sinker Pump Trouble was had in determining how long to operate this pump during the off hours when operations were idle. The electrician and mechanic installed a floatless water control switch to operate the pump.

#11 Sump (1100 Sump) This sump was cleaned of slimes which had accumulated since mucking had commenced.

Dec. 15th through Dec. 20th.

Shaft Mucking Operations 6.2' of progress.
Mucking was carried on for 4 shifts only during this period.

900 Sump This sump was cleaned of sediment which had collected since dewatering operations were commenced in October.

#11 Pump-Repair The Pomona 27 stage pump, pumping from the 1100 level to the 900 level, was dismantled, cleaned and partially reassembled. This pump broke down during November. Parts were needed before repairs could be completed. This pump is urgently needed as a standby.

300 Sump This sump was cleaned of sediment.

300 Pump. Impellers became worn from the excessive amount of solids passing through pump lines due to the fines being stirred up. Impellers were changed. This took place before and during the cleaning of the sumps above mentioned.

900 Pump The float switch on this pump became fouled and failed to operate. A new switch was installed.

Shaft 2 Skip-Repair A mechanic was employed 1 shift fastening plates previously removed from center skip back in place. These plates may now be removed by unbolting.

Dec. 22 through Dec. 27th.

Shaft Mucking 2.1' of progress.
Waste removal was carried on for 5 shifts. The cross-section of the shaft at this point is excessively large due to the partial cutting of the station for our proposed 1200 level.

Steel Sharpening One mechanic was put to work making drill rods to be used in shaft deepening as well as station cutting operations.

Sinker Pump Operation
Underground Elect. Lines A great deal of trouble and expense has been encountered from having to call hoistman and mechanic out in the period when operations are not carried out. This was necessary in order to check on the operation of the sinker pump. This pump is short coupled and the water raising but a few feet would drown out the electric motor. To overcome this, a light was placed on the surface as a signal to watchmen when pump is in operation. The phone system was also repaired.

No work was carried out on Christmas day.

300 Pump. The drive shaft on this pump broke. It was necessary to replace entire impeller assembly.

#11 Sump. (1100 Sump) The sump was again cleaned of slimes.

Dec. 29 through 31st.

Shaft Mucking 4.4' of progress in 2 5/8 shifts.

Timber Framing Work was started on the framing of the next set of timber to be installed in the shaft.

Geology

The formation encountered in the cleaning out of the shaft to Dec. 31 is quartzite, and is commonly referred to as Prospect Mountain Quartzite of the Lower Cambrian series.

This quartzite lies in beds varying from 2" to 26" in thickness, and is characterized by frequent thin bands of a whitish shale. This quartzite is grey to white and in places pinkish in color. It ranges from a very hard vitreous rock in some beds to a softer more argillaceous quartzite in others.

The beds are striking north, 60 degrees east and are dipping 10 degrees to the south-east. No faulting of any consequence has been encountered. No sampling has been done as no mineralization has been observed.

I trust that this report will furnish you with a clear picture of our exploration and related operations as carried out during the month of December.

Respectfully submitted,

by

Bruce Condie

Bruce Condie, Asst. Supt. & Engineer.

January 9, 1953

C.C.: S.R. Hickman
Eng. File

Form MF-404 (Rev.)
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 2 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November 1952 Docket No. DMEA 66 Contract No. IDM-Rlch

Operator's Name Ely Valley Mine, Inc. Minerals Lead-Zinc

Address Pioche, Nevada

Contract Amount, $ 86,200.00 Government Participation: 50 % Amount, $ 43,100.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Shaft Clean-out	195.00		195.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	195.00		195.00			

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

Date Dec. 22, 1952 *Payee Ely Valley Mine, Inc.

Per L. O. Hickman Title Asst. Sec.

*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:

$ 97.50

Signature A. J. Renner
Authorized Certifying Officer
(Authorized Certifying Officer)

Date Vou. No. SF-DMEA-31

(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. [illegible] in accordance with the terms of the contract.

Signature [illegible] Title Chief, Mining Div., Region III Date January 7, 1953.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Region III Date January 8, 1953

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 INTERIOR
BUREAU OF MINES
REGION III
SAN FRANCISCO

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1952 Docket No. DMEA 66 Contract No. DX-1104

Operator's Name Ely Valley Mine, Inc. Minerals Lead - Zinc

Address Pioche, Nevada

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	1 ft.	195.00	6.5	195.00	6.5		50	30.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		195.00	6.5	195.00				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 Dec. 22, 1952 Operator Ely Valley Mine, Inc.

Per A. D. Hickman Title Asst. Sec.

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.

U. S. GOVERNMENT PRINTING OFFICE 205676

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
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1985 JAN 8 AM 9:3
SAN FRANCISCO, CALIFORNIA

JUL 9 - 1956

Mr. Spangler Micker
Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMA-661 (Lead-Zinc)
Ely Valley Mines, Inc.
Ely Valley Claims
Lincoln County, Nevada
Contract No. 1dm-5404

Dear Mr. Micker:

This is in reply to your memoranda of June 26 and 28, 1956, and the copies of the operator's letters to you, dated June 22 and 26.

We have reviewed the operator's request for another extension of recess and completion time. We cannot carry projects indefinitely on an inactive status. This project has been in recess for some time and no work has been done under the terms of the contract since September 1, 1953. By Amendment No. 5, Item 4(a), this contract was automatically terminated as of September 1, 1953. Item 4(e) of Amendment No. 5 provides that a pseudo-certification becomes effective July 1, 1956.

Therefore, we suggest that you advise the operator that, if at some reasonable time in the future he can show that he is financially able to complete the work of the project, favorable consideration would then be given to reopening this contract.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

JWAlt/bjl (7/3/56)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Chambers
Mr. Bishop
Mr. Kiilsgaard
Chrono.

Government's copy

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MAR 14 1956

AMENDMENT NO. 5
to
EXPLORATION PROJECT CONTRACT Idm-E404
dated September 23, 1952
Docket No. DMA-66X
between
UNITED STATES OF AMERICA
and
ELY VALLEY MINES, INC.

It is agreed this 15th day of February, 1956, that the Contract, as amended, is further amended as follows:

1. (a) Work under the Contract shall be suspended during the period beginning August 17, 1955, and ending not later than July 1, 1956.

(b) The Government shall not contribute to any costs incurred by the Operator during the period of suspension or to any costs of rehabilitation or repair which in the Government's opinion would not have occurred had there been no suspension of work.

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

2. The time for completion of the work, as specified in Article 3 of the Contract and extended by Amendment No. 4 of March 9, 1955, to August 23, 1956, is hereby further extended to September 23, 1957.

3. The maximum period for royalty payments and lien to secure the payment thereof, provided for in the Contract, and extended to twelve years by Annex II of Amendment No. 4 of March 9, 1955, is hereby further extended to September 23, 1965.

4. It is of the essence of this Contract that the work be resumed before the termination of the period here fixed for suspension and be completed before the termination of the period here fixed for completion of the work; and if it is not so resumed and completed in the manner required by the Contract, the following provisions shall then become effective:

(a) The Contract and all obligations of the parties

thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated, as follows:

(i) Effective September 1, 1953, if the work has not been resumed on or before July 1, 1956;

(ii) Effective September 23, 1957, if the work is resumed on or before July 1, 1956, but is not completed on or before September 23, 1957.

(b) The Government shall contribute only to the fixed unit costs of work prior to said effective date.

(c) 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 the royalty on production provided for in the Contract, in the same manner and amount and for the full time provided in the Contract, as amended, as if certification of discovery or development had been made, such certification being hereby waived.

(d) The Operator shall promptly perform all winding up and settlement actions provided for in the Contract including the rendering of the final report and final account.

(e) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the Contract, except as otherwise provided in this Amendment No. 5.

This amendment shall not be construed to increase the estimated cost of the project, the aggregate total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals
Exploration Administration

ELY VALLEY MINES, INC.

By John Parnell

Title President.

Government's Copy

EXPLORATION PROJECT CONTRACT
ELY VALLEY MINES, INC.
DOCKET NO. DMA-66X

AMENDMENT NO. 4

It is agreed this 9th day of March, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Ely Valley Mines, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E404, Docket No. DMA-66X, dated September 23, 1952, hereinafter called the "Contract," that:

1. (a) Work under the Contract shall be suspended during the period beginning August 31, 1954, and ending not later than August 16, 1955.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

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

2. The time fixed for the completion of the work is further extended to August 23, 1956.

3. In Article 7 of the Contract, that part of the second sentence beginning with the word "Provided" is deleted.

4. Annex I attached to Amendment No. 2 is cancelled, and Annex II, attached hereto and made a part hereof, is substituted therefor.

This agreement shall not be construed to increase the estimated total cost of the project nor the aggregate total amount which the Government may be required to contribute under the provisions of the Contract.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense
Minerals Exploration
Administration

ELY VALLEY MINES, INC.

By _____
President

APR - 4 1955

ANNEX II

The following provisions are in lieu of 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 the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Royalty on production.--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 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.

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 or assaying, or transportation, performed or paid by the

* The word "land" refers to the land described in Article 2 of the Contract form.

‡ The period "twelve years" is substituted for the period "ten years."

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) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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 when 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 ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) 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 ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

f. 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.

g. 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.

h. 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 mining or production operations.

i. 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.

58694

Government's copy

EXPLORATION PROJECT CONTRACT
ELY VALLEY MINES, INC.
DOCKET NO. DMA-66X

AMENDMENT NO. 3

It is agreed this 10th day of March, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Ely Valley Mines, Inc., that Exploration Project Contract Idm-E404 (Docket No. DMA-66X), dated September 23, 1952, as amended, be further amended effective September 1, 1953, as follows:

1. (a) The work under the contract shall be suspended from the period beginning September 1, 1953, and ending not later than May 1, 1954.

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

(c) The Operator, at his own cost and expense, without contribution by the Government, during the period of suspension shall preserve the project work and any property in which the Government has an interest.

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

2. In Article 3 of the contract form, the period "twenty-six (26) months," provided by Amendment No. 2, is deleted, and the period "twenty-eight (28) months" is substituted.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

ELY VALLEY MINES, INC.

By John Carney
Pres.

THE UNITED STATES OF AMERICA

By C P Mitteudorf
Administrator, Defense Minerals Exploration Administration

1 6 1954

AMENDMENT NO. 3

Docket No. DMA-66X

Mineral Lead-Zinc

Exploration Project Contract Idm-E404

Date of Contract Sept. 23, 1952

Date of Amendment March 10, 1954

Operator Ely Valley Mines, Inc.

JUSTIFICATION

In order to get the finances needed to resume exploration work at the Ely Valley Mine, the operator requested an extension of the recess period and an extension of the contract to 28 months. This amendment was drawn to grant the requested time.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Defense Minerals Administration
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NOV 24 1953

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EXPLORATION PROJECT CONTRACT
ELY VALLEY MINES, INC.
DOCKET NO. DMA-66X

AMENDMENT NO. 2

It is agreed this 3rd day of November, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Ely Valley Mines, Inc., each acting in consideration of the agreement of the other to the terms hereinafter set forth, that Exploration Project Contract Idm-E404, Docket No. DMA-66X, dated September 23, 1952, as amended, be further modified and amended as of September 1, 1953, as follows:

1. In Article 3 of the contract form, the period "sixteen (16) months" is deleted and the period "twenty-six (26) months" is substituted therefor.

2. During the period from September 1, 1953, to March 1, 1954,

(a) the project work shall be recessed;

(b) the Government shall not contribute to any costs incurred by the Operator;

(c) the Operator shall save the Government harmless from any and all claims and preserve and protect the project work and any property in which the Government has an interest.

3. Article 6 of the contract form is deleted and the provisions of Annex I, attached hereto and made a part hereof, are substituted therefor.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. O. Mitchell
Administrator, Defense Minerals Exploration Administration

ELY VALLEY MINES, INC.

By John Janney

EXPLORATION PROJECT CONTRACT
ELY VALLEY MINES, INC.
DOCKET NO. DMA-66X

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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NOV 24 1953

ANNEX I

The following provisions are in lieu of Article 6:

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years*(or other period fixed by this contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) per cent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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NOV 24 1953

AMENDMENT NO. 2

Docket No. DMA-66X

Mineral Zinc-Lead

Exploration Project Contract Idm-E404

Date of Contract Sept. 23, 1952

Date of Amendment Nov. 3, 1953

Operator Ely Valley Mines, Inc.

JUSTIFICATION

Due to unforeseen and unusual difficulties encountered in cleaning out the shaft, difficulty of keeping experienced men on the job, and additional work found necessary on the 1200 level station, the operator ran out of time and funds necessary to complete the work outlined in the contract. To give him time to raise additional funds with which to complete the work, he requested that the project be recessed from Sept. 1, 1953, to March 1, 1954, and the completion date extended ten months. The request seemed to be a reasonable one, so the field team recommended that the Washington Office prepare Amendment No. 2.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Government Copy

ELY VALLEY MINES, INC.
EXPLORATION PROJECT CONTRACT IDM-E404
DOCKET NO. DMA-66X

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AMENDMENT NO. 1

It is agreed this 26th day of August, 1953 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Ely Valley Mines, Inc., each acting in consideration of the agreement of the other to the terms hereinafter set forth, that Exploration Project Contract Idm-E404, Docket No. DMA-66X, dated September 23, 1952, be modified and amended as of July 9, 1953, as follows:

In Exhibit "A", under "Description of the Work" add:

7. Widen the 1200-foot level in front of the shaft to allow space for unloading mine cars into loading trench and excavate water sump at shaft on the same level. Total footage 50.9 feet.

In Exhibit "A", under "Estimated Cost of the Project" change the fifth item to read as follows:

Crosscut from the shaft at the 1200-foot level in a northeasterly direction for a distance not to exceed 1600 feet, including widening of the level at the shaft and excavating a water sump at the shaft, at $35.00 per foot $56,000.00

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum."

Executed in sextuplicate the day and year first above written.

ELY VALLEY MINES, INC.

By _____

THE UNITED STATES OF AMERICA

By _____
H. C. Miller, Executive Officer
DMEA Field Team, Region III

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BUREAU OF MINES
REGION III
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SAN FRANCISCO, CALIFORNIA

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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SEP - 8 1953

AMENDMENT NO. 1

Docket No. DMA-66X

Mineral Zinc-Lead

Exploration Project Contract Idm-E404

Date of Contract September 23, 1952

Date of Amendment August 26, 1953

Operator Ely Valley Mines, Inc.

JUSTIFICATION

Amendment was necessary to cover work done by the Operator which under the conditions was necessary though not spelled out in the contract. Widening of the 1200-foot level at the shaft was necessary to allow unloading of mine cars into loading trench and to provide switch room for empties to return to the heading; also to provide room for installation of water column and electric cables for pump.

Due to inflow of water and inability to use sump at bottom of shaft for water storage as shaft pocket is needed for loading ore into bucket, sump from 1200-foot level was excavated over which a Ponoma pump was mounted.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Contract No. Idm-E404

Docket No. DMEA-66

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
Sept. 23, 1952	II	Nevada	Lead-Zinc

Name and Address of Operator: Ely Valley Mines, Inc
Pioche, Nevada

	Reserve	Obligation
Prior Amount	0	043,100.00
Increase	0	0
Decrease	0	38,045.25
Revised Amount	0	5,054.75

Remarks:

Robert E. Adams, Chief
Operations Control and
Statistics Division

(Name)

(Title)

Date Delivered to Bureau of Mines, Washington 7/23/56

98963

66

Docket No. ~~Standard~~

Commodity Lead-Zinc

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 404

Date of Contract ~~or Amendment~~ Sept. 23, 1952

Name and Address of Operator:
Ely Valley Mines, Inc.
Pioche, Nevada

Amount of Government participation $43,100.00

Percent of Government participation 50 %

Region: III State: Nevada

(Name)
J.L. Chambers
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. Sept. 23, 1952 13808

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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DMF-200 (A)
(February 1952)

DOCKET NO. DMEA 66

COMMODITY Zinc-lead

Government's Copy
Idm-E404

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 23rd day of September, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Ely Valley Mines, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Nevada Pioche, Nevada

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Nevada, County of Lincoln, described as follows:[3] Ely Valley Claim and the Ely Valley No. 3 Claim are located in the Ely Valley Mining District. Both claims are covered by Patent No. 221093, Survey No. 3725.

the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: None

(*b*) ~~That the Operator is the owner, in possession and entitled to possession, and the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached.~~
The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within Sixty days from the date of this contract shall commence work on a project of exploration for[5] Zinc-Lead

in or upon the described land; and shall bring the project to completion within a period of sixteen (16) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 50 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $43,100.00 which is 50 percent of $86,200.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) *Compliance with requirements.*—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

ARTICLE 6. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales, or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be the gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

ELY VALLEY MINES, INC.
(Operator)

By John Janney
Pres.

ACTING By Frank E. Johnson
Administrator
Defense Minerals Exploration Administration

I, Sherman D. Hickman, certify that I am the Assistant secretary of the corporation named as Operator herein; that John Janney, 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.

[CORPORATE SEAL]

Sherman D. Hickman

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

EXPLORATION PROJECT CONTRACT
ELY VALLEY MINES, INC.
DOCKET NO. DMA-66

EXHIBIT "A"

Description of the Work

The proposed work shall be done to the satisfaction of the Government, and shall consist of the following:

1. Clean out approximately 50 feet of present shaft just above the 1200 foot level and install shaft timbers and shaft guides.

2. Deepen present shaft an additional 20 feet to provide necessary sump and install necessary timbers.

3. Construct a pocket below the 1200 foot level to handle rock into the skip, this pocket is to be approximately 10 ft. x 10 ft. x 15 ft. in size.

4. Construct water tight bulkhead in the 1200 foot level crosscut.

5. Crosscut from the shaft at the 1200 foot level in a northeasterly direction for a distance of approximately 1600 feet. The object of this crosscut is to intersect the No. 2 fault as shown on the map attached hereto and made a part hereof and entitled "Geologic Sketch, Ely Valley Mine, Pioche, Nevada," and to determine the location of the ore bed in the Pioche shale.

6. Diamond drill 12 holes from the 1200 foot level. The total drilling is not to exceed 3000 feet. Six of these holes are to be drilled upward and six downward at locations approved by the Government engineers. See aforesaid map for proposed location of the diamond drill holes.

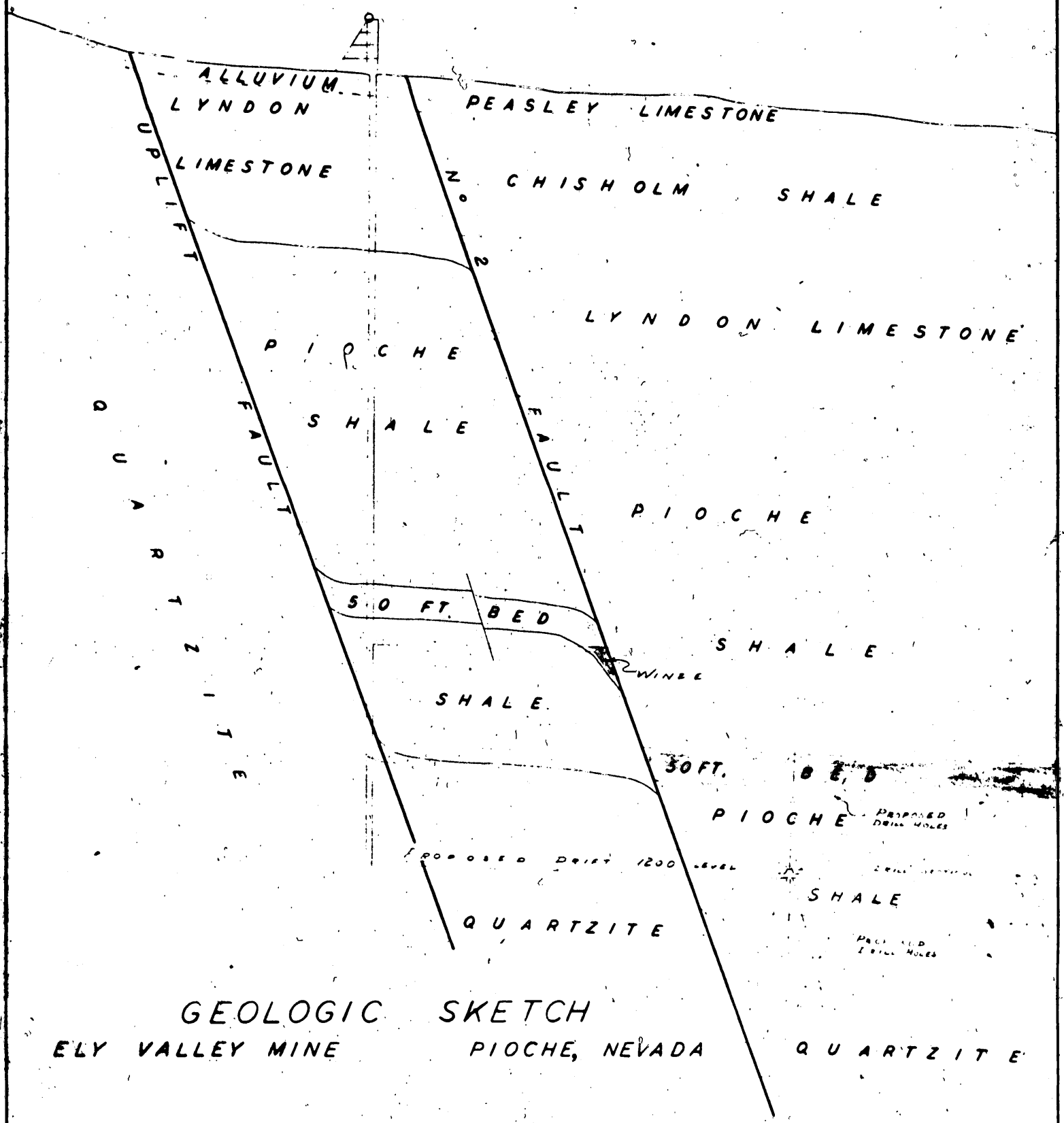
Estimated Cost of the Project

Clean out and rehabilitate approximately 50 feet of the present shaft just above the 1200 foot level - 50 feet @ $30.00 per ft.	$ 1,500.00
Deepen present shaft an additional 20 feet to provide necessary sump and install necessary timbers - 20 feet @ $100.00 per ft.	2,000.00

Construct pocket below the 1200 foot level to handle the rock from the 1200 foot level 1/	$ 1,200.00	
Construct water tight bulkhead in the 1200 foot level crosscut 1/	3,000.00	
Crosscut from the shaft at the 1200 foot level in a northeasterly direction for a distance not to exceed 1600 feet at $35.00 per ft.	56,000.00	
Diamond drill from the 1200 foot level, 6 holes to be drilled upward and 6 downward, total footage drilled not to exceed 3000 feet at $7.50 per ft.	22,500.00	
Total Estimated Cost of the Project		$86,200.00
Government Participation - 50%		$43,100.00

Eq Valley Mines Inc.
by John Janney
Pres.

1/ The complete job is the unit here.



GEOLOGIC SKETCH

ELY VALLEY MINE PIOCHE, NEVADA