DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE — Idm-E NO. 322 — DMEA NO. 1949

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits
- [x] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [X] Contract Amendments
- [X] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [x] Project summary (final)
- [ ] Work Completed analysis (final)

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

- [ ] Field Team Semi-Annual Report for Certified Project
- [X] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [X] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual Report for Certified Project
- [X] Field Team Interim Reports
- [ ] Operator's Monthly Reports with transmittal, narrative and maps.

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

Inactive all 1960 (2-15-61)

17963

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E322, Docket DMEA-1949 (lead-zinc), dated May 23, 1952, with

George W. Snyder and George W. Snyder, Jr.
518 Felt Building
Salt Lake City 1, Utah

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 Lucky Strike Mine located in Lander County, Nevada, during the period January 1, 1959, through September 22, 1960.

In accordance with a May 4, 1955, Termination Agreement 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 11 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 April 6, 1956, indicated accepted costs under the exploration contract amounting to $18,862.72 with the Government's contribution on a 50 percent basis being $9,431.36.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through December 31, 1958. The royalty account as of December 31, 1958, was:

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

As of September 22, 1960, the royalty account of this project was found to be:

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

March 5, 1962

E. D. Talbert, OME Auditor

George W. Snyder and George W. Snyder, Jr. DMEA-1949

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

ation Agreement specifically deletes the so-called "aban-
provision from this contract, waives the certification of
or development, and obligates the Operator, as principal
producer or as surety if not the producer, to pay the Govern-
yalty on mineral production from the land under the con-
he land consists of the Lucky Strike, Lucky Strike No. 1,
rike No. 2, Lucky Strike No. 3, and Lucky Strike No. 4
ocated in the Battle Mountain Mining District.

ime the contract was executed, the Operators were in pos-
by virtue of a four-year lease and option to purchase granted
Kearns Corporation, 1017 Kearns Building, Salt Lake City 1,
n March 20, 1952. On the same date the Operators entered into
ement Agreement with the United Minerals Corporation, for
eorge W. Snyder, Jr., was president. The agreement provided,
g other things, for the conveyance to United Minerals Corporation
f an undivided one-half interest in the property upon exercise of
the purchase option. The Government waived the usual requirement
for an Owner's Consent to Lien.

Exploration work under the contract was performed by United Minerals Corporation concurrently with other development work and the installation of a jig milling plant. All underground work, however, ceased on December 16, 1952, when the pumps were pulled. Due to financial difficulties, the Operator made no attempt to resume work and the Termination Agreement was executed on May 4, 1955.

The only ore production during the exploration period came from stopes developed prior to the date of the contract. Royalty was neither offered by the Operator nor demanded by the Government, apparently on the theory that it was the intent to exclude such known stoping areas from the land under the contract. The contract, however, did not provide for such exclusions.

Examinations of the property through December 31, 1958, found no activity subsequent to the cessation of work in 1952. In a September 22, 1960, reply to an inquiry on MME Form 63, George W. Snyder, Jr., indicated no production "since 1959", but that the lease or ownership status of the property was "Unknown -- Lease terminated some time ago".

George W. Snyder, Jr., as president of United Minerals Corporation, defaulted on a $1,500.00 note which he executed in 1957 in partial

settlement in compromise of an indebtedness for overpayment by the Government under Contract Idm-E18, Docket DMA-81, United Minerals Corporation. The United States Attorney at Salt Lake City considered the debt uncollectible.

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 the property under the contract has been inactive since December 1952;

(2) No production deemed subject to the Government's royalty has occurred since the date of the contract; 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 royalty which might be disclosed.

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OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files and records of the OME Field Team, Region II, pertaining to Contract No. Idm-E322, Docket No. DMEA-1949X (Lead-Zinc), dated May 23, 1952, including Amendment Nos. 1 to 5, inclusive, with

George W. Snyder and George W. Snyder, Jr.
518 Felt Building
Salt Lake City 1, Utah

for the purpose of determining the amount of royalties due the U. S. Government on sales of lead and zinc ores from property known as the Lucky Strike Mine located in Lander County, Nevada during the period May 23, 1952 to December 31, 1958.

A pseudo certification of discovery or development was incorporated under Item 6 of Termination Agreement dated May 4, 1955, and accordingly royalty is payable on all production from the land described in Article 2 of the contract, for a maximum period of 11 years from the date of the contract as stipulated in Annex II of the Termination Agreement. A Report of Review in lieu of final cost audit dated April 6, 1956 indicated acceptable costs under the exploration contract amounted to $18,862.72 with the Government's contribution on a 50 percent basis, being $9,431.36.

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. The mine is inactive and no work has been performed since termination of DMEA contract, and no mining equipment remains on the property.

(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.

May 26, 1959

George Mavor
George Mavor, OME Auditor

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
APR 1 1956

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

George W. Snyder and George W. Snyder, Jr.
518 Felt Building
Salt Lake City, Utah

pertaining to Exploration Project Contract No. Idm-E322, Docket No. DMEA-1949, including Amendment Nos. 1, 2, 3, 4 and 5, and a Termination Agreement dated May 4, 1955, for the months of May 1952, to November 1952, inclusive, covering a project for the exploration of lead and zinc on property, known as the Lucky Strike Mine located in Lander 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 the Executive Officer of the Field Team, 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 reasons:

(a) all of the accepted costs ($19,827.51), excepting a subsequent credit for the disposition of project property were covered by an Interim Audit Report and Certificate issued by this auditor on March 10, 1954; and
(b) by letter dated October 18, 1955, the Executive Officer advised the Operator that the amount of $482.39 would be considered as settlement of the Government's 50% equity in project property.

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

Total cost as billed by Contractor	$17,368.72
Add: Net additional allowance by prior audit	2,458.79
Total Accepted Cost	19,827.51
Less: Salvage value of project property	964.79
Total Accepted Cost	$18,862.72

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 Nine thousand four hundred thirty-one and 36/100 Dollars

$9,431.36

is considered valid and proper, provided that 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

P.S.

April 6, 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTRACT ADMINISTRATION AND AUDIT DIVISION

INTERIM AUDIT CERTIFICATE

I have examined the records and transactions of:

George W. Snyder and George W. Snyder, Jr.
- Individuals -
518 Felt Building
Salt Lake City, Utah

Pertaining to Exploration Project Contract No. Idm-2322, Docket No. DMEA-1949X, including Amendments No. 1, 2 3, 4, and 5, for the period May 23, 1952 to November 30, 1952, covering a project of exploration for lead and zinc, located in Lander County, Nevada, and commonly known as the Lucky Strike Mine.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to the amount to be paid the contractor.

Total cost as billed by contractor		$17,368.72
Exceptions (See Audit Report for details)		
During this audit	$ 132.00	
Additional allowances	2,590.79	2,458.79
Total accepted cost		$19,827.51

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 Nine Thousand Nine Hundred Thirteen and 76/100 Dollars,

** $9,913.76 **

is valid and proper.

This certificate is issued on the provision that 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

March 10, 1954

I INTRODUCTION

During the period November 9 to 11, 1953 an interim audit (covering operations for the period August 1, 1952 to November 30, 1952) was made of the records and accounts pertaining to Exploration Project Contract No. Idm-E322, Docket No. DMEA-1949X, including Amendments No. 1, 2 and 3 with:

George W. Snyder and George W. Snyder, Jr.
- Individuals -
518 Felt Building
Salt Lake City, Utah

covering a project for the exploration of lead and zinc, located in Lander County, Nevada, and commonly known as the Lucky Strike Mine.

The accounting records under this contract are located in the contractor's office at 518 Felt Building, Salt Lake City, Utah. However, Glen A. Gardner, Certified Public Accountant, who was engaged to prepare Form MF-104, Operator's Monthly Report and Voucher, has all of the work sheets, pertaining to the contract in his possession and files, located in the Farmers & Merchants Bank Building, Provo, Utah.

During the course of the audit, Mr. George W. Snyder, Jr., was present, and also Mr. Glen A. Gardner, Accountant, who were consulted as required. Their cooperation and assistance greatly facilitated the audit.

II GENERAL INFORMATION ON RECORDS

The accountability of this contract is maintained in the books and records of the United Minerals Corporation, who are financing the entire cost of the project, and this corporation also has a DMEA Contract No. E-302, Docket No. 1948. The books and records were well maintained and the costs chargeable to the George W. Snyder and George W. Snyder, Jr., DMEA contract were identified as "Lucky Strike Mine" and the costs chargeable to United Minerals Corporation DMEA contract were identified as "Rip Van Winkle Mine".

The source documents covering the costs of this project are recorded on monthly work sheets, which form the basis for preparation of the monthly MF-104 reports. Therefore, this audit involved in general a check of the source documents against the monthly work sheets. The source documents are on file in the operator's office in Salt Lake City, Utah, whereas the monthly work sheets are prepared and retained by Glen A. Gardner, Public Accountant, Provo, Utah.

Due to legal technicalities the operator deemed it necessary to execute the following management agreement transfer:

"THIS AGREEMENT made and entered into in duplicate as of the 20th day of March 1952, by and between George W. Snyder and George W. Snyder, Jr., parties of the first part, and United Minerals Corporation, a Corporation of the State of Nevada, party of the second part,

W I T N E S S E T H :

Parties of the first part hereby retain the party of the second part to keep and perform all of the terms and conditions and to perform all acts necessary or incident to the development and operation of said property, including but not limited to, supervision of mining operations, etc."

The above agreement was necessary as the owners of the property would only deal with George W. Snyder and George W. Snyder, Jr., and not the United Minerals Corporation. In turn this property was turned over to United Minerals by the Snyder's, and this same agreement is on file with DMEA contract, in Washington, D. C.

All payrolls and vendors' invoices are paid by the United Minerals Corporation and the checks are drawn on the Walker Bank and Trust Company, Salt Lake City, Utah.

III SCOPE OF AUDIT AND FINDINGS

The first interim audit was made for the period May 23, 1952 to July 31, 1952 and audit report issued September 22, 1952. This second interim audit covers the period August 1, 1952 to November 30, 1952 and the combined results of both interim audits are discussed in this report.

The audit consisted of a complete analysis of all expenditures in order to ascertain the accuracy, propriety and validity of the costs as shown in the "Totals to Date" column of Form MF-104, Operator's Monthly Report and Voucher, for the month of November 1952. The extent of the audit and findings under each of the "Items of Cost" follow:

(2) Labor and Supervision $9,537.35

The payroll records for the period May 23, 1952 to November 30, 1952 were examined and the payroll charges under this category comprised the following:

Labor		
Claimed	$6,311.41	
Add'l Labor allowed	1,319.00	$7,630.41
Supervision		1,291.94
Technical Services		615.00
Total		$9,537.35

The additional labor allowed, in amount of $1,319.00 listed above, represents labor not previously claimed by operator, and explained under Section IV Conclusions and Recommendations of this report.

All labor, supervision and technical services for the period May 1952 to November 1952, were verified to the rates and salaries specified in the contract and found to be in order. The labor charges in amount of $7,630.41 represented wages paid at hourly rates and unit contract rates. The hourly rates paid, did not exceed the rates specified in contract, and a unit contract rate of $35.00 per foot for drifting was paid to a 2-man team and 3-man team during July and August 1952. There were no formal written agreements on unit contract rates, however, Amendment No. 1 of the contract, allowed unit contract rates to be paid.

The supervision salary of $1,291.94 covered payment to Glenn Johnson, Supervisor, at the rate of $400.00 per month, and did not exceed the maximum of $400.00 per month allowed in contract. The technical services in amount of $615.00 covered salary paid at the rate of $140.00 per month to Murray Godbe III, Engineer, and did not exceed the "allowable maximum" of $200.00 per month allowed in contract. Part of the $200.00 per month "allowable maximum" is for office work, which is discussed in this report under Item (7) Miscellaneous.

Individual time cards were maintained by the mine foreman, which showed the classification, hours worked and rate of pay. The foreman prepared a semi-monthly time report from the daily time cards, and forwarded the time cards and time reports to the Salt Lake City office. This data was the source in preparing payroll register and payroll checks. During the course of the audit an examination was made of cancelled payroll checks.

(3) Operating Materials and Supplies $6,324.32

A complete analysis was made of invoices charged to this category, which included the verification of footings and extensions, together with examination of cancelled bank checks. The project did not maintain any stores account and all purchases were charged direct.

The audit disclosed that the costs shown under this item on the November 1952 MF-104, as compared to the costs properly chargeable and allowable under the terms of the contract to be:

	Charged	Add'l Costs Allowed	Not Allowable	Allowable
Timber	$3,129.04	$	$	$3,129.04
Explosives	282.00			282.00
Pipe	30.85			30.85
Other Supplies	2,874.69	98.74	100.00	2,873.63
Totals	$6,325.58	$98.74	$100.00	$6,324.32

The additional costs of $98.74 included in above summary, are costs not previously claimed by operator, and explained under Section IV Conclusions and Recommendations of this report.

The disallowance of $100.00 represents an error of $100.00 on the November 1952 MF 104. Other Supplies reported as $271.76, should have been $171.76.

Other supplies aggregating $2,873.63 was made up of the following items:

Gasoline & Lub. Oil	$	1,479.75
Bits, Nipples, Bushings, Bolts		193.74 ✓
Hammers, Saws, Ax Handles		76.05
Oxygen and Acetylene		36.13
Vent Tubing & Couplings		140.00 ✓
275 ft. Wire Rope		100.10 ✓
4-15' Sections 2" Suction Hose		123.44 ✓
Drill Steel		132.05
Hauling Material		73.1[illegible]
Miscellaneous Material		465.6[illegible]
Total Other Supplies	$	2,873.63

(4) Operating Equipment $1,681.00

All charges for operating equipment were checked against monthly work sheets, invoices, cancelled bank checks, and items specified in the contract.

The audit disclosed that the costs shown under this item on the November 1952 MF-104, as compared to the costs properly chargeable and allowable under the terms of the contract to be:

	Charged	Not Allowable	Allowable
Purchased Equipment	$ 913.00		$ 913.00
Depreciation	800.00	$32.00	768.00
Totals	$1,713.00	$32.00	$1,681.00

The following purchased equipment items, were made in accordance with contract terms, and did not exceed the "allowable maximum" of $2,250.00.

	Contract Estimate	Purchased Cost
1 Air Hoist	$1,150.00	$ 400.00
2 Rock Drills	1,100.00	513.00
Totals	$2,250.00	$ 913.00

The depreciation charge was based on a rate of 1/60 per month on the following items:

	Equipment Value	Monthly Depreciation
2 Compressors, Gasoline Driven	$3,800.00	$ 63.37
2 Sinking Pumps	2,000.00	33.37
1 Pickup Truck	1,875.00	31.26
Totals	$7,675.00	$128.00

The contract allowed depreciation for 6 months at $128.00 per month, and the "allowable maximum" was $768.00. The operator charged depreciation for the period May 23, 1952 to October 31, 1952, at a total of $800.00, which exceeded the "allowable maximum" by $32.00. This excess depreciation of $32.00 has been disallowed.

(5) Initial Rehabilitation and Repairs -0-

An examination was made of charges by the operator to this category, which comprised the following items:

Labor	$149.63
Supervision	13.89
Technical Services	35.00
Office Work	15.00
Depreciation	32.00
Subtotal	$245.52
Add: P/R Taxes & Comp. Ins.	27.60
Total per MF-104	$273.12

The above costs represent rehabilitation and repairs to wings at the inception of operations, and the costs have been redistributed to the proper cost items in this report. The amount of $245.52 is covered by Amendment No. 5 of the contract, however, the payroll taxes and compensation insurance costs of $27.60 were not included in the amendment as these items were considered direct payroll and insurance costs.

(7) Miscellaneous $2,284.84

All charges under this category, were checked against monthly work sheets, invoices, cancelled bank checks, and other supporting data pertaining to payroll taxes and compensation insurance.

The audit disclosed that the costs shown under this item on the November 1952 MF-104, as compared to the costs properly chargeable and allowable under the terms of the contract to be:

	Charged	Add'l Costs Allowed	Allowable
Repairs to Equipment	$ 445.76		$ 445.76
Payroll Taxes	82.32	$ 365.31	447.63
Compensation Insurance	173.71	807.74	981.45
Office Work	410.00		410.00
Totals	$1,111.79	$1,173.05	$2,284.84

The additional costs allowed, listed above for payroll taxes $365.31 and compensation insurance $807.74, are costs not previously claimed by operator and explained under Section IV Conclusions and Recommendations of this report.

The repairs to equipment charges of $445.76 covered repairs to the following equipment:

Pump	$152.82
Truck	125.30
Compressor	47.40
Jack Hammer	50.45
Hoist	9.79
Power Plant-Generator	60.00
Total	$445.76

The charges for payroll taxes and compensation insurance were verified at the rates used by the operator, which were as follows:

Payroll Taxes

Federal Old Age Benefit	1.5%	
Federal Unemployment	.3%	
Nevada Unemployment	2.7%	4.5%
Compensation Insurance Rate		11.0%

The payrolls used in computing the payroll taxes and compensation insurance are as follows:

Payrolls	Rate	P/R Tax	Comp. Insur.
$9,947.35	4.5%	$447.63	
8,922.35	11.0%		$981.45

When computing compensation insurance, the operator did not include the salaries paid to Murrey Godbe III, Engineer and Margaret Diehl, Secretary, hence the difference of $1,025.00 in the above payrolls, and the method used by the operator was also used in computing the additional costs allowed by this audit.

The charge of $410.00 for office work, represented salary paid to Margaret Diehl, Secretary, at the rate of $60.00 per month and was allowable under Item (2) of the contract. Engineering and Office Work, which had a maximum monthly allowance of $200.00 per month for 6 months, or a total of $1,200.00. The charges against this "allowable maximum" was as follows:

M. Godbe III, Engineer	Item (2)	$580.00
M. Diehl, Secretary	Item (7)	410.00
Total		$990.00

The above amount of $990.00 is less than the "allowable maximum" of $1,200.00 allowed under Item (2) of the contract.

IV CONCLUSIONS AND RECOMMENDATIONS

This audit has disclosed that all costs as charged to this project, including the additional costs allowed and itemized under items (2) Labor and Supervision, (3) Materials and Supplies and (7) Miscellaneous, with the exception of the disallowances itemized under items (3) Materials and Supplies and (7) Miscellaneous of the preceding section of this report, are reasonable and proper under the terms of the contract.

The audit also disclosed that status as of November 30, 1952, of "allowable maximums" under this contract was as follows:

Item	Maximums	Total Cost	Balance
Labor & Supervision (incl. insurance, taxes & office work)	$15,216.00	$11,376.43	$3,839.57
Material & Supplies (incl. repairs to equipment)	7,560.00	6,770.08	789.92
Purchased Equipment	2,250.00	913.00	1,337.00
Depreciation	768.00	768.00	-0-
Rehabilitation & Repairs	2,000.00	-0-	2,000.00
Totals	$27,794.00	$19,827.51	$7,966.49

The operator failed to claim the following costs principally due to "allowable maximums" being in effect when preparing Form MF-104, Operator's Monthly Report and Voucher during the period July 1952 to November 1952.

		Labor	Mat'l & Supplies	P/R Taxes	Comp. Ins.	Total
July	1952	$ 760.75	$	$ 148.35	$ 340.64	$1,249.74
Aug.	1952	558.25		139.24	318.36	1,015.85
Sept.	1952		78.79	20.09	35.36	134.24
Oct.	1952		19.95	35.72	70.83	126.50
Nov.	1952			21.91	42.55	64.46
Totals		$1,319.00	$ 98.74	$ 365.31	$ 807.74	$2,590.79

Amendment No. 1 dated October 29, 1952 was retroactive to May 23, 1952 and relieved the operator of monthly "allowable maximums", therefore, the total costs not claimed aggregating $2,590.79 has been accepted as additional allowable costs, and the adjustments made are shown under each item of cost, in the preceding section of this report. A further analysis of the costs not claimed is summarized as follows:

Labor, P/R Taxes and Comp. Insur.

		Actual Cost	Allowable Maximums	Excess & Other Not Claimed
July	1952	$3,785.74	$2,536.00	$1,249.74
Aug.	1952	3,551.85	2,536.00	1,015.85

Materials & Supplies

Sept.	1952	1,338.79	1,260.00	78.79
Oct.	1952	1,279.95	1,260.00	19.95

Total Excess not claimed $2,364.33

Add: Other costs not claimed

P/R Taxes, Sept. Oct. Nov. 1952	$ 77.72	
Comp. Insur. " " " 1952	148.74	226.46
Total Costs not claimed		$2,590.79

Amendment No. 4 of the Contract dated December 30, 1953, allows the project work to be recessed from November 30, 1952 to May 15, 1954, and extends completion date to December 23, 1954.

The status of costs and payments under this contract upon completion of audit, for the period ending November 30, 1952, was as follows:

Total accepted costs	to	11/30/52	$19,827.51
Government participation at 50%			9,913.76
Paid by Finance Office	to	11/30/52	8,684.37
Amount due Operator		11/30/52	1,229.39

The operator will be advised to submit supplemental forms MF-104, to cover the additional amount of $1,229.39 due under the terms of the contract.

The adjustment between Items of Costs, as shown on the November 1952 MF-104, the additional costs allowed, and the recommended disallowances, and approved amounts are summarized as follows:

		Nov. MF-104	Distribution Corrected	Add'l Costs Allowed by Audit	Disallowed by Audit	Allowed by Audit
(2)	Labor and Supervision					
	Labor	$ 6,161.78	$ 6,311.41	$1,319.00	$	$ 7,630.41
	Supervision	1,278.05	1,291.94			1,291.94
	Technical Services	975.00	615.00			615.00
(3)	Operating Materials & Supplies					
	Timber	3,129.84	3,129.84			3,129.84
	Explosives	422.80	282.00			282.00
	Pipe	132.44	38.85			38.85
	Other Supplies	2,640.50	2,874.89	98.74	100.00	2,873.63
(4)	Operating Equipment					
	Purchase	913.00	913.00			913.00
	Depreciation	768.00	800.00		32.00	768.00
(5)	Initial Rehabilitation & Repairs	273.12				
(7)	Miscellaneous					
	Repairs to Equipment	445.76	445.76			445.76
	Payroll Taxes	228.43	82.32	365.31		447.63
	Liability Insurance		173.71	807.74		981.45
	Office Work		410.00			410.00
	Totals	$17,368.72	$17,368.72	$2,590.79	$132.00	$19,827.51

At the conclusion of the audit, the findings were discussed with George W. Snyder, Jr., and Glen A. Gardner, accountant.

George Mavor

George Mavor
Auditor

March 10, 1954

OCT 3 1952

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of:

George W. Snyder and George W. Snyder, Jr. - Individuals

518 Felt Building

Salt Lake City, Utah

pertaining to Exploration Project Contract Idm-E322 Docket No. DMEA-1949X for the period of May 23, 1952 to July 31, 1952.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

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

Total Cost as Billed by Contractor	$8,284.62
Exceptions	None
Total Accepted Cost	$8,284.62

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 Four Thousand One Hundred Forty Two and 31/100 Dollars

- $4,142.31

is valid and proper.

This certificate is issued on the provisions that 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.

September 29, 1952

"(SIGNED) GEORGE HATCH"
Auditor

George W. Snyder and George W. Snyder, Jr. - Individuals
Exploration Project
Contract No. E-322

I INTRODUCTION

An audit was made September 12, 1952, of Defense Minerals Exploration Contract No. E-322, George W. Snyder and George W. Snyder, Jr. - Individuals. The records pertaining to this contract are in the office of George W. Snyder and George W. Snyder, Jr. - Individuals at Salt Lake City, Utah. The audit covered the period of May 23, 1952 through July 31, 1952. The accountant, Glenn C. Gardner and Engineer, Murray Godbe III were present and consulted when necessary.

II EXTENT AND SCOPE OF AUDIT

1. Labor

The payrolls and supporting data for the period of May 23, 1952 through July 31, 1952, were examined and computed for accuracy. The mine foreman reports daily the time of the various workers on an individual time card. These time cards show the work classification, location, hours worked and rate of pay. The foreman prepares a semi-monthly time report from the daily time cards and forwards the time cards and semi-monthly time report to Salt Lake City. The accountant at Salt Lake City verifies the time cards and time report and enters the hours worked daily for each employee in the payroll register. This register contains all the information relating to the payroll, showing name, classification, rate of pay, overtime pay, number of exemptions for withholding tax, other deductions, net amount paid and check number.

The rates of pay together with supervision, engineering ce salaries were those set forth in the contract. No salaries aid to George W. Snyder or George W. Snyder, Jr.

pplies

The invoices covering the purchase of supplies were examined d the items contained thereon extended and the invoices footed, then compared with the amounts on the cancelled checks. Due to the limited amount of purchases all supplies are charged direct to operations. The supplies purchased at Battle Mountain, Nevada, are signed for by Glen Johnson, Foreman and a few items shipped from Salt Lake City on purchase order authority. At the end of each month the accountant summarizes all purchases and makes a distribution to conform with Form MF-104.

3. Equipment Purchased

During the month of June 1952, an Atlas Rock Drill was purchased for $513.00 and a Macon Single Drum Reversible Air Hoist for $400.00 making the total cost for purchased equipment $913.00 which was within the limits specified in Exhibit A item 4 of the contract.

4. Equipment Furnished

The charges for depreciation on equipment furnished by the Operator were checked against the amounts allowable under the terms of the contract.

III FINDINGS

The records maintained by George W. Snyder and George W. Snyder, Jr. were in good condition and adequate. The payrolls and supporting data are filed by months and the employee's semi-monthly time report is attached to copy of payroll voucher check. The purchase invoices are attached to copy of voucher check and filed under vendor's name. The cancelled bank checks are reconciled with bank statement and filed away by months.

There were no exceptions taken by the DMEA Finance Officer and no exceptions were developed during course of audit.

IV RECOMMENDATIONS

The audit certificate, prefacing this report, reflects the amount of the costs properly chargeable to this project through July 31, 1952.

Docket Copy

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TERMINATION AGREEMENT

It is agreed this 4th day of May, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and George W. Snyder and George W. Snyder, Jr., hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E322, Docket No. DMEA-1949, dated May 23, 1952, as amended, hereinafter called the "Contract," that:

1. Effective May 23, 1952, Annex I attached to Amendment No. 4 is cancelled, and Annex II, attached hereto and made a part hereof, is substituted for Article 9 of the Contract form.

2. Effective May 23, 1952, that part of the second sentence in Article 10 of the Contract form beginning with the word "Provided" is deleted.

3. Effective December 1, 1952, the Contract and all obligations of the parties thereunder shall be and are hereby terminated, except as otherwise expressly provided in this agreement.

4. The Government shall contribute to allowable costs incurred prior to December 1, 1952; and shall contribute to allowable costs incurred or to be incurred beginning with said effective date in performing winding-up and settlement actions provided for in the Contract, including (a) the preservation and disposal of property to the cost of which the Government has contributed, and (b) the making and rendering of reports and accounts.

5. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including (a) the disposal of any fixtures, facilities, buildings, equipment, or other items to the cost of which the Government has contributed; and (b) the rendering of the final report and final account.

6. The total net amount contributed by the Government shall be repayable in the form of a percentage royalty on any minerals mined or produced from the land described in

Article 2 of the Contract, payable in the manner provided in Annex II to this agreement, for a period of eleven years from the date of the Contract or until the total net amount contributed by the Government without interest is fully repaid; and a certification of discovery or development is hereby waived.

7. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense Minerals
Exploration Administration

GEORGE W. SNYDER AND GEORGE W. SNYDER, JR.

By George W. Snyder

By _____

Ruth Hoffland
Approved
Chandler
Martin
F E Johnson

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ANNEX II

The following provisions are in lieu of Article 9 :

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.

‡ The period "eleven 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.

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Partin 5/25/54

GEORGE W. SNYDER AND GEORGE W. SNYDER, JR.
LUCKY STRIKE MINE
EXPLORATION PROJECT CONTRACT IDM-5322
DOCKET NO. DMA-1949X

AMENDMENT NO. 5

It is agreed this 4th day of March, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and George W. Snyder and George W. Snyder, Jr., that Exploration Project Contract No. IDM-5322, Docket No. DMA-1949X, dated May 23, 1952, as amended, is further amended, effective May 23, 1952, as follows:

Whereas, in Exhibit "A", Description of the Work, it is stated, "This project consists of sinking an existing inclined winze an additional 130 feet," it was determined before the work started that some minor rehabilitation of the existing winze was necessary before the winze could be extended. Such work was not specifically allowed by the contract.

Therefore, by this amendment, the rehabilitation of the existing winze at a cost of $245.52 is allowed and the cost of the rehabilitation is to be deducted from the funds allowed for sinking the 130-foot extension winze, drifting and crosscutting.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as "allowable maximum."

Executed in sextuplicate the day and year first above written.

UNITED STATES OF AMERICA

By W. C. Miller
W. C. Miller, Executive Officer
DMA Field Team, Region III

GEORGE W. SNYDER GEORGE W. SNYDER, JR.

By George W. Snyder
George W. Snyder Jr.

[illegible] 22 1954

AMENDMENT NO. 5

Docket No. [illegible]-1919X

Mineral Lead-Zinc

Exploration Project Contract [illegible]-320

Date of Contract May 23, 1952

Date of Amendment March 4, 1954

Operator George H. Snyder and George H. Snyder, Jr. (Lucky Strike Mine)

JUSTIFICATION

The contract did not provide for some minor rehabilitation of the existing winze, which under the contract was to be extended an additional 130 feet. The cost for rehabilitating the existing winze amounted to $245.50. As the rehabilitation work was necessary, Amendment No. 5 was prepared to permit reimbursement for the cost of the work. Funds needed for the rehabilitation work are to come from the funds allotted by the contract for sinking the winze, drifting and crosscutting.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Docket Copy

EXPLORATION PROJECT CONTRACT
GEORGE W. SNYDER AND GEORGE W. SNYDER, JR.
DOCKET NO. DMEA-1949

AMENDMENT NO. 4

It is agreed this 30th day of December, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and George W. Snyder and George W. Snyder, Jr., that Exploration Project Contract No. Idm-E322, Docket No. DMEA-1949, dated May 23, 1952, as amended, is further amended, effective December 1, 1952, as follows:

1. During the period from December 1, 1952, to not later than May 15, 1954, the project work shall be recessed; the Government shall not contribute to any costs of operation or maintenance incurred by the Operator; and 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.

2. It is of the essence of the contract that the Operator resume work by May 15, 1954, and thereafter continuously prosecute the work to completion. If the Operator should fail to resume the work by May 15, 1954, or if the Operator should resume work by that date but should fail to continuously prosecute the work to completion, then the Government may, at its option, in addition to its other rights under the contract, by written notice to the Operator within 60 days after either default, terminate the work under the contract.

3. Annex I, attached hereto, is substituted for Article 9 of the Contract.

4. In Article 10 the period "11 years" is substituted for the period "10 years."

5. In Article 3 of the contract, as amended, delete the completion date "June 23, 1953," and substitute the date "December 23, 1954."

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as "allowable maximum.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense
Minerals Exploration
Administration

Robin Hoffland
Chandler

GEORGE W. SNYDER

George W. Snyder
GEORGE W. SNYDER, JR.

DEPARTMENT OF THE INTERIOR
Bureau of Land Management
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ANNEX I

The following provisions are in lieu of Article 9:

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 held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

[illegible] Payment.--To secure the payment of its percentage

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
[illegible]
JAN 15 1954

AMENDMENT NO. 1

Docket No. [illegible]-190 Mineral Lead-Zinc

Exploration Project Contract [illegible]-302

Date of Contract May 22, 1952

Date of Amendment December 31, 1953

Operator George B. Gaylor & George B. Gaylor, Jr., Sunset Strip Mine

JUSTIFICATION

Due to the depressed lead-zinc market during 1953, Operator was unable to finance exploration work under the contract. As it appeared that finance would be available early in 1954, operator requested a recess and extension of completion date. This amendment approves a recess to May 15, 1954, and extends completion date to December 22, 1954.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Docket's Copy

GEORGE W. SNYDER AND GEORGE W. SNYDER, Jr.
LUCKY STRIKE MINE
CONTRACT Idm-E322
DOCKET NO. DMEA-1949

AMENDMENT NO. 3

Delivery 5/18/53 RWM

Article 3 of the Defense Minerals Exploration Project Contract Idm-E322, dated May 23, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and George W. Snyder and George W. Snyder, Jr., individually, and Amendment No. 2 thereto dated November 24, 1952, are hereby amended, effective February 23, 1953, as follows:

A recess of work for four (4) months to June 23, 1953, with a like extension of time of four (4) months for completion of the work, provided Government makes no contribution to costs under the contract during period of recess, is granted.

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."

Dated April 1, 1953.

UNITED STATES OF AMERICA

By H. C. Miller
H. C. Miller, Executive Officer
DMEA Field Team, Region III

GEORGE W. SNYDER AND GEORGE W. SNYDER, Jr.

By George W. Snyder
George W. Snyder Jr.

AMENDMENT NO. [illegible]

Docket No. [illegible] Mineral [illegible]

Exploration Project Contract [illegible]

Date of Contract [illegible]

Date of Amendment [illegible]

Operator [illegible]

JUSTIFICATION

[illegible] from Feb. [illegible]

H. C. Miller, Executive Officer
DMEA Field Team, Region III

GEORGE W. SNYDER AND GEORGE W. SNYDER, JR.
CONTRACT Idm--E322
DOCKET DMEA-19497

AMENDMENT NO. 2

Article 3 of the Defense Minerals Exploration Project Contract Idm-E322, dated May 23, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and George W. Snyder and George W. Snyder, Jr., individuals, is hereby amended by extending the time for completion of the project an additional three (3) months; the duration of the original contract was for six (6) months.

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."

Dated November 24, 1952.

UNITED STATES OF AMERICA

By H. C. Miller
H. C. Miller, Executive Officer,
DMEA Field Team, Region III

GEORGE W. SNYDER AND GEORGE W. SNYDER, JR.

By George W. Snyder
George W. Snyder Jr.

AMENDMENT NO. 2

Docket No. DMEA-1949X

Mineral Lead-Zinc

Exploration Project Contract Ida-8322

Date of Contract May 23, 1952

Date of Amendment Nov. 24, 1952

Operator George W. Snyder and George W. Snyder, Jr.

JUSTIFICATION

Operator has requested a 6-months' extension of the completion date due to unforeseen delays in carrying out the work under the contract. As work under the contract has not been too satisfactory as far as progress is concerned, and because the operator has only approximately 25 feet to complete in the winze and an indefinite amount of drifting and crosscutting to explore the fissure vein, our inspection engineer is of the opinion that not a 6-months' but a 3-months' extension is justified. Accordingly, this amendment extends the completion date three (3) months.

H. O. Miller
Executive Officer, DMEA Field Team
Region III

Docket copy

GEORGE W. SNYDER AND GEORGE W. SNYDER, JR.
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-1949
CONTRACT Idm-E322

AMENDMENT NO. 1

WHEREAS, it is desired that Operator proceed with the work at a faster rate than 22 days of work per month, which rate formed the basis of the original estimate of costs of the project;

NOW THEREFORE, it is agreed between the United States of America and George W. Snyder and George W. Snyder, Jr., that Exhibit "A" of Contract No. Idm-E322, Docket No. DMEA-1949, is amended, effective May 23, 1952, as follows:

1. Category (2) Labor, Supervision, Consultants, is amended to read as follows:

(2) Labor, Supervision, Consultants 1/ 2/

6 - Miners, trammers, hoistmen, carpenters, mechanics @ $15.00/day, each

1 - Supervisor @ $400.00 per month*
Engineering and office work @ $200.00/month*
Total for 6 months $15,216.00*

1/ The estimated costs stated under this category include insurance and taxes. Labor rates are subject to overtime increase, and subject to change to conform to rates for like labor in the region where the project is located.

2/ Labor for sinking, drifting and crosscutting may be paid at unit contract rates not exceeding the rates generally paid for like work in the region where the project is located.

2. Category (3) Operating Materials and Supplies, is amended by deleting the asterisk following the total per month.

* Indicates allowable maximum

3. Category (5) Rehabilitation and Repairs, is amended by deleting the asterisk following each item, but not from the total following the items.

This amendment is not to be construed as increasing the estimated total cost of the contract, the total amount which the Government may pay, or the percentage of the costs which the Government may pay under the provisions of Article 8 of the contract.

Dated October 29, , 1952.

THE UNITED STATES OF AMERICA

By C P Mitchell
Administrator, Defense Minerals
Exploration Administration

Robert Hoffman
Chandler

GEORGE W. SNYDER and GEORGE W. SNYDER, JR.

George W. Snyder

By George W. Snyder Jr.

AUTHENTICATED COPY ONLY

AMENDMENT NO. 1

Docket No. [illegible]-1[illegible]9X Mineral Lead-Zinc

Exploration Project Contract Idm-E 322

Date of Contract May 23, 1952

Date of Amendment October 27, 1952

Operator George E. Snyder and George E. Snyder, Jr.
Lucky Strike Mine, Lander County, Nevada

JUSTIFICATION

This amendment was prepared at the request of the Operator to authorize him to carry out the terms of his contract with greater flexibility.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

(*b*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred 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 costs incurred 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.

(*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 operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, 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 as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 50 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $13,897.00, which is 50 percent of $27,794.00, 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 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.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *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 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 10. *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 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *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. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* ______________________________

Executed in sextuplicate the day and year first above written.

George W. Snyder and George W. Snyder, Jr.
By George W. Snyder George W. Snyder Jr.
[redacted]

By ______________________________

THE UNITED STATES OF AMERICA

By ______________________________
Acting Administrator
Defense Minerals Exploration Administration

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

____

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

[CORPORATE SEAL]

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET DMEA 1949X

COMMODITY Lead-Zinc

Idm-E322

DOCKET COPY

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

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this 23rd day of May, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2]

George W. Snyder and George W. Snyder, Jr. - Individuals
518 Felt Building
Salt Lake City, Utah

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 Lander, described as follows: [3] Lucky Strike, Lucky Strike No. 1, Lucky Strike No. 2, Lucky Strike No. 3 and Lucky Strike No. 4, described in Survey No. 3475, embracing a portion of Township 32 N.R. 43 E. M. D. M. amounting to 103.89 acres more or less.

the Operator represents and undertakes: [4]

(*a*) [redacted]

(*b*) That the Operator is a lessee, in possession and entitled to possession, [redacted]

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 thirty (30) days from the date of this contract shall commence work on a project of exploration for [5] lead and zinc

in or upon the described land; and shall bring the project to completion within a period of six (6) 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.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—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 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related initial allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[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.

EXPLORATION PROJECT CONTRACT
GEORGE W. SNYDER AND GEORGE W. SNYDER, JR.
LUCKY STRIKE MINE, NEVADA
DOCKET NO. DMEA-1949X

EXHIBIT "A"

Description of the Work

This project consists of sinking an existing incline winze an additional 130 feet. This winze now extends from the north face of the "upper level" of the "South Workings" to the bottom of the main "Dunham Shaft". The purpose of this work is to allow exploratory drifting and crosscutting at the greater depth. Drifting is to be undertaken in both a northerly and southerly direction with exploratory crosscuts run at such intervals and in such direction as may be determined by favorable showings. The total aggregate length of drifting and crosscutting shall not exceed 300 feet. The direction, location, and length of the drifts and crosscuts are to be mutually agreed upon by the Government and the Operator.

Some repairs and additions are to be made to existing buildings.

Attached hereto are the following maps:

(A) U. S. Minerals Survey Plot Number 3475 showing the mining claims which comprise the project property.

(B) A plan and longitudinal section of the mine workings and the proposed work.

Estimated Costs of the Project
(*Indicates allowable maximum)

Detail Costs

(1) Independent Contracts

None

(2) Labor, Supervision, Consultants 1/ 2/
(Estimated costs per month)

2 - Miners @ $15.00/day for 22 working days	$ 660.00

1/ The costs stated under this category include insurance and taxes.

2/ Labor rates are subject to overtime increase.

P.

George W. Snyder &
George W. Snyder, Jr

DMEA - 1949
E - 322
Lead-zinc

1 - Hoistman @ $15.00/day for 22 working days	$ 330.00	
1 - Cager-top man @ $15.00/day for 22 working days	330.00	
2 - Trammers @ $14.00/day for 22 working days	616.00	
1 - Supervisor @ $400.00/mo.*	400.00*	
Engineering and office work @ $200.00/mo.*	200.00*	
Total per month	$2,536.00*	
Total for 6 months		$15,216.00*

(3) Operating Materials and Supplies
(Estimated costs per month)

Powder, fuse caps and carbide	$ 300.00	
Gasoline and lubricants	260.00	
Maintenance and repair	300.00	
Pipe-steel, timber and miscellaneous items	400.00	
Total per month	$1,260.00*	
Total for 6 months		7,560.00*

(4) Operating Equipment

To be purchased:

1 - Air tugger hoist	$1,150.00	
2 - Rock drills - jackhammers	1,100.00	2,250.00*

To be furnished by Operator

	Value	Depreciation Allowance per Month
2 - Compressors, gasoline driven	$3,800.00	$ 63.37*
2 - Sinking pumps	2,000.00	33.37*

	Value	Depreciation Allowance per Month	
1 - Truck, pickup	$1,875.00	$ 31.26*	
Total per month	$7,675.00	$128.00*	
Total for six months			$ 768.00*

(5) Rehabilitation and Repairs

These costs include labor and materials:

Compressor building	$600.00*	
Dwellings	700.00*	
Boarding house	700.00*	
Total for project		2,000.00*

(6) New Buildings, Improvements, Installations

None

(7) Miscellaneous

None

(8) Contingencies

None

Total estimated cost of project	$27,794.00*
Government participation @ 50%	$13,897.00*

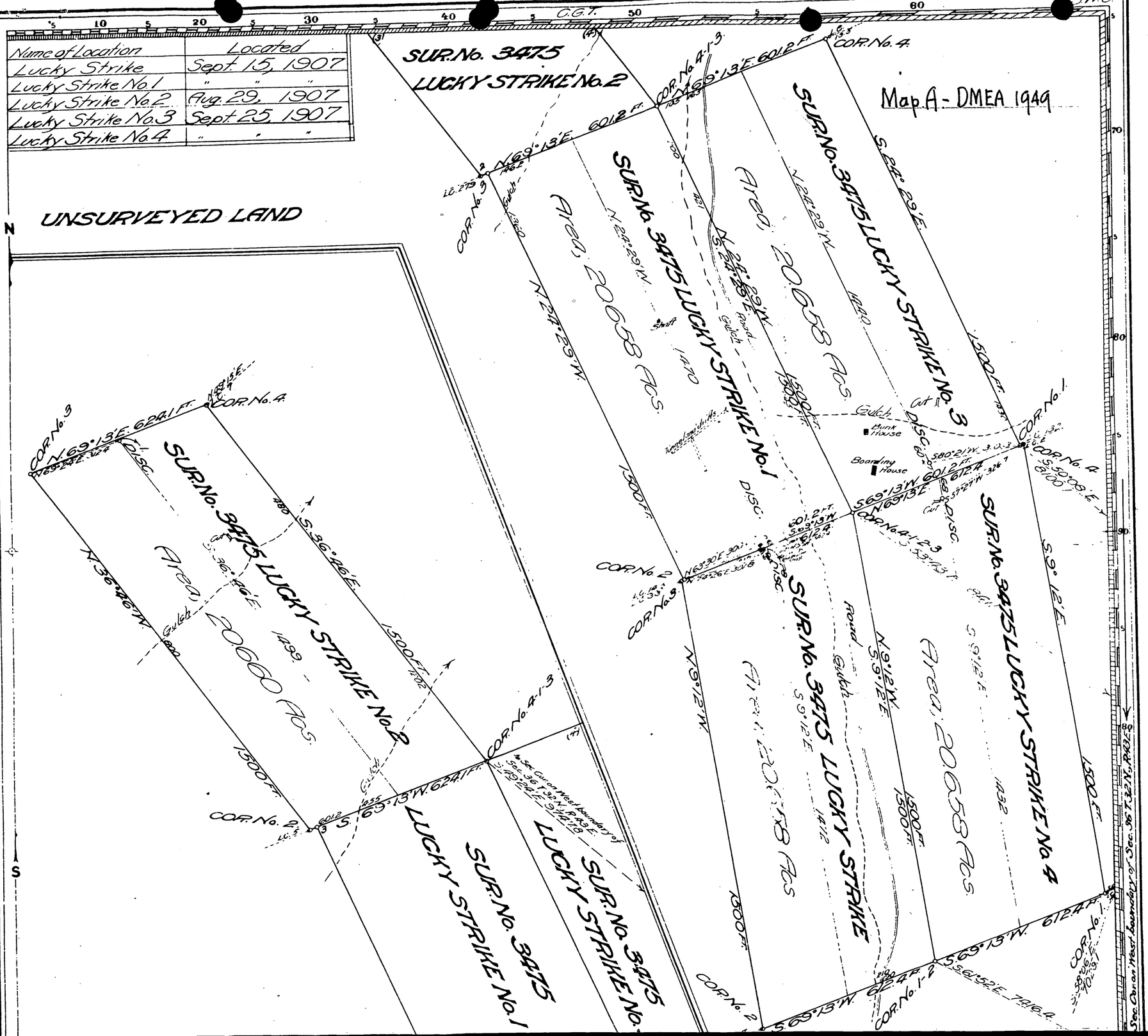
Aggregate Costs

Operating Equipment to be Purchased	
Itemized above	$ 2,250.00
Rehabilitation and Repairs	
Itemized above	2,000.00

Sinking Incline Winze an Additional 130 ft. and Drifting and Crosscutting 300 ft.

Labor, supervision, consultants	$15,216.00	
Operating materials and supplies	7,560.00	
Allowance for depreciation of equipment	768.00	$23,544.00
Total estimated costs of project		$27,794.00
Government participation @ 50%		$13,897.00

Name of Location	Located
Lucky Strike	Sept. 15, 1907
Lucky Strike No. 1	" " "
Lucky Strike No. 2	Aug. 29, 1907
Lucky Strike No. 3	Sept. 25, 1907
Lucky Strike No. 4	" " "



J.G.P. ~~Claim filed~~ 190

Mineral Survey No. 3475

~~L.O. No.~~

Carson City Land District.

PLAT

OF THE CLAIM OF

E.P. Evans et al.

KNOWN AS THE

LUCKY STRIKE, LUCKY STRIKE No. 1, LUCKY STRIKE No. 2, LUCKY STRIKE No. 3 AND LUCKY STRIKE No. 4 LODES

IN Battle Mountain MINING DISTRICT,

Lander COUNTY, Nevada

Containing an Area of 103.292 Acres.

Scale of 300 Feet to the inch.

Variation 18° 15' E.

SURVEYED March 5-10, 1908 BY

Chas. P. Brooks U.S. Deputy Mineral Surveyor,

The Original Field Notes of the Survey of the Mining Claim of E.P. Evans et al. known as the "Lucky Strike," "Lucky Strike No. 1," "Lucky Strike No. 2," "Lucky Strike No. 3," "Lucky Strike No. 4" Lodes

from which this plat has been made under my direction have been examined and approved, and are on file in this office; and I hereby certify that they furnish such an accurate description of said Mining Claim as will, if incorporated into a patent, serve fully to identify the premises, and that such reference is made therein to natural objects or permanent monuments as will perpetuate and fix the locus thereof.

I further certify that Five Hundred Dollars worth of labor has been expended or improvements made upon said Mining Claim by claimants ——— or their grantors, and that said improvements consist of 2 shafts, 3 cuts, 1 tunnel and drifts and 1 tunnel, drifts, raises, crosscuts and incline shaft or for each location of Value, $8,595.00

that the location of said improvements is correctly shown upon this plat, and that no portion of said labor or improvements has been included in the estimate of expenditures upon any other claim.

And I further certify that this is a correct plat of said Mining Claim made in conformity with said original field notes of the survey thereof, and the same is hereby approved.

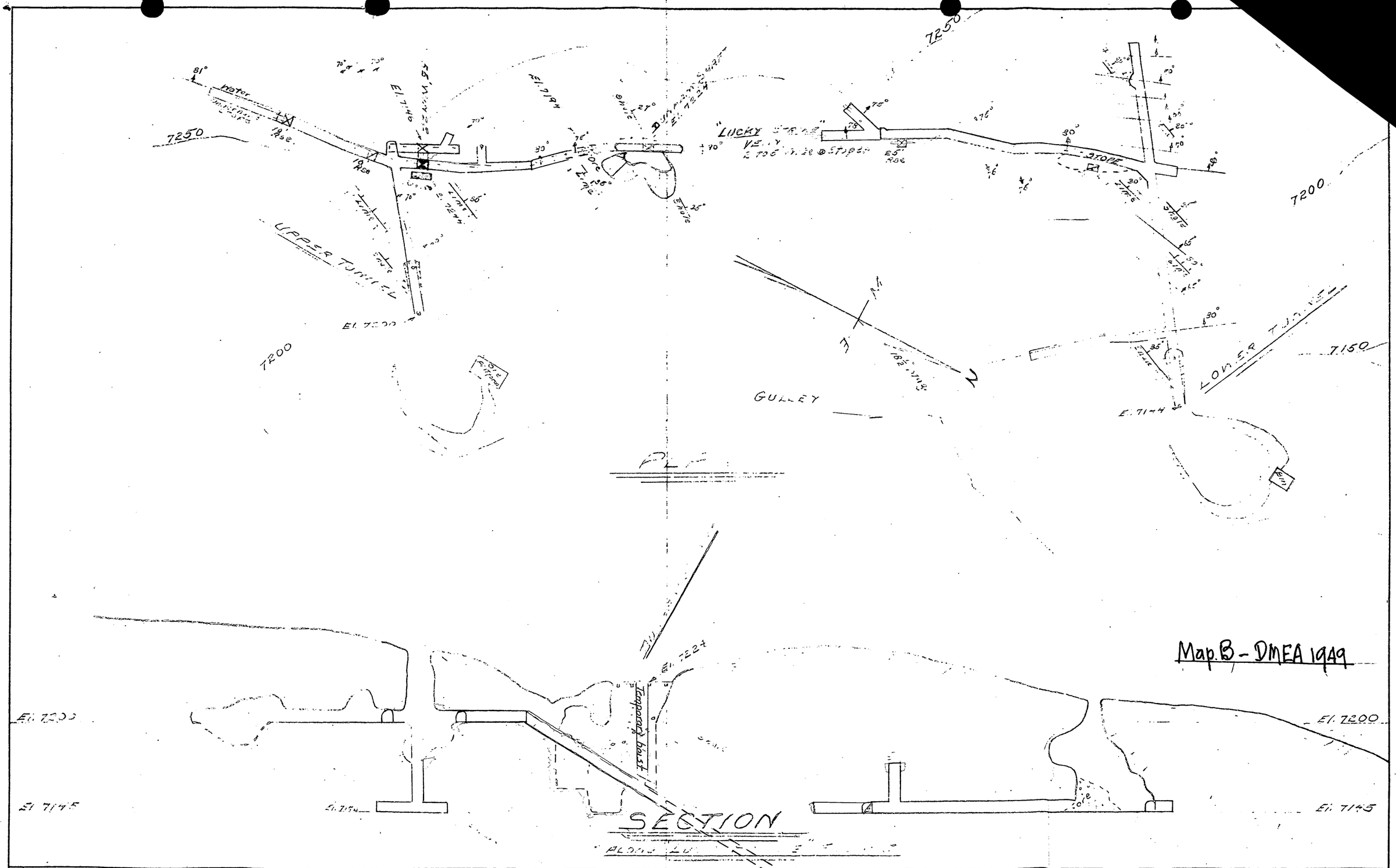
U.S. Surveyor General's Office.

Reno, Nevada

July 3, 1908

Arthur Kyle

U.S. Surveyor General for Nevada



Map B - DMEA 1949

REFERENCES	REVISIONS	WORK		
	Compass - [illegible]	DRAWN	[illegible]	9-18-51
	[illegible]	TRACED		
		CHECKED		
		APPROVED		

COMBINED METALS REDUCTION CO.
SALT LAKE CITY, UTAH

LUCKY STRIKE MINE
BATTLE MOUNTAIN [illegible]

SCALE: 1" = 50'

B-

SALT LAKE BLUE 1000H

UNITED STATES
DEPARTMENT OF THE INTERIOR

Office of
Executive Officer
DMA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

August 7, 1951

DMA-1949

Memorandum

To: Defense Minerals Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, DMA Field Team, Region III

Subject: Application for exploration project - United Minerals Reserve Corporation, 518 Felt Building, Salt Lake City, Utah, Lucky Strike Unit, Lander County, Nevada Zinc-Lead

Attached are four copies of MF-103 forms submitted to this office by subject applicant on August 6. The estimated cost of doing the proposed work is $17,693.44 of which the Government is to furnish 50 percent, or $8,846.72.

Overhead, engineering, etc. costs are not included in the total.

H. C. Miller
Executive Officer
DMA Field Team, Region III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

AUG 13 1951

Attachment

Copy to: United Minerals Reserve Corporation

Form MF-103
(April 1951)

U. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA 1949

Date received 8-13-51

Participation

United Minerals Reserve Corp.
518 Felt Building
Salt Lake City, Utah

Lucky Strike Unit
9-8072
7-8440 Snyder

DEPARTMENT OF INTERIOR
BUREAU OF MINES
RECEIVED
AUG 6 1951
SAN FRANCISCO, CALIFORNIA

Name and address of applicant

Date July 29, 1951

FILL IN THIS BLOCK

Date of application July 29, 1951

Estimated cost

Mineral or metal Zinc-Lead

Percentage of Government participation 50%

Location of mine Lander County, Nevada

Date of filing MF-100 In process

DMA Docket Number, if available 1949

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 13 1951

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.
    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.
    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

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

United Minerals Reserve Corp. (Name of company)

By George W. Snyder Jr. (Signature of authorized official)

May 29, 1951 (Date)

President (Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

U. S. Dept. of the Interior
Defense Minerals Administration
Region III
1415 Appraisers Building
San Frand sco, California

Dear Sirs:

We submit herewith application for aid for exploration project at the Lucky Strike Mine, Lander County, Nevada, in accordance with the Defense Production Act of 1950 and your form MF103.

1. Applicant is a corporation existing under the laws of the State of Nevada.

2. Does not apply.

3. President - George W. Snyder, Jr., 518 Felt Building
& Director Salt Lake City, Utah
V. Pres. & Dir. - Harold A. Covey, " " "
V. Pres. & Dir. - Mason W. Rankin, 708 Harrison Avenue
Helena, Montana
V. Pres. & Dir. - George W. Snyder, 218 Felt Building
Salt Lake City, Utah
V. Pres. & Dir. - H. C. Orton, 231 South LaSalle St.
Chicago, Illinois
Secretary-Treas. - Guy Snyder, 218 Felt Building
Salt Lake City, Utah

The above, with the exception of Mr. Guy Snyder, are the largest stockholders of the corporation.

4. Historical Background of Principal Officers and Directors:

Mr. George W. Snyder, Jr., Director and President of the Corporation, has been active in mining, oil, and airline enterprises in the Intermountain Region for the past fourteen years. He served as President and Chairman of the Board of Challenger Airlines Company and its predecessor from 1945 until 1948 and was one of the organizers of this concern. He has operated numerous mining leases and oil leases during this period.

Mr. Harold A. Covey, Director and Vice President of the Corporation, is an experienced Mining Engineer having been employed for six years with the Triumph Mining Company, located in Big Wood River region of Blaine County, Idaho, one of Idaho's leading lead-zinc-silver producers. He resigned from his position as Chief Engineer with them in 1945. Prior to that time, Mr. Covey served as Engineer for Snyder Mines, Inc., in Salt Lake City and at Mercer, Utah. He has actively engaged in mining since 1937, when he operated a lease in the Alta Mining District, Utah. His other interests are as a principal stockholder and partner in the Covey Investment Company and the Covey Gas and Oil Company, respectively.

Mr. Mason W. Rankin, Director and Vice President of the Corporation, is an experienced Mining Geologist. He has actively engaged in supervising geological examinations and mine operations in Western United States since 1936, having served as Chief Geologist for the Triumph Mining Company from 1939 to 1942, when he entered the employment of the American Smelting and Refining Company as a Geologist and Engineer. He served in this capacity until February, 1949, at which time he resigned to devote closer personal attention to the active direction of affairs of this Corporation.

Mr. George W. Snyder, Director and Vice President of the Corporation, has been engaged in the Mining Industry in the Intermountain Territory for a period of thirty-five years, and has successfully developed numerous major mining operations. He is an Officer and/or Director in fourteen mining companies, several of which are large-scale producers of gold-silver-lead-zinc and copper ores. His services are available to the Corporation as Consultant and Advisor.

Mr. Harvey C. Orton, Director and Vice President of the Corporation, is an experienced corporation executive. He was actively engaged in an executive capacity in the acquisition and management of public utilities, electric, gas and transportation for many years until January, 1935. Since that time he has been interested in a major way as an owner, consultant or director in the mining and petroleum business, both in the States and in foreign fields. His capacity with the Corporation will be chiefly in financial matters.

5. The property was acquired under an operating agreement from the leaseholder. The property is owned by the Kearns Corporation of Salt Lake City, Utah.

6. Property owners advise that there are no liens or encumbrances against same.

7. See attached lease and operating agreements. There are no claimants or lienors against the property. Applicant requests that subordination status agreements be left open to negotiation.

8. See current financial and profit and loss statements attached.

9. Applicant submits that they are willing and prepared to furnish 50% of the funds needed for the project and are in fact conducting conditioning and development operations at this date.

10. (a) There are five patented mining claims which are partially explored by cross-cuts, drifts and a single winze.

10. (b) The five patented claims are described in the attached lease and bond agreement and are located in theAntler Peak Mining District of Lander County, Nevada.

11. The property was discovered about 1860 and has retained the name "Lucky Strike" throughout its history.

12. The property is located approximately 14 miles south of Battle Mountain, Nevada. This is the nearest rail shipping point.

Access to the mine is gained by road of which eight miles is over surfaced highway and four miles over reasonably good hauling road.

In early May, 1951 the company commenced construction of two miles of road to the mine location. This project is about one-half completed at this date. This final access road will provide a suitable but difficult seasonal haulageway with grades up to 20%.

13. Water sources are believed adequate for mining operations all year around.

Power will have to be supplied by diesel engines. Current price quotations for diesel oil are .17 per gallon at the mine.

14. There are no facilities, structures or equipment on the property.

15. Ores produced would be hauled over the road herein described to Battle Mountain, Nevada and thence via rail to smelters or treatment plants in the Salt Lake City, Utah area.

Ores are classified as highly desirable, being largely sulfides of zinc and lead. A competitive market for ores of this type now exists.

16. (a) Earliest reported exploration of the property was in the 1860's. Production of high grade silver-lead ores is reported to be in excess of $200,000.00. Zinc values were discarded and ores shipped averaged 150 ozs. of silver, 50% lead and $4 - 5.00 in gold. It is estimated that there are approximately 100 tons of good grade zinc ore on the dump.

All mining on the property was done by hand and ores were hauled out by stone-boats. Operations were suspended because of high zinc values and subsequent leaser activity has been sporadic. Applicant believes that the difficulty of access to the property has permitted its extended languishment.

Total development consists of approximately nine hundred feet of drifts and cross-cuts, one winze reportedly down 106 feet, and one stope from the principal drift level to the surface.

Other small areas are stoped to a width of about four feet and work has terminated where zinc values increase.

Applicant represents that workings, wherever practicable, will be accessible before any examination will be made. The only workings not now accessible are the winze and a small portion of the north drift.

16. (b) The property is credited with more than $200,000.00 production. The mine lies in the Antler Peak Mining District, which area includes scores of prospects, small producers, and several major producers among which are the Copper Canyon Mine, Copper Basin Mine and the Buckinham Mine. Accumulatively the District has recently provided lead, zinc, and copper production comparing favorably with other top Nevada regions.

(c) See attached engineering and geological summaries.

17. The property is not in production at present.

18. (a) Mineralization occurs along a steeply dipping to vertical fault-fissure trending N 45 W and displacing shales, sandstones, and occasional calcareous beds of Upper Paleozoic age. Ore is present in lenticular bodies, the ore minerals in the sulfide zone being galena and sphalerite with minor amounts of argentiferous tetrahedrite. Gangue minerals are principally calcite and pyrite. At and near surface the ores are thoroughly oxidized, but sulfide mineralization is dominant at depths below 50 feet.

(b) Maps and assay data are in preparation and will follow.

(c) Estimated reasonably assured reserves of sulfide ore are 300 tons having an average assay value of Au .02, Ag 8.0, Pb 5.0, Zn 17.0.

19. The only production from the property was during early periods of mining activity. Zinc was non-commercial, and in fact detrimental. As a result, a small tonnage of fully developed sulfide zinc-lead ore is present and exploration objectives for this type of ore are completely untested.

20. The exploration will be conducted for the purpose of developing sulfide zinc-lead ores, in vein and replacement type deposits.

21. It is proposed to perform additional development work in depth immediately below known ore deposits. This work will consist of 100 feet of winze and 250 feet of drifting. Estimated time required for completion of such work is five months.

22. The project is based on development of known ore occurrences at additional depth. The primary mineralization is of a type that is expected to persist to a considerable depth below existing openings without appreciable change in grade. Possibilities for the development of replacement type deposits in favorable beds adjacent and near the principal fissure are good.

23.

(a)	Labor - 4 miners @ $12.00 x 140 shifts		$ 6720.00
	Industrial accident compensation, F.O.A.B. above		1021.44
(b)	Mine Superintendent @ $350/mo.		1750.00
	Ins., accident compensation, etc. above		217.50
(c)	Repairs, excluding labor		300.00
(d)	Ore Bin - Compressor House		600.00
(e)	7½ H.P. Air Tugger Hoist	$1150	
	2 45-lb. Jackhammers @ $550	1100	
		$2250	2250.00
(f)	Nil		
(g)	Compressor, hoist, drills, etc. @ $500/mo.		2500.00
(h)	Supply items		4235.00
(i)	None		
	TOTAL		$ 17,693.44

* Note overhead, engineering, etc. not included in above total.

24.

	Expenditures	Sinking	Drifting
1st Month	$ 5693.44	40 ft.	
2nd Month	3000.00	40 ft.	
3rd Month	3000.00	20 ft.	50 ft.
4th Month	3000.00		100 ft.
5th Month	3000.00		100 ft.
TOTAL	$ 17,693.44	100 ft.	250 ft.

EXTRACT

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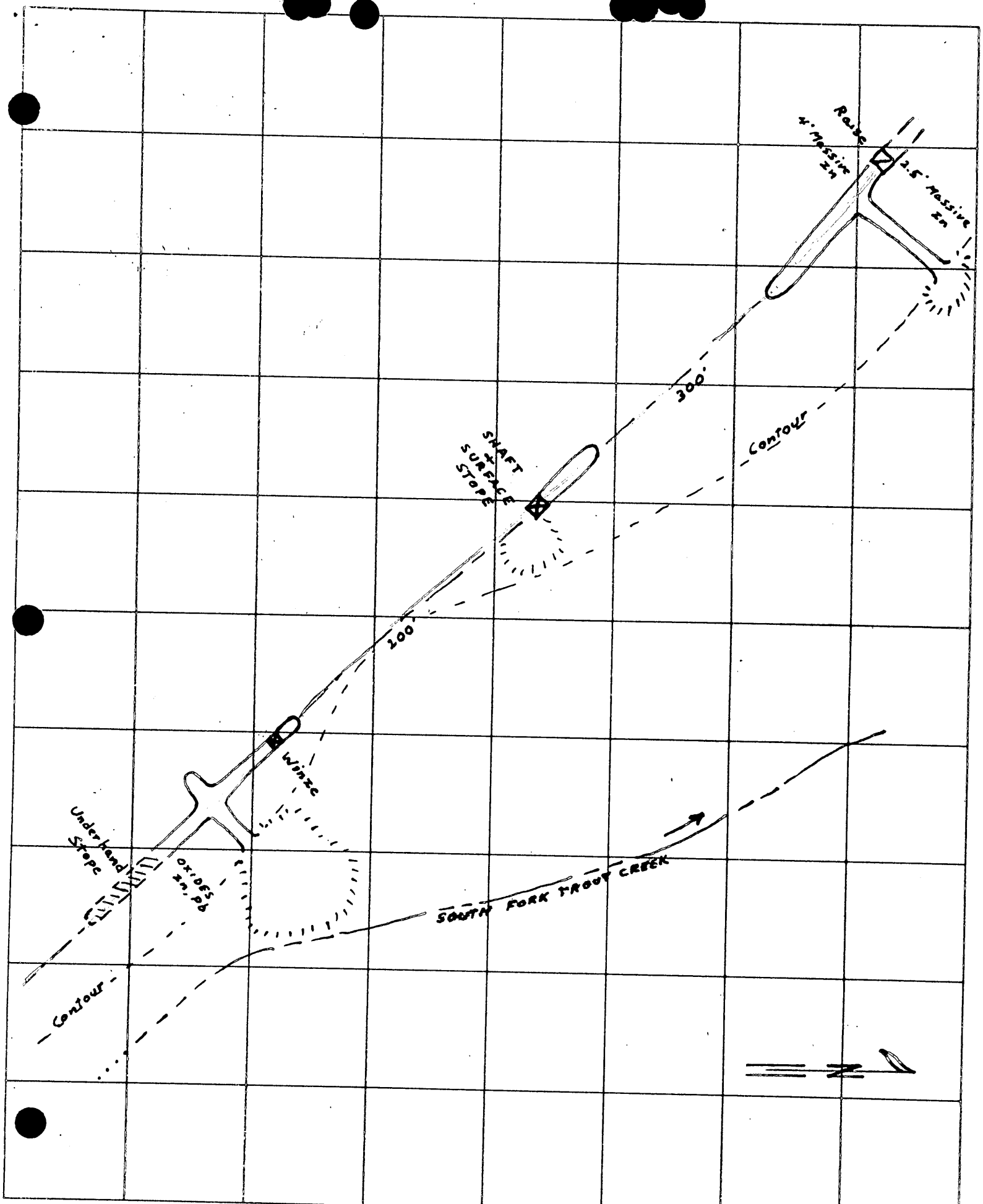
LUCKY STRIKE MINE

The Lucky Strike mine (No. 17, Pl. X) is on the West side of Elder Canyon near its head, about $1\frac{1}{2}$ miles North of Antler Peak. Three of the five claims are located on the vein, which strikes N 35° W. and stands nearly vertical or has a steep westward dip in quartzite. The development consists of a 70 foot crosscut to the vein, which is cut at a depth of 60 feet, and 400 feet of drifting at the tunnel level; there is also a 106-foot shaft near the point where the vein is cut by the tunnel. All the work is inaccessible. At the surface the vein is $2\frac{1}{2}$ feet wide and consists of nearly solid galena and dark colored sphalerite, showing only slight oxidation. The ore taken from the tunnel level is entirely unoxidized and is said to average about 50 percent lead, 150 ounces of silver, and $4 to $5 in gold a ton.

Several small shipments were made from this property about 1908.



MINE _____ LOCATION _____ LEVEL _____

GEOLOGY BY R.H. Raring SURVEY _____ SCALE _____ DATE 5/25/61

UNITED MINERALS RESERVE CORPORATION
BALANCE SHEET
April 30, 1951

ASSETS

Current Assets		
Cash in Bank		$15,082.71
Accounts Receivable		35,167.10
		$50,249.81
Subscriptions Receivable		4,453.04
Fixed Assets - Equipment		1,794.15
Other Assets		
Property Leases and Options	$71,200.00	
Securities	18,000.00	
Mine Development and Promotion	22,542.68	
Organization Expense	3,036.95	114,779.63
		$171,276.63

LIABILITIES AND NET WORTH

Current Liabilities		
Accounts Payable		$ 1,166.16
Payroll Taxes		171.00
Accrued Interest Payable		3,242.58
		$ 4,579.74
Non-Current Liabilities		
Officers Advances	$23,104.15	
Notes Payable - General	25,000.00	
Notes Payable - Production	54,932.72	103,036.87
Net Worth		
Capital Stock, Authorized 3,000,000 shares, non-assessable, par value $.10; issued and outstanding 659,650 shares	$65,965.00	
Paid in Surplus	13,635.00	
	$79,600.00	
Operating Deficit	15,939.98	63,660.02
		$171,276.63

UNITED MINERALS RESERVE CORPORATION
STATEMENT OF PROFIT & LOSS
For 10 month period ended April 30, 1951

Ore Sales - Lake Creek Operation		$ 1,461.71
Operating Expenses - Lake Creek Operation		
Supervision	$ 680.00	
Wages	1,683.30	
Equipment Rentals	801.00	
Gas and Oil	26.53	
Insurance	88.91	
Taxes and Licenses	295.30	
Assaying	57.96	
Supplies	224.07	
Telephone and Telegraph	23.27	
Travel Expense	1,145.60	
Minimum Performance Payments	289.56	
Miscellaneous Expense	20.92	5,336.42
		$ 3,874.71
General & Administrative Expenses - Home Office		
Special Commissions	$ 5,000.00	
Clerical Salaries	950.00	
Travel & Entertainment	2,464.24	
Office Supplies	171.20	
Maintenance & Repairs	38.76	
Telephone & Telegraph	437.54	
Blueprinting	41.72	
Accounting & Legal Expense	660.00	
Taxes	126.00	
Interest	1,806.81	
Rent	355.00	
Miscellaneous Expense	14.00	12,065.27
		$ 15,939.98

RECONNAISSANCE REPORT
ON
LUCKY STRIKE MINE

May 28, 1951

United Minerals Reserve Corp.
Mr. George W. Snyder Jr. Pres.
518 Felt Building
Salt Lake City, Utah

Dear Mr. Snyder:

Pursuant to your request I visited the Lucky Strike Mine for the purpose of conducting a preliminary examination.

The following is a brief resume' of my findings on the subject property.

PROPERTY

The Lucky Strike Mine was first discovered in the 1860's. Its location is about one and one-half miles north of Antler Peak in Lander County, Nevada. It is reached by road from Battle Mountain, Nevada. Total distance from Battle Mountain is approximately fourteen miles. Of this, eight miles are on improved surfaced highway, six miles over passable dirt road and you are now having the last two miles of road constructed. This last two mile stretch will have considerable twenty percent grade involved and was approximately one-half finished at the time of my visit. It is believed that the road now being constructed will be useable for hauling but that it will be seasonal in nature.

CLIMATE

Winters are moderate with only about a total of eleven inches of moisture falling per year. Ice and mud conditions may prohibit haulage from December to late April each year.

FACILITIES

There are no facilities, improvements on structures remaining on the property.

WATER

Water is available within fifty feet of the portal of the south adit from a small stream known as the south fork of Trout Creek. It is reported that some water remains at all seasons.

Surface waters can be retained in certain portions of the mine for use in drilling.

POWER

Portable diesel engines will be required to power compressors, hoists etc.

TIMBER

No timber is available locally and will probably have to be purchased at going rates.

DEVELOPMENT

Earliest reported exploration of the property was in the 1860's. Production of high grade silver-lead ores is reported to be in excess of $200,000.00. Zinc values were discarded and ores shipped averaged 150 ozs. of silver, 50% lead and $4 - 5.00 in gold. It is estimated that there are approximately 100 tons of good grade zinc ore on the dump.

All mining on the property was done by hand and ores were hauled out by stone-boats. Operations were suspended because of high zinc values and subsequent leaser activity has been sporadic. The writer believes that the difficulty of access to the property has permitted its extended languishment.

Total development consists of approximately nine hundred feet of drifts and cross-cuts, one winze reportedly down 106 feet, and one stope from the principal drift level to the surface.

Other small areas are stoped to a width of about four feet and work has terminated where zinc values increase.

GEOLOGY

Mineralization occurs along a steeply dipping to vertical fault-fissure trending N 45 W and displacing shales, sandstones, and occasional calcareous beds of Upper Paleozoic age. Ore is present in lenticular bodies, the ore minerals in the sulfide zone being galena and sphalerite with minor amounts of argentiferous tetrahedrite. Gangue minerals are principally calcite and pyrite. At and near surface the ores are thoroughly oxidized, but sulfide mineralization is dominant at depths below 50 feet.

ORE RESERVES

There is little measured sulfide ore other than one block in the North adit estimated to contain approximately 300 tons. Mud and water lying in this drift prohibit examination of reported four feet of massive zinc lying on the sill below the drift level. It seems reasonable to assume that this ore chute continues below the drift level. It is reported that massive zinc is present in the bottom of the winze which should of course be confirmed. Possibilities exist for the development of favorable bedded ore zones.

RECOMMENDATIONS

I recommend that development work be presently confined to areas below the known ore deposits. At least 100 feet of winze should be sunk and 250 feet of drifting conducted in this area. These objectives will receive the expenditure of an estimated $18,000.00.

Respectfully submitted,

M. W. Rankin

MANAGEMENT AGREEMENT

THIS AGREEMENT made in duplicate this 16th day of May, 1951, between Frank H. Maloney of Reno, Nevada, first party, and United Minerals Resource Corporation, a corporation under the laws of Nevada, second party,

WITNESSETH:

Whereas, first party has acquired a lease and bond agreement between the Tonopah Corporation as owner and himself as lessee, affecting mining property in the Battle Mountain Mining District, Lander County, Nevada, to-wit:

Lucky Strike
Lucky Strike No. 1
Lucky Strike No. 2 Survey No. 3475
Lucky Strike No. 3
Lucky Strike No. 4

embracing a portion of Township 32 North of Range 43 East of the Mount Diablo Meridian, amounting to 103.92 acres, more or less, together with the appurtenances, a copy of which agreement is annexed hereto marked Exhibit "A"; and

Whereas, first party desires to arrange with second party to carry on development and mining operations in said property and to have the benefit of the experience, skill and organization of second party and its financial assistance in the operation and development of said property,

Now Therefore, first party employs second party for the term of said agreement, Exhibit "A", unless sooner terminated as hereinafter provided, to manage and superintend the physical operation of the said mining property, including the extraction, treatment and handling of ores and concentrates.

The duties and rights of second party as such superintendent shall include the hiring of labor and other necessary personnel at the mine and the purchase of necessary equipment and supplies, all in the name and for the account of first party.

It shall also be the duty and right of second party to furnish to first party, on request, maps and reports setting forth proposed mining development, together with estimates of the rate at which such development is intended to proceed; also to keep proper books of account, payrolls and other appropriate records for and in the name of first party, who upon his part agrees to open a bank account and to maintain therein a revolving fund which shall be subject to check by second party sufficient to pay current cost of operations and capital expenditures for improvements. Costs of operation shall include a reasonable allowance per month for administrative salaries for second party's

office in Salt Lake City, including mining technical staff and purchasing and accounting departments. It shall also be the duty and right of second party to keep and perform on behalf of first party the obligations of said agreement, Exhibit "A", on the part of the first party herein to be kept and performed.

All ores shall be marketed in the name of Kearns Corporation as provided in said agreement, Exhibit "A", and first party's share thereof shall be paid by the Kearns Corporation to first party. Contracts for the sale of ores may be negotiated by second party subject to the approval of first party and in accordance with said agreement, Exhibit "A".

Current development aimed at preserving output and continuity of operations shall be in accordance with the judgment of second party, provided that while operation of the mine remains profitable there shall during each six month period be applied to the cost of such development amounts which shall average not less than 15 percent of the net operating profit as determined before deducting depreciation, depletion and Federal and State income taxes and Federal capital stock taxes. And provided further that development plans shall be subject to control by first party to the extent that they shall be carried on in a substantial, systematic and miner-like manner, and with regard to the development of the property as a safe and workable mine; reserving, however, to second party in connection with its management services its recognized interest and right in maintaining as high a rate of production as the mine is economically capable of.

As compensation to second party for its services, first party agrees to pay to second party 70 percent of first party's net mining profits; payments to be made on or before the 15th day of each calendar month of the amount of such profits as hereinafter defined for the preceding calendar month; annual settlement of accounts and an adjustment and payment of balance to the party entitled in respect to said percentage to be made within sixty days after the close of each calendar year.

Net mining profits shall be determined as follows: There shall be first computed to the close of each calendar year the first party's gross operating income from which there shall be deducted the following items - All expenditures made by first party on and after the date hereof to be computed annually for operations including (a) mining, milling, reduction, transportation and other usual costs; (b) costs of exploration and development work, whether profitable or not; (c) royalties paid by first party under agreement, Exhibit "A"; (d) salaries and office expenses; (e) governmental taxes, dues and imposts of all kinds, including Federal and State income taxes; (f) depreciation on all property subject thereto charged at rates based on the remaining useful life thereof; (g) incidental expenditures properly chargeable as operating costs.

The cost of structures, improvements or facilities of a nature more permanent than to be chargeable to current operating costs and necessary or expedient in the development and mining operations of the property, shall be

deemed capital expenditures; and for the purpose of this agreement the cost thereof shall be depreciated and charged at rates based on the estimated remaining useful life of the property.

Second party may relinquish its rights under this agreement and cancel same without liability by serving upon first party a thirty day written notice of its intention so to do, and returning the property hereby affected to first party.

Nonperformance of this contract by either party is excused so far as caused by acts of God, war, accident, fire, unavailability of labor or materials, failure of water supply or transportation, shut down of treatment and refining plants, low price of metals, or acts of the public authorities.

This agreement shall in all things be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and personal representatives.

WITNESS the due execution hereof the day and year first above written.

Frank H. Maloney

UNITED MINERALS RESERVE CORPORATION
By

President

Attest:

Secretary

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 13 1951

KNOW ALL MEN BY THESE PRESENTS:

That I, Frank H. Maloney of Reno, Nevada, hereby constitute and appoint United Minerals Reserve Corporation, a corporation under the laws of Nevada, my true and lawful attorney for me and in my name to transact all my bank business at the First Security Bank of Utah, Exchange Place Branch, in the city of Salt Lake City, Utah; to receive, receipt and give acquittance for all moneys paid and to be paid to me under and by reason of operations in the Lucky Strike mining claims in Lander County, Nevada, and lease and bond agreement to me from the Kearns Corporation; to endorse and deposit in said bank account checks, promissory notes, drafts and bills of exchange, and to withdraw moneys from said account by drawing checks for that purpose; and in its discretion to waive demand notice and notice of protest on all negotiable instruments.

With full power and authority to do all things necessary to carry out the intent and purpose hereof, hereby ratifying and confirming all that my said attorney may lawfully do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF I have hereunto set my hand this _____ day of May, 1951.

Frank H. Maloney

Approved
M. Vial

THIS LEASE AND BOND AGREEMENT made and entered into in duplicate this 27th day of February, A.D., 1951, by and between the KEARNS CORPORATION, a corporation organized and existing under and by virtue of the laws of the State of Delaware, and having its principal place of business at Salt Lake City, Salt Lake County, State of Utah, the party of the first part, hereinafter called the Lessor, and Frank M. Maloney of the city of Reno, State of Nevada, the party of the second part, hereinafter called the Lessee.

WITNESSETH:

That the said Lessor, for and in consideration of the royalties hereinafter reserved and the covenants and agreements hereinafter expressed, and by the said Lessee to be kept and performed, has demised and let and by these presents does demise and let unto the said Lessee all its right, title and interest in and to the following described mine and mining property, situate in the Battle Mountain Mining District, Lander County, State of Nevada, to-wit:

Lucky Strike, Lucky Strike No. 1, Lucky Strike No. 2, Lucky Strike No. 3 and Lucky Strike No. 4, Survey No. 3475, embracing a portion of Township thirty-two north of Range Forty-three east of the Mount Diablo Meridian, amounting to 103.292 acres, more or less,

Together with the appurtenances.

TO HAVE AND TO HOLD unto the said Lessee, for the term of four years from the date hereof, expiring at noon on the 27th day of February A.D., 1955, unless sooner forfeited or determined through the violation of any covenant hereinafter against the said Lessee reserved.

That the Lessor for and in consideration of One Dollar ($1.00) cash in hand paid by said Lessee, receipt whereof is hereby acknowledged, does hereby agree to deed all its rights, title and interest in and to said claims to the Lessee, PROVIDED that on or before the expiration of this Lease the Lessee shall

have paid, through royalties as hereinafter provided, or otherwise, to the Lessor the sum of Twenty Thousand Dollars ($20,000), lawful money of the United States, being the price agreed upon between the Lessor and the Lessee.

And in consideration of such demise, the said Lessee does covenant and agree with the said Lessor as follows, to-wit;

1. To enter upon said Mine, or premises, within ninety days from the date hereof, and thereafter work the same in good and minerlike fashion, and in a manner necessary to good and economical mining, so as to take out the greatest amount of ore possible with due regard to the safety, development and preservation of the same as a workable mine, and to the special covenants hereinafter reserved.

2. To place or install upon said property such mining, milling, transportation, smelting, electrical and other equipment and to erect thereon such buildings and structures as he sees fit. Upon the cancellation of this agreement from any cause whatever, the Lessee, if he is not in default in the performance of any of the provisions of this agreement, may remove any or all of said equipment, structures and buildings within three (3) months from the effective date of said cancellation or termination and shall have the right of free ingress and egress to and from said claims for the purpose of removing the same. In this event the Lessee agrees not to leave premises in dangerous or hazardous condition, and to leave it in no worse condition than originally received. However, in the event of such termination or cancellation the Lessee shall not have the right to remove any mining timbering or ore bins, underground track or air or water pipes.

3. To work and mine the said premises steadily to the extent of at least sixty (60) shifts of work of eight hours each, each and every calendar month during the life of this lease,

commencing not later than the first day of the first calendar month after entry upon said Mine, or premises, as aforesaid, unless prevented by labor strikes or extraordinary mining casualty or extreme inclement weather making ingress and egress to and from the property impossible.

4. To well and sufficiently timber the workings on said premises at all proper points, and to repair all old timbering wherever it may be necessary, so as to insure the permanency of said workings.

5. To keep at all times all shafts, tunnels, levels and other workings thoroughly drained and clear of loose rock and rubbish unless prevented by extraordinary mining casualty, and to not obstruct the main openings in any manner whatever.

6. To refrain from the removal of timbering, or breaking ground which would injure the permanency of the main workings.

7. To not mine outside the boundaries of the leased premises, or within territory not leased to them and the Lessee hereby waive any claim to, or interest in, the proceeds of ore taken in such manner, and compensation for mining the same.

8. To assume all responsibility for personal injuries to or death of the Lessee, or any of the employees or the Lessee, or any person whomsoever, in or upon the property of the Lessor, no matter what the cause thereof may be, whether or not due to the negligence of the Lessor, or any of its employees, and to indemnify and save the Lessor harmless from all claims and demands and from all suits and judgments for such injuries or death arising from any and all wrongful acts of any contractor, or of any other Lessee or Lessees of the Lessor.

9. To allow said Lessor and its agents at all reasonable times to enter upon and into all parts of said mine and premises for the purpose of inspection and surveying and for the purpose of sampling any ores or minerals which may be disclosed therein.

10. To not assign this lease or any interest thereunder,

and to not sublet the said premises or any part thereof, without the written consent of the said Lessor.

11. That all work and labor done, or performed by the Lessee or his employees, to be done and performed at the sole cost and expense of said Lessee, and in no event shall said Lessor be held responsible, or in any way obligated, for the payment of any labor done or performed pursuant to this lease and agreement upon said property, or for the cost of any supplies used by said Lessee in doing and performing work and labor upon said property and premises, and the Lessor pursuant to section 3743 of Nevada Compiled Laws, 1929, will post a notice in writing of nonresponsibility in some conspicuous place upon the demised premises and after such posting file a duplicate original of such posted notice with the Recorder of Lander County, State of Nevada, where the demised premises are situated, together with an affidavit attached thereto showing such posting of the original notice.

12. To properly post and keep posted upon said premises all necessary notices now or hereafter required to the effect that said property and premises are being operated by the Lessee and that the Lessee is solely responsible for all work and labor done upon said premises and for all materials or supplies furnished for their operations thereon, and that said property and premises are being worked and operated pursuant to the terms of an agreement between the Lessor and the Lessee; and further that the said Lessor is not and shall not be responsible for any work or labor done upon or for the benefit of said premises under the terms of said contract, nor for materials or supplies furnished to said Lessee.

13. So long as the Lessee shall remain in possession of and work said property and premises to comply in all respects with the provisions of the laws of the State of Nevada, with respect to Workmen's Compensation and all the rules and regulations of the Industrial Commission of the State of Nevada, all without cost

or expense to the Lessor; to promptly furnish to the Lessor receipts and duplicate receipts showing the discharge by the Lessee of his obligations under this paragraph and in the event of his failure so to do the Lessor may at its option pay said expenses and collect any sum so expended from the Lessee in such manner as it sees fit including the deduction thereof from the net smelter returns for which provision is hereinafter made, and in compliance with Section 2688 of Nevada Compiled Laws, 1929, the Lessee shall immediately upon the execution of this lease and before commencing any work or causing any work to be commenced thereunder file with the Industrial Commission of the State of Nevada an acceptance of the provisions of Nevada Industrial Insurance Act and pay the premiums in advance upon the estimated earnings of themselves and any workmen they may employ.

14. To comply in all respects with any and all laws, rules, and regulations of the United States and the State of Nevada including the Unemployment Compensation Law of the State of Nevada and the Federal Social Security Law, and their respective departments, commissions, and officials, covering or affecting the conduct of the work and operations contracted to be performed by the Lessee hereunder and herein.

15. To pay all taxes and assessments, general or special, Federal or State or County, assessed or levied against the Lessee and the Lessor, or either or any of them arising or growing out of said lease or the relations created thereby or the operations of the Lessee thereunder or the production of ore pursuant thereto or the proceeds thereof and any or all said taxes and/or assessments including all taxes on the net proceeds of ore produced and taxes on the personal property and improvements placed on the leased property by the Lessee, except, however, that the Lessor shall pay the so-called general property tax assessed and levied on the leased property on an acreage basis or patented mine basis and shall also pay all taxes assessed or levied against the Lessor

by reason of its receipt of royalties pursuant to the terms of said lease except net proceeds taxes on royalties received by the Lessor. The term net proceeds as used in the Paragraph 15 shall include premiums on newly mined ore and the like.

16. To furnish the Lessor at the end of each Calendar month of the term of this lease with a detailed statement showing the number of men employed during the previous month and the number of shifts worked for the purpose of showing compliance with Paragraph 3 hereof; and also to furnish to the Lessor at the end of each calendar month such detailed statements as will enable the Lessor to compute and make proper reports to the taxing authorities of the United States and the State of Nevada, respectively, and a statement of the value of the labor performed on each patented mine and furnish any affidavit of labor required in any calendar year or assessment year.

17. That the Lessor at its option may pay all taxes or assessments assessed or levied against it and which pursuant to the terms of this lease and agreement are to be paid by the Lessee, and in the event of such payment by the Lessor, it may collect any sum so expended from the Lessee in such manner as it sees fit including the deduction thereof from the net smelter returns for which provision is hereinafter made.

18. To pay said Lessor as royalty ten per cent (10%) of the net smelter returns of all ore to be extracted from said premises. Net smelter returns in this connection shall mean after freight, hauling, treatment, sampling and assaying charges are deducted; all expenses for mining, tramming and other expenses in handling or delivering the ore will be assumed and paid by the Lessee. All ore shipped by the Lessee

shall be shipped in the name of the Lessor. All checks and payments for ore together with settlement sheets shall be delivered by the smelter to the Lessor. The Lessor after deducting its royalties and such other sums as it may have expended for and in behalf of the Lessee pursuant to the terms hereof, shall remit the balance to the Lessee.

19. Not to ship any ores broken or mined unless same will pay all expenses of mining, transportation, smelting and all other costs and net the Lessor a fair profit; all ores mined which are too low grade for shipment during the term of this lease shall remain the property of and subject to the control and disposition of the Lessor; the Lessee shall be chargeable with, and promises to pay, any loss or expense resulting from the shipment of ore which may not be of payable or saleable grade.

20. To submit the Lessor at the end of each three months a written report showing the location of work done in the mine or on surface, nature of such work, and the amount of ore taken out and shipped and number of feet of work on drifts, raises and W winzes.

21. To deliver to the Lessor the said premises with the appurtenances, and all improvements, whether made by the Lessor or the Lessee, in good order and condition, and all shafts, tunnels, levels and other workings thoroughly clean of waste, rubbish and water and ready for immediate continued working, without demand or further notice on the 27th day of February, A.D., 1955, at noon, or at any time previous upon demand for forfeiture, provided, however, that the Lessee may have Ninety (90) days after the expiration of this lease for any cause to remove from the premises machinery owned by them, but for no other purpose whatsoever.

22. That from and after the date of entry upon the premises by the Lessee as aforesaid, the Lessee will hold the Lessor

harmless against any and all actions, claims, demands, and causes of action whatsoever and any orders or decrees or judgments which may be entered therein, brought for damages or alleged damages resulting or on account of trespass upon the surface or beneath the surface of any other mining claim by the Lessee, or on account of the extraction of ore by the Lessee at any time from the surface or beneath the surface of any other mining claim, or from and vein or lode having its top or apex in any other mining claim.

23. Not to sell or enter into any agreement to sell any sand or gravel from said claims under any circumstances whatsoever.

24. That upon violation, whether it goes to the root of the contract or not, of any covenant or covenants herein reserved, the term of this lease shall, at the option of the Lessor, expire, and the same and said premises, with the appurtenances and improvements, whether made by the Lessor or Lessee, shall become forfeit to said Lessor without notice by the Lessor, and said Lessor or its agent may thereupon after demand of possession in writing, enter upon said premises and disposess all persons occupying the same, with or without force and with or without process of law; or at the option of said Lessor the said Lessee and all persons found in occupation may be proceeded against as guilty of unlawful detainer.

The failure of the Lessor to insist upon strict performance of any of the covenants or conditions of this lease and agreement in any one or more instances shall not be construed as a waiver or relinquishment for the future of any such covenants or conditions, but the same shall be and remain in full force and effect.

25. That any written notice or demand herein authorized or required to be given by either party to the other shall be validly and sufficiently served, given or made if mailed by registered mail with postage prepaid, and if intended for the

Lessor addressed to it at 1017 Kearns Building, Salt Lake City 1, Utah, and if intended for the Lessee addressed to The Lessee, 655 University Avenue, Reno, Nevada, or to such other place as may be from time to time designated in writing by the party to be addressed and served upon the other party as provided in this paragraph.

Each and every clause and covenant of this agreement and lease and option shall extend to the heirs, executors, administrators, successors, and assigns of all parties hereto the same as if the words "Lessor" and "Lessee" wherever used in this agreement, and lease, included the heirs, executors, administrators, successors and assigns of the Lessor and Lessee, respectively, as if each time fully expressed.

IN WITNESS WHEREOF the said Lessor, by authority of a resolution of its Board of Directors, has caused this instrument to be signed in its corporate name and on its behalf by its President and its corporate seal to be hereunto affixed and attested by its Secretary, and the said Lessee has hereunto set his hand and seal, all in duplicate, the day and year first above written.

ATTEST: KEARNS CORPORATION,

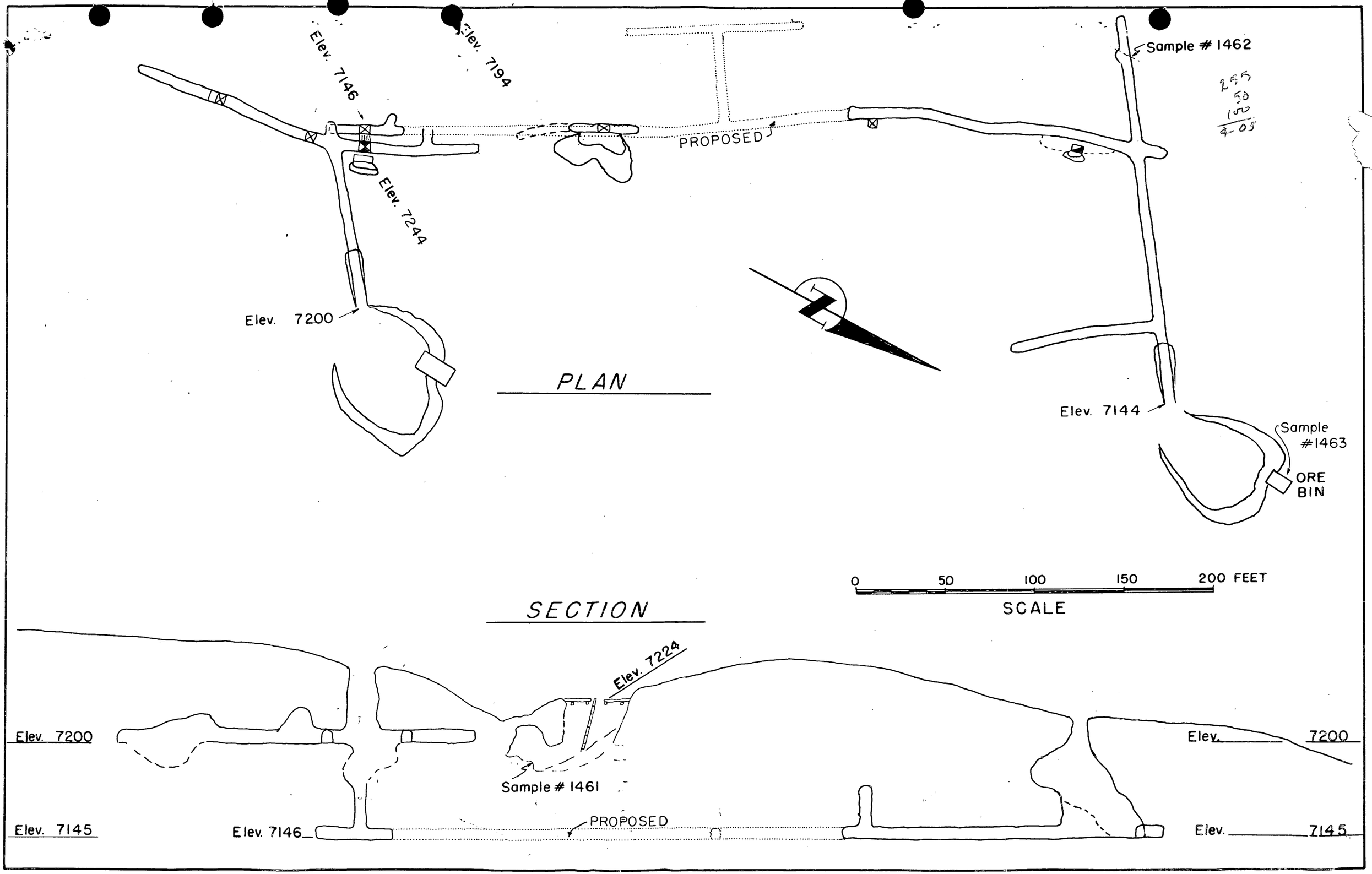
R. J. Fitzpatrick — Secretary

Thomas L. Kearns — President

Signed, Sealed and Delivered
In the presence of:

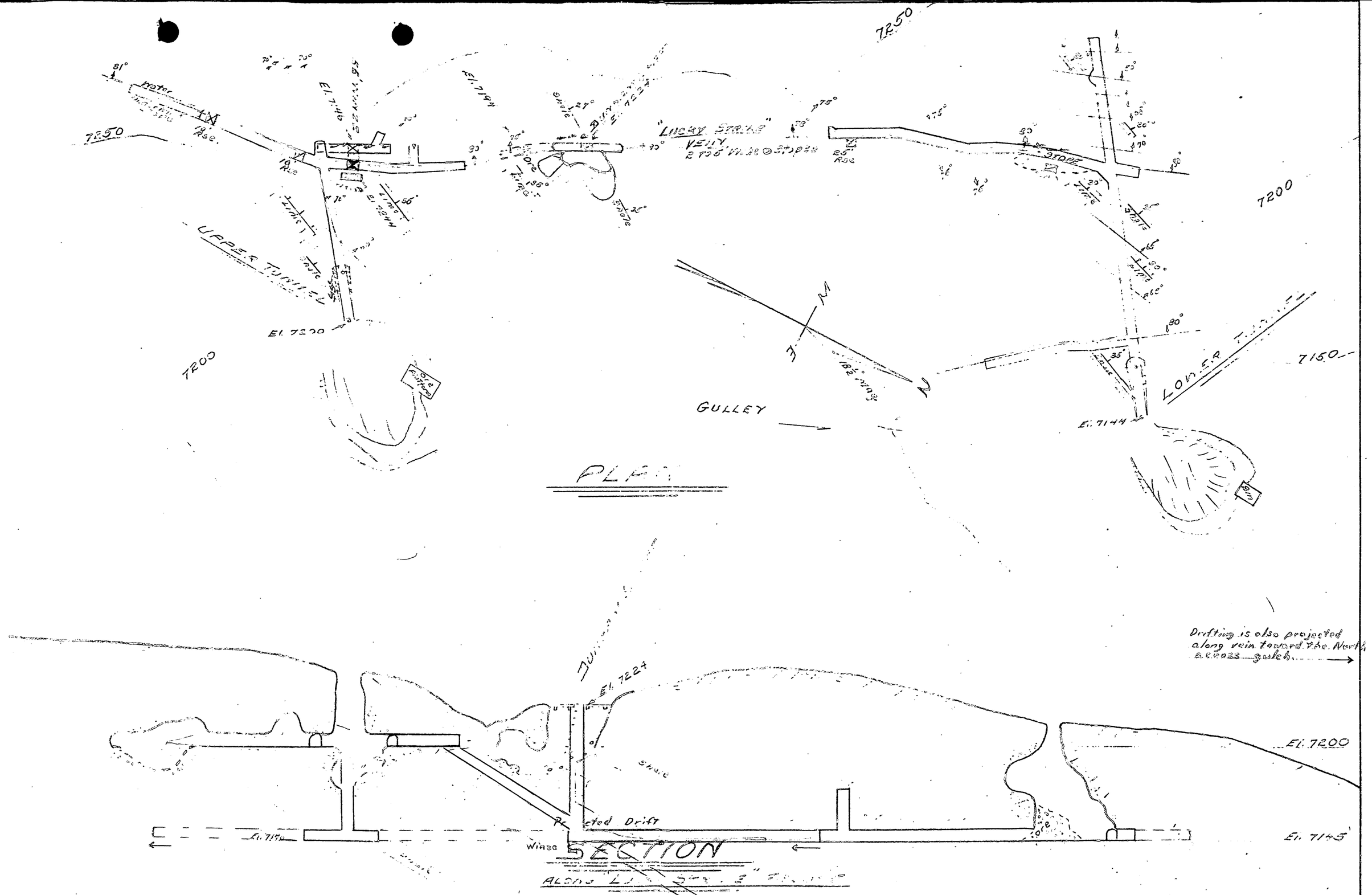
Frank M. Walsh (Seal)

J. W. Gallivan

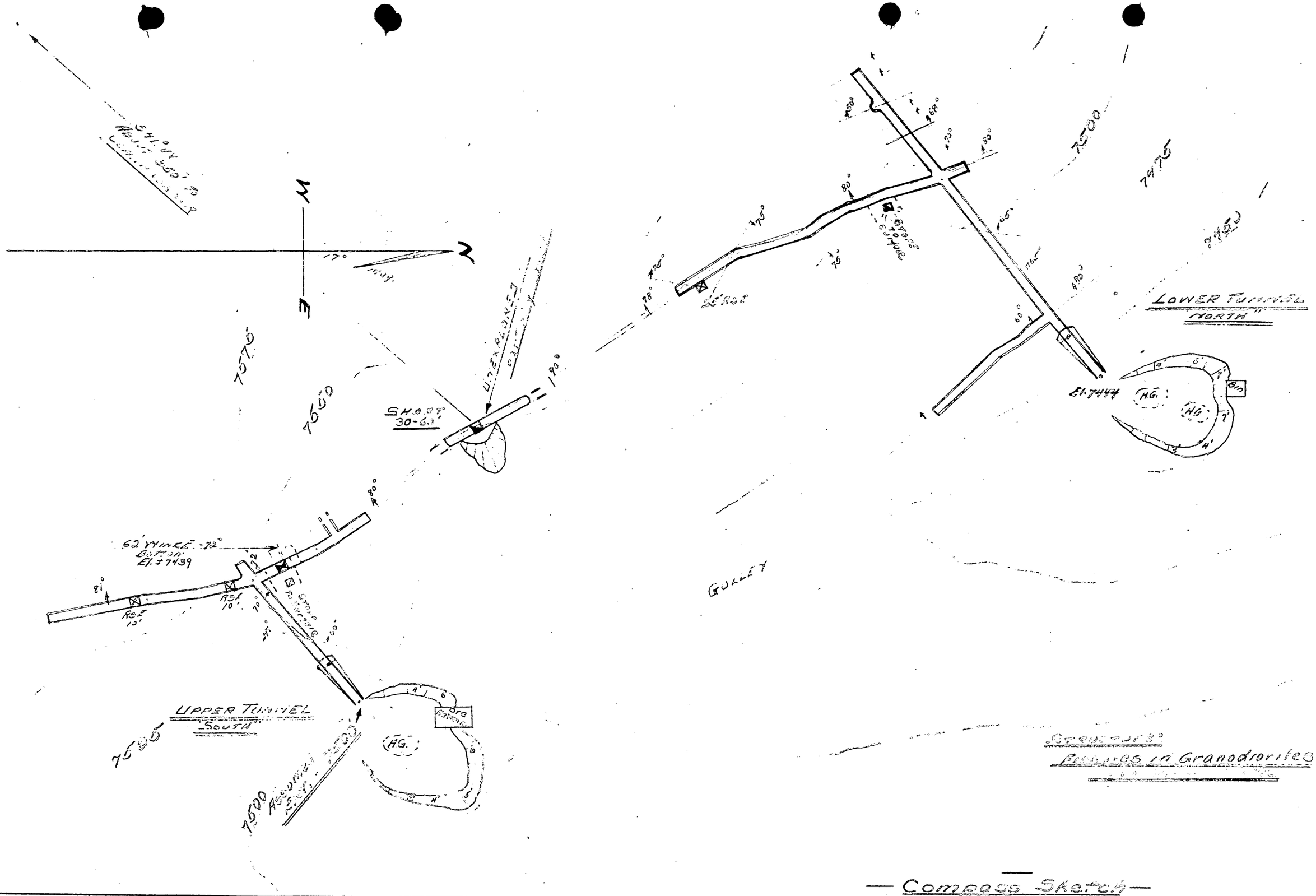


LUCKY STRIKE MINE

LANDER COUNTY, NEVADA



REFERENCES	REVISIONS	WORK			
	Compass & Estimate Revised	DRAWN L.R.T.	9-15-51	COMBINED METALS REDUCTION CO. SALT LAKE CITY, UTAH	LUCKY STRIKE MINE BATTLE MOUNTAIN, NEVADA
		TRACED			SCALE: 1" = 50'
		CHECKED			B-
		APPROVED			



— Compass Sketch —

REVISIONS		WORK	DRAWN 7/29/61	RST	COMBINED METALS REDUCTION CO. SALT LAKE CITY, UTAH		LUCKY STRIKE MINE BATTLE MOUNTAIN - NEVADA	SCALE: 1" = 50 FT.
			TRACED					B-
			CHECKED					
			APPROVED					

BLUE 1000H

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

PROJECT SUMMARY REPORT

By: W. R. Griswold October 24, 1956

1. Docket No. DMEA-1949 (Lead-Zinc)
Contract No. Idm-E322
Lucky Strike Mine
Lander County, Nevada

Operator: G. W. Snyder & G. W. Snyder, Jr.
518 Felt Building
Salt Lake City, Utah

Operator's Property Rights: Lessee
Quit Claim Deed dated October 12, 1951, in favor of George W. Snyder to following claims:

Lucky Strike	Lucky Strike No. 3
Lucky Strike No. 1	Lucky Strike No. 4
Lucky Strike No. 2	

2. Contract dated May 23, 1952.

Work Authorized

Winze, 130 feet
Crosscutting and drifting, 300 feet

Total $27,794.00

No breakdown given as to allocation of funds for individual work items.

Government's participation, 50% $13,897.00

Amendments

No. 1 Dated October 29, 1952.

Adjusts labor rates, allows office and engineering expense and allows more flexibility in "Rehabilitation and Repairs" category.

No cost increase to project.

Amendments

No. 2 Dated November 24, 1952.

Extends completion time by 3 months.

No. 3 Dated April 1, 1953.

Recesses project for four months, February 23, 1953 to June 23, 1953.

Extends completion period an additional four months.

No. 4 Dated December 30, 1953.

Extends recess period to May 15, 1954.

Extends repayment period to eleven years.

Extends completion period to December 23, 1954.

No. 5 Dated March 4, 1954.

Allows a rehabilitation cost as applied to winzing.

Termination Agreement dated May 4, 1955.

Work Completed

105 feet winzing
112 feet drifting

Total Cost	$18,862.72
No individual cost on respective work items	
Government's share, 50%	$ 9,431.36

3. Audit Certificate (Report of Review) dated April 6, 1956

Final Field Team Report dated February 23, 1955

4. Certification of Discovery.

Included as item 6 in Termination Agreement dated May 4, 1955.
Ore Reserve - 1,000 tons
0.02 oz. Au., 7.1 oz. Ag., 5.9% Pb., 11.5% Zn.

5. Comments

The Lucky Strike fault, along which the ores occur, strikes N 45° W and dips about 75° southwest. The host rocks are sandstone and shales of the Harmony formation, ore occurrences have been small and lensy and of no great inportance. No ore was found by the work done, though a small tonnage of known ore was made accessible.

There is no apparent reason why the Government should participate in further work on this property.

Work progress was intermittent, due to inadequate financial resources of the Operator.

W. R. Griswold

WRG/er
Copy to: Docket
Base Metals
Chron.

4

☒ Audited 4/6/56. WO ● ANALYSIS SHEET - DMEA PROJECT ● ☒ Actual Cost

☒ Certified Pauda 5/4/55 Com. Loan Analysis as of 4/12/55. ☐ Agreed Unit Costs

Incl. Voucher for Nov. 1952 + Int. Audit.

Name GEORGE W. SNYDER & GEORGE W. SNYDER JR. (LUCKY STRIKE MINE). Docket No. 1,949X

(Original Name:- UNITED MINERALS RESERVE CORPORATION.)

State NEVADA Commodity LEAD-ZINC. Idm-E No. 322

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	300'	$11,707.00	109'	$7,732.52	$7,610.25
Raising					
Shafts					
Winzes 7'4"x 6'4"	130'	11,563.88	105'	10,908.87	10,751.10
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased		2,250.00		913.00	228.25
Surface Rehabilitation & Repairs					
Underground Rehabilitation Winze #5 Cmd		273.12		273.12	273.12
New Building, Improvements, etc.		2,000.00			
Other (Specify)					
Totals		$27,794.00		$19,827.51	$18,862.72

Inactive

No further private work authorized.
No further Govt. work

Date of Contract - 5/23/52.

Salvage
Venturis $70.80
Wire Rope 50.05
Suction Hose 62.72
Fittings 96.87
$280.04 4/18/55

Air hoist 360.00
2 Rod Drills 384.75
684.75
280.04
$964.79

Royalty Payments to date none

Final Report Type [illegible] according [illegible]
Termination agreement dated May 4th 1955.

Prepared by W. H. Muggeschield

Date of Contract - May 23, 1952.
Expiration Date of Royalty Payments - May 23, 1962.
Ore Reserves:
Measured: 200 } 0.02 oz. Au. 7.1 oz. Ag
Indicated: 300 } 5.9% Pb, 11.5% Zn.
Inferred: 500 }

71626

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

June 12, 1963

Re: MEA-1969 (Lead-Zinc)
C. W. Snyder and G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract Ida-8322

Mr. George F. Egan
Secretary-Treasurer
Kearns-Tribune Corporation
Kearns Building
Salt Lake City, Utah

Dear Mr. Egan:

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

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

Sincerely yours,

s/F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. From June 25, 1962, to May 23, 1963, [redacted], has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. From June 25, 1962, to May 23, 1963, [redacted], has there been any production from the land subject to the contract? Yes ☐ No ☐

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

	Quantity	Value
_____	_____	_____
_____	_____	_____

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

Type	Quantity	Estimated Grade	Location
Ore	_____ Tons	_____	_____
Concentrates	_____ Tons	_____	_____
Other	_____ Tons	_____	_____

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

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

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name _____ Title _____

Address _____ Date _____

4512

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/25	Murphy	500
6/25	O'Keare	500
6/25	Talbert	800
	Selfridge	120
6/26	[illegible]	110
7	[illegible]	160
		220

JUN 27 1963

Mr. George F. Egan
Secretary-Treasurer
Kearns-Tribune Corporation
Kearns Building
Salt Lake City, Utah

Re: DMEA-1949 (Lead-Zinc)
G. W. Snyder and G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract Idm-E322

Dear Mr. Egan:

Thank you for returning the completed MME Form 63's mailed to you on June 12, 1963.

By the terms of the subject Exploration Project Contract and the royalty agreement in Paragraph 6 of the Termination Agreement, dated May 4, 1955, all minerals mined or produced from May 23, 1952, to May 23, 1963, were subject to the Government's percentage royalty as set forth in said contract.

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

Sincerely yours,

George Fumich, Jr.

Director

MMerrithew/mm
6/25/63
cc: Director's Reading File
CA&A Division
Region II (2) with copy of Form 63 dated 6/12/63
Docket
Code 500

43683

KEARNS-TRIBUNE CORPORATION
KEARNS BUILDING
SALT LAKE CITY, UTAH

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 28 1962

DATE		
6/28		800
"		~~110~~
		~~500~~
		~~120~~
7/12		220

June 25, 1962

U. S. Department of the Interior
Office of Minerals Exploration
Washington, D. C.

Re: DMEA-1949 (Lead-Zinc)
G. W. Snyder and G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract Idm-E322

Attn: Frank E. Johnson, Acting Director

Gentlemen:

This is in reply to your letter of June 18, 1962, with reference to the above property.

According to our records, we entered into a lease with G. W. Snyder and G. W. Snyder, Jr. on the Lucky Strike Claims, Lander County, Nevada, under date of March 20, 1952. According to its terms, this lease terminated on March 19, 1956.

During the period of this lease and since its termination to date, our records show no production from this property whatever. At the present time it is not under lease to anyone and no production from it is anticipated in the foreseeable future. However, we note what you say with reference to the Government's royalty interest until May 23, 1963, and should any ore be taken from the property before that date we will get in touch with you.

Yours very truly,

George F. Egan

George F. Egan
Secretary-Treasurer

2 cys to Region III 7/12/62
gla

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/15	Griswold	500
6/18	Talbot	800
6/18	Selfridge	120
		110
6/18	on leave	100
		220

JUN 18 1962

Mr. George W. Snyder
Mr. George W. Snyder, Jr.
518 Felt Building
Salt Lake City, Utah

Re: DMEA-1949 (Lead-Zinc)
G. W. Snyder and G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract Idm-E322

Gentlemen:

We have received the Form 63 request for information in which you state "This lease expired about 1956." We must point out that the expiration of a lease in no way relieved you of your royalty obligations under the contract. Under the Termination Agreement of the contract, dated May 4, 1955, you remain as surety for all royalties on production for a period of eleven years from the date of the contract or until the total net amount contributed by the Government is fully repaid.

Sincerely yours,

(signed) FRANK E. JOHNSON

ACTING Director

WRGriswold/gla 6-12-62
Rewritten: WRGriswold/gla 6-13-62
Rewritten: GCSelfridge/gla 6-15-62
cc to: Director's Reading File
Contract Division
Region II (2) w/1 cy Form 63, dated 6/8/62
Code 500

43683

Re: DMEC-1949 (Ltr. to Mr.)

I do not concur. The Joint Guaranty was never made a part of the contract.

Furthermore, even if it was, the Termination Agreement terminated all obligations of the parties except as provided therein. Annex II, a part thereof, provides however that the Operator, as surety if not the producer, shall pay the Govt. royalty. No.

Talbut

6/12/62

PS: I also re-suggest letter of inquiry on Form 63 to landowners.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/13	[illegible]	500
~~6/13~~	~~[illegible]~~	~~800~~
		120
		110
		100
		220

Mr. George W. Snyder
Mr. George W. Snyder, Jr.
518 Felt Building
Salt Lake City, Utah

Re: DMEA-1949 (Lead-Zinc)
G. W. Snyder and G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract Idm-E322

Gentlemen:

We have received the Form 63 request for information in which you state "This lease expired about 1956." We must point out that the expiration of a lease in no way relieved you of your royalty obligations under the contract. Under the Termination Agreement of the contract, dated May 4, 1955, you remain as surety for all royalties on production for a period of eleven years from the date of the contract or until the total net amount contributed by the Government is fully repaid.

We therefore would appreciate receiving a more concise and up-to-date report as to the status of this property. A Form 63 is enclosed for your guidance.

Sincerely yours,

W. R. Griswold (gla)

W. R. Griswold, Chief
Division of Minerals

Enclosures

WRGriswold/gla 6-12-62
Rewritten: WRGriswold/gla 6-13-62
cc to: Director's Reading File
Contract Division
Region II (2) w/1 cy Form 63, dated 6/8/62
Code 500

43683

MME Form 7
(10-58)

OFFICE FILE COPY

Date	Surname	Code
6/12		500
		800
		120
		110
		100
		220

Mr. George W. Snyder
Mr. George W. Snyder, Jr.
518 Felt Building
Salt Lake City, Utah

Re: DMEA-1949 (Lead-Zinc)
United Minerals Corporation
Lucky Strike Mine
Lander County, Nevada
Contract Idm-E322

Gentlemen:

We have received the Form 63 request for information in which you state "This lease expired about 1956." We must point out that the expiration of a lease in no way relieved you of your royalty obligations under the contract. The Joint Guaranty of March 20, 1952, makes the following guarantors of any royalties which might be due the Government for a period of ten years from the date of the contract:

UNITED MINERALS CORPORATION

/s/ George W. Snyder, Jr.
President

/s/ Guy Snyder
Secretary

Lease-Holders

/s/ George W. Snyder
George W. Snyder

/s/ George W. Snyder, Jr.
George W. Snyder, Jr.

We therefore would appreciate receiving a more concise and up-to-date report as to the status of this property. A Form 63 is enclosed for your guidance.

Sincerely yours,

W. R. Griswold (gla)

W. R. Griswold, Chief
Division of Minerals

Enclosures

WRGriswold/gla
6-12-62
cc to: Director's Reading File
Contract Division
Region II (2) w/1 cy Form 63, dated 6/8/62
Code 500
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/15	Griswold	500
6/18	Talbot	800
6/18	Selfridge	120
		110
6/18	on leave	100
		220

JUN 18 1962

Kearns Corporation
1017 Kearns Building
Salt Lake City 1, Utah

Re: DMEA-1949 (Lead-Zinc)
G. W. Snyder and G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract Idm-E322

Gentlemen:

Under date of May 23, 1952, the Government, through the Defense Minerals Exploration Administration, entered into an exploration contract with the referenced parties on leased lands comprising the Lucky Strike and the Lucky Strike Nos. 1, 2, 3, and 4 claims, survey number 3475. This land was held under a lease from your company, dated March 20, 1952.

The contract was later terminated in an agreement, dated May 4, 1955. Under this agreement the Snyders, as surety, remain responsible to the Government for royalty on any production which might be made from the property, until May 23, 1963.

We have been advised that the lease with your concern was surrendered in 1956. Would you, therefore, be kind enough to advise us if there has been any production from the property since such time; if so, please let us have details. Would you also be kind enough to advise us if there has been any change in the status of the property since it reverted to your company.

Sincerely yours,

(signed) FRANK E. JOHNSON

ACTING Director

WRGriswold/gla 6-13-62
Rewritten: GCSelfridge/gla 6-15-62
cc to: Director's Reading File
Region II (2)
Docket
Code 500

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Name	Code
6/13	[illegible]	500
~~6/19~~	~~[illegible]~~	800
		120
		110
		100
		220

Kearns Corporation
1017 Kearns Building
Salt Lake City 1, Utah

Re: DMEA-1949 (Lead-Zinc)
G. W. Snyder and G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract Idm-E322

Gentlemen:

Under date of May 23, 1952, the Government, through the Defense Minerals Exploration Administration, entered into an exploration contract with the referenced parties on leased lands comprising the Lucky Strike and the Lucky Strike Nos. 1, 2, 3, and 4 claims, survey number 3475. This land was held under a lease from your company, dated March 20, 1952.

The contract was later terminated in an agreement, dated May 4, 1955. Under this agreement the Snyders, as surety, remain responsible to the Government for royalty on any production which might be made from the property, until May 23, 1963.

We have been advised that the lease with your concern was surrendered in 1956. Would you, therefore, be kind enough to advise us if there has been any change in ~~ownership~~ the status of the property since it was built of the same [illegible]

Sincerely yours,

Director

WRGriswold/gla
6-13-62
cc to: Director's Reading File
Region II (2)
Docket
Code 500

43683

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

June 12, 1963

Re: DMEA-1949 (Lead-Zinc)
C. W. Snyder and G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract Idm-E322

Mr. George F. Egan
Secretary-Treasurer
Kearns-Tribune Corporation
Kearns Building
Salt Lake City, Utah

Dear Mr. Egan:

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

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

Sincerely yours,

F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 21 1963

DATE	INITIALS	CODE
6/21		800
6/21		100
6/21		110
		500
		220

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. **From June 25, 1962, to May 23, 1963,** ~~XXXX~~ , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. **From June 25, 1962, to May 23, 1963,** ~~XXXX~~ , has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name George F. Egan — Title Secretary-Treasurer

Address 1017 Kearns Building, Salt Lake City 1, Utah — Date June 17, 1963

4511

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 19 1962

JUN 5 1962

Re: DMEA-1949 (Lead-Zinc)
~~Extex Minerals Corporation~~
Lucky Strike Mine
Lander County, Nevada
Contract Idm-E322

G. W. Snyder and G.W. Snyder, Jr.

George W. Snyder
George W. Snyder, Jr.
518 Felt Building
Salt Lake City, Utah

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

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

Sincerely yours,

W. R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since September 22, 1960, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

This lease expired about 1956

2. Since September 22, 1960, has there been any production from the land subject to the contract? Yes ☐ No ☐

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

	Quantity	Value
Unknown		

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

Type	Quantity		Estimated Grade	Location
Ore		Tons	unknown	
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value
Unknown		

Submitted by:

Name Gus Snyder Title Pres United Hardy Co

Address Felt Bldg, Salt Lake City Ut Date 6/8/62

4511

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California

March 13, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 19 1962

DATE		
3/19	4057	800
		500
		220

Memorandum

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

From: Acting Field Officer, OME, Region II

Subject: DMEA-1949 (Lead-Zinc)
George W. Snyder and George W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract Idm-E322

Enclosed herewith 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

Paul V. Fillo

Copy to: Contract Administration and Audit Division
OME, Washington 25, D. C.
OME Files

Re: DMEA - 1949

Suggest "reminder" to Operators that they are sureties; also inquiry of landowner.

Talbert
6/11/62

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

MAR 6 1962

Memorandum

To: Acting Field Officer, Region II

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

Subject: DMEA-1949 (Lead-Zinc)
George W. Snyder and George W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract Idm-E322

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

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

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

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

Enclosures

EDTalbert/ama 3-5-62

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

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10-13	gah	220

OCT 13 1961

Memorandum

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

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

Subject: DMA-81 (Lead-Zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract Idm-E18
and
DMEA-1949 (Lead-Zinc)
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract Idm-E322

The Department of Justice has advised that our claim for $3,272.07 overpayment on the first of the subject contracts has been closed as uncollectible after partial offset by application of the $746.99 balance due the Operator under the second of the subject contracts.

Please make the necessary adjustment on your accounts to reflect an additional payment of $746.99 under contract Idm-E322 and a refund of the same amount under contract Idm-E18.

An Obligation Document increasing the obligation on contract Idm-E322 by $2,525.08 is being prepared. Both Operator's accounts will then be balanced.

EDTalbert/ama
October 13, 1961

Copy to: Docket - DMEA-1949
Director's Reading File
CA & A Division
Acting Field Officer, Region I (2)
Acting Field Officer, Region II (2)
Miss Curtin

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/1	G	220
	[illegible]	500
		225

JUN 1 1959

Memorandum

To: Mr. George Mavor, OME Auditor

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

Subject: Docket No. DMEA-1949 (Lead-Zinc)
George W. Snyder and George W. Snyder, Jr.
Contract No. Idm-E322

The reference to contract number and county in the Washington copies of your recently submitted Report of Royalty Review on the subject contract have been corrected to "E322" and "Lander".

After these corrections have been made on the regional copies distribution is authorized.

EDTalbert/ama
June 1, 1959

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

43

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/10	Talbert	800
2/11	[illegible]	220
2/12	WRS.	500

FEB 11 1958

Mr. George Mavor
DMEA Auditor
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA-1949
Contract No. Idm-E322
Snyder & Snyder

Dear Mr. Mavor:

The balance due the referenced Operator of $746.99, as stated in your letter of February 6, 1958, must continue to be withheld from payment.

The matter of the Government's claim under contract Idm-E18, docket DMEA-81, United Minerals Corporation, and the possible off-set of the balance due under the referenced contract was referred to the Attorney General of the United States on June 20, 1956. Copies of recent correspondence between the Assistant Attorney General and the U. S. Attorney at Salt Lake City indicate a possibility that the sum of $746.99 may be applied, with the Operator's consent, as a reduction of the claim under contract Idm-E18.

As Mr. Ricker has been furnished copies of these letters, it is suggested that you review his file during your next visit to Reno.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

EDTalbert/wb
February 10, 1958

Copy to: Docket
Admr. Reading File
Mr. Ricker, Region II
Mr. Chambers

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1-29	Chambers	800
	Arnold	500
1/31	GCS	130
"	Jones	110
"	Hutchinson	100
		220
		500

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

JAN 31 1958

Re: Docket No. DMEA-81 (Lead-Zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract No. Ida-E18
and
Docket No. DMEA-1949 (Lead-Zinc)
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Ida-E322

Dear Mr. Weissenborn:

There are enclosed for your information and files two copies of a letter dated January 16, 1958, from the Assistant Attorney General of the Department of Justice, to A. Pratt Kesler, Esq., United States Attorney at Salt Lake City, Utah, in regard to our claims on the above-cited projects.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

O. M. Bishop
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosure

JLChambers/wb
January 29, 1958

Copy to: Dockets DMEA-81, DMEA-1949
Admr. Reading File
Operating Committee
Mr. Ricker, Region II (2)
Mr. Chambers

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
	See	800
	docket	500
	copy of	
	DMEA-81	130
	2/3	110
		100
		~~110~~
11/21	C	220
		225

NOV 21 1957

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

Re: Docket No. DMEA-81 (Lead-Zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract No. Idm-E18
and
Docket No. DMEA-1949 (Lead-Zinc)
G. W. Snyder & G. W. Snyder, Jr.
Inaky Strike Mine
Lander County, Nevada
Contract No. Idm-E322

Dear Mr. Weissenborn:

There are enclosed for your information and files two copies of a letter dated November 15, 1957, from the Assistant Attorney General of the Department of Justice, to A. Pratt Kesler, Esq., United States Attorney at Salt Lake City, Utah, in regard to our claims on the above-cited projects.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JLB)

APPROVED:

Frank D. Lamb (JLB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JLB)
Member, Geological Survey

Enclosure

JLChambers/wb
November 20, 1957

Copy to: Dockets DMEA-81, DMEA-1949
Admr. Reading File
Operating Committee
Mr. Ricker, Region II (2)
Mr. Griswold (2)
Mr. Chambers

8623

~~Thos Lynch~~
MW Chamberlain

INTERIOR DEPT

SECRETARY

ak

GCD:PLC
77-77-214

A. Pratt Kesler, Esq.
United States Attorney
Salt Lake City 1, Utah

Re: United Minerals Corporation; Department of the Interior claim for refund of payments advanced under Contract No. Idm-E18, Docket No. IMEA-81 - $3,272.07.

Dear Mr. Kesler:

This will acknowledge the receipt of your letter of October 29, 1957, with enclosure, relative to the debtor's proposal to compromise the above-captioned claim by waiving any sums due under Contract No. Idm-E322 (apparently the sum of $747.00, see Department of the Interior's letter of January 7, 1957) and by furnishing an unsecured note for $1500.00, apparently to be paid out of corporate assets remaining after payment of all other corporate obligations.

This proposal is less attractive than the previous proposal because there is no assurance of any payment being made on the note. However, in view of the report on the financial condition of the company given to you by the Internal Revenue Service and by the Utah State Tax Commission, we would give serious consideration to a cash offer of $1500 plus relinquishment of any claim to the funds due under Contract No. Idm-E322.

Please advise the debtor of our views and let us have a further report.

Yours very truly,

GEORGE COCHRAN DOUB
Assistant Attorney General
Civil Division

By:
George F. Foley
Chief, Government Claims Section

cc: Department of the Interior
Washington 25, D. C.
Attention: Solicitor

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
500		500
		130
2-4	Chamber	860
2/4	Selfridge	130
"	Johnson	110
"	Matheson	140
2/5	C	220
2/5		225

FEB 4 1957

Mr. Spangler Ricker
Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA-1949 (Lead-Zinc)
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-E322

Dear Mr. Ricker:

We have received the Semi-Annual Report on the cited project for the period July 1 - December 31, 1956. Under the heading "Total Expenditures Under Contract" the sum is given as $19,827.51 and the "Amount of Government Participation" is stated as $9,913.75. The correct figures are $18,862.72 and $9,431.36, respectively. Please correct your files accordingly.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

WRGriswold/er 2/1/57

Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

APPROVED:

Frank D. Lamb
Member, Bureau of Mines

N. E. Nelson
Member, Geological Survey

8623

Docket
Talbot

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

APR 9 1956

Mr. George Mayer
DMEA Auditor
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Idm-5322, DMEA-1949
Snyder & Snyder
Lucky Strike Mine

Dear Mr. Mayer:

Receipt is acknowledged of your letter dated April 5, 1956, with reference to my letter of November 22, 1955, wherein it was stated that I would advise you of the Associate Solicitor's opinion on the crediting of funds due the Operator under contract Idm-5322 against the indebtedness of the United Minerals Corporation under Region I, Northwest District, contract Idm-818.

The pertinent portion of the Associate Solicitor's decision under date of December 1, 1955, follows:

"Whenever a person having a claim against the Government is also indebted to the Government, it is required that the Government's claim be set off against the indebtedness. See 28 Comp. Gen. 543,546 (1949). In the application of this rule, it is contemplated that the same person be both the debtor and the creditor. 14 Op. Atty. Gen. 412 (1874).

"A corporation is an entity distinct from the shareholders or officers thereof, with exceptions that are not applicable here. In this regard, from the facts before us, it appears that the individuals who constitute the operator under Docket No. DMEA-1949, although also officers and directors and nonexclusive stockholders in the Corporation, are a separate legal person from said corporation. Accordingly, the question asked in your memorandum must be answered in the negative. (Compare memorandum from this office to the Administrator dated July 18, 1955, re the question of computation of royalties in connection with M.I.A. Mines, Docket No. DMEA-3688.)

"As a practical matter, however, there would not be any objection to attempting to have the Snyders voluntarily authorize the desired set off."

R.C.K.

On the basis of the last paragraph quoted above, the Operating Committee decided that the balance due the partnership under Idm-2322 should continue to be withheld pending negotiations with the corporation for settlement of the indebtedness under Idm-218. The Executive Officer of the DMEA Field Team, Region II, was so advised by letter dated December 7, 1955.

Please accept my apology for failing to keep you advised in this matter.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
April 9, 1956

Copy to: Docket
Admr. Reading File
Mr. Chambers

File Copy
Surname

500

Approved
Chamberlin
Selfridge
Johnson
Weidorf

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

DEC - 7 1955

Mr. S. Ricker, Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA-1949 (Lead-Zinc)
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-8322

Re: Docket No. DMEA-81 (Lead-Zinc)
United Minerals Corporation
Homestake Mine
Blaine County, Idaho
Contract No. Idm-818

Dear Mr. Ricker:

This is with reference to Docket No. DMEA-1949, Contract No. Idm-8322 upon which there is a credit to the Operator of $747.00

Within a short time we expect that Mr. Weissenborn will be referring to us the question of a delinquent account of this Operator in the amount of $6,152.83 due in Docket No. DMEA-81, Contract No. Idm-818. Therefore, will you please hold the $747.00 for the time being, until further advice from us.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JB)

WRGriswold/er 12/6/55
Copy to: Docket(2)
Admr R File
Op. Committee
Base Metals (2)
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region I, NW Dist. (8)
Chron.

APPROVED:

/s/ Robert W. Geehan (JB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JB)
Member, Geological Survey

R.L.

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

DEC - 1 1955

March [illegible]

Administrator, [illegible]

From: Associate Solicitor, Division of Mineral Resources

Subject: George W. Snyder and George W. Snyder, Jr., [illegible]-1949
United Minerals Corporation, [illegible]-1948
United Minerals Corporation, [illegible]-81

In a memorandum received here November 22 you requested our opinion as to whether any balances due George W. Snyder and George W. Snyder, Jr., as individuals under their contract identified above, could be set off by the Government against the indebtedness by United Minerals Corporation, a Nevada corporation (the "Corporation"), under the corporation's two contracts identified above.

It appears that Docket No. [illegible]-1949 originally was assigned to an application by the Corporation, but the contract was executed with the Snyders instead, because the interests in the project land appeared to be held by them (see Chief Counsel's letter dated March 26, 1952, to the Corporation). From an examination of the application submitted in connection with Docket No. [illegible]-1948 by the Corporation, it does not appear that the Snyders were, at the time of the application, the sole stockholders of the Corporation, but rather were, at that time, officers, directors, and two of the five largest stockholders. We have no information that these circumstances have changed.

Whenever a person having a claim against the Government is also indebted to the Government, it is required that the Government's claim be set off against the indebtedness. See 28 Comp. Gen. 543,546 (1949). In the application of this rule, it is contemplated that the same person be both the debtor and the creditor. 14 Op. Atty. Gen. 412 (1874).

A corporation is an entity distinct from the shareholders or officers thereof, with exceptions that are not applicable here. In this regard, from the facts before us, it appears that the individuals who constitute the operator under Docket No. [illegible]-1949, although also officers and directors and nonexclusive stockholders in the Corporation, are a separate legal person from said corporation.

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

Accordingly, the question asked in your memorandum must be answered in the negative. (Compare memorandum from this office to the Administrator dated July 18, 1955, re the question of computation of royalties in connection with M.I.A. Mines, Docket No. DMEA-2688.)

As a practical matter, however, there would not be any objection to attempting to have the Snyders voluntarily authorize the desired set off.

Robert P. Dwyer

RCRubin/wog
12/1/55
Copies to: DMEA Docket (3)
Solicitor's Docket
MMGriswold (2)
GCSelfridge
RPDwyer
RCRubin
Chron.

Mr. Chambers

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

NOV 18 1955

Memorandum

To: Mr. Robert P. Dugar, Associate Solicitor,
Division of Mineral Resources

From: Administrator

Subject: Docket No. DMEA-1949 (Lead-Zinc), G. W. Snyder & G. W. Snyder, Jr., Rocky Strike Mine, Lander County, Nevada, Contract Idm-2322;

Docket No. DMEA-1948 (Lead-Zinc), United Minerals Corporation Rip Van Winkle Mine, Elko County, Nevada, Contract Idm-2302; and

Docket No. DMEA-81 (Lead-Zinc), United Minerals Reserve Corp., Homestake Mine, Blaine County, Idaho, Contract Idm-2118

There is a small balance due the Operator, Snyder & Snyder, under project DMEA-1949, Idm-2322. There are deficits or amounts due the United States on the other two projects, namely, United Minerals Corporation, DMEA-1948, Idm-2302, and United Minerals Reserve Corporation, DMEA-81, Idm-2118. The first two projects are in Region II and the third project is in Region III.

I am sending you the DMEA docket files on these three projects with the request that you give me your opinion on whether or not any balances due the Operator on the first project, that is, DMEA-1949, Idm-2322, can be applied to the deficits or the amounts due the United States Government from the other two projects.

You will note that under project DMEA-1949, Idm-2322, the first applicant was the United Minerals Reserve Corporation which is the Operator of the other two projects. (Same officers and stock holders as United Minerals Corporation.) This Corporation is also the guarantor of royalties on the first project. It appears that the application of the United Minerals Reserve Corporation for project DMEA-1949, Idm-2322 was eventually changed to Snyder & Snyder.

Frank C. Johnson

JIChambers/wb
November 18, 1955

ACTING Administrator

Copy to: Docket (3)
Admr. Reading File
Mr. Griswold
Mr. Chambers

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

1605 Evans Avenue
Reno, Nevada

November 9, 1955

Memorandum

To: George Mavor, Auditor, DMEA, Region II

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-1949 (Lead-zinc)
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-E322

Relative to above subject contract, I am enclosing a copy of letter dated November 2, 1955 from the United Minerals Corporation. This is in reply to my letters of October 18 and 31, copies of which you have.

My letters were written at the suggestion of the DMEA Operating Committee that I make a satisfactory settlement on the supply and equipment account and the Government would forward the United Minerals Corporation the balance due.

It would appear from your letter of November 3, 1955 to Mr. A. E. Weissenborn, Executive Officer of Region I that the final decision on the settlement of the account is now in the hands of Mr. Weissenborn.

RECEIVED
NOV 14 1955

S. Ricker

Encl.

SRicker:gh
cc: Operating Committee, DMEA, Wash., D.C. w/attachment
H. C. Miller
Finance Off., Reg. II
R. M. Smith
File

UNITED MINERALS CORPORATION

FELT BUILDING

SALT LAKE CITY 1, UTAH

S. Ricker 11/9/55

November 2, 1955

Defense Minerals Exploration Administration
1605 Evans Avenue
Reno, Nevada

Attention: Mr. S. Ricker,
Executive Officer

Re: Docket No. DMEA-1949 (Lead-zinc)
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-E322

Gentlemen:

Thank you for your favor of 31 October, 1955. It will be agreeable to us to have your check for $747.00 and consider the supply and equipment account settled in full.

Very truly yours,

UNITED MINERALS CORPORATION

George W. Snyder

George W. Snyder

George W. Snyder, Jr.

GWSjr/pt

Contra[illegible]in. & Audit Div.

Defense Minerals Exploration Admin.

14X4401(02) Revolving Fund,
Defense Production Act, Interior (Allocated
Working Fund to the Office of Secretary)

1949 JLJohnson

TELETYPE

NOV - 2 1955

Mr. George Mayer
DMEA Auditor
420 Custom House
555 Battery Street
San Francisco 11, California

Reurlet October 28 to Ricker on E322. Check with Weissenborn before paying George W. Snyder, Jr.

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
November 2, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

RECEIVED
NOV - 2 1955

1605 Evans Avenue
Reno, Nevada

October 31, 1955

George W. Snyder, Jr.,
Felt Building
Salt Lake City 1, Utah

Re: Docket No. DMEA-1949 (Lead-zinc)
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-E322

Dear Mr. Snyder:

Reference is made to my letter of October 18, 1955 regarding termination and final settlement of above referenced contract.

I misinterpreted the amount of unpaid balance of $1,229.39 due you on the contract. This amount is only the Government's participation due from which should be deducted the sum of $482.39, a full settlement of supply and equipment account. The total balance due you on the contract will, therefore, be $747.00 (subject to audit) instead of the $132.20 indicated in my letter of October 18.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:gh
cc: Operating Committee, DMEA, Wash., D.C.
Geo. Mavor, Auditor, DMEA
Finance Off., Reg. II
H. C. Miller, Regional Director, Reg. II
R. M. Smith, USGS
File

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

1605 Evans Avenue
Reno, Nevada

October 18, 1955

George W. Snyder, Jr.,
Felt Building
Salt Lake City 1, Utah

Re: Docket No. DMEA-1949 (Lead-zinc)
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-E322

Dear Mr. Snyder:

The Termination Agreement, dated May 4, 1955, covering above referenced contract, stipulated that the Operator was required to make proper settlement for supplies and equipment which had been purchased under the contract. You have not advised us that any action has been taken towards a settlement.

Our last audit shows that the following supplies and equipment, which should have salvage value, were purchased under the contract:

Item	Cost	Salvage Value	
Ventube	$140.80	50%	$ 70.40
Wire Rope	100.10	50%	50.05
Suction Hose	125.44	50%	62.72
Ells, nipples, bushings, etc.	193.74	50%	96.87
Air Hoist	400.00	75%	300.00
2 Rock drills	513.00	75%	384.75
			$964.79
Government participation			$482.39

The last audit of March 10, 1954 shows an authorized Government participation of $9,913.76; whereas, according to our records, only $8,684.37 has been paid you to date. Therefore, there is an unpaid balance due you of $1,229.39.

We wish to close our books on this contract and request that you make a satisfactory settlement on the supply and equipment account by November 15, 1955. Otherwise, the Government will retain the sum of $482.39 as full settlement of supply and equipment account and forward you a check for $132.30 as the balance due you on the contract.

747.00 ?

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:gh
cc: Operating Committee, DMEA, Wash., D.C.
Finance Officer, Region II
Geo. Mavor, Auditor, DMEA
H. C. Miller, Regional Director, Reg. II
R. M. Smith, USGS
File

File Copy
Surname

Original
Talbot
Selfridge
Kjelman

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

OCT 5 - 1955

Mr. Spangler Ricker
Executive Officer
DMEA Field Team, Region III
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA-1949 (Lead-Zinc)
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-X322

Dear Mr. Ricker:

The Termination Agreement dated May 4, 1955, covering the cited contract stipulated that the Operator was required to make a proper settlement for supplies and equipment which had been purchased under the contract. As far as we know, such action has not been taken.

The Interim audit certificate of March 10, 1954 shows an authorized Government participation of $9,913.76, whereas, according to our records, only $8,684.37 has been disbursed to date. Hence, it appears there is an unpaid balance of $1,229.39.

Supplies and equipment purchases show the following items which should have salvage value:

Item	Cost	Suggested Salvage Value	
Ventube	$140.80	50%	- $ 70.40
Wire Rope	100.00	50%	- 50.05
Suction Hose	125.44	50%	- 62.72
Ells, nipples, bushings, etc.	193.74	50%	- 96.87
Air Hoist	400.00	75%	- 300.00
2 Rock drills	513.00	75%	- 384.75
Total			$964.79

RCK.

We suggest you advise this Operator that it is necessary for us to close the books on this contract. Therefore, it is required that he make what you consider to be a satisfactory settlement on the supply and equipment account within a reasonable period of time. Otherwise the Government will retain the sum of $482.39 (fifty percent of salvage value) as full settlement and forward him the balance due.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/5)

APPROVED:

/s/ Robert W. Geehan

Member, Bureau of Mines (2/5)

Thor H. Kiilsgaard

Member, Geological Survey (2/5)

Underwold/cr 10/4/53

Copy to: Docket
John R. Fife
Op. Committee
Elsa Nesdal
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

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

RECEIVED
AUG - 5 1955

1605 Evans Avenue
Reno, Nevada

August 3, 1955

Memorandum

To: Operating Committee, DMEA, Interior Building
Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-1949 (Lead-Zinc)
G. W. Snyder, G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-E-322

Reference is made to your letter of May 5, 1955 in which you forwarded termination agreement on above subject contract.

The agreement has been signed by the Operator and attached are the the original and two copies. The remaining copies have been disposed of in the customary manner.

S. Ricker

Attachs.

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

RECEIVED
JUL 25 1955

1605 Evans Avenue
Reno, Nevada

July 22, 1955

George W. Snyder, Jr.
Felt Building
Salt Lake City 1, Utah

Re: Docket No. DMEA-1949 - Lead-zinc
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-E322

Dear Mr. Snyder:

Reference is made to my letter of May 9, 1955 in which was enclosed copies of a termination agreement on the above subject contract. Would appreciate hearing from you as to when we can expect the executed copies of the termination agreement.

We were pleased to have the executed copies of the termination agreement on the Rip Van Winkle, DMEA-1948, Contract No. Idm-E302 and thought that perhaps you had overlooked the agreements we forwarded you on the Lucky Strike.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:gh
cc: Operating Committee, DMEA, Wash., D.C.
Finance Officer, Reg. II
H. C. Miller
R. M. Smith
File

File Copy
Surname
Griswold
Chamberlin
Volin
Martin
Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

MAY - 5 1955

Mr. Spangler Ricker
Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA-1949 (Lead-Zinc)
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Ids-E322

Dear Mr. Ricker:

In accord with your letter of April 11, we have prepared a mutual termination agreement of the cited project. You will note that this agreement also has the effect of a certification and provides that the Operator must submit his final report and make a proper settlement of jointly-owned equipment.

Will you kindly submit the agreement to the Operator for signature and, when completed, distribute the copies in the usual manner. However, in case you are not in accord with any of the agreement's provisions, and any proposed changes should lie beyond the range of your delegated authority, all copies should be returned to us with your comments.

Sincerely yours,

W. S. Martin

Enclosures

ACTING Chairman, Operating Committee (WB)

APPROVED:

M. E. Volin (WB)
Member, Bureau of Mines

/s/ R. D. Trace (WB)
Member, Geological Survey

WRGriswold/er 5/2/55

Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

R.C.S.

File Copy
Surname

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

April 21, 1955

Memorandum

To: Acting Assistant Solicitor, Defense Minerals

From: Chief, Base Metals Division

Subject: Preparation of Mutual Termination of Docket No. DMEA-1949, Geo. W. Snyder and Geo W. Snyder, Jr., Lucky Strike Mine, Lander County, Nevada, Contract No. Idm-E322, Lead-Zinc.

Will you kindly prepare a mutual termination agreement for the cited contract, as follows:

Termination effective December 1, 1952.
Should contain a "pseudo certification" clause.
Require the Operator to submit a final report.
Require the Operator to make settlement of jointly-owned equipment.

W. R. Griswold
W. R. Griswold

WRG/er

Copy to: Docket
Base Metals
Chron.

D M E A

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

AIR MAIL

Final Fldtm Rpt.

1605 Evans Avenue
Reno, Nevada

April 11, 1955

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D.C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-1949 (Lead-Zinc)
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-E322

Attached are four copies of our final report dated February 23, 1955 on above subject project by H. W. Jones, engineer, U. S. Bureau of Mines and D. C. Arnold, geologist, U.S. Geological Survey.

This report has been held in abeyance until I could have a personal interview with Mr. George W. Snyder, Jr. and get his views on a mutual termination agreement. Mr. Snyder was in our office on April 7, 1955 and believes that a mutual termination agreement is the best plan for concluding the project. He also believes that a certificate of discovery or development should be issued in order to protect the Government's equity.

You will note on Section A-A', figure 2, that the raise from the 164 foot level is in contact with ore on the fringes of old stopes. It is also evident that future ore extraction will be by means of DMEA work.

A field inspection will be necessary in the spring in order to make final plans for disposal of equipment in which the Government has an equity. There has been a certain amount of pilfering similar

Reviewed by
DMEA OPERATING COMMITTEE
4-18-55
(date)

don't detach

1949

ACTION ON THE [illegible]

OR FINAL FIELD TEAM REPORT

Date 4-19

Referred to:

1. ~~Mr. Hirtendorf~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. Docket Control Mails and Files
5. _____ Division
6. Docket Control Mails and Files

Note comments in report regarding:

1. Is there a potential royalty problem here? See pg 9
2.
3.
4.

and take appropriate action.

- - - - -

Action taken by Division:

ROBERT E. ADAMS

Initials

to that which occurred at the Rip Van Winkle. In the meantime, however, I believe you have enough data on which to base a discovery and mutual termination agreement.

Please advise us what further action you believe we should take.

S. Ricker

Attach.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 13 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

FINAL REPORT

Idm-E322

DMEA-1949, Lucky Strike Mine

=Lander County, Nevada=

(Lead-Zinc)

Henry W. Jones, Mining Engineer
U. S. Bureau of Mines

D. C. Arnold, Geologist
U. S. Geological Survey

February 23, 1955

Reviewed by
DMEA OPERATING COMMITTEE
4-18-55
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 13 1955

FINAL REPORT

Docket No.: DMEA-1949 (Lead-Zinc)

Name and address of operators: Geo. W. Snyder and Geo. W. Snyder, Jr., (individuals)
518 Felt Bldg.,
Salt Lake City, Utah

Name and location of property: Lucky Strike Mine
Lander County, Nevada

Contract No.: Idm-E322

SUMMARY AND CONCLUSIONS

The Lucky Strike mine, located southwest of Battle Mountain, Nev., was explored under DMEA contract Idm-E322 between May 23 and December 16, 1952. Work comprised sinking the existing winze an additional 105 feet for a total inclined depth of 182 feet, and drifting northwest from a station cut at the 164-foot level a distance of 112 feet. The work was terminated prior to completion of the project, due principally to decreasing prices of lead and zinc. Total cost of the project was $19,827.51.

Sandstone and shale of the Harmony formation comprise the rocks in the mine area. The main, Lucky Strike, fault strikes N. 45° W. and dips 70°-80° southwest. It has been explored for 600 feet along the strike and 250 feet down the dip. The ore shoots are highly lenticular. The ore is mainly galena, sphalerite and pyrite associated with quartz and calcite, which are partially oxidized from the surface down to about 50 feet.

No further ore reserves were discovered as a result of the program, however, known and inferred reserves in other parts of the mine were made more available. Total reserves of the mine are calculated at 1,000 tons of measured, indicated, and inferred ore having an average grade of 5.9% Pb and 11.5% Zn.

RECOMMENDATIONS

It is recommended that:

1. Additional exploration work on the property is warranted through use of private funds and at such a time that the ore can be removed commercially.

No further Government assistance should be granted.

2. The DMEA should certify the project as being successful and the Government entitled to subsequent royalties from production, inasmuch as indicated and inferred reserves may be mined through usage of the DMEA workings.

3. The current decline in the price of lead-zinc ores discourages additional work on the property at this time. The mine, however, has merit in that several hundred tons of ore reserves remain in the mine and are available if and when the market price on these commodities raise to such an extent that it can be worked at a profit.

DESCRIPTION OF WORK COMPLETED

The contract with George W. Snyder and George W. Snyder, Jr.

for a DMEA exploration program was signed on May 23, 1952. The work which was already in progress was terminated on December 16, 1952. The project was to consist of sinking the existing inclined "Electric Winze" an additional 130 feet; drifting both northerly and southerly from favorable showings within the winze, and crosscutting at intervals and directions that may be determined by favorable showings. Total aggregate drifting and crosscutting footages were not to exceed 300 feet. Total estimated cost of the project was $27,794.00 of which the Government was to share 50% or $13,897.00.

The project work comprised of rehabilitating and repairing the winze and extending it from its 72 foot depth on the date the contract was signed to an ultimate inclined depth of 182 feet, a distance of 105 feet. A station and skip pocket was cut at the 164-foot level, supporting timbers were installed and drifting along the vein structure to the northwest was initiated.

The winze was carried 7 feet 4 inches by 6 feet 4 inches outside measurements using 8- by 8-inch timbers set on 5-foot centers. Center posts, between the manway and hoisting compartments, are 4- by 6-inch. The sets are lagged with 2- by 12-inch lagging.

Work between August and December 1952 consisted of extending the drift a total distance of 112 feet. Very little timbering was necessary.

A non-contract raise was started at the 75-foot point of the drift and reportedly was extended upward along the fault fissure a distance of 32 feet. The pumps were pulled from the winze sump and all work was terminated at the mine by Dec. 16, 1952.

During the course of the contract, a series of five amendments were submitted and passed:

Amendment No. 1 gave the operators greater operational flexibility, and allowed work to proceed at a faster rate than the standard 22 days of work per month.

Amendment No. 2 extended the time of completion by three months or until February 23, 1953.

Amendment No. 3 recessed the work for four months or to June 23, 1953 with a like extension of four months time for completion of the work, or to October 23, 1953.

Amendment No. 4 again provided for a recessed period from December 1, 1952 to end not later than May 15, 1954. A clause in the contract provided that the operator resume work by May 15, 1954 and thereafter continuously prosecute the work to completion. If the operator should fail to fulfill the obligations, then the Government may terminate the contract.

Amendment No. 5 justified reimbursement for rehabilitation costs of the existing winze prior to the starting of sinking operations.

GEOLOGY

Sandstone and shale of the Harmony formation comprise the rocks in the mine area. These rocks are cut by faults that strike mainly northwest and dip steeply southwest. The main fault in the area is the Lucky Strike fault which strikes N. 45° W. and dips 70°-80° SW; it has been explored for 600 feet along strike and 250 feet down the dip.

ORE DEPOSITS

Four ore shoots have been discovered along the Lucky Strike fault (fig. 2). The ore shoots are highly lenticular and pinch and swell along strike and down dip; individual shoots range from 30 to 100 feet long, 2 to 10 feet wide, and extend down dip from 50 to 250 feet. The ore is mainly galena, sphalerite and pyrite associated with quartz and calcite. From the surface down to about 50 feet, the ore is partly oxidized to cerussite, anglesite and smithsonite. DMEA workings did not intersect any new ore bodies but ore is showing in the top of the raise above the 164 level. This ore is near the bottom of block B (fig. 2) which is the downward continuation of an ore body mined above the Lower adit level.

PRODUCTION

Total production from the mine is about 2800 tons averaging 5.9 percent lead, 11.5 percent zinc, 0.02 oz. gold, and 7.1 oz. silver per ton tabulated as follows:

Year	Tons	Ounces Gold	Ounces Silver	Pounds Copper	Pounds Lead	Pounds Zinc
1908	71	2.46	3,700	---	55,952	
1922	54	1.0	588	48	11,257	18,870
1923*						
1927	54	1.38	294	---	4,560	12,554
1928*						
1936	35	1.0	1,027	334	17,870	
1937	118	1.0	1,105	154	13,973 and 4,204	13,001
1938	16	---	739	104	194	
1951	896	23.	5,695	---	94,786	224,459
Conc.	16 Pb	12	3,286	---	70,616	19,797
Conc.	171 Zn	2	1,424	---	9,905	173,170
1952	1,080	26	6,041	---	106,490	274,381
	44	1	573	---	4,869	4,603
	178	2	250	356	5,340	26,334
	54	2	371	298	5,630	4,981
1953	None					
1954	None					

* 37 tons containing 7,462 lbs. of copper shipped during these years probably obtained from nearby copper mines.

SAMPLING

Results of assays taken along the mineralized fissure in the 164-foot level drift are as follows:

Sample No.	Width, feet	Percent Pb	Zn	Cu	Au	Ag	Location
151	3.0	0.1	6.4	0.05	0.15	0.5	At 25-foot point on 164-foot level.
152	2.3	1.0	14.4	0.04	0.01	1.1	At 35-foot point on 164-foot level.
153	3.0	*0.2	8.1	0.03	Tr.	0.2	At 45-foot point on 164-foot level.
154	2.2	0.7	6.6	0.09	0.01	1.6	At 55-foot point on 164-foot level.
155	2.5	2.9	*0.2	0.03	0.005	2.8	At 65-foot point on 164-foot level.
156	2.4	*0.2	0.5	0.02	Tr.	Tr.	At 75-foot point on 164-foot level.
157	1.7	*0.2	2.7	0.09	Tr.	0.4	At 15-foot point on 164-foot level.
4	1.0	0.1	7.3	0.03	Tr.	0.6	95 feet.
7	2.0	0.1	0.2	0.01	Tr.	0.2	Face drift 112-foot point.
8	0.6	0.2	0.6	0.03	0.03	0.45	Quartz filling in raise 12 feet from track.

RESERVES

The ore reserves of the mine are tabulated below; the grade of the ore is based on past production.

	Tons	Ounces gold	Ounces silver	%, Pb	%, Zn
Measured	200	0.02	7.1	5.9	11.5
Indicated	300	"	"	"	"
Inferred	500	"	"	"	"

Because the mine workings below the lower adit level are under water, an examination of the most recent work on the property is not possible, but it is known that some of the ore shoots extend below the lower adit level, althoough they are smaller near the bottom as is the habit of the ore bodies in the mine. Small veins containing lead and zinc were encountered in the 164 level drift and a little ore was found in the top of the raise near the north face of the 164 level.

The measured ore reserves are calculated to be about 200 tons and occur around the walls of the stopes. Indicated ore, comprised of the downward continuation of the known ore shoots, is calculated to be 300 tons and is outlined on the map as blocks A, B, and C.

An estimate of the inferred ore reserves in the mine is based on the habit of the ore bodies which have been mined. As these ore bodies occur in shoots which are lenticular along strike and down dip, and as four ore bodies were encountered in the lower adit level within a strike length of 450 feet, it is likely that additional ore shoots may be discovered by drifting along the Lucky Strike fault on the 164 level. Based on this reasoning, an additional 500 tons of ore is inferred above and below the 164 level northwest and southeast of blocks A, B, and C (fig. 2) within the limits of the mine workings.

EXPENDITURES

Total approved: $27,794.00 Total cost of project: $19,827.51
Government's share of cost: $9,913.75 Government's share unexpended: $3,983.24

During 1952 approximately $63,000.00 gross value of metals were produced from the mine. This ore was from ore being mined in stopes already developed prior to DMEA operations, and neither settlement sheets were presented or royalty payments made. Under our present policy, this stoping area could have been excluded by previous agreement from royalty payment as ore was already developed and DMEA work did not expedite an aid in production.

?

EFFICIENCY OF OPERATIONS

Overall mining operations were carried on in a fairly efficient manner although the mucking and drifting costs were excessive.

EQUIPMENT PURCHASED FOR THE PROJECT

In the interim report on the property by L. F. Muller, dated July 22, 1952, the following listed material was purchased under terms of the contract:

1	Air hoist with wire rope	$400.00
1	Rock drill with attachments	340.00
1	Pneumatic pusher with attachments	155.00
1	Hose set	18.00
		$913.00

The models and serial numbers of the equipment were not stated.

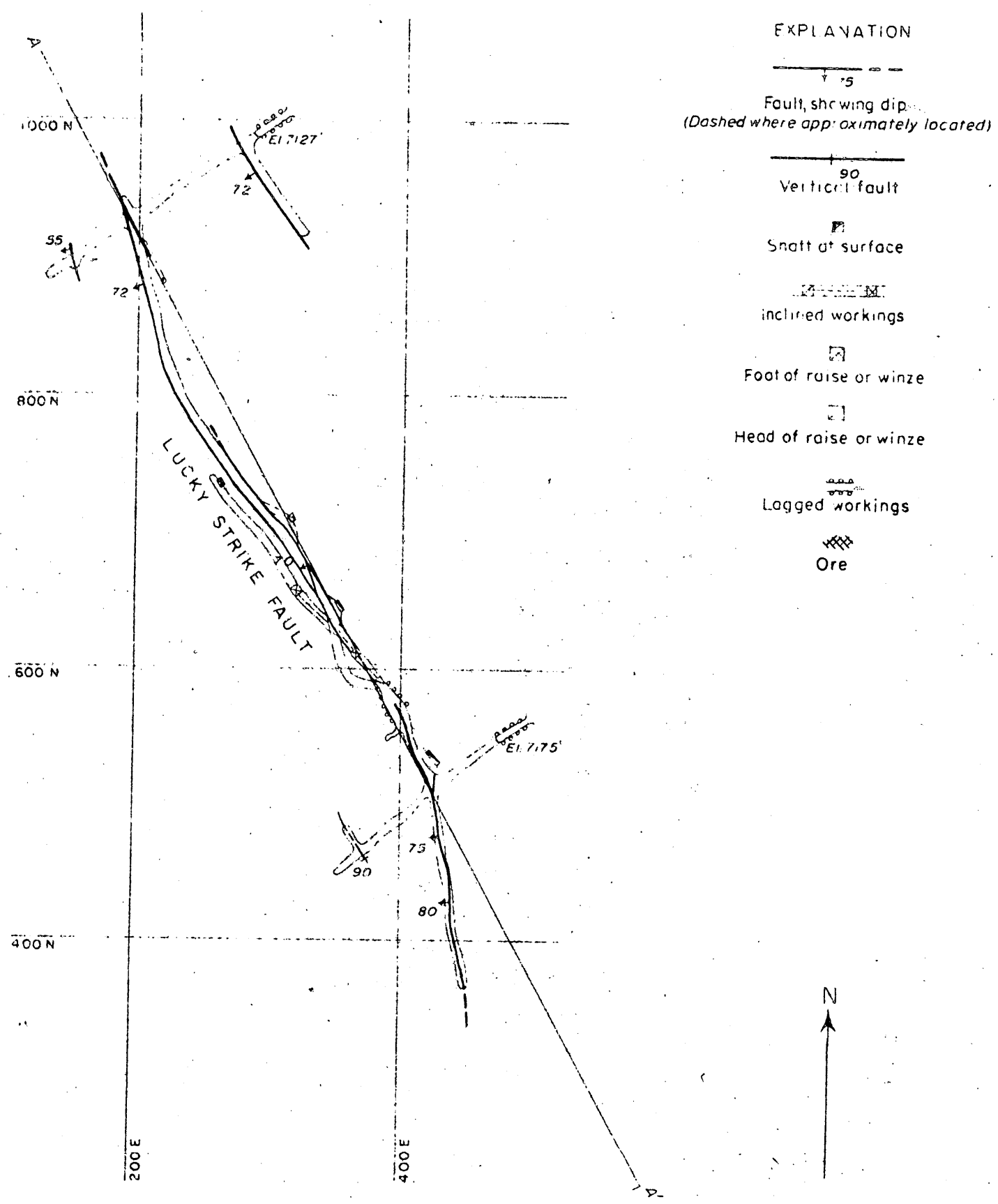
An inspection of the mine was made May 13, 1954 (see memo to A. C. Johnson - Subject: Lucky Strike Mine, Contract Idm-E322, dated May 20, 1954). During the visit, it was apparent that no one had been at the mine for a considerable period, and the subject material could

not be located. Present locations and disposition of the equipment should be discussed with the Operator.

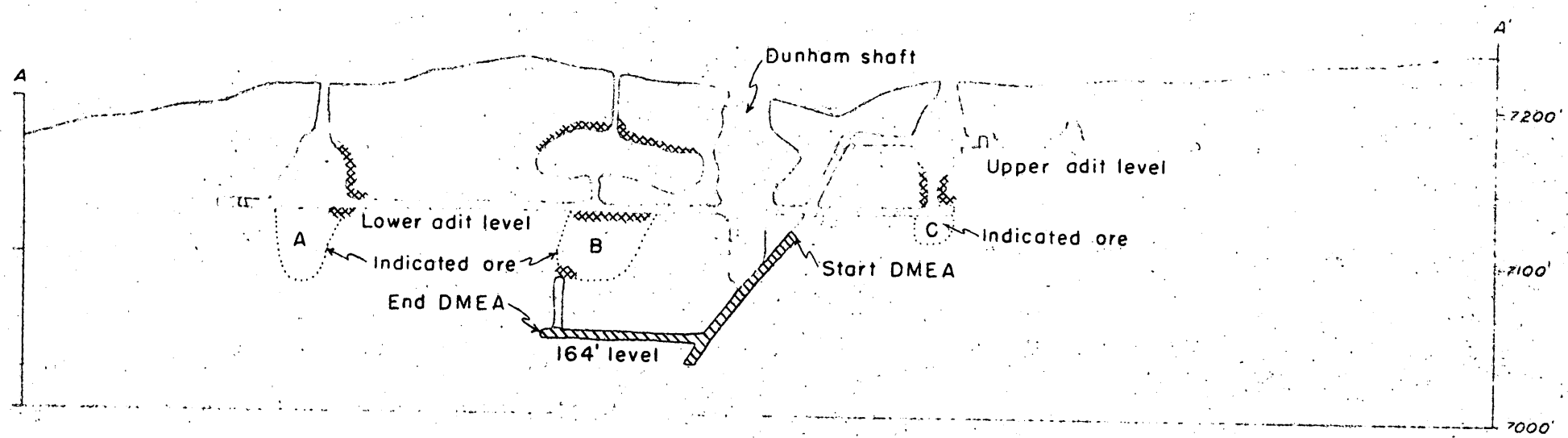
An additional $2,500.00 (approximate value) of lumber, purchased for the project, was used in the mine and on an ore bin constructed at the property, and therefore, has no salvage value.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 1949
Idm E 322
(Lead - Zinc)



COMPOSITE MAP OF UNDERGROUND WORKINGS



SECTION A-A'

MAP AND SECTION OF THE LUCKY STRIKE MINE, LANDER COUNTY, NEVADA

0 100 200 300 FEET

Figure 2

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

Defense Minerals Administration
RECEIVED
JAN 28 1955

420 Custom House
555 Battery Street
San Francisco 11, Calif.

January 24, 1955

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA
Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-1949 (Lead-Zinc)
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-E322

Reference is made to your letter of January 17, 1955, regarding present status and future action on above subject docket.

I have discussed the docket with Roscoe Smith several times and recently with the engineers at Reno who had been following the progress of the work when the project was active.

Our conclusion as to the steps we should take was to hold our final recommendations in abeyance until we had a final joint interim report by our field engineer and geologist after a thorough briefing as to the data we require in order to bring the project to a conclusion satisfactory to both the Government and the Operator.

We thought that a brief field examination in the early spring might be necessary before the report could be satisfactorily concluded. However, we will review all the material available and endeavor to get out a report and our recommendations without any additional field work if possible. At the moment, however, no one seems to know much about the condition of the workings, whether accessible or caved. Roads have not been used or freed of snow during the winter months and access to the property will be difficult for a month or two.

Your suggestion that I discuss means of concluding this project with the Operator will be followed as soon as I have all necessary material available.

S. Ricker, Executive Officer
DMEA Field Team, Region II

Copy to: R. M. Smith
A. C. Johnson, Reno

File Copy
Surname

Griswold
Chambers
Selfridge
Johnson
Mittendorf

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Mr. Spangler Ricker, Executive Officer
DMEA Field Team, Region III
420 Custom House
555 Battery Street
San Francisco 11, California

JAN 17 1955

Re: Docket No. DMEA-1949 (Lead-Zinc)
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-R322

Dear Mr. Ricker:

The cited project has been in a dormant condition over a long period and we must soon take action to clear it off our books.

However, it is necessary that you first advise us whether or not the Field can recommend certification, also as to whether or not the original target of the project has been impaired by the work done to date.

It is very much to the best interest of the Government to certify, if we have any reason for so doing. Kindly let us have your recommendations as soon as possible.

If it happens to be convenient to you, it might be well worthwhile to have a talk with the Operator. Obviously it would be to the Government's advantage to terminate this project by mutual agreement, since such agreement could contain a clause having the same effect as a certification. Possibly if you explained that the project had been inactive for such a long period that it was almost essential that we get it off our books, but that, if later on the Operator was in a position to resume work we assuredly would give full consideration to a new application, he might be willing to consent to terminating the contract by mutual accord.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JB)

WRGriswold/er 11/5/54
Copy to: Docket
Admr R. File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

APPROVED:

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

Thor H. Kiilsgaard
Member, Geological Survey (JB)

P. S. You will recall that Mr. Mittendorf discussed this with you when you were here last November.

R.C.B.

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

Mr. George Mayer
DMEA Auditor
430 Custom House
555 Battery Street
San Francisco 11, California

Re: Idm-3322, DMEA-1949
Snyder & Snyder
Lucky Strike Mine

Idm-3302, DMEA-1946
United Minerals Corpl
Rip Van Winkle Mine

Dear George:

Reference is made to your letter of November 15, 1955, in regard to the above-referenced contracts.

It is my opinion that money can be withheld from Snyder & Snyder and applied against the other two contracts of the United Minerals Corporation. In order to be on the safe side, however, I have referred the matter to the Associate Solicitor's office. As soon as I get his opinion I will write you again.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
November 22, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

File Copy
Surname
Griswold
Chambers
Selfridge

UNITED STATES 500
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

INTERIOR DEPT.
OCT 28 1954
SOLICITOR

Mr. R. C. Miller, Executive Officer
DMEA Field Team, Region III
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMA-1949 (Lead-Zinc)
C. W. Snyder & C. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-2322

Dear Mr. Miller:

Enclosed is a copy of a Notice of Termination which is being sent to the cited Operator. Please take whatever action is necessary to expedite the final settlements under this contract.

It is our understanding that results of the work which was done were so disappointing that there is little ground upon which we might base a certification for this project. However, we should have your recommendation regarding this question. Obviously, it is very much to the best interest of the Government to certify this project if it is possible to do so.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GHB)

Enclosure

WRGriswold/bjl (10/28/54)

APPROVED:

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

Thor H. Kiilsgaard
Member, Geological Survey (GHB)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Bishop
Mr. Kiilsgaard
Mr. Chambers
Chron.

P. S. No further payments should be made to this Operator on this project without clearance from this office.

IF-500

Docket No.
DME-1949

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 10/28

REFERRED TO:

1. ~~Act. Asst. Sol. Defense Minerals~~
2. W.R. Griswold
3. ~~Mr. Chambers~~
4. ~~Operating Committee~~
5. Administrator HB
6. Mails and Files

FOR:

	Action		Recommendation
X	Approval		Record of
	Comment		Referring to
	Conference		Reply for signature of
	Consideration		Rewriting
	Filing	X	Signature
	Instructions		Suggestions
	Investigation		Your information
X	Initials		
X	Mailing		
	Previous correspondence		

INTERIOR DEPT.
OCT 28 1954
SOLICITOR

REMARKS: Notice of Termination for approval

RECEIVED
OCT 29 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Check (X) before items needing attention.

W. R. Griswold

Initials of sender.

GPO 16—63815-1

Division Copy

NOTICE OF TERMINATION
OF
EXPLORATION PROJECT CONTRACT

To: Mr. George W. Snyder
George W. Snyder & George W. Snyder, Jr.
518 Felt Building
Salt Lake City 1, Utah

Operator under Exploration
Project Contract Idm-F322,
Docket No. DMA-1949,
dated May 23, 1952

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

In the opinion of the Government you have failed to prosecute operations pursuant to the terms of the contract in the following respects: The requirements of Amendment No. 4 to the contract, dated December 30, 1953, have not been met, nor was work resumed on the project in the month of September 1954 as referred to in my letter to you of June 21, 1954.

2. Upon receipt of this notice you are required, as provided in said contract, to dispose of any remaining materials, supplies, facilities, buildings, fixtures, equipment, or other items to the cost of which the Government has contributed and in which it has an interest, for the joint account of yourself and the Government; and to render to the Government a full and final report and final accounting of your operations under the contract and of your expenditures of money on account thereof.

3. Any work prosecuted or costs incurred by you after the receipt of this notice shall be for your sole account, without contribution by the Government, except for (a) such necessary and reasonable costs and expenses as may be incurred in preserving and disposing of property, and (b) the costs of any reports, accounts, and winding-up and settlement actions provided for in the contract.

4. All rights of the Government under the contract with respect to a percentage royalty and lien for its payment are preserved.

Dated this _____ day of _____, 1954.

THE UNITED STATES OF AMERICA

Swanwold
Hoffhud
Chamberlain
Selfridge

By _____
Administrator, Defense Minerals
Exploration Administration

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

Original

420 Custom House
555 Battery Street
San Francisco 11, Calif.

October 6, 1954

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA
Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-1949 (Lead-Zinc)
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-E322

In order that you may be kept informed on current status of subject docket I am enclosing a memorandum of October 4, 1954, from A. C. Johnson. Reference was last made to the inactivity on this contract in Mr. H. C. Miller's memorandum to you on May 27, 1954.

S. Ricker for
H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Roscoe Smith, USGS

Mining Division
Region III

1605 Evans Ave.,
Reno, Nevada

October 4, 1954

Memorandum

To: H. C. Miller, Executive Officer, DMEA Field Team
Region III

From: Chief Mining Division, Region III

Subject: Docket DMEA-1949X (Lead-Zinc),
Lucky Strike Mine
Lander County, Nevada
Contract Idm-E322

Since applying for a recess, no work has been done on the above cited project.

A. C. Johnson

cc: R. M. Smith, USGS

File Copy
Surname
Hotflund
J E Johnson

140

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

JUN 21 1954

Mr. George W. Snyder
United Minerals Corporation
518 Felt Building
Salt Lake City 1, Utah

Re: Docket No. DMEA-1948 (Lead-Zinc)
United Minerals Corporation
Rip Van Winkle Mine
Elko County, Nevada
Contract Idm-E302

Docket No. DMEA-1949 (Lead-Zinc)
G.W. Snyder & G.W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract Idm-E322

Dear Mr. Snyder:

In your letter of May 14 to Mr. H. C. Miller, Executive Officer, DMEA Field Team, Region III, you say:

> "...we are going to need until September 1, as a resumption of work date. We would like your reaction in granting us this additional time."

Under the provisions of both contracts as amended, "it is of the essence of the contract that the Operator resume work by May 15, 1954, and thereafter continuously prosecute the work to completion." The work has been in suspension since October 15, 1952, under various suspension agreements; and it is plain that both contracts are now in default under the latest of these suspension agreements.

I do not deem it to be in the best interest of the Government to enter into any further agreements for the suspension of the work under these contracts. It would be preferable from the Government's standpoint to make no further agreement until such time as you are ready to resume operations in September. At that time, if nothing has occurred in the interim to change the Government's position, we may be disposed to agree for the resumption of the work for completion within a time to be specified. We may

R.S.B.

deem it desirable to restate the contracts on a revised form which will simplify the administration of the work from that point on and the final accounting and winding up when the work is completed. It will probably be necessary to have some sort of assurances from you that the agreements under which you hold possession of the land are in good standing and that your possessory rights will continue.

Nothing in this letter is to be taken as a commitment on the part of the Government to enter into any further agreement whatever or to refrain from taking action to liquidate the projects on account of the present defaults. All I can say in this regard is that I have every sympathy for the difficulties of mining operators in the lead-zinc field in view of the current market situation and the possibility of relief under pending Government programs. Of course, if you find that you are able to resume operations before September, I believe that we could enter into suitable contractual arrangements with you for that purpose.

In your letter you mention a delay in the payment of some $896.41 and $2,458.79 for which you apparently have claimed under the subject contracts, and you say, "...I can see no legitimate reason for holding it up." Article 8 of the contract form provides that the Government may withhold "...such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might be called upon to pay under the terms of the contract." In view of the long default in performance under these contracts, it seems plain to me that it would not be in the best interest of the Government to make any further payments while the default continues.

Your attention is called to the fact that it is the Operator's obligation to preserve the project work and all property in which the Government may have an equity during any period of suspension. Any default in these respects will have a bearing upon the Government's willingness to enter into further agreements for the resumption of operations under these contracts.

Sincerely yours,

C. O. Mittendorf

Administrator

WRGriswold:JLH:ep 6-16-54

Copy to: Docket (2)
Admr. Reading File
Operating Committee
Field Team, Reg.III (2)
Mr. Bishop
Mr. Gildersleeve
Base Metals (2)
Mr. Hoffund
Chron.
Pending

File Copy
Surname

500

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

Mr. George W. Snyder
United Minerals Corp.
518 Felt Building
Salt Lake City 1, Utah

6-16-54

Re: Docket No. DMEA-1948 (Lead-Zinc)
United Minerals Corporation
Rip Van Winkle Mine
Elko County, Nevada
Contract No. Idm-[illegible]02

Docket No. DMEA-1949 (Lead-Zinc)
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-[illegible]22

Dear Mr. Snyder:

Your letter of May 14, addressed to Mr. [illegible] Miller, Executive Officer, DMEA Field Team, Region III, referring to the cited contracts, has been forwarded to this office. We note that you feel that you are going to need until September 1 for recumption of operations.

Since these projects have been idle from late 1952, certain points should be clarified before we would be in a position to consider your request for a further recess. Inasmuch as the mining properties concerned were held under lease and option at the time the exploration contracts were executed, you should now furnish us with statements by the respective property owners that such lease and option agreements are still effective and will continue to be so for a reasonable period of time.

We have recently received a report of an inspection made at the Rip Van Winkle mine on May 12 and 13. This report notes that the property is in an abandoned condition and that certain equipment items such as the mucking machine, Mancha trammer, rock drills, etc., could not be found. It was also found that cave-ins have occurred at various parts of the mine workings. We must point out that Amendment No. 3 to the contract, dated December 30, 1953 stipulated:

> ". . . . 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."

With reference to your statement that you can see no legitimate reason for holding up payments on these two projects, we refer you to Article 8 of the contracts.

If you will kindly provide us with the owners' statements as to the leaseholds, and assure us that the properties will be properly maintained in a "stand-by" condition, we shall then be in a position to give consideration to your request for an additional recess.

Sincerely yours,

Administrator

WRGriswold/bjl (6/9/54)

Copy to: Docket (2)
Admr. R. File
Op. Committee
Base Metals (2)
Region III (2)
Mr. Bishop
Mr. Gildersleeve
Chron.

500

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

June 8, 1954

MEMORANDUM for the Files

From: W. R. Griswold, Chief, Base Metals Division

Subject: Docket No. DMEA-1948, United Minerals Corp., Contract No. Idm-E302 (Rip Van Winkle Mine)

Docket No. DMEA-1949, United Minerals Corp., Contract No. Idm-E322 (Lucky Strike Mine)

A phone conversation was held on this date with Mr. Bricker, assistant to Mr. H. C. Miller, regarding the above two dockets. We explained that we would write to this Operator, inquiring as to the present status of his leaseholds, etc. We requested that Mr. Miller teletype us as to whether any action had been taken on the May 19 summary by Gentry and Sheahan, covering the Rip Van Winkle Mine.

W. R. Griswold

W. R. Griswold

Copy to: Base Metals (2)
Mails & Files (2)
Chron.

May 28, 1954

Copy to: Docket (2)
Base Metals (2)
Chron.

Memorandum

To: Administrator

From: Chief, Base Metals Division

Subject: Docket No. DMA-1948, United Minerals Corp., Contract No. Idm-F302 and Docket No. DMA-1949, Geo. W. Snyder & Geo. W. Snyder, Jr., Contract No. Idm-F322

This will refer to your memorandum dated May 27. The "Joint Guarantee" which was given instead of the Owners Consent to Lien is merely a statement of responsibility signed by George W. Snyder and four other individuals. Probably, its value is of dubious merit as constituting a satisfactory guarantee.

The probabilities are that both lease and option agreements covering these two projects are in default. For example, the Rip Van Winkle option and lease (dated April 1, 1951) provides that royalty payments must total at least $20,000 annually, and also that 75 monthly shifts must be worked, except in the months December to April, inclusive.

The Lucky Strike option & lease provides that 60 shifts monthly must be worked, except in periods of "extreme inclement weather."

Perhaps a good way for us to hold these projects open without making commitments would be to tell Mr. Miller to inform this Operator that we will consider action upon his request upon his submission of satisfactory evidence that his lease and option agreements are still in good standing. In fact, I fear it would seem rather careless on our part to continue recessing without first making sure that this Operator still possessed some tangible equity. It very well may be that his equity is now non-existent.

W. R. Griswold

P. S. An inspection report just received from the field covering the Rip Van Winkle states that the property is apparently abandoned and that the Hanch trammer, transformer and mucking machine have been removed. No watchman is maintained at the property.

WRGriswold/bjl

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

420 Custom House
555 Battery Street
San Francisco 11, Calif.

May 27, 1954

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA
Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-1949 (Lead-Zinc)
Lucky Strike Mine
Lander County, Nevada
Contract Idm-E322

With reference to my memorandum of May 18, 1954, attached are two copies of an inspection report on the above-cited project by Henry W. Jones dated May 20, 1954.

Please advise how you wish us to proceed with this matter.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Roscoe Smith, USGS

Memorandum May 27, 1954

To: Mr. W. R. Griswold, Director
Base Metals Division

From: Administrator

Subject: Your memorandum of May 26 re dockets DMEA-1948 and DMFA-1949

As a matter of general policy, I believe we should approve additional recesses for dormant lead-zinc projects, in accordance with the precedent recently established in the case of the Peru Mining Company.

The reason for taking this position is based on my knowledge of the strenuous efforts that the Western lead-zinc miners have made during the past year-and-a-half to obtain relief for the industry. It appears that the results of all these efforts will be known in a matter of weeks, and it is my desire, therefore, to avoid terminations right at this time while the Administration's statement on mineral policy, stockpiling, and tariff relief is expected. I am somewhat troubled, however, as to just how we will treat the subject cases under that general policy.

From a brief review of the docket, I find that the Snyders are lessees in both cases and that no Owner's Consent to Lien was furnished. Reference is made to a "Joint Guaranty Agreement," but I am unable to find a copy of that agreement in either docket. As a matter of curiosity, I wonder if their lease agreements with the owners are also in technical default?

I also note that our original draft of Amendment No. 4 included a pseudo-certification, but that the final amendment deleted that provision and substituted therefor the new royalty provision as shown by Annex I. I do not recall why this change was made; therefore, I cannot decide whether our approval of a further recess would require only the extension of certain dates in Amendment No. 4, or whether an entirely new type of amendment should be executed which would contain a provision that obligated the operator to pay royalties on all production, regardless of certification or by whom the production was made.

These questions point up the necessity of a further discussion between ourselves and Legal.

Mr. Miller's referral of May 18 also requires us to reply to the second paragraph of Snyder's letter dated May 14, which concerns the release of funds that are being withheld on both projects. Snyder states that he can see no legitimate reason for holding these funds. Our reply should cite the provisions of Article 8 of the contract, which grants authority to withhold up to 10 percent of the total estimated cost of the project in order to protect the Government's equity in equipment and supplies purchased for the project.

Although it is my desire to grant an additional recess until September 1, I realize that we are only deferring the date when these contracts must be terminated. You will note in the case of the Rip Van Winkle Mine (DMEA-1943) that the operator has found it necessary to suspend operations as early as the month of October due to winter conditions, and I am quite sure that he will justify a request for a further recess beyond September 1 for the same reason.

C. O. Mittendorf (for)

Administrator

COMittendorf/fw

cc: Admr. Read, File
Mails & Files
Mr. Mittendorf

UNITED STATES 500
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

N.S. & R.P.

May 26, 1954

Memorandum

To: Administrator

From: Chief, Base Metals Division

Subject: Docket No. DMA-1948, United Minerals Corp., Contract No. Idm-5302 and Docket No. DMA-1949, Geo. W. Snyder & Geo. W. Snyder, Jr., Contract No. Idm-5322

The attached letters from Mr. R. C. Miller and from George W. Snyder are self explanatory.

Both of the above projects have been dormant since late 1952; prior to such time the work that was done was marked by inefficiency of operation and excessively high cost, to an almost fantastic degree.

When the last recessing amendments were written on December 30, 1953, for these two projects, it was felt that we would be in no position to consider further delays in case work was not started by May 15, 1954. The Operator has now written asking further recess but there would seem to be little reason to let such projects continue to lie dormant. As far as we know no discovery of any significance has been made by the work done to date, and it is believed that it would be to the best interest of the Government to serve the written notice, as provided in the amendments, to terminate the work.

However, since this might be considered as a policy matter, it is referred to you.

W. R. Griswold

W. R. Griswold

WRGriswold/bjl
Copy to: Docket (2)
Base Metals (2)
Chron.

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

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

May 18, 1954

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA
Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-1948 (Lead-Zinc)
United Minerals Corporation
Rip Van Winkle Mine, Elko County, Nevada
Contract No. Idm-E302

Docket No. DMEA-1949 (Lead-Zinc)
Lucky Strike Mine, Lander County, Nevada
Contract No. Idm-E322

Although Amendment No. 3 to Contract Idm-E302 (Docket DMEA-1948), and Amendment No. 4 to Contract Idm-E322 (Docket DMEA-1949), expressly stipulate that work under each contract is to be resumed by May 15, 1954, there has apparently been no resumption of work to date under either contract.

I now have a reply from Mr. George W. Snyder to my letter to him dated April 29, 1954, in which I explained to him why vouchers submitted for work done under each contract have not been paid.

A copy of Mr. Snyder's letter dated May 14, 1954, is attached. You will note that he now wishes another extension of the resumption date to September 1, 1954.

I shall await your reaction to this request before answering Mr. Snyder.

/s/ H. C. Miller

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Roscoe Smith, USGS
A. C. Johnson, Reno

C O P Y

UNITED MINERALS CORPORATION

FELT BUILDING

SALT LAKE CITY 1, UTAH

C O P Y

May 14, 1954

Mr. H. C. Miller
Executive Officer, DMEA Field Team
Region III
1012 Flood Bldg.
870 Market Street
San Francisco 2, California

Re: Dockets DMEA 1948 and 1949
Contracts Idm-E302 and E-322
Lead-Zinc

Dear Mr. Miller:

I wish to thank you for the information contained in your letter of April 29. I am sorry to learn of the delay in payments $896.41 on contract E-302 and $2,458.79 on contract E-322. It is going to require a heavy effort on our part to get work started again on these projects and we feel that we would be using up our potential if we try to get moving until after we find out what is going to be done for lead and zinc in the new stockpiling program. We are keeping in close touch with this situation and it appears that we are going to need until September 1, as a resumption of work date. We would like your reaction to granting us this additional time.

In the meantime, we have accounts to take care of and if this above mentioned money could be released, it would help. I can see no legitimate reason for holding it up. Won't you please see what can be done.

I think you will readily understand our position in regard to starting up development work at too early a date.

Awaiting your reply, I am --

Sincerely yours,

s/ George W. Snyder

George W. Snyder

GWS:sp

Airmail

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

RECEIVED
MAY 4 - 1954

1012 Flood Bldg.
870 Market Street
San Francisco 2, Calif.

April 29, 1954

Mr. George W. Snyder, Jr., President
United Minerals Corporation
218 Felt Building
Salt Lake City 1, Utah

Re: Dockets DMEA-1948 and 1949
Contracts Idm-E302 & E322
Lead-Zinc

Dear Mr. Snyder:

As promised you over the telephone a day or two ago, I have checked with our Accounts Section to learn why vouchers submitted by United Minerals Corporation (E302) for $896.41 and by Geo. W. Snyder and Geo. W. Snyder, Jr., (E322) for $2458.79 have not been paid.

I find that payment is being withheld, on the advice of the Washington Office, until you submit your first month's report on the resumption of work, or until final settlement is made, in case the projects are not continued.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Copy to: DMEA, Washington, D.C.
R. M. Smith, USGS
A. C. Johnson, Reno
Finance Office, Reg.III
Geo. Mavor

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

MAR 24 1954

Mr. George Mavor
DMEA Auditor
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Idm-E302, DMA-1948
United Minerals Corporation
and
Idm-E322, DMA-1949X
George W. Snyder and George W. Snyder, Jr.

Dear Mr. Mavor:

Reference is made to your letter of March 20, 1954, transmitting your audits for the above-cited contracts. The Audit Certificates and Reports are in order and may be distributed in the regular manner.

In regard to additional funds due the Companies as a result of your audit, I advise that these amounts not be paid until the operators submit their first months report on their resumption of work, or until final settlement is made in case the projects are not continued.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
March 24, 1954

Copy to: Docket (2)
Admr. Reading File
Mr. Chambers

R.C.J. 3-24-54

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

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

March 18, 1954

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMA-1949X (Lead-Zinc)
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-E322
Amendment No. 5

Attached are the original and two copies of Amendment No. 5, dated March 4, 1954, made in connection with subject contract.

A justification sheet is attached to each copy of the amendment.

Proper distribution has been made of the remaining copies.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: A. C. Johnson, Reno (With copy of amendment)
Finance Officer, Region III (With copy of amendment)
Roscoe Smith, USGS
George Mavor

RECEIVED
APR 6 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

17

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

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

March 4, 1954

Messrs. George W. Snyder and
George W. Snyder, Jr.
513 Felt Building
Salt Lake City 1, Utah

Re: Docket DMA-1949X (Lead-Zinc)
Lucky Strike Mine
Lander County, Nevada
Contract Idm-8322
Amendment No. 5

Gentlemen:

In auditing the subject contract it has been concluded that the item of $245.52 for rehabilitation of the winze in the Lucky Strike Mine prior to extending the winze an additional 130 feet was a justifiable cost, although not specifically allowed under the terms of the contract.

Accordingly, Amendment No. 5 has been prepared to take care of the aforementioned work. Six copies of the amendment dated March 4, 1954, are attached for your signatures. Kindly sign all six copies, retain the copy marked "Operator's Copy" for your files, and return the original and other four copies to this office promptly.

Sincerely yours,

H. G. Miller
Executive Officer
DMEA Field Team, Region III

Enclosure

Copy to: DMEA. Washington, D. C.
Roscoe Smith, USGS
A. C. Johnson, Reno

FILE COPY
SURNAME:

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

FEB - 5 1954

Mr. George Mayer
DMEA Auditor
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Idm-E302, DMEA-1945
United Minerals Corporation
Elko County, Nevada
and
Idm-E322, DMEA-1945K
George W. Snyder and
George W. Snyder, Jr.
Lander County, Nevada

Dear Mr. Mayer:

Returned herewith for further revision are the copies of your Interim Audit Reports and Certificates covering the referenced Exploration Project Contracts.

Under both of these contracts the Operators are due additional, and heretofore unclaimed, amounts for costs in excess of certain contractual "allowable maximums", which have been readjusted by amendment of the contract. In my letter of January 6, 1954, I suggested "that the Operators be advised to submit supplemental Form MF-104 and that your Audit Reports and Audit Certificates be revised to include the allowance of such acceptable costs as may be claimed."

It was my intention that you withhold final preparation of the Audit Reports and Certificates until the Operators had submitted the supplemental claims and that the amounts of such claims be included in the "Total cost as billed by contractor". Our audits are based on the amounts claimed by the Operators and there is the possibility that their claims in the case may cause you to change the amounts which you have determined to be allowable.

With reference to contract Idm-E302 my letter of January 6, 1954, also advised that your Audit Report erroneously included underground rehabilitation under item (5) Initial Rehabilitation and Repairs and that "This title should include only the rehabilitation of the buildings (itemized by the three items of boarding house, cook house and compressor-tool house)". My letter further stated that most of the material costs aggregating $701.32 appeared to be applicable to the rehabilitation of the buildings.

In your revised Audit Report, however, you have transferred all of the material costs to item (3) Operating Supplies & Materials.

R.C.S. 2-5-54

Since the contract specifies an "allowable maximum" for item (5) it is an audit requirement that you determine the reasonable amount applicable to this item. Several of the items (for example, paint and paint mix, mattresses, sheets and blankets, and linoleum) are definitely identifiable as being applicable to the buildings rather than underground rehabilitation. Some of the other items, which apparently are included in your revised Audit Report under item (3) as Miscellaneous Mat'l. Items, also probably were used either in whole or part for the rehabilitation of the buildings. A determination as to these items should be made with the assistance of the engineer who examined the project.

Under item (3) Operating Materials & Supplies you have included "1 Transformer $103.40". This item properly should be included under item (4) Operating Equipment Purchased, unless it was a part of the rehabilitation of the compressor building, in which case it should be included under item (5) Initial Rehabilitation & Repairs. The engineer should be able to advise you on this item also.

On page 8 of the revised Audit Report you indicate a status of the "allowable maximums", which apparently is based on the Operator's form MF-104A rather than an audit determination. If the amounts listed have been verified and determined by audit to be acceptable, then it would seem that the Operator's records must indicate the basis for distribution of the items of cost to the several "allowable maximums". This being the case the amount of $1,892.00 shown for "Rehabilitation & Repre. Bldgs." is not compatible with the total of $1,535.90 allowed under item (5) Initial Rehabilitation & Repairs. Likewise, this status of "allowable maximums" indicates the amount of $3,542.00 as being expended for "Underground Rehabilitation", whereas under item (2) Labor & Supervision you have shown a segregation of labor which indicates no costs for underground rehabilitation. Possibly your sub-title of "Maintenance" should be "Underground Rehabilitation".

With reference both to item (5) Initial Rehabilitation & Repairs and the statement on the "allowable maximums" you indicate in justification for your audit actions that they were agreed to by the Executive Officer. This is insufficient justification. All audits must be made in accordance with the terms of the applicable contracts, including exhibits, as amended. An Executive Officer's agreement to variations in the requirements of the contract is not acceptable for audit purposes, unless such agreement is formalized by amendment of the contract, and amendments to "allowable maximums" must be made or approved by the Washington office. Of course, the Executive Officer's and the examining engineer's advice should be solicited (1) in developing proper methods of prorating costs, (2) in ascertaining the reasonableness and necessity of the items and quantities for the performance of the exploration work, (3) for final determination as to what are direct costs, in accordance with Q. and

A. 1 of DMEA Circular 19, Supplement 1, and (4) in regard to other matters affecting the audits and which are the responsibility of the Field Team, as listed in Section 7 of Operating Committee Memorandum No. 11.

With reference to Idm-8322 my letter of January 6, 1954 requested that page 6 of the Audit Report "be revised to explain what items of Rehabilitation and Repair work were performed." Your revised Audit Report states merely that "The charges aggregating $245.52 were applicable to rehabilitation and repairs to buildings", without identifying the items (i. e., compressor building, dwellings, or boarding house). The propriety of these charges under category (5) Initial Rehabilitation & Repairs appeared to be questionable, since no materials were included but $32.00 for depreciation had been included. In most building rehabilitation work materials of some sort are required, whereas it is seldom that depreciation of equipment would be involved.

Accordingly a further review of the files on this contract was made. It was found that the charges listed in your Audit Report for this item are identical to those listed on the first MF-104 (for May, 1952) as:

Labor	$149.63
Supervision	13.89
Technical Services	50.00
Depreciation	32.00
Total	$245.52

and subsequently brought forward on the next MF-104 (for June, 1952) in the "Totals Previously Reported" column as (5) Initial Rehabilitation & Repairs. However, the Operator's narrative for May indicates that the rehabilitation and repair work consisted of retimbering, pumping and conditioning of the winze. Furthermore, a memorandum dated July 15, 1952 addressed to A. C. Johnson, Chief of the Mining Division, by L. F. Muller, the examining engineer, stated that the rehabilitation work covered by the May 1952 MF-104 "consisted of shaft timber repair, pumping and building pump setup while the only rehabilitation allowed is for building construction" and further that "an amendment of the contract to sanction the above subcontracting and rehabilitation should be considered immediately."

It is apparent, therefore, that these costs are not a proper charge to item (5) Initial Rehabilitation & Repairs, but are properly classifiable under the other categories of costs, i. e., (2) Labor & Supervision, (3) Operating Materials & Supplies, and (4) Operating Equipment Depreciation. Furthermore, since the Description of Work under the Exhibit "A" of the contract did not authorize rehabilitation of the winze, your allowance of these costs should be contingent upon the Executive Officer's amendment of the contract to provide this additional work.

On page 8 of the Audit Report the title of the first two items in the status of "allowable maximums" should be changed to read as follows:

Labor & Supervision (incl. insurance, taxes & office work)
Materials & Supplies (incl. repairs to equipment)

This will enable a more ready reconciliation of the "allowable maximums" with your cost distribution, which appears to be correct except for the rehabilitation and repair costs.

In conclusion it is suggested that (1) the Operators under both of these contracts be requested to submit supplemental forms MF-104, (2) the Executive Officer and examining engineers be consulted relative to the several determinations that must be made, (3) the Executive Officer be requested to amend contract Idm-8322 to authorize the wiese rehabilitation, (4) the revised Audit Report be drafted in the rough, but that (5) final preparation of the Audit Report be withheld pending a visit by either Mr. Talbert or myself.

It is planned for either Mr. Talbert or myself to visit each of our auditors during the latter part of this month. The purpose of the visits will be to assist the auditors in some of their problems relative to contract interpretation, audit procedures and report preparation. I will let you know within the next week or so of the date of this contemplated visit.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosures

EDTalbert/wb
February 5, 1954

Copy to: Docket (2)
Admr. Reading File
Mr. Chambers

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

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

January 11, 1954

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-1949 (Lead-Zinc)
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine, Lander County, Nevada
Contract Idm-E322
Amendment No. 4

Attached are the original and two copies of Amendment No. 4, dated December 30, 1953, made in connection with subject contract.

A justification sheet is attached to each copy of the amendment.

Proper distribution has been made of the remaining copies.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: A. C. Johnson, Reno (With copy of amendment)
Finance Officer, Region III (With copy of amendment)
E. H. Bailey, USGS
George Mavor

FILE COPY
SURNAME:

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

JAN - 6 1954

Mr. George Mavor
DMA Auditor
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Idm-1302, DMA-1948
United Minerals Corporation
and
Idm-1322, DMA-1949X
George L. Snyder and
George L. Snyder, Jr.

Dear Mr. Mavor:

The Interim Audit Reports and Certificates covering the referenced Exploration Project Contracts are returned herewith for revision as indicated below.

It is noted that under both contracts the Operators have inquired as to whether they may file supplemental forms MF-104 for certain costs heretofore unclaimed, but which your audits have disclosed as being valid and proper. Accordingly it is suggested that the Operators be advised to submit supplemental forms MF-104 and that your Audit Reports and Audit Certificates be revised to include the allowance of such additional acceptable costs as may be claimed.

With reference to the Audit Report covering United Minerals contract Idm-1302, the following additional revisions appear to be required:

(a) On page 5, under the title of Initial Rehabilitation & Repairs you have included underground rehabilitation costs. This title should include only the rehabilitation of the buildings (itemized by the three items of boarding house, cook house and compressor-tool house). The costs of the underground rehabilitation, which is an exploratory work item, should be transferred to the proper items of Labor & Supervision, Operating Materials & Supplies, etc.

(b) On page 6, you indicate that costs aggregating $701.32 have been distributed between buildings and underground work on a direct labor basis. Since most of the listed items appear to apply to the buildings, such distribution does not appear to be equitable. Distribution on an actual use basis appears to be feasible. Also an explanation of the mileage charges is required.

(c) On page 8, the statement of the status of "allowable maximums" does not list the proper items. This statement should include all "allowable maximums" specified in the contract, as amended, except for the allowable maximum rates (such as monthly rates for supervision and depreciation) which are discussed in the previous portions of the Audit Report. The properly reportable "allowable maximums" costs (per pages 3 and 4 of Exhibit "A") are:

Operating Equipment Purchased	$ 2,020.00
Rehabilitation & Repairs:	
Boarding house	580.00
Cook house	700.00
Compressor-tool house	612.00
Underground Rehabilitation	3,542.00
Sinking Winze	14,168.00
Drifting & Crosscutting	31,878.00
Total	$53,500.00

Your statement lists total "allowable maximums" for Labor & Supervision, Materials & Supplies, and Depreciation; however, the original contract specified only monthly maximums for these items (and Amendment No. 1 removed these monthly maximums for both Labor & Supervision and Materials & Supplies). Your statement also summarized the Rehabilitation and Repairs; however Art. 6(a) (5) of the contract specifies that the items thereunder are "allowable maximums"

The Audit Report covering Snyder & Snyder contract Idm-5322 is acceptable, but is being returned for revision as suggested in the second paragraph of this letter. It is suggested also that page 6 be revised to explain what items of Rehabilitation and Repair work were performed.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
January 6, 1954

Copy to: Docket (2)
Admr. Reading File
Mr. Chambers

1-6-54

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

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

January 5, 1954

United Minerals Corporation
Felt Building
Salt Lake City 1, Utah

Re: Docket DMEA-1949 (Lead-Zinc)
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract Idm-D322

Gentlemen:

Reference is to your letter dated November 10, 1953, advising us that you anticipate operation on a full-scale basis at the above-captioned property on or before the 15th of May 1954, and requesting an extension of Contract Idm-D322.

In accordance with your request, the Washington Office of the Defense Minerals Exploration Administration has prepared Amendment No. 4, providing for a recess of work to not later than May 15, 1954, and extending the completion date to December 23, 1954.

The original and five copies of Amendment No. 4, which has been executed by the Administrator, are enclosed. If the amendment meets with your approval, kindly sign all six copies, retain the copy marked "Operator's Copy" for your files, and return the original and other four copies to this office promptly.

Sincerely yours,

H. C. MILLER
H. C. Miller
Executive Officer
DMEA Field Team, Region III

Enclosure

Copy to: DMEA, Washington, D. C.
E. H. Bailey, USGS
A. C. Johnson, Reno

FILE COPY
SURNAME:

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

DEC 31 1953

Mr. [illegible] Miller, Executive Officer
[illegible] Field Office, Region XII
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. [illegible] 1948 (Lead-Zinc)
United Minerals Corporation
Pinion Pinkle Mine
Elko County, Nevada
Contract No. idm-5302

Docket No. [illegible] 1949 (Lead-Zinc)
C. [illegible] Snyder & [illegible] Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. idm-5322

Dear Mr. Miller:

This is in response to your memorandum to the Operating Committee dated November 13, 1953, regarding a request by the above companies for a recess of work and extension of time for completion of the projects. It is recognized that both projects are headed by [illegible] Snyder who states in his letter of November 10, 1953, that he should be able to resume activities early in May 1954.

Under the circumstances, it has been concluded that amendments providing for a recess of work and extension of time may be allowed. Therefore, we are enclosing the original and five copies of Amendment No. 3 in the instance of Docket No. [illegible] 1948, United Minerals Corporation, and Amendment No. 4 in the instance of Docket No. [illegible] 1949, [illegible] Snyder and C. [illegible] Snyder, Jr., which have been executed by the Administrator.

If these amendments meet with your approval and one of the operator please sign in the required signatures and distribute in the usual manner.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures 12
[illegible]

J. H. Hedges
Member, Bureau of Mines

D. M. Larrabee
Member, Geological Survey

AGKeating/hmj (12/17/53)
CC to: Docket (2)
Adm. R. File
Op. Committee
Base Metals Division (2)
Mr. Kinkel
Mr. Bishop
Chron

R.C.D. 12-31-53

Government's Copy

EXPLORATION PROJECT CONTRACT
UNITED MINERALS CORPORATION
DOCKET NO. DMEA-1948

AMENDMENT NO. 3

It is agreed this ____ day of _____, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and United Minerals Corporation, that Exploration Project Contract No. Idm-E302, Docket No. DMEA-1948, dated April 21, 1952, as amended (hereinafter called the "Contract"), is further amended, effective October 16, 1952, as follows:

1. During the period from October 16, 1952, to not later than May 15, 1954, the project work shall be recessed; the Government shall not contribute to any costs of operation or maintenance incurred by the Operator; and 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.

2. It is of the essence of the contract that the Operator resume work by May 15, 1954, and thereafter continuously prosecute the work to completion. If the Operator should fail to resume the work by May 15, 1954, or if the Operator should resume work by that date but should fail to continuously prosecute the work to completion, then the Government may, at its option, in addition to its other rights under the contract, by written notice to the Operator within 60 days after either default, terminate the work under the contract.

3. That part of paragraph (a) of Article 9 of the contract which precedes the colon, is amended to read as follows:

The Operator, regardless of any certification of a discovery or development, and regardless of whether the Operator is the producer, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2 of the Contract within a period of eleven 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. 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, premiums, allowances or other benefits), in whatever form disposed of, including ore, concentrates, or metal, as follows:

4. In Article 10 of the Contract the period "11 years" is substituted for the period "10 years."

5. In Article 3 of the Contract, as amended, delete the words "within a period of nineteen (19) months," and substitute the words "not later than December 23, 1954."

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as "allowable maximum."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Administrator, Defense
Minerals Exploration
Administration

UNITED MINERALS CORPORATION

By_____

Government's Copy

12/27/53

EXPLORATION PROJECT CONTRACT
GEORGE W. SNYDER AND GEORGE W. SNYDER, JR.
DOCKET NO. DMEA-1949

Rewritten

AMENDMENT NO. 4

It is agreed this _____ day of _____, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and George W. Snyder and George W. Snyder, Jr., that Exploration Project Contract No. Idm-E322, Docket No. DMEA-1949, dated May 23, 1952, as amended, is further amended, effective December 1, 1952, as follows:

1. During the period from December 1, 1952, to not later than May 15, 1954, the project work shall be recessed; the Government shall not contribute to any costs of operation or maintenance incurred by the Operator; and 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.

2. It is of the essence of the contract that the Operator resume work by May 15, 1954, and thereafter continuously prosecute the work to completion. If the Operator should fail to resume the work by May 15, 1954, or if the Operator should resume work by that date but should fail to continuously prosecute the work to completion, then the Government may, at its option, in addition to its other rights under the contract, by written notice to the Operator within 60 days after either default, terminate the work under the contract.

3. Paragraph 1, attached hereto, [illegible] for [illegible]

3. That part of paragraph (a) of Article 9 of the contract which precedes the colon, is amended to read as follows:

The Operator, regardless of any certification of a discovery or development, and regardless of whether the Operator is the producer, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2 of the Contract within a period of eleven 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. 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, premiums, allowances or other benefits), in whatever form disposed of, including ore, concentrates, or metal, as follows:

4. In Article 10 the period "11 years" is substituted for the period "10 years."

5. In Article 3 of the contract, as amended, delete the completion date "June 23, 1953," and substitute the date "December 23, 1954."

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as "allowable maximum."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense
Minerals Exploration
Administration

_____
GEORGE W. SNYDER

_____
GEORGE W. SNYDER, JR.

December 4, 1953

Memorandum

To: Chief Counsel

From: Base Metals Division

Subject: Docket No. DMEA 1948 (Lead-Zinc)
United Minerals Corporation
Rip Van Winkle Mine
Elko County, Nevada
Contract No. Idm-E302

Docket No. DMEA 1949 (Lead-Zinc)
C. A. Snyder & C. A. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-E322

It has been decided that the following procedure be effected.

1. Recess the work at each property until May 15, 1954, as requested by the Operator

2. Extend the completion dates of each contract to cover the recess and allow sufficient time subsequent to the recess to complete the unfinished exploration work - 6 months to November 1954.

3. The amendment to each contract should include a clause stating that the Operator will be in default of the contract if work has not been started by May 15, 1954, and that the Government at its option can terminate the contract and take whatever action it deems necessary to guarantee repayment of the Government's participation in the project.

An amendment conforming to the above conditions is requested.

/S/

A. G. Keating

CCTo: Docket
Base Metals
Chron.

Attachment

FILE COPY
SURNAME:

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

December 3, 1953

Memorandum

To: Mr. W. F. Griswold, Chief
Base Metals Division

From: George C. Selfridge
Special Assistant to the Administrator

Subject: Docket No. DMEA 1948 (Lead-Zinc)
United Minerals Corporation
Rip Van Winkle Mine
Elko County, Nevada

Docket No. DMEA 1949 (Lead-Zinc)
G. W. Snyder & H. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-E322

The writer has discussed the procedure relating to additional recesses of work at the Rip Van Winkle and Lucky Strike Mines, as outlined in the last paragraph of Mr. Keating's letter of November 27, 1953, with the Legal Division and with Mr. Frank Johnson.

After discussing it and other procedures, taking into account what difficulties they might present, it was concluded that the following procedure would be the preferable one:

Recess the work at each property until May 15, 1954, as requested by the Operator.

Extend the completion dates of each contract to cover the recess and allow sufficient time subsequent to the recess to complete the unfinished exploration work.

The amendment to each contract should include a clause stating that the Operator will be in default of the contract if work has not been started by May 15, 1954, and that the Government at its option can terminate the contract and take whatever action it deems necessary to guarantee repayment of the Government's participation in the project.

GCSelfridge/esf
12/3/53

George C. Selfridge

cc to: Docket (2)
Admr. Reading File
Base Metals (2)
Mr. Johnson
Chron.

FILE COPY
SURNAME:

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

..... Miller, Executive Officer
..... Field Team, Region III
..... Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. ... 1948 (Lead-Zinc)
United Minerals Corporation
Rip Van Winkle Mine
Elko County, Nevada
Contract No. Idm-302

Docket No. ... 1949 (Lead-Zinc)
... Snyder ... Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-322

Dear Mr. Miller:

This is in response to your memorandum to the Operating Committee dated November 13, 1953, regarding a request by the Operator for a recess of work and extention of time for completion of the above-cited projects. As you know both projects are in a generally similar situation in that they are headed by ... Snyder, Jr., and in both instances the work has not been carried on consistently. There have been extended periods of recess since the projects were actively operated.

In his letter of November 10, 1953, Mr. Snyder stated that his companies should be able to resume activities early in May 1954.

If in your opinion, neither project has reached its goal, and there may be an opportunity by further work to disclose significant mineralization, it appears it would be to the best interest of the Government to allow reasonable periods of recess.

We suggest that you prepare and execute amendments to provide a recess of work to May 1, 1954, at both projects. If prior to that time the Operator is prepared to proceed with the work, then consideration can be given to an extension of time for completion of the projects. Such extensions, if allowed, would run beyond the two-year period provided by the contract form and therefore must be approved and executed by the Administrator.

Sincerely yours

George C. Selfridge
Chairman, Operating Committee

Concur:

J. H. Hedges
Member, Bureau of Mines

D. M. Larrabee
Member, Geological Survey

AGKeating/hmj (11-27-53)
CC to: Docket (2)
Adm. R. File
Op. Committee
Mr. Kinkel
Mr. Bishop
Base Metals
Chron.

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

November 13,1953

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA
Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMA-420X (Zinc)
Bristol Silver Mines Co.
Bristol Silver Mine, Lincoln County, Nevada
Contract No. Idm-E10

Docket No. DMA-1949X (Lead-Zinc)
George W. Snyder & George W. Snyder, Jr.
Lucky Strike Mine, Lander County, Nevada
Contract No. Idm-E322

Docket No. DMA-1948 (Lead-Zinc)
United Minerals Corporation
Rip Van Winkle Mine, Elko County, Nevada
Contract No. Idm-E302

Reference is made to your letter dated October 1, 1953, in which you suggested I "write the operator and get his reaction to concentrating his efforts on one project and agreeing to mutual termination of the other two."

You received a copy of my memorandum dated October 12, addressed to Mr. George W. Snyder, Jr., President, United Minerals Corporation, in which I suggested he might concentrate his efforts on either the Rip Van Winkle property or the Lucky Strike Mine. I left the Bristol Silver Mine out of consideration, as work at that property had been stepped up at that time with every indication of that project being carried out as intended.

(11/23/53 - Conference Frank Johnson re recess and extension - we agree to go along for 4 months or to May.)

Attached is a copy of a letter dated November 10 from Mr. George W. Snyder, Jr., which is in reply to my October 12 letter. You will not that Mr. Snyder would like a further extension of both the Rip Van Winkle and Lucky Strike contracts and promises full-scale resumption of work under both contracts on or before May 15, 1954.

Your advice on whether or not I should amend the contracts by extending the completion dates of both contracts will be appreciated.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

C
O
P
Y

UNITED MINERALS CORPORATION
Felt Building
SALT LAKE CITY 1, UTAH

November 10, 1953

Mr. H. C. Miller
Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, Calif.

AIR MAIL

Re: Docket DMEA 1948 (Lead-Zinc)
United Minerals Corporation
Rip Van Winkle Mine
Elko County, Nevada

Docket DMEA 1949 (Lead-Zinc)
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-E322

Dear Mr. Miller,

We have delayed replying to your letter of October 12 pending the outcome of strenuous efforts to establish the future program of operation on the two subject properties. Your courtesies in granting previous extensions have, of course, been much appreciated.

You have indicated that a recess until December 1, 1953, might be, or have been possible. Such an extension would not be sufficient to permit conclusion of our latest efforts at additional financing. We have concluded, however, an arrangement whereby additional financing is projected for the early spring months of 1954 and barring unforeseen difficulties, the corporation should be enabled early in May to resume activities on each of the properties.

Is it conceivable the government would consider granting us further extensions which would cover a resumption of operation on a full scale basis on or before the 15th of May, 1954. We recognize the unusual nature of the request in the light of previous courtesies extended however, present conditions prevailing in the mining business are themselves of unusual nature, and obviously beyond the control of any individual operator.

Will you please consider this letter our request for an extension of the subject contracts and advise us at your convenience of your decision in this regard.

Thanking you again for the many previous courtesies, we are

Very truly yours,

UNITED MINERALS CORPORATION

/s/ George W. Snyder, Jr.

George W. Snyder Jr.,
President

/s/ George W. Snyder, Jr.
George W. Snyder Jr., Individually

C O P Y

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

October 12, 1953

Mr. George W. Snyder, Jr., President
United Minerals Corporation
Felt Building
Salt Lake City 1, Utah

Re: Docket DMEA-1948 (Lead-Zinc)
United Minerals Corporation
Rip Van Winkle Mine
Elko County, Nevada
Contract No. Idm-E302

Docket DMEA-1949 (Lead-Zinc)
G. W. Snyder & G. W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Idm E-322

Dear Mr. Snyder:

Reference is made to your letter dated September 9, 1953, sometime early in 1954. The matter has been taken up with the Washington Office and my attention has been called to the fact that work at the Rip Van Winkle Mine will have been recessed one year on October 17, 1953. Only 194.5 feet of drift has been driven of the 900 feet provided for in the contract. None of the 200 feet of winzing has been done. The completion date has been extended four months to November 21, 1953.

It has also been called to my attention that only 109 and 105 feet of the drifting and winzing, respectively, have been done of the 300 and 130 feet allowed under Contract Idm-E322 at the Lucky Strike Mine. The project was to be of six months' duration. Amendment No. 2 extended the completion date three months to February 23, 1953. Amendment No. 3 granted a four-month recess to June 23, 1953, and extended the completion date a similar length of time. No. DMEA work has been done since December 1, 1952, and after October 23, 1953, you will be in default of your contract.

In both cases you have stated that the lack of progress has been due to the scarcity of funds. What then, would your reaction be to (1) concerntrating your efforts on only one of the two projects and

agreeing to mutual termination of the other one, or (2) terminating both the Rip Van Winkle and Lucky Strike projects and really concentrating on the Bristol Silver project where recent progress has been stepped up a bit over that previously made?

Before terminating either or both of the projects we would determin if a Certification of Discovery or Development should be issued. If not, the agreement would contain a clause guaranteeing repayment of the Government's participation by royalty payments, the same as though a certification were issued, if exploration results to date have not indicated that the objectives are of little or no value.

The Administration would be willing to consider recesses until December 1, 1953, if you are not willing to terminate the two projects. At that time work would have to be under way and reasonable progress made each month. Otherwise, the Government would be forced to withdraw its participation in the projects and, where warranted, take such steps as are deemed necessary to recover the funds it has contributed.

I regret that I am compelled to write as I have, as there is no desire to bn the part of DMEA to deal in an arbitrary or harsh manner with an operator, but we cannot disregard the Government's best interests by allowing projects to lapse into a semi-permanent recess state.

Sincerely yours,

H. C. Miller,
Executive Officer,
DMEA Field Team, Region III

500 FILE COPY
SURNAME:

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

OCT - 1 1953

Selfridge

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMA-420 (Zinc)
Bristol Silver Mines Co.
Bristol Silver Mine
Lincoln County, Nevada
Contract No. Idm-E10

Docket No. DMEA-1949 (Lead-Zinc)
George W. Snyder & George W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-E322

Docket No. DMA-1948 (Lead-Zinc)
United Minerals Corp.
Rip Van Winkle Mine
Elko County, Nevada
Contract No. Idm-E302

Dear Mr. Miller:

Since receiving Mr. Ricker's memorandum of September 14, 1953, we have given considerable time to the study of the subject dockets and administrative policy relating to recessed lead-zinc projects in the light of instructions from OIM and discussions with the Bureau of the Budget. While we have no desire to deal in an arbitrary or harsh manner with an operator, neither can we disregard the Government's best interests by allowing projects to lapse into a semi-permanent recess state.

Work was started again at the Bristol Silver mine in July. According to Mr. Gentry's memorandum of July 31, 1953, exploration to be completed amounted to 710 feet of drifting, crosscutting, and raising and 400 feet of diamond drilling as of July 15. The Company drove 44 feet of drift during the last half of July. The contract completion date is December 31, 1953. To finish the work within the allotted time, the Company should drive 133 feet of advance and diamond drill 80 feet of hole monthly. The Company is not in default of its contract, but it might be questionable whether the Government will extend the contract completion date unless a

R.C.S. 10-1-53

reasonable rate of advance is maintained until the end of the year.

Work at the Rip Van Winkle mine, Docket No. DMA-1948, will have been recessed one year on October 17. Only 194.5 feet of drift has been driven of the 900 feet provided for in the contract. None of the 200 feet of winzing has been done. The completion date has been extended four months to November 21, 1953.

Only 109 and 105 feet of the drifting and winzing, respectively, have been done of the 300 and 130 feet allowed under Contract No. Idm-E322, Docket No. DMA-1949. The project was to be of six months' duration. Amendment No. 2 extended the completion date three months to February 23, 1953. Amendment No. 3 granted a four-month recess and extended the completion date to June 23, 1953. No DMA work has been done since December 1, 1952. The Operator is now in default of his contract.

In all three cases, the Operator has stated that the lack of progress has been due to the scarcity of funds. Because of this, we suggest that you write the Operator and get his reaction to concentrating his efforts on one project and agreeing to mutual termination of the other two. Before terminating the projects, we would have to know if a Certification of Discovery or Development could be issued. If not, the agreement would have to contain a clause guaranteeing repayment of the Government's participation by royalty payments, the same as though a certification were issued, if exploration results to date have not indicated that the objectives are of little or no value.

The Administration would also be willing to consider recesses until December 1, 1953, if the Operator is not willing to terminate two of the projects. At that time work would have to be under way and reasonable progress made each month. Otherwise, the Government would be forced to withdraw its participation in the projects and, where warranted, take such steps as deemed necessary to recover the funds it has contributed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

WRGriswold/GCSelfridge/esf (9/30/53)

CC to: Docket (3)
Admr. Reading File
Operating Committee
Base Metals Div. (3)
Mr. Kinkel
Mr. Bishop
Chron.

Approved:

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

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

SEP 25 1953

Memorandum - Summary

Docket No. DMEA 1949, George W. Snyder & George W. Snyder, Jr.
Lucky Strike Mine, Lander County, Nevada (Lead-Zinc)
Contract No. Idm-E322

Contract dated May 23, 1952, Form MF-200, (revised February 1952). To be completed within 6 months (November 23, 1952) extended by amendments to June 23, 1953.

Exhibit "A" Digest

Operating equipment (value $7,675.00) furnished by the Operator @ 1/60 per month depreciation allowance

Operating equipment to be purchased	$ 2,250.00
Rehabilitation and repairs (buildings)	2,000.00
Sinking incline shaft 130 feet and drifting and crosscutting 300 feet	23,544.00
Total estimated cost of the project	$ 27,794.00
Government participation at 50%	13,897.00

Total progress to December 1952 - drifting 100 ft. @ $55.84/ft.
winzing 105 ft. @ $90.05/ft.

Total expenditures	16,225.65
Contract's funds unexpended	11,568.35

Field Team examination January 12, 1953, reported last MF-104 Operator's Report for November.

Work suspended and pumps pulled December 16, 1952 - closed by snow. No Date

October 29, 1952 - Amendment No. 1 - Changes category of labor, supervision and consultants.

November 24, 1952 - Amendment No. 2 - Extends completion date 3 months to February 23, 1953.

April 1, 1953 - Amendment No. 3 - Allows recess of work for 4 months with like extension of time to June 23, 1953.

January 14, 1953 - Examination by Field Team, property closed due to winter conditions. Company intends to resume work as soon as conditions permit.

February 14, 1953 - Examination by Field Team - same as above.

March 2, 1953 - Operator requests additional recess and extension of time to get finances, and to see which way metal markets will go. Reports 3½ feet of low grade lead-zinc.

March 10, 1953 - Operator wrote he intended to definitely commence work before July 1, 1953.

Work provided by the contract consists of extending an existing incline shaft to explore for the downward extensions of two known blocks of ore previously mined in early days near the surface. From reported shipments in excess of $200,000.00 was obtained from ore averaging some 50 per cent Pb, 150 ozs Ag, and $4.00 Au. per ton. Surface ore is oxidized but sulfides are dominant at depths below 50 feet. The mine openings partially develop a fissure about 600 feet in length and 98 feet in depth, with possibly 1,500 tons of inferred ore. The Field Team reported that the showings were sufficiently impressive to warrant a limited exploration to develop the fissure at greater depth and to investigate possibilities in a parallel fissure in the hanging wall.

The work so far accomplished consists of drifting and raising along the fault fissure. There is little indication of mineralization present at the face. A few scattered sulfides were observed within the fault gouge with negligible results.

The work has been extremely slow and inefficient, with the Operator showing small regard for the terms of the contract, and costs have been excessive. Costs for months of September, October, and November totalled $5,159.44 for 37 feet of drifting at an average cost of $139.44 per foot of advance.

The Base Metals Division believes that it will be to the best interest of the Government to advise the Operator that he must set a reasonable close and definite date for continuation of the work, and that strict adherence to the terms of the contract must be observed. Otherwise an agreement to pay royalty and termination by mutual consent should be arranged.

Keating
A. G. Keating.

FILE COPY
500
SURNAME: Keating

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

NSm RR

September 11, 1953

Memorandum - Summary

Docket No. DME 1949, George W. Snyder & George W. Snyder, Jr.
Lucky Strike Mine, Lander County, Nevada (Lead-Zinc)
Contract No. Idm-E322

Contract dated May 23, 1952, Form MF-200, (revised ~~February~~ 1952). To be completed within 6 months (November 23, 1952) extended by amendments to June 23, 1953.

Exhibit " " Digest

Operating equipment (value $7,675.00) furnished by the Operator @ 1/60 per month depreciation allowance

Operating equipment to be purchased	$ 2,250.00
Rehabilitation and repairs (buildings)	2,000.00
Sinking incline shaft 130 feet and drifting and crosscutting 300 ft.	23,544.00
Total estimated cost of the project	$ 27,794.00
Government participation at 50%	13,897.00
Total progress to date - drifting 37 ft. raising 14.6 ft.	
Total expenditures	16,225.65
Contract's funds unexpended	11,568.35

Field Team examination January 12, 1953, reported last MF-104 Operator's Report for November.

Work suspended December 1, 1952 - closed by snow

October 29, 1952 - Amendment No. 1 - Changes category of labor, supervision and consultants.

November 24, 1952 - Amendment No. 2 - Extends completion date 3 months to February 23, 1953.

April 1, 1953 - Amendment No. 3 - Allows recess of work for 4 months with like extension of time to June 23, 1953.

January 14, 1953 - Examination by Field Team, property closed due to winter conditions. Company intends to resume work as soon as conditions permit.

February 14, 1953 - Examination by Field Team - same as above.

March 2, 1953 - Operator requests additional recess and extension of time to get finances, and to see which way metal markets will go. Reports 3½ feet of low grade lead-zinc.

March 10, 1953 - Operator wrote he intended to definitely commence work before July 1, 1953.

Costs for months of September, October, and November totalled $5,159.44 for 37 feet of drifting at an average cost of $139.44 per foot of advance.

Progress extremely slow with Operator showing little regard for terms of the contract.

Little if any mineralization. Costs are excessive and if no improvement in progress, recommend contract be terminated.

A. G. Keating

AGKeating/hmj
(9/11/53)
CC to: Docket
Op. Committee
Base Metals
Chron.

HHH
9-14-53

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

RECEIVED
MAY 18 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

May 5, 1953

Department of the Interior
Defense Minerals Exploration
RECEIVED
MAY 11 1953

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-1949 (Mercury) Lucky Strike
Geo. W. Snyder and Geo. W. Snyder, Jr.
Lucky Strike Mine, Lander County, Nevada
Contract Idm-E322
Amendment No. 3

Complying with your teletype instructions of April 1, 1953, we drew up Amendment No. 3 to the subject contract, recessing the work for four months, with a like extension of time for completion of the work, and the original and two copies of the amendment are attached. Distribution has been made of the remaining copies.

A justification sheet is attached to each copy of the amendment.

We regret the delay in getting these copies to you, but the Operators neglected to sign all copies of the amendment originally submitted to them and it was necessary to return the copies to them for execution.

cae 5/11

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Attachment

Copy to: A. C. Johnson, Reno (With copy of amendment)
Finance Officer, Region III (With copy of amendment)
E. H. Bailey, USGS
George Mavor

FILE COPY
SURNAME:

500

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

Keating
Selfridge
Osborne
Rubin
Hotchkiss

APR 7 1953

Mr. H. G. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. [illegible]-1949 (Lead-Zinc)
George W. Snyder and George W. Snyder, Jr.
Lucky Strike Mine
Lander County, Nevada
Contract No. Idm-F322

J.C. 4/21/53

Dear Mr. Miller:

This will acknowledge receipt of two copies of Amendment No. 3 to the cited contract. These copies evidently belong in your files and have inadvertently been forwarded to this office. They are being returned to you herewith.

We note that the amendment has not been signed by George W. Snyder, but only by George W. Snyder, Jr. Therefore, will you be kind enough to forward the original of Amendment No. 3 with the omission of signature corrected.

Sincerely yours,

George C. Selfridge

(JVB)

Chairman, Operating Committee

Enclosures 2

AGKeating/bjl (written 4/16/53)

APPROVED:

Ira N. Hedges (JVB)
Member, Bureau of Mines

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

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Bishop
Mr. Kinkel
Chron.

FILE COPY
SURNAME:

Keating
McKane
Rubin
Selfridge

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

BEW

DMEA

3669 AGKeating/bjl 3616

March 30, 1953

H. C. Miller, Executive Officer, DMEA Field Team, Region III, San Francisco, California

Your memorandum March 17, Docket No. DMEA-1949, Lucky Strike Mine, Contract No. Idm-E322. We approve recess of work for four months to June 23, 1953, with a like extension of time for four months for completion of work, provided Government makes no contribution to costs under contract during period of recess. Suggest you prepare and execute amendment in compliance with Operating Committee memorandum 18 dated March 9, 1953.

Spencer G. Selfridge
Chairman, Operating Committee (GHB)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Accounts
Confirmation
Chron.

J.H.
4/1/53

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 18 1953

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

AIR MAIL

March 17, 1953

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-1949 (Lead-Zinc)
Lucky Strike Mine, Lander County, Nevada,
Contract Idm-E322

You have been furnished with carbon copies of numerous letters addressed to Mr. George W. Snyder, concerning his request for a further extension of time to complete the subject contract. The operator already was granted a three-months' extension; on March 2, 1953, he requested a further extension of six months, and by letter, dated March 10, he wrote, in reply to my letter dated March 6, that it is his intention to "definitely commence work before July 1" and to wind up the contract by October 15, barring unforeseen difficulties in the way of bad caving ground.

As the contract as amended expired on February 23, 1953, a further extension of the completion date to October 15 means an amendment extending the completion date virtually another eight months.

I took it upon myself to complain to the operator about his high costs and the slow progress being made, but it did not get me very far. In fact I was told by him that his letter of March 2 requesting a six-months' extension "was to enlist your (my) sympathy and not your (my) censorship."

I now have DMEA Memorandum No. 18 concerning suspension of operations which, as I interpret it, makes it necessary for me to get authorization from you before granting the operator the requested extension of time to October 15.

Rec 16 th 104 Months 30 8674.87
$17368.94
Contract cost $27794.00

As you already have copies of letters from me to the applicant, dated February 20 and March 6, 1953, I am attaching herewith copies of letters, dated March 2 and March 10, from the operator to me so that you will have the whole story.

Kindly let me know your wishes in this matter at your earliest convenient opportunity.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachments

Copy to: E. H. Bailey, USGS
A. C. Johnson, Reno

C
O
PY

UNITED MINERALS CORPORATION
FELT BUILDING
SALT LAKE CITY 1, UTAH

March 10, 1953

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Dear Mr. Miller:

I have your letter of March 6th and I do realize that in order to grant us further consideration of an extension of time on our DMEA contract you would need the information requested.

It is our plan to start drifting and/or crosscutting on the lower level within ninety days and continue same until work called for is completed. In making the request we will definitely commence work before July 1, and we should make fifty to seventy-five feet per month. We expect to wind up this contract by October 15, barring unforeseen difficulties in the way of bad caving ground.

The purpose of my last letter to you was to enlist your sympathy and not your censorship. Costs have been very high in this operation, but from now on we will get more for our money. From an operator's viewpoint it is essential that we find some ore carrying higher values in lead. The silver values are associated with the lead and we know that there are several prospects in the property where we have a right to expect better lead values. We are, of course, anxious to have this contract work out on a profitable basis.

During the last month we have done seventy feet of cross-cutting on the upper level looking for a parallel vein where we have hopes of finding some good lead ore.

Anything you can do to grant us this extension will be appreciated.

Sincerely yours,

UNITED MINERALS CORPORATION

By /s/ George W. Snyder

GWS:rs

C
O
P
Y

UNITED MINERALS CORPORATION
FELT BUILDING
SALT LAKE CITY 1, UTAH

March 2, 1953

Mr. H. C. Miller
Executive Officer
Defense Minerals Exploration Administration
Region III
U. S. Department of the Interior
1012 Flood Building
870 Market Street
San Francisco, California

Idm-E322 (Lead-Zinc)
Lucky Strike Mine
Lander County, Nevada

Dear Mr. Miller:

In reply to your letter regarding United Minerals, Lucky Strike Unit expiration date of February 23, 1953, will say that it is not our intention to delay this work any longer than necessary. Due to the price debacle of both lead and zinc and the uncertainties of a winter operation on top of that mountain, we have had to go a little bit slow. However, we have kept four or five men on the payroll and we are, at present, doing a piece of work on the upper tunnel level. This work was recommended by the Government engineers and we are getting some fair indications in the way of mineralization along a parallel fissure.

We have encountered about 3 1/2 ft. of low grade lead-zinc sulphides and intend to prospect this zone thoroughly on the upper level. This is being done now and if we are fortunate enough to develop ore on this upper level then the logical thing to do will be to continue along under the terms of the old contract and develop this zone at a greater depth. The unwatering of the mine is only a matter of two or three days, so please don't consider the raising of the pumps any part of an abandonment procedure.

We are hereby requesting a six month extension of time under the terms of our D.M.A. contract and I think you will agree that we need this extra time in order to get our financial house in order and also see which way our metal markets and surpluses are going to go.

I am enclosing herewith a plan which is being supported by practically all the producers. We feel there is about a 50-50 chance of being successful.

Please be good enough to advise us if you people feel that we are entitled to the time requested.

Yours very truly,

UNITED MINERALS CORPORATION
By /s/ George W. Snyder

Enc.
GWS:rs

C
O
P
Y

NATIONAL LEAD AND ZINC COMMITTEE POLICY
Adopted in
Denver, Colorado, February 11, 1 9 5 3

SLIDING SCALE STABILIZATION IMPORT TAX ON LEAD AND ZINC

The National Emergency Committee on Lead and Zinc in conference at Denver, Colorado, on February 10 and 11, 1953, has concluded that, in the interest of National Defense and Security, constructive legislation as stated below is needed without delay for the preservation of the Mining Industry engaged in the production of Lead and Zinc.

1. Whenever the respective market prices of these metals are below the prices required to perpetuate the domestic mining industry, a sliding scale stabilization import tax on lead and zinc must be provided.

2. The base prices of lead and zinc on which the tax should be determined should be prices that will yield domestic market prices of 15½ cents per pound, New York, for lead and 14½ cents per pound, East St. Louis, for zinc.

3. These base prices should be adjusted periodically with the B. L. S. index of primary market prices for all commodities other than farm and food.

4. No tax should be assessed when the M. S. domestic market price is equal to or greater than the adjusted base price.

5. In the case of zinc metal and refined lead, the import tax should be at the rate of one cent per pound for each one cent the market price is below the adjusted base price.

6. The same procedure should apply for zinc and lead in ores and concentrates except thatthe import tax should be 7/10 cent per pound for lead content and 6/10 cent for zinc content.

7. The legislation should be made effective for not less than the life of the Defense Act, or any extension thereof.

The Committee urges the support of this program by all segments of the Zinc and Lead Mining Industry and all people who believe that the domestic Mining Industry is worth saving, in the interest of National Security.

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 20 1953

March 16, 1953

Memorandum

To: Operating Committee, DMEA, Interior Building
Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Operators' Monthly Progress Reports

For your records, enclosed herewith are two copies of Progress Reports submitted by the Lucky Strike Mine, covering contract Idm-E322 for the month of February 1953, and the Rip Van Winkle Mine, covering contract Idm-E302 for the month of February 1953.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachments

Copy to: E. H. Bailey, USGS

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 10 1953

March 6, 1953

Mr. George W. Snyder
United Minerals Corporation
Felt Building
Salt Lake City 1, Utah

Re: Docket DMEA-1949 (Lead-Zinc)
Lucky Strike Mine
Lander County, Nevada
Contract Idm-E322

Dear Mr. Snyder:

I thank you for your letter of March 2 replying to my letter of February 20.

It is still a debatable question in this office whether a further extension of six months should be allowed to give you, as you state, the extra time to get your financial house in order and to see which way the metal markets and surpluses are going to go.

When you applied for Government assistance to explore the Lucky Strike Mine, we understood that funds were available to carry out your part of the program. When you signed the contract you agreed that the work would be performed efficiently, expertly and in a workmanlike manner. However, your statement regarding the need for getting your financial house in order indicates that funds have not been available to carry out your part of the agreement. Your attention already has been called to the inefficient manner in which operations were being carried out and their high cost.

We are not necessarily concerned insofar as exploration contracts go on the condition of the metal market, and assuredly cannot hold a contract in abeyance for six months while you are watching the trend of the market.

In giving consideration to your request for a six months' extension, I am faced with the two following questions: (1) What assurance have I that your financial house will be in order within the next month or so and (2) that the metal market will be such that you will go ahead with the exploration?

You have already been granted a three-months' extension but for over two months of that time no work was done under the contract. The fact that you have kept four or five men on the payroll and are at present doing work other than that covered by the contract is evidence that work could have been done under the contract if you had wanted to meet your obligation to the Government.

It is necessary that I justify to our Washington Office every amendment drawn up in this office. I am sure that you appreciate the difficulty that I will have to justify a further extension of the time limit on your contract.

Further consideration of your request will depend on your informing me of the exact date on which you will resume work under your contract, the progress you expect to make and the minimum length of time it will take to complete the work. If such information is satisfactory, consideration will be given to amending the contract, with those dates and progress specified in the amendment. Failure to live up to the amendment will then call for immediate termination of the contract.

Sincerely yours,

M. C. MILLER

M. C. Miller
Executive Officer, DMEA Field Team
Region III

Copy to: Operating Committee, DMEA, Washington (2)
E. H. Bailey, USGS
A. C. Johnson, Reno

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 24 1953

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

February 20, 1953

George W. Snyder and
George W. Snyder, Jr.
Felt Building
Salt Lake City 1, Utah

Re: Docket DMEA-1949 (Lead-Zinc)
Lucky Strike Mine
Lander County, Nevada
Contract Idm-[illegible]

Gentlemen:

Our examining engineer made an attempt on January 14, 1953, to reach your Lucky Strike (Lead-Zinc) Mine for checking progress made under the above captioned contract. He could not reach the mine as the road was closed by snow. He did, however, contact the mine superintendent and learned that the mine has been shut down since December 16, 1952. He learned also that the pumps were pulled on that day.

As indicated in my letter to you, dated December 31, 1952, we are not satisfied with the way the exploration program is being carried out and I stated in that letter that if costs are not reduced and greater progress made I will have no other alternative but to terminate the contract.

Our files show that the contract expires February 23. Does the fact that you pulled the pumps mean that you are not going ahead with the work under the contract? If not, resumption of work under the contract will be dependent upon approval of this office of an amendment extending the life of the contract.

A reply to this letter will be appreciated.

Sincerely yours,

/ H. C. MILLER
H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to: DMEA, Washington
E. H. Bailey, USGS
A. C. Johnson, Reno

HCMiller:mpp
Files
Chron.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 5 1953

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

December 31, 1952

George W. Snyder and
George W. Snyder, Jr.
Felt Building
Salt Lake City 1, Utah

Re: Docket DMEA-1949X (Lead-Zinc)
Contract Idm-E322
Lucky Strike Mine
Lander County, Nevada

Gentlemen:

This office has received your MP 104 and MP 104A forms together with a narrative report submitted by the United Minerals Corporation covering expenses incurred during November 1952 at the Lucky Strike Mine under Contract Idm-E322.

We also have received our mining engineer's Interim Report covering his inspection of the work done as noted by him when he visited the property on December 2, 1952.

We note that progress under the contract has been extremely slow which we believe is due to your spending most of your time and efforts to operations which do not come under the contract. It is noted especially that over a three months' period only thirty-seven feet of drifting have been done under the contract. Furthermore, the average cost of that work has been approximately $139.44 per foot of advance which in any man's language is exorbitant.

Your attention is called to the terms of the contract, especially Article 4, Performance of the work. If the costs are not reduced and greater progress made I will have no other alternative but to terminate the contract.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Copy to: DMEA, Washington
E. H. Bailey, USGS
A. C. Johnson, Reno

HCMiller:mpp
Files
Chron.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 22 1952

Office of
Executive Officer
DMEA Field Team

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

December 16, 1952

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Contract Idm-E322 - Docket DMEA-1949 (Lead-Zinc)
George W. Snyder & George W. Snyder, Jr.
Lucky Strike Mine, Lander County, Nevada
Amendment No. 2

Attached are the original and two copies of Amendment No. 2, dated November 24, 1952, made in connection with subject contract.

A justification sheet is attached to each copy of the amendment.

Proper distribution has been made of the remaining copies.

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Attachments

Copy to: A. C. Johnson, Reno (With copy of amendment)
Finance Officer, Region III (With copy of amendment)
E. H. Bailey, USGS
George Mavor

RECEIVED
DEC 29 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Case
12-22

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 9 1952

Office of
cutive Officer
EA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

December 5, 1952

George W. Snyder and
George W. Snyder, Jr.
Felt Building
Salt Lake City 1, Utah

Re: Docket DMEA-1949X (Lead-Zinc)
Contract Idm-E322
Lucky Strike Mine
Lander County, Nevada

Gentlemen:

We acknowledge receipt of your letter of December 1, 1952, requesting us to reconsider your request for a 6 months' extension of your contract in lieu of the 3 months' extension, proposed in Amendment No. 2, dated November 24, 1952, which was submitted to you for your signature on November 25.

Further consideration has been given to the fact, as stated in my November 25 letter to you, that work under the contract has not been performed during the past several months in the manner expected under the terms of the contract. Consideration has also been given to the fact that you, as stated, were able to keep the property open last year, which all of us know was an extremely severe winter. At this time we cannot assume that this winter will be more severe than last winter and that a shutdown will be necessary.

I suggest, therefore, that you accept the three months' extension and make every effort to complete this small job within that time. If then conditions become such that you are forced by inclement weather to shut down and you can justify such action to our engineers, consideration will be given at the termination of the three months' extension to a modest further extension of the contract.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to: DMEA, Interior Bldg., Washington, D. C.
A. H. Bailey, USGS
A. C. Johnson, Reno, Nevada
G. Mavor, San Francisco

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

DOCKET COPY

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

November 25, 1952

George W. Snyder and
George W. Snyder, Jr.
Felt Building
Salt Lake City 1, Utah

Re: Docket DMEA-1949X (Lead-Zinc)
Contract Idm-E322
Lucky Strike Mine
Lander County, Nevada

Gentlemen:

On November 10, 1952, you requested an amendment to your Contract Idm-E322, providing for a six months' extension of time for completion of the work under the contract.

Studied consideration was given to your request. However, as your contract called for completing the work within six months and because as far as progress is concerned the work during the past two months has not been entirely satisfactory, I am willing to meet you only half way and to extend your contract three months.

You have only approximately 25 more feet of work to do to complete work in the winze and an indefinite amount of drifting and crosscutting to explore the fissure vein, and we see no reason why that cannot be done in three months if the work is performed efficiently, expertly and in a workmanlike manner as you agreed to do when you signed the contract.

Six copies of Amendment No. 2 are attached. Kindly sign all six copies and return the original and four copies to this office. However, if you do not approve of the amendment you should return all six copies with reasons for not signing them.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Enclosure
Copy to: DMEA, Washington, D. C.
E. H. Bailey, USGS

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 18 1952

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

November 13, 1952

Memorandum

To: Frank E. Johnson, Administrator, Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-1949 (Lead-Zinc) - Contract Idm-E322
George W. Snyder & George W. Snyder, Jr.
Lucky Strike Mine, Lander County, Nevada

Reference is made to your letter, dated October 21, concerning dockets DMEA-1948 and DMEA-1949, for which you had amendments prepared in connection with the respective Contracts Idm-E302 and E-322.

Amendment No. 1 dated October 29, 1952, pertaining to subject contract, has been signed by the Operator, and the original and two copies are attached. Proper distribution has been made of the remaining copies of the amendment.

A justification sheet is attached to each copy of the amendment.

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Attachments

cal 11-19

Copy to: E. H. Bailey, USGS
George Mavor, DMEA
A. C. Johnson, Reno (With copy of amendment)
Finance Officer, Region III (With copy of amendment)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

October 30, 1952

Mr. George W. Snyder &
Mr. George W. Snyder, Jr.
518 Felt Building
Salt Lake City 1, Utah

Re: Docket DMEA 1949X (Lead-Zinc)
Lucky Strike Mine
Lander County, Nevada
Exploration Project Contract Idm-E322

Gentlemen:

Reference is made to your letter of September 6, requesting an amendment to the subject contract. Your request was referred to the Washington Office of the DMEA, as it involved certain matters that were beyond my authority to handle.

Based upon your September 6 letter, DMEA has prepared Amendment No. 1 to your contract, which will authorize you to operate with greater flexibility. The amendment is dated October 29, 1952 and six copies already signed by the Administrator of DMEA are enclosed for your signature. If you find that the amendment is in order, kindly sign all six copies and return the original and four copies to me.

The Washington Office of DMEA writes that they have not adopted your proposed amendment entirely, because of the discussion of the separate features of it listed as follows:

1. The Operator's letter dated September 6 states that the description of the work should be amended because it may be interpreted as not permitting drifting and crosscutting until the extension of the winze 130 feet has been completed. In this regard, as the description of the work provides for exploratory crosscuts at "intervals . . . determined by favorable showings," and also provides for the "location" of the drifts and crosscuts to be mutually agreed upon by the Government and the Operator, no amendment is necessary to further authorize the desired method of crosscutting and drifting.

2. The Operator's proposal concerning category (2) Labor, Supervision and Consultants, has been substantially adopted in the amendment which we have prepared.

cc
11-4

3. The Operator's proposal concerning removal of the asterisk from the monthly total in category (3) Operating Materials and Supplies, has been adopted.

4. The Operator's proposal concerning removal of the asterisk from the individual items in category (5) Rehabilitation and Repairs, has been adopted.

5. The Operator's proposal concerning the separate scheduling of insurance and taxes has not been adopted because it unnecessarily complicates the amendment. The Operator's main concern seems to be the allowance of insurance and taxes in connection with the labor under the category (5) Rehabilitation and Repairs. The payment, from available funds, of insurance and taxes on the labor for rehabilitation and repairs is provided for and authorized in category (7) Miscellaneous, of the contract form.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Enclosure

Copy to: DMEA, Interior Building, Washington, D. C.
C. N. Bailey, USGS
A. S. Johnson, Reno, Nevada

140

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

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA-1948
United Minerals Corporation
(Lead-Zinc) and
Docket No. DMEA-1949
George F. Snyder and George
F. Snyder, Jr. (Lead-Zinc)

Dear Mr. Miller:

This responds to your two memoranda dated September 12, to me concerning amendments of the above-described contracts. Each of your memoranda transmitted, without comment thereon, a letter from the Operator addressed to you requesting approval of an amendment drafted by the Operator.

We have prepared, and executed, a single amendment for each of the above-described contracts which will authorize the Operator to work with greater flexibility. We have not adopted the Operator's proposed amendments entirely, because of the discussion of the separate features of them below.

Contract Docket No. DMEA-1949

1. The Operator's letter dated September 6 states that the description of the work should be amended because it may be interpreted as not permitting drifting and crosscutting until the extension of the winze 130 feet has been completed. In this regard, as the description of the work provides for exploratory crosscuts at "intervals" *** determined by favorable showings, and also provides for the "location" of the drifts and crosscuts to be mutually agreed upon by the Government and the Operator, no amendment is necessary to further authorize the desired method of crosscutting and drifting.

2. The Operator's proposal concerning category (2) Labor, Supervision and Consultants, has been substantially adopted in the amendment which we have prepared.

Mail + Files

3. The Operator's proposal concerning removal of the asterisk from the monthly total in category (3) Operating Materials and Supplies, has been adopted.

4. The Operator's proposal concerning removal of the asterisk from the individual items in category (5) Rehabilitation and Repairs, has been adopted.

5. The Operator's proposal concerning the separate scheduling of insurance and taxes has not been adopted because it unnecessarily complicates the amendment. The Operator's main concern seems to be the allowance of insurance and taxes in connection with the labor under the category (5) Rehabilitation and Repairs. The payment, from available funds, of insurance and taxes on the labor for rehabilitation and repairs is provided for and authorized in category (7) Miscellaneous, of the contract form.

Contract Docket No. DMEA-1948

1. The Operator's letter dated September 8, states that the description of the work should be amended as proposed by the Operator, to allow for greater elasticity in performing the work and to eliminate the phrase "mutually agreed upon by the Operator and the Government" as it refers to drifting and crosscutting. The proposed amendment would have the Government indicate approval of the work at the time vouchers are submitted for payment. This proposal has not been adopted. There is sufficient authority in Exhibit "A" as written for the Operator to explore "lateral extensions". Moreover, under the above-quoted phrase the approval of the Government is not required in advance of the work. On the other hand, the Government should not be limited in voicing disagreement with the performance of any work to such time as a voucher is submitted for payment.

2. The Operator's proposal concerning category (2) Labor, Supervision, Consultants, has been substantially adopted in the amendment which we have prepared.

3. The Operator's proposal concerning removal of the asterisk from the monthly total in category (3) Operating Materials and Supplies, has been adopted.

4. The Operator's proposal concerning the addition of the note to the category (5) Rehabilitation and Repairs,

has not been adopted because it is not necessary for the purpose intended. Since the individual items bear no asterisk, the amounts are variable, provided that the aggregate costs of the three items do not exceed the total for the category.

5. The Operator's proposal concerning the separate scheduling of insurance and taxes has not been adopted for the same reasons given in paragraph 5 above.

The amendments are attached for execution by the Operator and proper distribution of the copies.

Sincerely yours,

10-21

(signed) JAMES E. JOHNSON

(EHB)

Chairman, Operating Committee

Enclosures

Approved:

J. E. Hedges (EHB)

Member, Bureau of Mines

A. L. Kinkel, Jr. (EHB)

Member, Geological Survey

HCRubin/em 10/15/52

Copy to: Mails and Files (2)
Adm. Reading File
Op. Comm.
H.F. Keller
Mr. Thayer
Mr. Hedges
J. . Hofflund
H. C. Rubin
chron.
pending

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Washington 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 13 1952

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

October 7, 1952

George W. Snyder and George W. Snyder, Jr. Dba
510 Felt Building
Salt Lake City, Utah

Market DMEA 1949X(Lead-Zinc)
Contract [illegible]-1322
Lucky Strike Mine
Lander County, Nevada

Gentlemen:

An examination of your contract indicates the impracticability of requiring complete documentation of the costs incurred as reported on Form MF-104 (Rev.) and 104A, Monthly Progress Reports. Therefore, consistent with authority delegated the Executive Officer, DMEA Field Team, Region III, we hereby waive the requirement for you to provide documentary support of the monthly report, except for support of equipment purchases.

In lieu of documentary support of the monthly report, G. Mavor, Auditor, Contract Administration and Audit Division, DMEA, will make interim audits of your records, and will make a final audit on completion or termination of the contract before the final report is processed for payment.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to: DMEA, Interior Building, Washington 25, D. C.
Jay L. Chambers, DMEA, Interior Bldg., Washington 25, D. C.
E. H. Bailey, USGS
G. Mavor, DMEA, San Francisco, Calif.
A. G. Johnson, Reno, Nevada

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, California

September 12, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee, DMEA
Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 1949X (Lead-Zinc), Exploration Project Contract Idm-E322, George W. Snyder and George W. Snyder, Jr., Lucky Strike Mine

Attached are the original and three copies of a request for an amendment to the subject contract in the form of a letter to me, dated September 6, 1952. As part of the request for amendment involves "monthly maximums," I have no authority to grant the requested amendment even if I wanted to. The request, therefore, is being referred to you for processing.

H. C. Miller
Executive Officer,
DMEA Field Team, Region III

Attachments

Copy to: E. H. Bailey

RECEIVED
SEP 25 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

GEORGE W. SNYDER, JR.
FELT BUILDING
SALT LAKE CITY 1, UTAH

September 6, 1952

Mr. H. C. Miller, Regional Director
Defense Minerals Exploration Administration
U. S. Department of the Interior
1012 Flood Building
San Francisco, California

Re: Docket No. 1949X
Contract Idm-E322

Dear Mr. Miller:

Enclosed herewith you will find six copies of a proposed amendment No. 1 for our contract No. Idm-E322 executed by this office. If this matter, with the following explanation, meets with your approval, it is respectfully requested that you date, execute and distribute the enclosures.

First, we should like to put forth the reminder that our original application and contract met with unusual and prolonged delays in its completion. It was finally prepared in its present form by the D.M.A. office in Washington, D.C., but was distorted somewhat away from actual working conditions. For example, Exhibit "A" thereof provided for only 22 working days a month which does not apply to most western mining operations. However, we were advised to accept the contract as it was written to avoid further delay and did so to activate the government participation in the project as early as possible.

The attempt was made to operate within the estimated costs of the project pending the formation of amendment to correct discrepancies. It is believed that we could have done so under the overall costs of the project. However, monthly maximum allowable amounts, estimated from unrealistic bases, made it impossible. Therefore, the enclosed amendment is proposed to alleviate these restricting conditions.

The enclosed copies of the Amendment with accompanying Exhibit "B" have been prepared for convenience in the hope that they may be found to be acceptable and thus expedite methods of discrepancy corrections under the contract. The changes and modifications in the Amendment may be extended and explained by remarks as follows:

Change No. 1 is proposed to clarify intentions with regard to the projected work. The original Exhibit "A" might be construed as meaning the operator proposed to sink the winze an additional 130 feet and then drift and crosscut. When exploring entirely within a vein, except for minor crosscutting, long-hole prospecting or other work to establish the exact vein position in foot or hangingwalls if necessary, the sequence and positions of level work should remain completely elastic. This, in order to take advantage of favorable geology, to hold closer control on possible ore bodies and would be influenced thereafter by

physically practicable considerations. If the other possible interpretation was given to the proposed work it may be pointed out that there would be too great an interval between levels for exploration and subsequent mining.

Change No. 2 is proposed to bring estimated monthly labor costs into closer relation with actual working conditions than the original exhibit. Special note is made that the estimated monthly total is not designated as a maximum allowable amount. This is desired because of many reasons inherent with similar mining conditions. For example, fluctuating availability of experienced labor, mining casualty, i.e., cave-ins requiring short-term increased labor, or desired acceleration of work which, in effect, lowers costs because of fixed charges, are a few of many factors taken into consideration in this regard. Particular reference to this matter is made in footnote "/1" of this proposed modification.

Footnote "/2" to this change provides that labor may be paid on a unit (per foot) basis. Experience has shown that this "contract" or "bonus" method of payment usually results in lower unit costs and hence lower overall costs for any given work over "company time" by providing incentive for labor. Usually, the "unit contract" rates are determined by estimating the amount which should be accomplished by efficient mining based on experience in similar work. Then, any amount in excess of this periodic advance, results strictly from extra efforts of labor. It is self evident that this would result in lowered overall unit costs although the miners individually may realize considerably greater earnings in any such period. It is well known that the labor factor is overwhelmingly the most important item going into present day mining costs and it is important therefore to provide incentive and attract superior miners if possible. However, it may be pointed out in this case that "unit contract" rates would be calculated so that the total amounts paid would not be in excess of the total amounts estimated for labor for completion of the proposed project.

Change No. 3 represents no material change in costs except that it provides for no monthly maximum limitation and, by footnote "/3," allows transfer of supply item costs amohg accounts. As a case example as to why this change is necessary, a circumstance is cited where the operator might be able to take advantage of an unusual opportunity for a bulk purchase of timber at lower than normal prices. This may be done in one month and could be pro-rated over the entire time for the project except that the operator should be reimbursed by government share for the month in which the costs occur. The method of handling provided for in the amendment would not increase the overall costs of the project but, rather should lower them if the operator was not hampered by the limiting monthly allowable expenditures as in the original Exhibit "A" of the contract.

Change No. 4 sets forth no material change except that it provides for some accounting leniency to handle contingencies that may arise in repairs. These are, of course, unforseeable but are expected to be minor.

Change No. 5 provides for more realistic accounting than was provided in the original Exhibit "A" as regards the employer's share in payroll taxes and insurance. This item cannot be determined on a monthly maximum basis for the same reasons as given above for the labor category to which it is directly connected. In this regard, only the estimated amount of item (2) was taken into consideration. The labor cost under item (5) was not included in the calculations so as to disturb the original Exhibit "A" as little as possible and to thus preserve its elasticity.

The amount for employer's payroll taxes and insurance thus may be included in the total costs for "Rehabilitation and Repairs." Where shown separately (as item (7) and in "Aggregate Costs") it is meant to apply only to underground work.

Change No. 6 reflects the revision necessitated by the proposed changes wherein certain categories are not limited to monthly expenditures and thus can no longer be totaled at this point in Exhibit "B." It may be noted that the maximum allowable designation (*) has been shifted below in said Exhibit as set forth in change No. 7 and does not increase the overall project costs nor the Government's amount of participation.

Change No. 7 incorporates the foregoing necessary changes and provides for the maximum allowable amounts for each category in summary. Note is made that the time schedule of completion, i.e., 6 months, is not necessarily the estimated monthly costs multiplied by six, but instead is meant to be the overall time estimated to complete the work. The actual working time has been estimated at about 5 months but, by taking into account probable fluctuations in progress rates for reasons noted above, 6 months has been retained from original Exhibit "A" as reasonable for the proposed amount of work.

The transfer of the amount shown for "Payroll Taxes & Insurance" from "Labor, Supervision, Consultants" was made as the only practicable way to effect the addition of the former category and yet remain within the maximum allowable amount for the project. Note is again made that these summary amounts are designated as maximums instead of the monthly total as done in the original Exhibit "A."

It may be recognized that the changes desired hereunder are mainly changes in language and presentation to provide for a more workable and realistic contract. A serious attempt was made to adhere to the original but the difference was found to be too great to overcome. We therefore respectfully urge that this amendment be made retroactive to the date of the contract to provide for reimbursement for operator's expenditures made toward the project which, through no fault of operator, were found to be insufficient. In view of the fact that no increase in the overall costs of the project are sought under the amendment, ample precedent exists for approval thereof by the Regional Field Team if it is found to be acceptable in form. Therefore, your early approval is earnestly requested. Any changes appearing necessary by you as to the form of the amendment will be acceptable to us so long as they do not change the intent and effect of the amendment as proposed.

We would appreciate your early attention to this matter and will look forward to your reply.

Respectfully submitted,

George W. Snyder and
George W. Snyder, Jr.

By: George W. Snyder Jr.

George W. Snyder Jr.

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and George W. Snyder and George W. Snyder, Jr., Individuals, 518 Felt Building, Salt Lake City, Utah, (Docket No. 1949X lead & zinc) each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E322 of May 23, 1952, between the parties hereto be modified and amended as described in Exhibit "B", attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be May 23, 1952, the date of said Contract.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region III, in Order No. _____ by the Acting Secretary of the Interior.

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.

George W. Snyder and
George W. Snyder, Jr.
(Operator)

By George W. Snyder Jr.

The United States of America

By _____
H. C. Miller, Regional Director
DMEA Field Team, Region III

George W. Snyder and George W. Snyder, Jr.
Docket No. DMEA 1949X Contract No. Idm-E322

AMENDMENT NO. 1

Exhibit "B"

Changes and Modifications

1. In Exhibit "A" of the contract, page 1, under "Description of the Work", the first paragraph shall be changed and amended to read as follows:

"This project consists of sinking an existing inclined winze an additional 130 linear feet and drifting and crosscutting for the total aggregate length of 300 linear feet. The said winze now extends from the north face of the "upper level" of the "South Workings" downward for a distance of 76 linear feet below the sill or floor of said level. The purpose of the sinking is to allow exploratory drifting and crosscutting at greater depth. Drifting is to be undertaken in northerly and southerly directions along the strike of the vein and exploratory crosscuts may be driven therefrom in easterly or westerly directions. Notwithstanding the sketch of the proposed work attached hereto which is meant to be diagrammatic in this regard, it is expressly intended that the intervals, directions, locations and lengths of drifts and cross-cuts be determined by geological evidence and developments as the work progresses and in accordance with sound mining practices."

2. In Exhibit "A" of the contract, pages 1 and 2, under "Detail Costs," item (2) "Labor, Supervision, Consultants" shall be changed and amended as follows:

"(2) Labor, Supervision, Consultants /1 /2

No.	Classification and Rate	Estimated Costs Per Month
6	Miners, trammers, hoistmen, carpenters, mechanics @ $15.00/day	$ 2,535.00
1	Supervisor @ $400.00/month	400.00
Misc.	Engineering & Office Work @ $300.00/month	300.00
	Total:	$ 3,235.00

/1 Costs stated under this category include employees' share of insurance and taxes. The above labor rates are subject to overtime increase; and, upon notification of and approval by DMEA Field Team, Region III, are subject to change made to conform with going rates for like work in the region in which the project is located.

/2 Labor for the sinking, drifting and crosscutting described herein may be paid at unit contract rates not to exceed such rates generally paid for like work in the region in which the project is located."

3. In Exhibit "A" of the contract, page 2, under "Detail Costs," item (3) "Operating Materials and Supplies" shall be changed and amended as follows:

"(3) Operating Materials and Supplies /3

	Estimated Costs Per Month
Powder, fuse, caps and carbide	$ 300.00
Gasoline and lubricants	260.00
Maintenance and repair	300.00
Pipe, steel, timber and miscellaneous items	400.00
Total:	$1,260.00

/3 Costs stated under this category may be transferred among accounts as itemized above and may exceed the amounts shown in any one month period but not in excess of the overall maximum allowable for the project."

4. In Exhibit "A" of the contract, page 3, under "Detail Costs," item (5) "Rehabilitation and Repairs," add the footnote designation "/4" to the heading of such item; delete the asterisks (*) after the individual amounts shown, i.e., after "$600.00," "$700.00" and "$700.00;" and add the footnote to this item as follows:

"/4 Costs stated under this category may be transferred among accounts as itemized above but not in excess of the overall maximum allowable for the project."

5. In Exhibit "A" of the contract, page 3, under "Detail Costs," item (7) "Miscellaneous," delete the word "None" and add the following:

	Estimated Costs Per Month
"Employer's share F.I.C.A. @ 1.5%	$ 48.53
Nevada State workmens' unemployment compensation @ 2.7%	87.35
Federal unemployment insurance tax @ 0.3%	9.70
Industrial insurance @ 11%	355.85
Total Payroll Taxes & Insurance:	$501.43 "

6. In Exhibit "A" of the contract, page 3, following items (1) thru (8), delete the following:

"Total estimated cost of project	$27,794.00*
Government participation @ 50%	$13,897.00* "

7. In Exhibit "A" of the contract, page 4, the tabulation as shown shall be changed and amended as follows:

"Sinking Inclined Winze an Additional 130 feet and Drifting and Crosscutting 300 feet:

Labor, Supervision, Consultants	$13,174.00*	
Operating Materials and Supplies	7,560.00*	
Allowance for Depreciation of Equipment	768.00*	$21,502.00*
Miscellaneous		
Employer's Payroll Taxes & Insurance		$ 2,042.00*
Total Estimated Costs of Project		$27,794.00*
Government Participation @ 50%		$13,897.00* "

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

July 29, 1952

Mr. George W. Snyder, Jr.
Felt Building
Salt Lake City 1, Utah

Re: Docket DMEA 1949X (Lead-Zinc)
Exploration Project Contract Idm-E322
Lucky Strike Mine, Lander County,
Nevada

Dear Mr. Snyder:

In your July 8 letter you requested this office to give early consideration to your final amended application of April 15, 1952 in the amount of $124,332.52.

The matter was referred to the Washington Office of the Defense Minerals Exploration Administration and I have been advised to inform you that it will be necessary for you to furnish fully substantiated data such as will enable the Government to properly consider the greatly increased proposed cost over that allowed by Contract Idm-E322.

Upon receipt of the requested information, we will decide if a field examination will be required in order to revaluate the project before submitting our recommendations to the Washington Office.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to: DMEA, Interior Building, Washington 25, D. C.
E. H. Bailey, USGS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 4 1952

FILE COPY
SURNAME:

500
Keating
Miller
Selfridge

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

JUL 24 1952

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMA-1949 (Lead-Zinc)
Contract No. Idm-E322
George W. Snyder and George W. Snyder, Jr.
Lucky Strike Mine, Nevada

Dear Mr. Miller:

This is in response to your memorandum of July 11, 1952, relative to the above-numbered contract. We also acknowledge receipt of a copy of a letter dated July 9, 1952, addressed to your office by Mr. George W. Snyder, Jr., in which he requests that early consideration be given to an amendment submitted April 15, 1952.

An examination of our files indicates that the Snyders first made application in the name of United Minerals Reserve Corporation, July 29, 1951, to the Defense Minerals Administration. They requested an exploration loan totaling $17,693.44 for a proposed program of sinking 100 feet of winze and 200 feet of drifting. On August 31, 1951, this application was referred to your office for further information and report by Mr. Lyon of the Supply Division of DMA. Responding to this request the field team forwarded a report on October 1, 1951, in which they recommended a more modest program.

On September 17, 1951, United Minerals Reserve Corporation submitted a request for an amendment to the initial application. This amendment encompassed a program of 1,400 feet of drifting, 400 feet of sinking and extensive surface bulldozing. The amendment would increase the estimated cost of the project from $17,693.44 to $79,945.76.

On April 15, 1952, George W. Snyder, Jr. again submitted a proposed amendment by which the project work would be done in two phases, phase "A" to consist of 130 feet of sinking and 350 feet of drifting, while phase "B" would be made up of an additional 300 feet of sinking, 1,150 feet of drifting, and extensive surface bulldozer cuts.

By this proposal phase "A" of the amendment would increase the cost of the initial application from $17,693.44 to $26,703.64. Phase "B" would add to the cost of the project, the sum of $97,628.88. Thus phase "A" plus phase "B" would result in a sum totaling $124,332.52 as the total estimated cost of the proposed amendment. The applicant substantiates the above amendment requests by the statement: "to develop possible ore occurrence at a greater depth."

During the period subsequent to the submission of the initial application continued difficulty was encountered and time consumed by legal questions which arose because of the change of name of the applicant from United Minerals Reserve Corporation to United Mineral Corporation, and again from the Corporation to George W. Snyder and George W. Snyder, Jr. These changes resulted from the attempt of the applicant to comply with the Government's requirement for proper subordination agreements, certification of management contracts and similar items. There were also changes in the proposed program of work from time to time. An attempt to straighten out these complications resulted in many telephone conversations and letters, until eventually it appeared that the legal questions involving this project had been properly adjusted.

During the telephone communications referred to above, Mr. Snyder was informed that the amendments which he had proposed probably could not be favorably considered by the Government, since the evaluation of the project by the Washington examiners and by the field team indicated that the project did not appear to warrant the expenditure of the larger sums requested by the amendments. Thereupon, on April 25, 1952, Mr. George W. Snyder, Jr. wrote this office as follows: "In view of the complications presented by our two-phase applications for exploration loan assistance on the subject property, we respectfully request that phase "B" of same be eliminated and withdrawn from consideration at the present time."

Upon receipt of this communication, the Lead-Zinc Division formulated a contract which allowed an increase of the total estimated cost of the project from the initial application sum of $17,693.44 to $27,794.00. This resulted in contract Idm-E322 dated May 23, 1952 being completed, forwarded to your office and executed by the Snyders.

Since Mr. George W. Snyder, Jr. in his letter of July 9, 1952, requests that we again consider his amendment of April 15, 1952, we suggest that you advise him that it will be necessary to furnish fully substantiated data such as will enable the Government to properly consider the greatly increased cost he proposes. It may be that a field examination will be required in order to revalnate

the project unless you already have sufficient information which will enable you to advise us regarding this request.

Pursuant to our telephone conversation of July 16, 1952, we are forwarding to you all of the extra copies pertaining to this project which can be spared from our docket, so that your file may be replenished.

Sincerely yours,

George C. Selfridge

ACTING Chairman, Operating Committee

J.N. 7-24-52

Enclosures:
APPROVED:

J. H. Hedges

Member, Bureau of Mines

D. M. Lemmon

Member, Geological Survey

AGKeating/bjl/mb
July 22, 1952
cc to: Docket
Adm. Reading File
Operating Comm.
Mr. Keller
Mr. Keating
Mr. Bishop
Mr. McKnight
Region III

SD

Yukon

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

July 11, 1952

Memorandum

To: DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 1949X (Lead-Zinc), Exploration Project Contract Idm-E322, Lucky Strike Mine, Lander County, Nevada

Attached is copy of a letter received in this office on July 9 from Mr. George W. Snyder, Jr., concerning the captioned contract. Even after talking with Mr. Snyder in my office last week, I cannot fathom just what happened. Our files show that we received a copy of a revised application (received in the Washington Office on April 21, 1952), amounting to $124,332.52. The reference slip attached to the report states that it was being sent to this office for our information and that the revised application "was given regular distribution." There is nothing else in our files regarding the revised application.

Also, we do not have a record of having received six copies of the amendment which Mr. Snyder states was filed with us at our Appraisers Building address last September 17,1951.

Consequently, we are forced to pass the problem on to you for handling.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to E. H. Bailey, USGS

GEORGE W. SNYDER, JR.
Felt Building
Salt Lake City 1, Utah

C
O
P
Y

AIRMAIL
July 9, 52

Mr. H. C. Miller, Acting Administrator
Defense Minerals Exploration Administration
Region III
U. S. Department of the Interior
Flood Building
San Francisco, California

RE: Lucky Strike Mine
DMEA Contract No. Idm E322

Dear Mr. Miller:

Following our conversations of last week we submit herewith the following resume' of matters pertaining to exploration loan application number DMA 1949.

The original application in the amount of $17,693.44 was filed on July 29, 1951.

On September 17, 1951, this application was amended by filing six copies of said amendment with the Appraisers Building address. Amount of amended application was $79,945.76.

Throughout very prolonged negotiations, we were continually under the impression that our application was being considered in its amended form.

On or about January 17, 1952, telephoned communication from Washington, D. C. office indicated that loan was believed in order but conversation disclosed that first application only was being considered.

Further conversations led to our filing a new amendment on April 15, 1952, in the amount of $124,332.52.

The increase in amount included in each amendment was percipitated by the excellent development responses achieved with the work that we have continually had in process. In this light we therefore respectfully request that early consideration be given to our final amended application of April 15, 1952.

Thanking you, we are,

Very truly yours,

/s/ George W. Snyder, Jr. (by M.D.)

GWSjr/md

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

July 1, 1952

Mr. George W. Snyder, Vice President
United Minerals Corporation
Felt Building
Salt Lake City 1, Utah

Subject: Docket DMEA-1949X (lead-zinc)
Exploration Project Contract
Idm-5322, Lucky Strike Mine
Lander County, Nevada

Dear Mr. Snyder:

Reference is made to your letter, dated June 11, concerning your desire to amend Contract Idm-5322 to provide for an incentive footage contract bonus for labor involved in crosscutting or drifting.

Kindly let me know the amount of the bonus, which if justified, will be made a part of the amendment.

Very truly yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to E. H. Bailey, USGS
DMEA, Interior Building, Washington 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 7 - 1952

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

June 9, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee,
Defense Minerals Exploration Administration,
Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Dontract Idm-E322 - Docket DMEA-1949X (Lead-Zinc)
George W. Snyder and George W. Snyder, Jr.
Lucky Strike Mine, Lander County, Nevada

Attached are the original and three copies of subject contract, which has been signed by both of the above-named individuals.

The operator has retained his copy and one copy is being mailed to our field engineer's headquarters at Reno. The finance office copy will no doubt be returned to us through regular channels.

H. C. Miller
Executive Officer, DMEA Field Team,
Region III

Attachment

Copy to: A. C. Johnson, Reno, Nevada
E. H. Bailey, USGS
L. L. Norvell, San Francisco

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 13 1952

SDS 6-17-52

FILE COPY
SURNAME 500

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

Keating
Bishop
Lyons (for McKnight)
Moulds

MAY 28 1952

Mr. H. C. Miller
Executive Officer, Region III
DMEA Field Team
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA 1949 (Lead-Zinc)
George W. Snyder & George W. Snyder, Jr.
Lucky Strike Mine, Nevada

Dear Mr. Miller:

Enclosed are the original and five copies of a contract with the above named individuals which has been signed for the Government. We call your attention to the change in name of the Operator, which was initially submitted in the name of United Minerals Reserve Corporation, then changed to United Minerals Corporation, and presently changed, in order to meet legal requirements, to George W. Snyder and his son.

If you find the provisions of the contract satisfactory for starting work at the project, subject to any necessary amendments later, please present the agreement to the Snyders for approval and execution.

Upon obtaining the required signatures, one copy is to be given to the operators and one copy retained for your files. The original and three remaining copies to be returned to this office.

Sincerely yours, 5-23

(Signed) FRANK E. JOHNSON (NB)

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosures
APPROVED:

S. E. Hedges (NB)
Member, Bureau of Mines

D. M. Lemmon (NB)
Member, Geological Survey

AGKeating/hmj
5-16-52
CC to: Adm. Reading File
Operating Committee
Docket File Copy
Region III
Mr. McKnight
Mr. Bishop
Mr. Keating
Mr. Moulds

140

FILE COPY
SURNAME:

Rubin

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

May 14, 1952

Memorandum

To: Donald E. Moulds

From: Chief Counsel

Subject: George W. Snyder and George W. Snyder, Jr. (individuals) exploration contract — Docket No. DMFA 1949X

There is attached, in satisfactory legal form for execution, a contract covering the subject project, subject to the attachment to the contract of Maps A and B referred to in Exhibit "A".

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachment

HCRubin/bjl

Copy to : Mails & Files
J. L. Hofflund
H. C. Rubin
Chron.

IN REPLY REFER TO:

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

April 30, 1952

Memorandum

To: Mr. D. E. Moulds, DMEA

From: Erwin J. Lyons, USGS

Subject: Docket DMA-1949 (revised) George W. Snyder and George W. Snyder, Jr., Salt Lake City, Utah.

The subject docket, applying to the Lucky Strike mine, Lander, Nevada, is transmitted herewith. The original docket was approved geologically in conference with George Keating of your organization. The project as proposed and approved at that time consisted of sinking a shaft or winze about 130 feet and drifting along the vein from the bottom of the winze about 350 feet. The present revised application requests in addition a phase B to consist of about 1150 feet of drifting, sinking the winze 300 feet, and surface trenching. It is recommended that phase B be denied.

Erwin J. Lyons

Erwin J. Lyons
Geologist

After review of the docket, we find ourselves in concurrence with the above -
O M Bishop, U.S.B.M.
A.E.Dent.

GEORGE W. SNYDER, JR.
FELT BUILDING
SALT LAKE CITY 1, UTAH

April 25, 1952

Mr. George Keating
Defense Minerals Exploration Admin.
Department of the Interior
18th and C Streets
Washington 25, D. C.

Re: Lucky Strike Mine, Lander County, Nev. DMA 1949X

Dear Mr. Keating:

In view of the complications presented by our two phase application for exploration loan assistance on subject property, we respectfully request that Phase B of same be eliminated and withdrawn from consideration at the present time.

Thanking you, we are,

Very truly yours,

George W. Snyder Jr.

George W. Snyder, Jr.

George W. Snyder

George W. Snyder

GWSjr/wm

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 28 1952

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMEA-1949 (REVISED)

Date received 4-21-52

Participation

George W. Snyder & George W. Snyder, Jr.
518 Felt Bldg.
Salt Lake City, Utah

Name and address of applicant

Date

FILL IN THIS BLOCK

Date of ~~application~~ amendment April 15, 1952

Estimated cost $124,332.52

Mineral or metal Lead-Zinc

Percentage of Government participation 50%

Location of mine Battle Mountain Mining District, Nevada

Date of filing MF-100 being processed

DMA Docket Number, if available 1949X

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

Department of the Interior
Defense Minerals Administration
RECEIVED
APR 21 1952

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

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

G. W. Snyder & G. W. Snyder, Jr.
(Name of company)

By George W. Snyder George W. Snyder Jr.
(Signature of authorized official)

April 15, 1952
(Date)

Applicants
(Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

April 15, 1952

U. S. Department of Interior
Defense Minerals Exploration Admn.
18th and C Streets
Washington, D. C.

Attn: Mr. O. C. Mittendorf

Re: DMA 1949X
Lucky Strike Mine
Lander Co., Nevada

Dear Mr. Mittendorf:

We submit herewith modified application for aid for exploration project at the Lucky Strike Mine, Lander County, Nevada, in accordance with the Defense Production act of 1950, as amended, and your form MF-103.

You will note that the exploration project is to be done in two phases. After completion of the work outlined in Phase A and pending satisfactory results obtained therefrom, then it is planned to commence work on the second portion, or Phase B, of the project.

It is respectfully requested that the maps and other data previously submitted under Docket No. DMA 1949X be utilized under and applied to this application. If this meets with your approval, considerable time and expense will be saved in this matter.

We trust this material now is in good order and will appreciate your attention to this matter.

Respectfully submitted,

George W. Snyder, Jr.

George W. Snyder, Jr.

COPY

ADDENDUM TO APPLICATION, FORM MF-103

1. The applicants are acting as individuals.

2. George W. Snyder, Jr. 518 Felt Building, Salt Lake City, Utah
George W. Snyder 218 Felt Building, Salt Lake City, Utah

3. Does not apply.

4. Mr. George W. Snyder, Jr. has been active in mining and oil enterprises in the Intermountain Region for the past sixteen years. He has operated numerous mining leases and oil leases during this period. He is at present President and Director of United Minerals Corporation.

Mr. George W. Snyder has been engaged in the Mining Industry in the Intermountain Territory for a period of thirty-five years, and has successfully developed numerous major mining operations. He is an officer and/or Director in fourteen mining companies, several of which are large-scale producers of gold-silver-lead-zinc and copper ores. He is currently Vice President of United Minerals Corporation.

5. Applicants are lessees under Lease dated March 20, 1952, from the Kearns Corporation of Salt Lake City, Utah, owner of the subject property.

6. Property owner advises that there are no liens or encumberances against same except as to royalties on ores produced under lease.

7. See attached lease. Six copies of Lease are on file under Docket No. DMEA-1949X. Said Lease is currently in good standing in all particulars. There are no claimants, or lienors against the property. Applicants have heretofore submitted to D.M.E.A. Joint Guaranty in lieu of landlords subordination agreement.

8. See current financial statements of United Minerals Corporation with whom operating agreement is in effect, six copies of which are hereto attached.

9. Applicants submit that they are willing and prepared to furnish 50% of the funds needed for the project in accordance with operating agreement above mentioned.

10. (a) There are five (5) Patented Lode Mining Claims in a contiguous group; named Lucky Strike, Lucky Strike Nos. 1 to 4 (inclusive), Patent Survey Number 3475.

(b) The five Patented Claims above are described in the above mentioned Lease, contain 103 acres more or less and are located

approximately in unsurveyed Sec. 27, T. 32 N., R. 43 E., M.D.B.M., in the Battle Mountain Mining District of Lander County, Nevada. (See attached claim map).

11. The property was discovered about 1860 and has retained the name "Lucky Strike" throughout its history.

12. The property is located approximately 14 miles south of Battle Mountain, Nevada. This is the nearest rail shipping point.

Access to the mine is gained by road of which 8 miles is over surfaced Nevada State Highway.

13. Available perennial water sources on the property are believed to be adequate for proposed mining operations.

Power is supplied by diesel and gasoline engines. Current price quotations for diesel fuel are 17¢ per gallon at the mine and for gasoline, 21.9¢.*

14. Existing facilities, structures and equipment on the property include:

2 Steel Campbuildings
2 Boarded Tents
2 Shop Buildings
1 Rock and Lumber Store House
1 Head Frame
3 Ore Bins
3 Ore Platforms
Installed Water System
1 Compressor House
Housing & Boarding House Equipment
210 cu. ft. Gasoline Compressor
Standby 300 cu. ft. Gasoline Compressor
2 Jackhammers, 2 Stopers, Hose,
3 Receivers, Fittings & Water Pressure Tanks
Mine Track and Air Lines
2 Pumps & Water Lines
3 Air Hoists
1-Ton and ½ Gasoline Hoist
2 Trucks
6 One-Ton Mine Cars
1 Sinking Skip
1 D-6 Caterpillar Tractor & Dozer

* Does not include 5¢ per gallon Nevada State tax which is refundable on stationary engines.

15. Ores produced would be hauled over the road herein described to Battle Mountain, Nevada, and thence via Southern Pacific railroad to smelters and treatment plants in the Salt Lake City, Utah, area.

Ores are classified as highly desirable and are predominantly sulfides of zinc and lead. A competitive market for ores of this type now exists.

16. (a) Earliest reported exploration of the property was in the 1860's. Production of high grade silver-lead ores is reported to be in excess of $200,000.00. Zinc values were discarded and ores shipped averaged 150 ozs. of silver, 50% lead and $4.00-$5.00 in gold per ton.

All early mining on the property was done by hand and ores were hauled out by stone-boats. Operations were suspended because of high zinc values and minor subsequent leaser activity has been sporadic. Applicants believe that the past difficulty of access to the property also largely accounted for its extended languishment.

During the summer of 1951, a new mine road was built to the property and since August, 1951, up to the present date, under the joint operation by United Minerals Corporation, a steady production of ores has been accomplished. Total production under this recent operation to date has been 2776.46 dry tons of ore, which have yielded: 9,144.28 ozs. silver; 153,330 lbs. lead; and 387,005 lbs. zinc.

Total development consists of approximately ten hundred and fifty feet of drifts and cross-cuts, three winzes totaling 215 feet, and one large stope from the principal drift level to the surface. Other raises and small areas are stoped with the average width about four feet.

(b) The mine lies in the Battle Mountain Mining District, which area includes scores of prospects, small mines, and several major producers among which are Copper Canyon Mine, Copper Basin Mine, and the Buckingham Mine. Accumulatively the District has provided lead, zinc, and copper production comparing favorably with other top Nevada Regions.

(c) See engineering and geologic summaries previously submitted under Docket No. DMA 1949X.

17.

	Tons Per Day	Grade Per Ton	Cost Per Ton	Value Per Ton
(1) Mining *	20	3.29 oz. Ag 5.32% Pb. 13.94% Zn.	$10.00	$77.543 Gross Metal Value (without Au or Cu)

* Figures are estimated, as individual ore-heading breakdown has not been made.

18. (a) Mineralization occurs along a steeply dipping to vertical fault fissure trending N 45° W and displacing shales, sandstones, and occasional calcareous beds of upper Paleozoic age. Ore is present in lenticular bodies, the ore minerals in the sulfide zone being galena and sphalerite with minor amounts of chalcopyrite and argentiferous tetrahedrite. Gangue minerals are principally quartz calcite and pyrite. At and near surface the ores are oxidized, but sulfide mineralization is dominant at depths below 50 feet.

(b) Maps and assay data already are on file under Docket No. DMA 1949X.

(c) Estimated reasonably assured reserves of sulfide ore are 2,000 tons having an average assay per ton of Au .02 oz., Ag 8.0 oz., Pb 5.0%, and Zn 17.0%.

19. None

20. The exploration will be conducted for the purpose of developing sulfide zinc-lead ores, in vein and replacement type deposits.

21. It is proposed to perform additional development work in depth immediately below known ore deposits. This work will consist of 130 feet of winze and 350 feet of drifting (Phase A). Estimated time required for completion of such work is six months.

22. The project is based on development of known ore occurences at additional depth. The primary mineralization is a type that is expected to persist to a considerable depth below existing ore bodies without appreciable change in grade. Possibilities for the development of replacement type deposits in favorable beds adjacent to and near the principal fissures are considered excellent.

23. (a)	Labor 4 Miners @ $12.00 X 156 shifts · 31 days		$7,488.00
	Board & Room 4 Miners @ $2.00 X 156 shifts		1,248.00
	Industrial Insurance, Compensation, F.I.C.A. above		1,160.64
(b)	Mine Foreman @ $400.00 month		2,400.00
	Industrial Insurance, Compensation, F.I.C.A. above		372.00
	Engineering, Geology, Clerical prorated @ $600.00 mo.		3,600.00
(c)	Repairs excluding labor		900.00
(d)	Nil		
(e)	7½ hp Air Tugger Hoist	$1,150.00	
	2-45 lb. Jackhammers @ $550	1,100.00	
		$2,250.00	2,250.00
(f)	Nil		
(g)	Compressor, Hoist, Drills, etc. @ $500/mo		3,000.00
(h)	Supply Items		3,300.00
(i)	Power		985.00
	Phase "A" TOTAL		$26,703.64

24.

	EXPENDITURES	SINKING	DRIFTING
1st Month	$ 5,703.64	40	
2nd Month	4,200.00	40	
3rd Month	4,200.00	40	
4th Month	4,200.00	10	100
5th Month	4,200.00		125
6th Month	4,200.00		125
	$26,703.64	130'	350'

Phase B

Upon successful completion of Phase A, if the foregoing exploration work responds as geologically anticipated -- warranting further expenditure, further exploration will proceed along the following program. This exploration program may be rearranged as deemed advisable by information gained during the first portion of the program and as work hereunder progresses.

(Under Item 21 of Form MF 103):

It is proposed to perform additional development work both laterally and with depth as indicated on the previously submitted map. This additional work will consist of approximately 1150 feet of drifting, 300 feet of winze and extensive surface bulldozer cuts. Estimated time for completion is eighteen months.

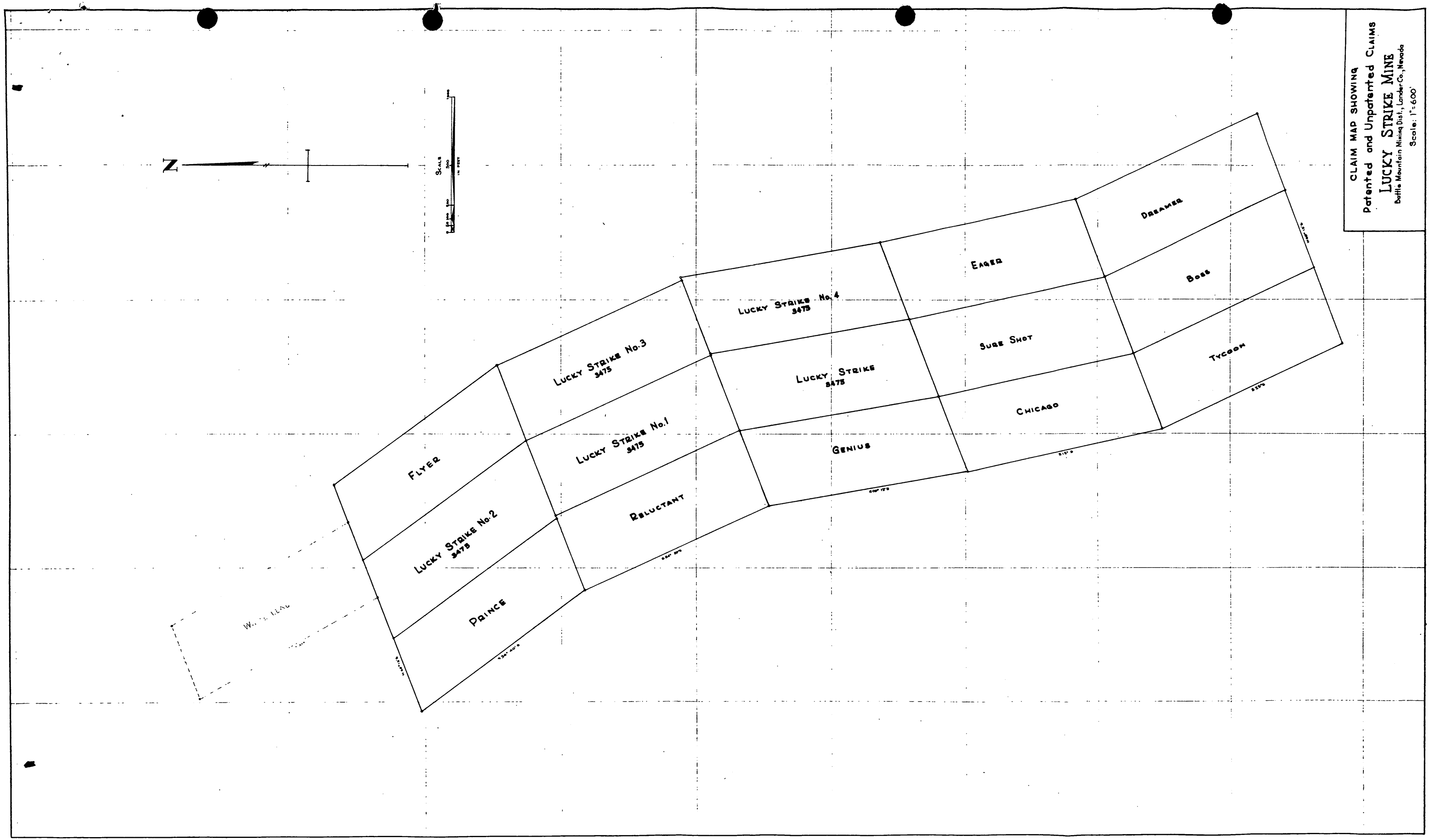
(Under Item 23 of Form MF 103):

(a)	Labor 6 Miners @ $12.00 X 468 shifts	$33,696.00
	Board and Room 6 Miners @ $2.00 X 468 shifts	5,616.00
	Industrial Accident Insurance, Compensation and F.I.C.A. above	5,222.88
(b)	Mine Foreman @ $400.00/month	7.200.00
	Industrial Accident Ins., Compensation, F.I.C.A. above	1,116.00
	Engineering, Geology, & Clerical prorated @ $600.00/month	10,800.00
(c)	Repairs excluding labor	1,200.00
(d)	Nil	
(e)	None	

(f)	Compressor, Jackhammers, Bulldozer, Buildings, etc. ($500.00/month average)	$ 9,000.00
(g)	Hoist, Buildings, Ore Bins, Platforms, Trucks, mine Cars, Drills, Etc. ($500.00/month average)	9,000.00
(h)	Supply Items	11,232.00
(i)	Power	3,546.00
	Phase B TOTAL	97,628.88

Under Item 24 Form MF 103

	EXPENDITURES	SINKING	DRIFTING	OTHER
1st Month	8,228.88	50	25	2,028.88
2nd Month	8,200.00	50	25	2,000.00
3rd Month	8,200.00	50	50	1,000.00
4th Month	8,200.00	50	50	1,000.00
5th Month	7,200.00	50	50	
6th Month	7,200.00	50	50	
7th Month	9,200.00	50	100	
8th Month	5,200.00		100	
9th Month	5,200.00		100	
10th Month	5,200.00		100	
11th Month	5,200.00		100	
12-18th Month	20,200.00		400	
	97,628.88	350	1150	


CLAIM MAP SHOWING
Patented and Unpatented Claims
LUCKY STRIKE MINE
Battle Mountain Mining Dist., Lander Co., Nevada
Scale: 1" = 600'
N
SCALE
FLYER
LUCKY STRIKE No. 3
3475
LUCKY STRIKE No. 4
3475
EAGER
DREAMER
BOSS
LUCKY STRIKE No. 2
3475
LUCKY STRIKE No. 1
3475
LUCKY STRIKE
3475
SURE SHOT
TYCOON
PRINCE
RELUCTANT
GENIUS
CHICAGO

MANAGEMENT AGREEMENT

THIS AGREEMENT made and entered into in duplicate as of the 20th day of March, 1952, by and between George W. Snyder and George W. Snyder, Jr., parties of the first part, and United Minerals Corporation, a corporation of the State of Nevada, party of the second part, WITNESSETH:

WHEREAS, the parties of the first part have acquired a lease and option agreement dated March 20, 1952, from the Kearns Corporation, a corporation of the State of Delaware, which said lease and option agreement covers the following described mining property situate in the Battle Mountain Mining District, Lander County, State of Nevada, to-wit:

Lucky Strike
Lucky Strike No. 1
Lucky Strike No. 2 Survey No. 3475
Lucky Strike No. 3
Lucky Strike No. 4

embracing a portion of Township 32 North of Range 43 East of the Mount Diablo Meridian, amounting to 103.92 acres, more or less, together with the appurtenances, a copy of which said lease and option agreement is attached hereto, marked Exhibit "A" and by reference made a part hereof; and,

WHEREAS, the parties of the first part desire to retain the party of the second part to manage, direct, operate and finance the operation of said property; and,

WHEREAS, the party of the second part desires to accept such employment.

NOW THEREFORE, the parties hereto agree as follows:

1. The parties of the first part hereby retain the party of the second part to keep and perform all of the terms and conditions of said Exhibit "A" and to perform all acts necessary or incident to the development and operation of said property, including but not limited to, supervision of mining operations, employment of labor, purchase of supplies, sale and disposition of ores and handling of all funds, accounts, receipts and disbursements connected with said operations and with said Exhibit "A". All monies received by the parties of the first part as an incident of said operations or pursuant to said Exhibit "A" shall be paid over to the party of the second part.

2. The party of the second part shall perform all of the matters and

McBROOM & HANNI
Attorneys at Law
Suite 513 Felt Building
Salt Lake City, Utah

things set forth in Paragraph No. 1 hereof; and, as compensation therefor shall receive an amount equal to fifty per cent of the net profits derived from the operation of said property, said net profits to be determined as hereinafter set forth. The balance of the net profits shall be paid to the parties of the first part.

3. The net profits from the operation of said property shall be determined as follows. There shall first be computed to the close of the period ending on June 30, 1952, and to the close of each three months period thereafter the gross operating income from the operation of said property. From said gross operating income there shall be deducted the following: all expenditures made by the party of the second part for operations including (a) mining, milling, reduction, transportation and other usual costs; (b) costs of exploration and development work, whether profitable or not; (c) royalties paid under said Exhibit "A"; (d) the proportionate share of the salaries and office expenses of the party of the second part attributable to the operation of said property and to its performance of the terms hereof; (e) government taxes, dues and imposts of all kinds, excluding, however, federal and state income taxes; (f) depreciation of all property subject thereto charged at rates based on the remaining useful life thereof; (g) incidental expenditures properly chargeable as operating costs. The cost of structures, improvements or facilities of a nature more permanent than to be chargeable to current operating costs and necessary or expedient in the development and mining operations of the property shall be deemed capital expenditures; and, for the purpose of this agreement the cost thereof shall be depreciated and charged at rates based on the estimated remaining useful life of the property.

4. Notwithstanding the provisions of Paragraphs No. 2 and 3 hereof the party of the second part shall be reimbursed for all monies in excess of $40,000.00 heretofore or hereafter advanced or expended for any purpose whatsoever by the party of the second part as an incident of the operation of said property or performance of the terms hereof prior to any distribution of profits hereunder. Such reimbursement shall not, however, include monies advanced or expended by the party of the second part for mining equipment, to which equipment the party of the second part shall retain full title.

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Attorneys at Law
Suite 513 Felt Building
Salt Lake City, Utah

5. In the event that the party of the second part shall keep and perform all of the terms and conditions of this agreement and of said Exhibit "A", then at such time as the purchase price for said property has been paid in full to the Kearns Corporation and the Kearns Corporation has conveyed said property to the parties of the first part, the parties of the first part shall convey an undivided one-half interest in said property to the party of the second part.

6. The party of the second part shall be solely responsible for all labor, materials, supplies and equipment furnished for the operation of said property and shall keep said property free and clear of all encumbrances and liens.

7. The party of the second part shall indemnify and save harmless the parties of the first part of and from all liability, cost and expense that may arise out of damage or injury to persons or property occurring in the operations of said property under this agreement.

8. The term of this agreement shall be coextensive with the term of said Exhibit "A" or any extension thereof or supplement thereto, unless this agreement shall be sooner terminated as hereinafter provided.

9. If the party of the second part fails to keep and perform the terms and conditions of this agreement and of said Exhibit "A" to be by it kept and performed, then at the option of the parties of the first part this agreement may be terminated, provided that the parties of the first part shall first serve upon the party of the second part a thirty day written notice setting forth the default of omission complained of, and if such default or omission is not remedied or is not in the process of being remedied within said period; then this agreement shall become null and void.

10. The party of the second part may relinquish its rights under this agreement and cancel the same without liability by serving on the party of the first part a thirty day written notice of its intention so to do and returning the property hereby affected to the party of the first part.

11. Service of notices hereunder may be made by depositing such notices in any United States postoffice, postage prepaid, and addressed to the parties hereto at their last known residences or places of business, and such service

McBROOM & HANNI
Attorneys at Law
Suite 513 Felt Building
Salt Lake City, Utah

shall be deemed complete as of the date such notices are so deposited.

12. Upon the termination of this agreement by either party hereto in accordance with the terms hereof, the party of the second part shall forfeit all of its rights hereunder and shall be relieved of all liability for further performance of the terms hereof.

13. Nonperformance of this agreement by the party of the second part is excused so far as caused by acts of God, war, accident, fire, unavailability of labor or materials, failure of water supply or transportation, shut down of treatment and refining plants, inclement weather conditions or acts of public authorities.

14. This agreement shall be freely assignable by the parties hereto and shall in all things be binding upon an imure to the benefit of the parties hereto and their heirs, successors, assigns and personal representatives.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first above written.

Parties of the First Part

George W. Snyder

George W. Snyder, Jr.

Party of the Second Part

UNITED MINERALS CORPORATION

By Mason W. Rankin
Vice-President

ATTEST:

Pauline Sheya
Asst. Secretary

(corporate seal)

McBROOM & HANNI
Attorneys at Law
Suite 513 Felt Building
Salt Lake City, Utah

STATE OF UTAH)
: ss
COUNTY OF SALT LAKE)

On this 17 day of April, 1952, personally appeared before me, a notary public in and for said county and state, George W. Snyder and George W. Snyder, Jr., known to me to be the persons described in and who executed the foregoing instrument, who acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned. In witness whereof, I have hereunto set my hand and affixed my official seal at my office in the County of Salt Lake, State of Utah, the day and year in this certificate first above written.

R. O. McBroom
NOTARY PUBLIC

Residing at: Salt Lake City, Utah

My Commission Expires: Nov. 4, 1955

STATE OF UTAH)
: ss
COUNTY OF SALT LAKE)

On this 17 day of April, 1952, personally appeared before me, a notary public in and for said county and state, Mason W. Rankin, known to me to be the vice-president of the corporation that executed the foregoing instrument, and upon oath, did depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures of said instrument were made by officers of said corporation as indicated after said signatures; and that said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned. In witness whereof, I have hereunto set my hand and affixed my official seal at my office in the County of Salt Lake, State of Utah, the day and year in this certificate first above written.

R. O. McBroom
NOTARY PUBLIC

Residing at: Salt Lake City, Utah

My Commission Expires: Nov. 4, 1955

JOINT GUARANTY

In consideration of the waiver by the United States of America of the requirement of a Landlord's Subordination Agreement as set forth in paragraph 2 (b) of the attached Exploration Project Contract between the undersigned and the United States of America, the undersigned jointly and severally hereby guarantee the payment to the United States of America of royalties, as specified in paragraph 15 of said contract, upon any and all ore discovered or developed as a result of said contract, which is mined within ten (10) years from the date of said contract, whether or not the undersigned has any interest in the property covered by the said contract or any part in the mining operation at the time of said ore is mined. If for any reason the net smelter returns from operation that will be subject under said contract to such payment to the United States of America are not available as a means of measuring the amount of such payment, then the undersigned agree and will undertake to make such payment according to the best estimate of the amount that can reasonably be made, and in the event of dispute as to such estimate, the undersigned agree that the determination thereof by either the Administrator of Defense Minerals Administration or by the Director of the U.S. Bureau of Mines shall be final and binding upon the undersigned; provided, however, that should undersigned, prior to the accrual of any obligation to pay under this guaranty, furnish to the United States subordination agreement required by paragraph 2 (b) of said contract, this covenant shall thereupon become fully satisfied and of no further force or effect.

Dated this 20th day of March, 1952.

Operator

UNITED MINERALS CORPORATION

George W. Snyder Jr.
President

Geo. Snyder
Secretary

Lease-Holders

George W. Snyder
George W. Snyder

George W. Snyder Jr.
George W. Snyder, Jr.

LEASE

THIS LEASE AND BOND AGREEMENT made and entered into in duplicate this 20th day of March, A.D., 1952, by and between the KEARNS CORPORATION, a corporation organized and existing under and by virtue of the laws of the State of Delaware, and having its principal place of business at Salt Lake City, Salt Lake County, State of Utah, the party of the first part, hereinafter called the Lessor, and GEORGE W. SNYDER and GEORGE W. SNYDER, JR., of Salt Lake City, Utah, the party of the second part, hereinafter called the Lessee.

WITNESSETH:

That the said Lessor, for and in consideration of the royalties hereinafter reserved and the covenants and agreements hereinafter expressed, and by the said Lessee to be kept and performed, has demised and let and by these presents does demise and let unto the said Lessee all its right, title and interest in and to the following described mine and mining property, situated in the Battle Mountain Maining District, Lander County, State of Nevada, to-wit:

> Lucky Strike, Lucky Strike No. 1, Lucky Strike No. 2, Lucky Strike No. 3 and Lucky Strike No. 4, Survey No. 3475, embracing a portion of Township thirty-two north of Range forty-three east of the Mount Diablo Meridian, amounting to 103.292 acres, more or less,
> Together with the appurtenances.

TO HAVE AND TO HOLD unto the said Lessee, for the term of four years from the date hereof, expiring at noon on the 19th day of March, A.D., 1956, unless sooner forfeited or determined through the violation of any covenant hereinafter against the said Lessee reserved.

That the Lessor for and in consideration of One Dollar($1.00) cash in hand paid by said Lessee, receipt whereof is hereby acknowledged, does hereby agree to deed all its rights, title and interest in and to said claims to the Lessee, PROVIDED that on or before the expiration of this Lease the Lessee shall have paid, through royalties as hereinafter provided, or otherwise, to the Lessor the sum of Twenty Thousand Dollars ($20,000.00), lawful money of the United States, being the price agreed upon between the Lessor and the Lessee.

And in consideration of such demise, the said Lessee does covenant and agree with the said Lessor as follows, to-wit:

1. To enter upon said Mine, or premises, within ninety days from the date hereof, and thereafter work the same in good and minerlike fashion, and in a manner necessary to good and economical mining, so as to take out the greatest amount of ore possible with due regard to the safety, development and preservation of the same as a workable mine, and to the special covenants hereinafter reserved.

2. To place or install upon said property such mining, milling, transportation, smelting, electrical and other equipment and to erect thereon such buildings and structures as he sees fit. Upon the cancellation of this agreement from any cause whatever, the Lessee, if he is not in default in the performance of any of the provisions of this agreement, may remove any or all of said equipment, structures and buildings within three (3) months from the effective date of said cancellation or termination and shall have the right of free ingress and egress to and from said claims for the purpose of removing the same. In this event the Lessee agrees not to leave premises in dangerous or hazardous condition, and to leave it in no worse condition than originally received. However, in the event of such termination or cancellation the Lessee shall not have the right to remove any mining timbering or ore bins, underground track or air or water pipes.

3. To work and mine the said premises steadily to the extent of at least sixty (60) shifts of work of eight hours each, each and every calendar month during the life of this lease commencing not later than the first day of the first calendar month after entry upon said Mine, or premises, as aforesaid, unless prevented by labor strikes or extraordinary mining casualty or extreme inclement weather making ingress and egress to and from the property impossible.

4. To well and sufficiently timber the workings on said premises at all proper points, and to repair all old timbering wherever it may be necessary, so as to insure the permanency of said workings.

5. To keep at all times all shafts, tunnels, levels and other workings thoroughly drained and clear of loose rock and rubbish unless prevented by extraordinary mining casualty, and to not obstruct the main openings in any manner whatever.

6. To refrain from the removal of timbering, or breaking ground which would injure the permanency of the main workings.

7. To not mine outside the boundaries of the leased premises, or within territory not leased to them and the Lessee hereby waive any claim to, or interest in, the proceeds of ore taken in such manner, and compensation for mining the same.

8. To assume all responsibility for personal injuries to or death of the Lessee, or any of the employees of the Lessee, or any person whomsoever, in or upon the property of the Lessor, no matter what the cause thereof may be, whether or not due to the negligence of the Lessor, or any of its employees, and to indemnify and save the Lessor harmless from all claims and demands and from all suits and judgments for such injuries or death arising from any and all wrongful acts of any contractor, or of any other Lessee or Lessees of the Lessor.

9. To allow said Lessor and its agents at all reasonable times to enter upon and into all parts of said mine and premises for the purpose of inspection and surveying and for the purpose of sampling any ores or minerals which may be disclosed therein.

10. To not assign this lease or any interest thereunder, and to not sublet the said premises or any part thereof, without the written consent of the said Lessor.

11. That all work and labor done, or performed by the Lessee or his employees, to be done and performed at the sole cost and expense of said Lessee, and in no event shall said Lessor be held responsible, or in any way obligated, for the payment of any labor done or performed pursuant to this lease and agreement upon said property, or for the cost of any supplies used by said Lessee in doing and performing work and labor upon said property and premises, and the Lessor pursuant to section 3743 of Nevada Compiled Laws, 1929, will post a

18. To pay said Lessor as royalty ten per cent (10%) of the net smelter returns of all ore to be extracted from said premises. Net smelter returns in this connection shall mean after freight, hauling, treatment, sampling and assaying charges are deducted; all expenses for mining, tramming and other expenses in handling or delivering the ore will be assumed and paid by the Lessee. All ore shipped by the Lessee shall be shipped in the name of the Lessor. All checks and payments for ore together with settlement sheets shall be delivered by the smelter to the Lessor. The Lessor after deducting its royalties and such other sums as it may have expended for and in behalf of the Lessee pursuant to the terms hereof, shall remit the balance to the Lessee.

19. Not to ship any ores broken or mined unless same will pay all expenses of mining, transportation, smelting and all other costs and net the Lessor a fair profit; all ores mined which are too low grade for shipment during the term of this lease shall remain the property of and subject to the control and disposition of the Lessor; the Lessee shall be chargeable with, and promises to pay, any loss or expense resulting from the shipment of ore which may not be of payable or saleable grade.

20. To submit the Lessor at the end of each three months a written report showing the location of work done in the mine or on surface, nature of such work, and the amount of ore taken out and shipped and number of feet of work on drifts, raises and winzes.

21. To deliver to the Lessor the said premises with the appurtenances, and all improvements, whether made by the Lessor or the Lessee, in good order and condition, and all shafts, tunnels, levels and other workings thoroughly clean of waste, rubbish and water and ready for immediate continued working, without demand or further notice on the 19th day of March, A.D., 1956, at noon, or at any time previous upon demand for forfeiture, provided, however, that the Lessee may have ninety days after the expiration of this lease for any cause to remove from the premises machinery owned by them, but for no other purpose whatsoever.

22. That from and after the date of entry upon the premises by the Lessee as aforesaid, the Lessee will hold the Lessor harmless against any and

all actions, claims, demands, and causes of action whatsoever and any orders or decrees or judgments which may be entered therein, brought for damages or alleged damages resulting or on account of trespass upon the surface or beneath the surface of any other mining claim by the Lessee, or on account of the extraction of ore by the Lessee at any time from the surface or beneath the surface of any other mining claim, or from a vein or lode havings its top or apex in any other mining claim.

23. Not to sell or enter into any agreement to sell any sand or gravel from said claims under any circumstances whatsoever.

24. That upon violation, whether it goes to the root of the contract or not, of any covenant or covenants herein reserved, the term of this lease shall, at the option of the Lessor, expire, and the same and said premises, with the appurtenances and improvements, whether made by the Lessor or Lessee, shall become forfeit to said Lessor without notice by the Lessor, and said Lessor or its agent may thereupon after demand of possession in writing, enter upon said premises and dispossess all persons occupying the same, with or without force and with or without process of law; or at the option of said Lessor the said Lessee and all persons found in occupation may be proceeded against as guilty of unlawful detainer.

The failure of the Lessor to insist upon strict performance of any of the covenants or conditions of this lease and agreement in any one or more instances shall not be construed as a waiver or relinquishment for the future of any such covenants or conditions, but the same shall be and remain in full force and effect.

25. That any written notice or demand herein authorized or required to be given by either party to the other shall be validly and sufficiently served, given or made if mailed by registered mail with postage prepaid, and if intended for the Lessor, addressed to it at 1017 Kearns Building, Salt Lake City 1, Utah, and if intended for the Lessee, addressed to George W. Snyder and George W. Snyder, Jr., at 518 Felt Building, Salt Lake City 1, Utah, or to such other place as may be from time to time designated in writing by

the party to be addressed and served upon the other party as provided in this paragraph.

Each and every clause and covenant of this agreement and lease and option shall extend to the heirs, executors, administrators, successors, and assigns of all parties hereto the same as if the words "Lessor" and "Lessee" wherever used in this agreement, and lease, included the heirs, executors, administrators, successors and assigns of the Lessor and Lessee, respectively, as if each time fully expressed.

IN WITNESS WHEREOF the said Lessor, by authority of a resolution of its Board of Directors, has caused this instrument to be signed in its corporate name and on its behalf by its President and its corporate seal to be hereunto affixed and attested by its Secretary, and the said Lessee has hereunto set his hand and seal, all in duplicate, the day and year first above written.

KEARNS CORPORATION

ATTEST:

L. F. Fitzpatrick
Secretary.

By: Thomas F. Kearns
President.

Signed, Sealed and Delivered
in the presence of:

Margaret Fuhl

George W. Snyder

George W. Snyder Jr.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 13 1951

G U A R A N T Y

In consideration of the waiver by the United States of America of the requirement of a Landlord's Subordination Agreement as set forth in paragraph 2 (b) of the attached exploration project contract between the undersigned corporation, as attorney-in-fact for the undersigned individual, and the United States of America, the undersigned corporation, in its own right and not as attorney-in-fact, in consideration of its interest in the exploration project, and the undersigned individual hereby jointly and severally guarantee the payment to the United States of America of royalties, as specified in paragraph 15 of said contract, upon any and all ore discovered or developed as a result of said contract, which is mined within 10 years from the date of said contract, whether or not the undersigned or either of them has any interest in the property covered by the said contract or any part in the mining operations at the time said ore is mined. If for any reason the net smelter returns from operations that would be subject under said contract to such payments to the United States of America are not available as a means of measuring the amount of such payment, then the undersigned, jointly and severally agree and undertake to make such payment according to the best estimates of the amount that can reasonably be made, and in the event of dispute as to such estimate, the determination thereof by either the Administrator of Defense Minerals

Administration or by the Director of the United States Bureau of Mines shall be final and binding, provided, however, that should the undersigned, prior to the accrual of any obligation to pay under this guaranty, furnish to the United States the Subordination Agreement required by paragraph 2 (b) of said contract, this covenant shall thereupon become fully satisfied and of no further force nor effect.

Dated this 5th day of Dec. 1951.

United Minerals Reserve Corp.

By George W. Snyder Jr. Pres.

By Frank D. Mahoney

GUARANTY

In consideration of the waiver by the United States of America of the requirement of a Landlord's Subordination Agreement as set forth in paragraph 2 (b) of the attached Exploration Project Contract between the undersigned and the United States of America, the undersigned hereby guarantees the payment to the United States of America of royalties, as specified in paragraph 15 of said contract, upon any and all ore discovered or developed as a result of said contract, which is mined within ten (10) years from the date of said contract, whether or not the undersigned has any interest in the property covered by the said contract or any part in the mining operation at the time of said ore is mined. If for any reason the net smelter returns from operation that will be subject under said contract to such payment to the United States of America are not available as a means of measuring the amount of such payment, then the undersigned agrees and undertakes to make such payment according to the best estimate of the amount that can reasonably be made, and in the event of dispute as to such estimate, the undersigned agrees that the determination thereof by either the Administrator of Defense Minerals Administration or by the Director of the U.S. Bureau of Mines shall be final and binding upon the undersigned; provided, however, that should undersigned, prior to the accrual of any obligation to pay under this guaranty, furnish to the United States subordination agreement required by paragraph 2 (b) of said contract, this covenant shall thereupon become fully satisfied and of no further force or effect.

Dated this 6th day of Nov., 1951.

UNITED MINERALS RESERVE CORPORATION

George W. Snyder Jr.
President

R. M. Sheya
Secretary

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

March 26, 1952

Mr. George W. Snyder, Jr., President
United Minerals Corporation
Salt Lake City 1, Utah

My dear Mr. Snyder:

The application of United Minerals Corporation (Docket No. DMEA-1949X) for Government aid in financing the cost of a minerals exploration project, has been reviewed by this office. It is regretted that the application is not presently in proper form for approval and the preparation of a contract.

DMEA Order 1 sets forth the current procedures and regulations of this Administration for obtaining Government aid in financing minerals exploration projects. Section 8 of this Order requires that an applicant must have a sufficient interest in land for the purposes of the exploration project contract. In this regard, it is noted that the lease dated March 20, 1952, from the Kearns Corporation runs to George W. Snyder and George W. Snyder, Jr., as lessees. The United Minerals Corporation has no interest under the lease and, therefore, is not a properly qualified applicant under DMEA Order 1.

In order for United Minerals Corporation to qualify under Section 8 of DMEA Order 1 as having a sufficient interest in the land, it may acquire the interest under the lease dated March 20, 1952, by assignment from the two lessees, with the written consent of the lessor; or, it may acquire interests in the land in some other manner arranged among United Minerals Corporation, the Kearns Corporation and the present lessees.

On the other hand, as the interests in the land under the lease are presently in the names of the two Snyders, you may determine that the Snyders be considered as the applicant, the contract drawn in their names, and the application of the United Minerals Corporation withdrawn.

BSU

The alternatives outlined above are not stated as exclusive methods of satisfying the requirements of DMEA Order 1. They are illustrative, however, of the noncompliance of the application presently before us with the requirements under Section 8 of the Order.

We shall be pleased to prepare a contract covering the proposed exploration project as soon as the Administration has before it an applicant properly qualified under Section 8 of DMEA Order 1.

A copy of DMEA Order 1 is enclosed.

Sincerely yours,

J. L. Hofflund
Chief Counsel

N.S
R&R

Enclosure

HCRubin/bjl

Copy to: Mails & Files
Admin. Reading File
J. L. Hofflund
H. C. Rubin
A. G. Keating
Chron.

UNITED MINERALS CORPORATION

FELT BUILDING

SALT LAKE CITY 1, UTAH

March 20, 1952

Mr. George Keating
Defense Minerals Exploration Adm.
18th and C Streets
Washington, D. C.

Re: Lucky Strike Mine,
Lander County, Nevada.
Docket No. DMEA1949X

Dear Mr. Keating:

Attached hereto please find six photostatic copies of the new lease on subject property executed this date by the Kearns Corporation as lessors and George W. Snyder and George W. Snyder, Jr., lessees.

Attached also please find six copies of the Joint Guaranty executed by United Minerals Corporation and George W. Snyder and George W. Snyder, Jr.

The above referred to documents replace the Maloney lease, power of attorney and guaranty. We sincerely hope that our furnishing these documents will permit our exploration loan to become effective at an early date. We likewise request as previously discussed, that the balance of our application be considered during the coming months. The property has developed so well to date that the accelerated development program appears amply justified.

Sincerest thanks for your many efforts, we are

Very truly yours,

UNITED MINERALS CORPORATION

George W. Snyder Jr.

George W. Snyder, Jr.
President

GWS:wm
Attchms.

MAR 24 8 33 AM '52

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D.C.

2/20/54 Lucky Strike Mine DMA 1949

Copy of Guarantee by United Minerals Reserve Corp
Geo. W. Snyder Jr

Copy of joint Guarantee by United Minerals Reserve Corp (operator)
Mark Maloney - lessee

Sent to Legal.

UNITED MINERALS CORPORATION

FELT BUILDING
SALT LAKE CITY 1, UTAH

231 SO. LASALLE ST.
CHICAGO 4, ILLINOIS

February 7, 1952

Mr. George Keating
Defense Minerals Administration
U.S. Department of the Interior
Washington 25, D.C.

Re: Lucky Strike Mine
Lander County, Nevada
DMA-1949 X

Dear Mr. Keating:

Please be advised that we are still working on the legal material you requested concerning the Lucky Strike property and will forward same to you as soon as we have it completed.

Sincerely,

UNITED MINERALS CORPORATION

M. C. Godbe III

MCG/md

Defense Minerals Administration
FEB 11 1952

UNITED MINERALS CORPORATION

FELT BUILDING
SALT LAKE CITY 1, UTAH

231 SO. LASALLE ST.
CHICAGO 4, ILLINOIS

February 1, 1952

Mr. George Keating
Defense Minerals Exploration Administration
18th and C Streets
Washington, D.C.

Re: Lucky Strike Mine,
Lander County, Nevada
DMA-1949 X

Dear Mr. Keating:

In compliance with the request made by Mr. Hofflund, we submit herewith the material required. A brief recital of these events is as follows:

Mr. Maloney et. al. obtained a lease and option on subject property, copy of which lease and option is included in the file in your office. Mr. Maloney entered into a management agreement with United Minerals Corporation retaining unto himself certain interests. At a subsequent date Mr. Maloney conveyed to Mr. George W. Snyder his remaining interest therein. Counsel for United Minerals Corporation insisted that the document conveying this interest bear the signature of Mr. Maloney's wife and an interested partner and wife although they were not parties of record in original lease.

Attached hereto are six certified copies of the quit claim deed executed by Mr. Frank M. Maloney, his wife, Robert H. Raring and his wife, conveying interest to George W. Snyder. Valid and legal consideration is recited therein.

Also attached please find six executed copies of attorney-in-fact of said George W. Snyder specifically authorizing, empowering and instructing United Minerals Corporation to execute exploration contract with the U. S. Government on the above property.

We believe that the continuity indicated by these documents is in valid and proper form and will permit the early conclusion of the contract involved. Thanking you, we are,

Very truly yours,

UNITED MINERALS CORPORATION

George W. Snyder Jr

George W. Snyder, Jr. - President

GWSjr/md

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D.C.
FEB 4 8 07 AM '52

QUIT CLAIM DEED

DEED AND ASSIGNMENT

In consideration of the sum of Four Thousand Dollars and other good and valuable consideration the undersigned, Frank M. Maloney and Mary A. Maloney, his wife, and Robert H. Raring and Gladys S. Raring, his wife, hereby convey and assign to George W. Snyder all of their right, titles and interest in and to the following named patented mining claims in Battle Mountain Mining District, Lander County, Nevada, to-wit:

Lucky Strike
Lucky Strike No. 1
Lucky Strike No. 2 Survey No. 3475
Lucky Strike No. 3
Lucky Strike No. 4

embracing a portion of Township 32 North of Range 43 East of the Mount Diablo Meridian, amounting to 103.92 acres, more or less, together with all appurtenances thereto including all rights which we and each of us have under and pursuant to contracts of every name and nature entered into by us and under which we have acquired rights in connection with the above described property.

To HAVE and to HOLD the same unto the said George W. Snyder, his personal representatives and assigns forever.

IN WITNESS WHEREOF we have hereunto set our hands this 12th day of October, 1951.

/s/ Frank M. Maloney

/s/ Mary A. Maloney

/s/ Robert H. Raring

/s/ Gladys S. Raring

STATE OF UTAH :
) ss
County of Salt Lake :

On this 12th day of October, 1951, before me a Notary Public in and for the said County and State, personally appeared Frank M. Maloney, Mary A. Maloney, Robert H. Raring, Gladys S. Raring, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.

/s/ Hortense White
Notary Public
Salt Lake City, Utah

My Commission Expires:
April 4, 1954

CERTIFICATE

I, Guy Snyder, being the duly authorized secretary of United Minerals Corporation, do hereby certify that the Quit Claim Deed hereto attached by and between Frank M. Maloney, Mary A. Maloney, Robert H. Raring and Gladys S. Raring, deeding certain interest in patented mining claims known as: Lucky Strike, Lucky Strike No. 1, Lucky Strike No. 2, Lucky Strike No. 3 and Lucky Strike No. 4: Survey No. 3475; is a true and exact copy of the original document included in our files. This certification executed this 1st day of February, 1952.

Guy Snyder

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That I, GEORGE W. SNYDER, of Salt Lake City, State of Utah, do hereby name, constitute and appoint the United Minerals Corporation, a corporation of the State of Nevada, my agent for me and in my behalf and in my name, or otherwise, to enter into and execute that certain Defense Minerals Exploration Administration Exploration Loan Contract, Docket Number DMA 1949X. I further authorize and empower said United Minerals Corporation for me and in my behalf and in my name, or otherwise, to enter into and execute any amendments to said contract and to enter into and execute any other contracts, documents or instruments in writing incident or pertaining to said contract.

Dated this 2nd day of February, 1952.

George W. Snyder

STATE OF UTAH)
: ss
COUNTY OF SALT LAKE)

On the 2nd day of February, 1952, personally appeared before me, GEORGE W. SNYDER, the signer of the foregoing instrument, who duly acknowledged to me that he executed the same.

R. M. Brown
NOTARY PUBLIC
Residing at Salt Lake City, Utah
My Commission Expires: November 4, 1955.

OFFICE OF THE ADMINISTRATOR

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

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

Office of
Executive Officer
DMEA Field Team
Region III

January 31, 1952

Memorandum

To: Defense Minerals Exploration Administration, Interior Building, Washington, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA-1949, Lucky Strike Mine, Lander County, Nevada

Attached are four copies of a memorandum dated January 25, from Ralph J. Roberts to Edgar H. Bailey, subject: Revised Exploration Program, Docket DMA-1949, Lucky Strike Mine, Battle Mountain mining district, Lander County, Nevada.

The memorandum outlines a revised exploration program at the Lucky Strike Mine. It was prepared in response to a telephone request from Mr. Keating, Defense Minerals Exploration Administration, Washington, D. C. to Mr. Roberts. Mr. Keating reviewed the problem of exploration at the mine and suggested that the original application for an exploration loan be revised. The revised program was prepared by David Arnold, U. S. Geological Survey, in cooperation with the applicant and agreed upon by W. B. Benson of the U. S. Bureau of Mines.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to E. H. Bailey, USGS

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
FEB 4 1 13 PM '52

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

Guthrie

January 30, 1952

Memorandum

To: Acting Administrator

From: Chief Counsel

Subject: Frank M. Maloney exploration project -- Docket No. DMEA-1949X

We are returning to you herewith the draft of the Exploration Project Contract and the rest of the file on this case, submitted to us on January 29, 1952, because certain additional data must be obtained, and certain changes must be made in the draft.

The intention apparently is to have the United Minerals Corp. sign the contract and carry out the project as attorney in fact for Mr. Maloney. Neither the power of attorney nor the management agreement now in the file would give the corporation the authority to make the contract in his behalf or to deal with the Government in his name. Since this authority is such an important element of the arrangements, six copies of a power of attorney specifically directed at the execution and performance of the contract should be obtained and one copy should be attached to each copy of the contract when it is drawn in final form.

The following changes should be made in the draft of the contract as now drawn:

1. In Article 2(b) in place of the inserted words "Guaranty of the Operator" insert the words "the joint guarantee of the Operator and his attorney in fact".

2. The signature should be in the form:

Frank M. Maloney

By: United Minerals Corporation, his attorney in fact.

NSR+R

J. L. Hofflund
Chief Counsel

Copy to: Repts. & Records
J. L. Hofflund
R. R. Guthrie
Chron.

Attachments

RRGuthrie/bjl

JAN 28 1952
Geologic Branch
San Francisco, Calif.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY Room 307, 320 South Main
Salt Lake City, Utah
25 January 1952

Memorandum

To: Edgar H. Bailey

From: Ralph J. Roberts

Subject: Revised exploration program, Docket DMA-1949, Lucky Strike Mine, Battle Mountain mining district, Lander County, Nevada.

In the exploration program outlined in Docket DMA-1949, Lucky Strike Mine, it was proposed that development work below the level of the north workings be held in abeyance until it was determined that the known ore bodies and additional ore bodies that might be discovered could support a profitable mining operation. Since the original exploration program was submitted the applicant has extended the Dunham Shaft 65 feet and has shipped about 1,000 tons of ore having an average value of $31.00 per ton after smelter charges, but before freight. The applicant states that there is a good showing of ore in the bottom of the Dunham Shaft.

In view of the recent development work a revised exploration program to test the occurrence of ore below the bottom of the Dunham Shaft is proposed. Work in the Dunham Shaft has been stopped and a new incline shaft has been started from the north face of the south workings. This incline is in the ore bearing fault and will be used to hoist the ore remaining in the walls of the Dunham Shaft, and also, to explore the ground at depth. Within the next 30 days, the incline is expected to reach the same depth as the bottom of the Dunham Shaft. It is recommended that the incline shaft be extended an additional 130 feet inclined distance below the bottom of the Dunham Shaft; it is further recommended that the applicant be allowed 300 feet of drifting and crosscutting to explore the ore bearing fault along strike, the location of the drifts to be governed by the findings in the incline shaft. Approximately 40 feet of drifting will be used to connect the lower tunnel of the north workings with the Dunham Shaft.

Costs of the revised program are itemized below:

Shaft Sinking 130' @ $80.00 per ft.	$10,400.00
Drifting and Crosscutting 300' @ $30.00 per ft.	9,000.00
Total	$19,400.00

The revised exploration program has been discussed with the applicant and with Mr. William T. Benson of the U. S. Bureau of Mines, Reno, Nevada, and it meets with their approval.

Ralph J. Roberts

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.
JAN 10 11 01 AM '52

UNITED MINERALS RESERVE CORPORATION

518 FELT BUILDING
SALT LAKE CITY 1, UTAH

January 8, 1952

Mr. George Keating
Defense Minerals Administration
18th and 'C' Streets Rm. 4070
Washington, D. C.

Re: Docket No. D.M.A. 1949 X
Lucky Strike Mine,
Lander County, Nevada

Dear Mr. Keating:

In compliance with your telephoned request of this date, we submit the following resume' of developments on this property since the dates on which our application and amendment thereto were filed.

1. A camp including boarding house facilities has been erected and a new and improved access road has been constructed.

2. Ore bins have been erected at the North Tunnel, South Tunnel and Dunham shaft areas.

3. Nearly all of the workings have been cleaned out and conditioned for ore withdrawal.

4. A temporary hoist has been installed and a hoist shed erected over the Dunham shaft.

5. The Dunham shaft has been timbered and the shaft has been sunk an additional forty feet.

6. Ore has been partially extracted to the north and south along the strike of the vein, a distance of approximately 70 feet. An estimated one thousand tons of lead zinc ore has been shipped concurrent with this activity and the development operation in the south heading of the North Tunnel.

7. The south face of the North Tunnel has been driven ahead approximately thirty five feet and a split in the vein was encountered with ore of marginal grade continuing in each heading. (See map attached) The split occurred approximately ten feet past the old face of this drift. Each heading is currently being driven ahead.

8. The raise near the old face has been cleaned out and 2½ to 3 feet of good grade ore is exposed at a point about 25 feet above the tunnel level continuing both to the north and to the south along the strike of the vein.

9. The winze in the South Tunnel has been pumped out and a good block of ore exposed in the vein at a point approximately twenty feet below the main South Tunnel level. The north face of this tunnel has been connected through with the Dunham shaft.

10. All operations are continuing and much effort has been put into conditioning the camp for winter operation.

11. Additional work may be required on the access road to permit year around haulage.

12. Water in relatively small quantities has been encountered in the bottom of the Dunham shaft and a pump was installed to handle same. Future water problems cannot be determined at the present time.

Since application for loan was made with the U. S. Government, the Corporations name has been changed from United Minerals Reserve Corporation to United Minerals Corporation. The contract should reflect this correction.

Trusting that this information will assist you in drafting our contract, with our sincerest thanks for your aid in this matter, we are,

Very truly yours,

UNITED MINERALS CORPORATION

George W. Snyder Jr.

George W. Snyder, Jr.
President

GWSjr/md

UNITED MINERALS RESERVE

CORPORATION

LEAD-ZINC

518 FELT BUILDING
SALT LAKE CITY 1, UTAH

December 11, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 13 1951

C. O. Mittendorf
Acting Administrator
Defense Minerals Exploration
Administration

Re: Docket DMA 1949X
Lucky Strike Mine
Lander County, Nev.

Dear Mr. Mittendorf:

As per your instructions in your letter to Mr. Snyder dated December 4, 1951 enclosed please find six (6) properly signed and completed copies of the joint guarantee agreement.

According to our records the required number of signed and completed copies of the power of attorney have been furnished your office, however I have enclosed an additional number of reproductions of this document for your use.

Hoping this information is sufficient for your purposes, I remain

Sincerly Yours

UNITED MINERALS RESERVE CORP.

M. C. Godbe III
engineering dept.

MCG:pd

FILE COPY
SURNAME:

400

Keating
Hoffland
Mittendorf

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

DEC 4 1951

Mr. George W. Snyder, Jr., President
United Minerals Reserve Corporation
518 Felt Building
Salt Lake City, Utah

Re: Docket DMA 1949X
Lucky Strike Mine
Lander County, Nevada

Dear Mr. Snyder:

This refers to your communications of November 10th and November 26th relative to a guaranty in lieu of the required Landlord's Subordination Agreement, which you have been unable to obtain.

It is the opinion of this office that the "in lieu of" guaranty should be a responsibility of both the lessee and your company acting under the management contract. Therefore, enclosed please find an original and six copies of a joint guaranty agreement which, if it meets with the approval of Mr. Maloney and yourselves, should be signed by both of you and returned to us.

Upon receipt of these executed agreements together with the signed copies of your power of attorney, consideration of your application may proceed without delay.

Sincerely yours,

C. O. Mittendorf (for) G.W. 12-4

Acting Administrator,
Defense Minerals Exploration
Administration

Keating/

Enclosures-7
11-29-51
cc to: Adm. Reading File
Reports and Records
Mr. Mittendorf
Mr. Keating
Docket

BL

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

November 30, 1951

Memorandum

To: Mr. C. O. Mittendorf, Acting Administrator

From: A. G. Keating

Subject: United Minerals Reserve Corporation, Docket DMA 1949X

There is no written memorandum from General Counsel relative to the attached letter. The "Joint Guaranty Agreement" was drawn and approved by Counsel after several conferences.

A. G. Keating

Attachment

UNITED MINERALS RESERVE

CORPORATION

518 FELT BUILDING
SALT LAKE CITY 1, UTAH

November 27, 1951

Department of the Interior
D.M.A. Exploration Section
Room 4070
18th and 'C' Streets
Washington, D.C.

Attention: Mr. George Keating

Re: D.M.A. Docket No. 1949

Gentlemen:

Attached are six (6) copies of the power of attorney covering our operation of the Lucky Strike mine in Lander County, Nevada.

We trust that this is the information which you requested by telephone this date.

Sincerest thanks for your assistance in this regard, we are,

Very truly yours,

UNITED MINERALS RESERVE CORP.

George W. Snyder Jr.

George W. Snyder, Jr.
President

GWSjr/md

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D.C.
Nov 29 9 34 AM '51

UNITED MINERALS RESERVE

CORPORATION

518 FELT BUILDING
SALT LAKE CITY 1, UTAH

November 26, 1951

Defense Minerals Administration
Washington 25, D.C.

Re: Docket No. D.M.A. 1949
Lucky Strike Mine,
Lander County, Nevada

Gentlemen:

On November 6, 1951 we airmailed to your office a letter containing six (6) copies of a guarantee of payment in lieu of the "Landlords Subordination Agreement" which we were unable to obtain from the present owners of the Lucky Strike Mine, Lander County, Nevada.

As of this date we have received no communication from your office concerning this matter. We are very desirious of obtaining, as soon as possible, any information concerning this substitution and the present status of our application.

We would appreciate an early investigation into this matter.

Thanking you in advance for this service, we remain,

Very truly yours,

UNITED MINERALS RESERVE CORP.

M. C. Godbe III
Geological Engineer

MCG/md

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D.C.
Nov 28 9 08 AM '51

DEPARTMENT OF THE INTERIOR
RECEIVED
NOV 27 1951
Defense Minerals Administration,
Production Expansion Division.

UNITED MINERALS RESERVE CORPORATION

518 FELT BUILDING
SALT LAKE CITY 1, UTAH

November 10, 1951

Defense Minerals Administration
Washington 25, D.C.

LEAD-ZINC

Re: Docket No. D.M.A.-1949
Lucky Strike Mine,
Lander County, Nevada

Gentlemen:

At the suggestion of Mr. H. C. Miller, Executive Officer, D.M.A. Field Team, Region III, we are directing this communication to you.

Our organization has on file an application for a matching fund exploration loan covering development projects on a producing lead zinc mine in Lander County, Nevada. Field examination and approval are, we believe, complete.

In early October we were requested to obtain an execution of the "Landlords Subordination Agreement". After a prolonged period of negotiation the owners of the property finally and firmly declined to execute such a document. We have advised the office of Mr. Miller of this condition and requested that suggestions be made as to manner of relief from this requirement.

Mr. Miller indicated that waivers had been granted in at least one instance by the substitution of a guaranty of the nature of the attached.

In this light will you please consider the attached six copies of this guaranty as being a portion of our application file.

Your early consideration of this arrangement is most earnestly requested.

Thanking you, we are,

Very truly yours,

UNITED MINERALS RESERVE CORPORATION

George W. Snyder, Jr. M.D.

George W. Snyder, Jr. - President

RECEIVED
NOV 2 0 1951

GWSjr/md

Note: This letter is a duplicate of the one written to you on November 6th, 1951, in which we gave the wrong D.M.A. number - 1948 instead of 1949.

OFFICE OF THE ADMINISTRATOR

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

DEFENSE MINERALS ADMINISTRATION
WASHINGTON, D.C.
Nov 13 8 42 AM '51

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

Office of
Executive Officer
DMA Field Team
Region III

November 6, 1951

Memorandum

To: Tom Lyon, Chairman, Coordinating Committee, Defense Minerals Administration, Washington, D. C.

From: Executive Officer, DMA Field Team, Region III

Subject: Docket DMA-1949, Lead-Zinc-Silver - United Minerals Reserve Corporation, 518 Felt Building, Salt Lake City, Utah - Lucky Strike Property.

Reference is made to your subject "Review of Application for Exploration Assistance", dated August 30, 1951.

Attached are four copies of a report, "DMA-1949, Lucky Strike Lead-Zinc-Silver Property, Lander County, Nevada", by W. T. Benson and Benjamin H. Sheahan, mining engineers, U. S. Bureau of Mines, dated October 4, 1951, and a report, "DMA-1949, Lucky Strike Mine, Battle Mountain Mining District, Lander County, Nevada (Lead-Zinc)", by D. C.Arnold, geologist, U. S. Geological Survey, dated October 4, 1951.

According to the report of the engineers and geologist, they are in agreement that the fissure exposed in the mine workings is persistent and strong along its strike and at depth. Some ore is presently exposed and it is possible that other ore sections will be developed with additional work. They are also in agreement that the present ore showings are impressive enough to warrant approximately 425 feet of new work costing around $10,625.00 to further develop the fissure and to investigate ore possibilities in a parallel fissure in the hanging wall. Deeper development should be held in abeyance until completion of the work suggested.

The engineers and geologist recommend that this amount of work be done before any new work is contemplated.

The docket and correspondence related thereto are returned herewith.

H. C. Miller
Executive Officer
DMA Field Team, Region III

Attachment
Copy to: E. H. Bailey,
USGS

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMA-1949, Lucky Strike Lead-Zinc-Silver Property

Lander County, Nev.

W. T. Benson, Mining Engineer
U. S. Bureau of Mines

Benjamin H. Sheahan, Mining Engineer
U. S. Bureau of Mines

October 4, 1951

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
NOV 13 8 43 AM '51

BM-Site Report

DOCKET DMA-1949

UNITED STATES DEPARTMENT OF THE INTERIOR - BUREAU OF MINES

LUCKY STRIKE LEAD-ZINC-SILVER PROPERTY
Lander County, Nev.

SUMMARY

The Lucky Strike lead-zinc-silver property is situated in the Antler Peak Mining District, northwestern Lander County, Nev., about 16 miles west of Battle Mountain the supply and shipping point on the Western and Southern Pacific Railroads.

The property, presently owned by the Kearns Corporation of Salt Lake City, Utah, was discovered and operated in the 1860's. It is reported a production in excess of $200,000 was obtained from ores that contained 50 percent lead, 150 ounces silver and $4 to $5 gold per ton. Following this early period of activity, the mine remained idle until 1908 when several small shipments were made. The high zinc content in the ore and unfavorable metal prices stopped operations at that time and the mine remained idle until acquired by the Reserve Corporation of Salt Lake City, Utah on May 10, 1951. Since acquiring the property the new company has erected a small camp and has partially rehabilitated the old workings.

Rocks exposed in the area comprise shales and sandstone of the Harmony formation of probable carboniferous age, sandstones and occasional calcareous beds of the upper Paleozoic age. In the mine workings these formations are cut by a steeply pitching fault fissure along which lead-zinc, and silver mineralization occurs. Usually along

this fissure, the ore is present in steeply pitching lenticular bodies composed chiefly of sphalerite, argentiferous galena and pyrite in a gangue of calcite and quartz. At or near the surface, the ore is oxidized but sulfide mineralization is dominant at depths below 50 feet.

Mine openings totaling about 1,100 feet, partially develops the fissure through a strike length of about 600 feet and to a depth of 98 feet below surface. In this area possibly 1,500 tons of inferred ore exists from which possibly 300 tons of indicated ore could be mined from the winze workings and from continuations to the old stope areas. About 100 tons of ore remain on old dumps and in the mine storage bin.

The fissure exposed in the mine workings is persistent and strong along its strike and at depth. Some ore is presently exposed and it is possible other ore sections will be developed with additional work.

The present ore showings are impressive enough to warrant 425 feet of new work, costing $10,625 to further develop the fissure and to investigate ore possibilities in a parallel fissure in the hanging wall. Deeper development should be held in abeyance until completion of the work suggested.

It is recommended the new work suggested and the amount specified for the completion of this work be favorably considered.

INTRODUCTION

The Lucky Strike lead-zinc-silver property, Docket DMA-1949, was examined by engineers[1/] of the Bureau of Mines, September 19, 1951, accompanied by R. J. Roberts and D. C. Arnold of the U. S. Geological

1/ W. T. Benson and Benjamin H. Sheahan.

Survey.

Property holdings comprising five patented lode mining claims, known as the Lucky Strike group, are situated in the Antler Peak Mining District, sec. 27, T. 32 N., R. 43 E., Lander County, Nev., about 16 miles west of Battle Mountain, the supply and shipping point on the Western and Southern Pacific Railroads.

To reach the property from Battle Mountain, Highway 8A is followed southwest 4 miles to the Copper Basin turnoff. From this point a poor mountain road is traveled west and north through Cottonwood canyon 12 miles to the property, which lies 1½ miles north of Antler Peak on the west side and near the head of Elder canyon.

HISTORY

The property, presently owned by the Kearns Corporation, Salt Lake City, Utah, was discovered and operated in the 1860's. During the early operation of the mine, it is reported a production in excess of $200,000 was obtained from ores containing 50 percent lead, 150 ounces silver and $4 to $5 gold per ton.

If judged by the ore presently exposed and from the size of surface excavations and old stoped areas, this figure probably is too high.

In 1908, several small shipments of lead-silver ore was mined and shipped. Because of the high zinc content in the ore and to fluctuating metal prices, the property was closed and remained idle until acquired by Frank M. Maloney, February 27, 1951 on a bond and lease arrangement. On May 10, 1951 the lease was reassigned to the Reserve Corporation, 518 Felt Bldg., Salt Lake City, Utah, which is headed by George W. Snyder, Jr., Pres. and Director, Harold A. Covery, Mason W. Rankin,

George W. Snyder, vice-presidents and directors,and Guy Snyder, secretary and treasurer. Since acquiring the property a small camp has been erected and the old workings rehabilitated.

PHYSICAL FEATURES

The claims are located in the Galena Range near the head of Elder canyon in an area of moderately steep topography at an altitude of about 7,000 feet. Climate in the area is typical of northcentral Nevada with hot, dry summers and cold winters. Annual precipitation averages less than eight inches. Sage brush and other shrubs constitute the vegetation near the property. Water for domestic and mine use is available from small springs in the canyon and from mine workings.

No transmitted electric power is available. For generation of power, fuel oil is supplied in drums by truck from Battle Mountain, 16 miles east.

Recently a new road was completed through Cottonwood canyon to the property. Previously the movement of supplies and ore shipments was through Elder canyon and Buffalo Valley to Valmy, a shipping point on the railroad 15 miles north of Battle Mountain.

HOUSING FACILITIES AND EQUIPMENT

A new frame structure, recently built, is sufficient to accommodate a crew of four men.

Equipment on the property comprises a 210 cfm air compressor, three compression drills, two mine cars, one air driven water pump, a single drum hoist, rail, pipe and a small assortment of hand tools.

GEOLOGY AND DESCRIPTION OF THE DEPOSITS

Lead, zinc, silver mineralization occurs along a steeply dipping

fault fissure striking N. 40° W. cutting shales, sandstones and occasional calcareous beds of upper Paleozoic age. Ore is present in lenticular bodies and is composed of sphalerite and argentiferous galena. Gangue minerals are calcite and quartz. At and near the surface the ore is oxidized but sulfide mineralization is dominant at depths below fifty feet.

DEVELOPMENT

Development work consists of 900 feet of crosscutting and drifting from two tunnels and 230 feet of shafts, raises and winzes. The deepest working on the vein is 98 feet below the outcrop.

The drift south from the north crosscut adit was not accessible.

SAMPLING

Where exposed, the vein was examined in the underground workings. In these openings the continuity of the vein is apparent, but the better ore sections above the levels had been mined. Lead-zinc mineralization in the vein is exposed in the 50-foot winze which was sunk below the upper or south adit workings.

For the purpose of determining the approximate grade of the ore available for mining and shipment, three samples were taken from underground sections and from the mine storage bin.

The location of the underground samples are shown on the plan and section map attached. Details regarding them follows:

Sample No.	Ounces		Percent			Description
	Au	Ag	Pb	Zn	Cu	
1461	0.065	13.40	8.9	29.9	0.22	Cut across 2.8 feet vein material 20 feet south of Dunkam shaft.
1462	Trace	0.20	0.2	1.5	0.03	Cut across 8 inches vein material in west vein northwest crosscut adit.

Sample No.	Ounces Au	Ounces Ag	Percent Pb	Percent Zn	Percent Cu	Description
1463	0.01	3.20	2.1	8.8	0.08	Grab 30 tons ore in bin.

ORE RESERVES

Mineralization on the property is confined to a steeply dipping fault fissure which has been partially developed for a strike length of approximately 600 feet and to a depth of about 98 feet below the outcrop. In this distance five lenticular bodies have been developed and partially mined. From these partially mined areas, approximately 100 tons of measured ore remains on the dumps and in the mine storage bin.

From the winze working and from continuations to the stoped areas, it is possible 300 tons of indicated ore remains that may average 0.16 ounces gold and 3.7 ounces silver per ton, 3.0 percent lead and 13 percent zinc.

Since the minable ore usually occurs in steeply pitching irregular bodies an inferred tonnage of approximately 1,500 tons may exist from surface to the lowest level.

PLAN OF OPERATION

It is the plan of the company to continue with the rehabilitation of the mine workings and to produce ore for shipment from the ore sections presently available.

A participating loan has been requested by the company to further develop the deposit along its strike and at depth.

It is the opinion of the examining engineers that some additional development is justified. The new work should include extending the

south drift from the north crosscut adit to intersect the south workings and a crosscut west to explore a parallel hangingwall fissure. In addition to this work some drifting should be done along the hanging wall fracture to finally determine if this fissure is sufficiently mineralized to warrant further development. The new work suggested is shown in dotted lines on the plan and section map attached. The preliminary work suggested should not exceed 425 feet, and the estimate cost per foot should not exceed $25 or a total cost of $10,625.

CONCLUSION

The Lucky Strike fissure exposed in the mine workings is persistent and strong along its strike and at depth. Some ore is presently exposed and it is possible that other ore sections will be developed with additional work. With efficient management, it is probable a small profitable operation can be anticipated.

The present ore showings are impressive enough to warrant the expenditure above mentioned. Deeper development should be held in abeyance until completion of the work suggested, since the preliminary work should definitely determine if further development work is justified.

It is recommended the new work suggested and the amount specified for this work be favorably considered.

Docket No. 1989.

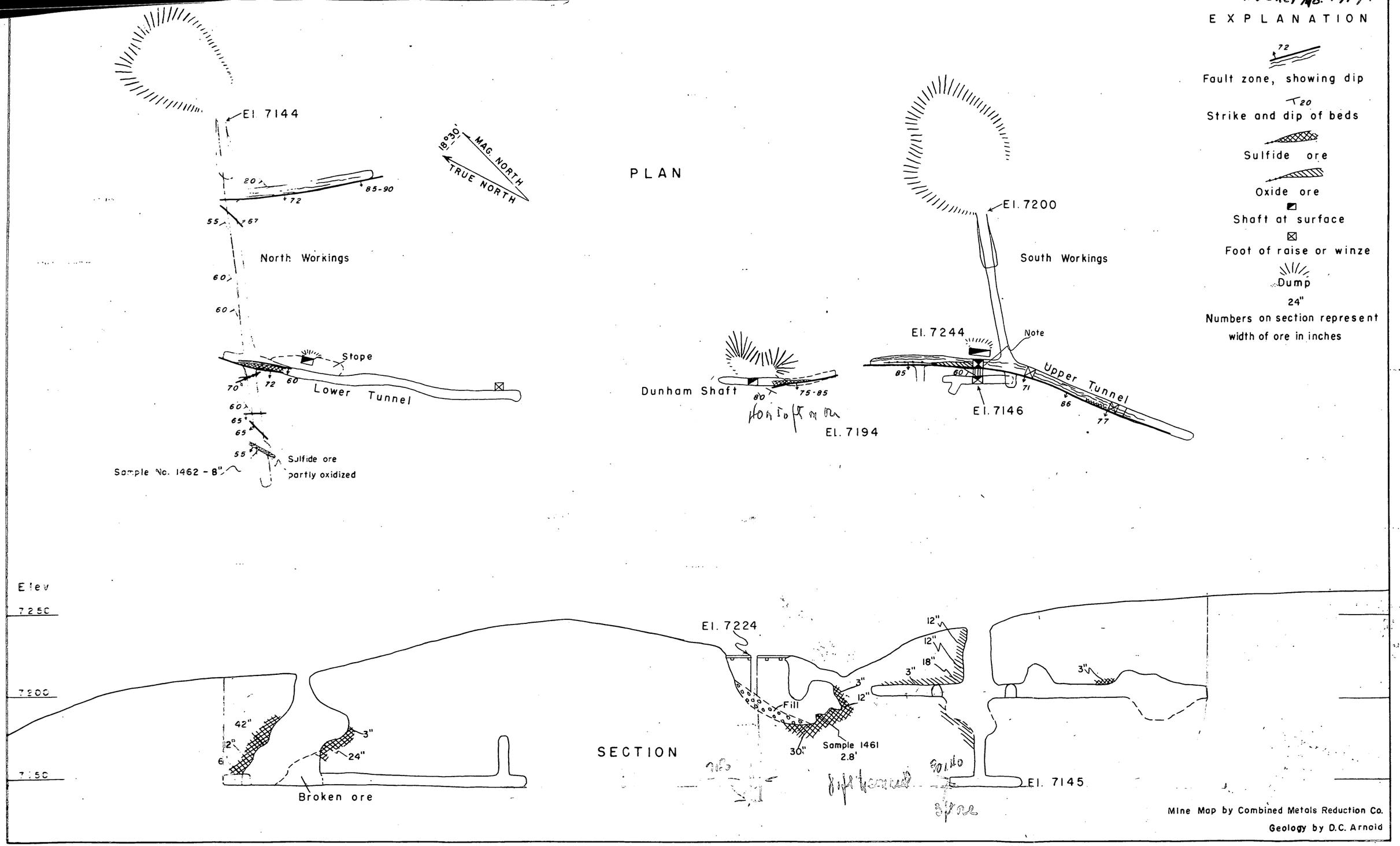

FIG. 2 GEOLOGIC PLAN AND SECTION OF LUCKY STRIKE MINE, BATTLE MOUNTAIN MINING DISTRICT, LANDER COUNTY, NEVADA

0 50 100
Scale

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

Docket DMA-1949, Lucky Strike Mine

Battle Mountain Mining District

Lander County, Nevada

(Lead-Zinc)

D. C. Arnold, Geologist
U. S. Geological Survey

October 4, 1951

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ILLUSTRATIONS

Figure 1. Index map showing location of Lucky Strike Mine, Battle Mountain Mining District, Lander County, Nevada.

Figure 2. Geologic map and longitudinal section, Lucky Strike Mine, Battle Mountain Mining District, Lander County, Nevada.

Docket DMA-1949, Lucky Strike Mine

Battle Mountain Mining District

Lander County, Nevada

GEOLOGY

The Lucky Strike mine workings are in sandstone and shale of the Harmony formation of probable Carboniferous age. These rocks strike northeast and generally dip southeast throughout the mine area. They are cut by faults that mainly strike northwest and dip steeply; these faults contain the ore bodies that have been discovered.

The Harmony formation is composed principally of arkosic sandstone, but contains thin shale units in places. Generally the sandstone is greenish-brown, micaceous, and is coarse-grained. It forms massive or thick beds, but locally contains thin shale partings. The shale is commonly gray, brown, or black. In the mine area these rocks generally strike N. 20° - 40° E. and dip 55° - 70° NW.

The major fault in the area is the Lucky Strike fault which strikes N. 45° W. and dips steeply southwest. It has been explored over a strike length of 600 feet in the workings. Other faults that parallel the Lucky Strike fault in strike and dip have been cut in the workings; some of these faults are metallized, but none have been stoped.

ORE DEPOSITS

The ore deposits in the Lucky Strike mine area occur in faults that cut the Harmony formation. The ore bodies that have been mined ranged in size from a few feet to 65 feet long, extended down dip as much as 70 feet, and averaged about 2 feet wide. The workings partly explore the veins for a strike length of about 600 feet.

The ore minerals are galena, sphalerite, and pyrite; calcite and a little quartz are the gangue minerals. The ore bodies from the surface down to about 50 feet are partly oxidized to ferruginous lead and zinc carbonates. Two carload shipments made during August 1951 gave the following assays: One car of 50.58 tons gave 2.7 percent lead, 13.2 percent zinc, 3.71 oz. silver, .017 oz. gold to the ton; the other car of 53.2 tons gave 3.1 percent lead, 13.4 percent zinc, 3.86 oz. silver, .016 oz. gold to the ton. Shipments of sorted ore made prior to 1913 are reported to have contained as much as 50 percent lead and 150 oz. silver to the ton [2]. The tonnage of early shipments is not

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[2] Hill, J. M., Some Mining Districts in Northeastern California and Northwestern Nevada: U. S. Geol. Survey, Bull. 597, p. 83, 1915.

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accurately known, but estimates of lead ore shipped based on stope sizes total less than 300 tons.

All of the ore mined was stoped from the Lucky Strike vein between the Lower Tunnel and Upper Tunnel workings. Three principal stopes shown on figure 2 are the Lower Tunnel Stope, Dunham Stope, and Upper Tunnel Stope. The Lower Tunnel Stope extends from the level upward to the surface, a distance of 70 feet; it has a strike length of at least 45 feet, and width up to 4 feet. A grab sample (Bur. Mines No. 1463) of ore from the bin at the portal of the Lower Tunnel workings assayed as follows: 2.1 percent lead, 8.8 percent zinc, 3.2 oz. silver per ton. The Dunham stope was mined from a shaft 40 feet deep, and has a strike length of 65 feet. The width of ore stoped was from a few inches to 3 feet, and the grade was reported to be high. A sample (Bur. Mines No. 1461 2.8 feet wide) cut near the bottom of the stope gave the following assay: 8.9 percent lead, 29.9 percent zinc, 13.4 oz. silver per ton. The Upper Tunnel

stope has been mined down dip for 70 feet and for a strike length of 30 feet; the average width was about two feet.

The ore shoots are highly lenticular, and pinch and swell along the strike and down dip. Individual ore shoots will probably be small, but the Lucky Strike fault is persistent, and the chances for the discovery of additional ore bodies seem good.

The rake of the ore shoots is not certain as none of them have been mined out completely. The rake seems to be steep, and is possibly nearly vertical, parallel to the fluting on fault surfaces in the shear zone.

Ore showings are also present on faults parallel to the Lucky Strike fault; one of the mineralized faults is in the crosscut about 10 feet west of the Lucky Strike fault in the Lower Tunnel workings, the other is about 55 feet to the west. Neither of these showings has been explored.

ORE RESERVES

Although the richer parts of the vein have been mined, some ore still remains in the stopes. The remaining ore is for the most part high in zinc, and some of it is partly oxidized. It is estimated that possibly 300 tons of measured and indicated ore may be available.

It is inferred that ore may be present in the blocks between the workings and between the levels and the surface. Because of the lenticularity of the ore shoots, it is difficult to estimate the inferred ore reserve tonnage with any degree of accuracy, but it seems reasonable to expect that 1,200 to 1,500 tons of ore, comparable in grade to the recent shipments, may be present above the lowest level. These figures are based on the assumption that about 30 percent of the blocks will contain ore of minable width — 2 feet or more. This is equivalent to about 30 tons per foot of depth along the 600-foot strike length.

The applicant states that the possibilities for replacement ore along bedding are good. There is no clear justification for this statement. On the upper levels the ore is confined to the vein; possibly beds favorable for the localization of replacement ore bodies are present at depth, but there is no way to predict this. Certainly no inferred ore tonnage can be assigned to the replacement ore.

PROPOSED EXPLORATION

The exploration program proposed by the applicant in the original Docket DMA-1949 is vague and indefinite. Two hundred and fifty feet of drifting and 100 feet of sinking are mentioned, but the localities are not shown on accompanying illustrations. The total cost of the work is estimated to be $17,693.44. In an amended Docket, dated September 17, 1951, the applicant has proposed a more elaborate program estimated to cost $79,915.76. This program includes 400 feet of sinking, and 1,400 feet of drifting along the vein. Part of the work is indicated on the longitudinal section accompanying the amended application.

In view of the uncertainties concerning the tonnage of ore in the blocks between the adits and above the adit levels, it seems prudent to undertake only a modest program at the outset. A logical first objective would be to connect the face of the lower tunnel of the North Workings with the lower level in the winze off the South Workings a distance of 255 feet. In addition to exploring the vein between these points, this drift could be used as a haulageway for ore stoped above the level. A crosscut should be driven at an intermediate point to determine whether minable ore bodies might be present in veins in the hanging wall block west of the Lucky Strike vein.

If this work proved to be successful, and enough ore proved to repay the cost of the work, then additional projects could be considered along the strike and down the dip of the vein.

CONCLUSIONS AND RECOMMENDATIONS

The ore bodies in the Lucky Strike mine follow the Lucky Strike fault which strikes N. 45° W. and dips steeply southwest. The ore bodies that have been mined ranged from a few inches to 3 feet wide, extended down dip for as much as 70 feet, and along the strike for as much as 70 feet. The ore bodies are highly lenticular, but follow a persistent fault, and the chances for the discovery of additional ore bodies along the fault seem good.

Measured and indicated ore reserves remaining in the stopes total about 300 tons; in addition, it is inferred that 1,200 to 1,500 tons may be found in the blocks between workings and above the levels.

The applicant has proposed an elaborate exploration program. The examining geologists recommend a more modest program designed to test the ore reserves in the block above the lower levels. If sufficient ore can be found in these blocks, to make the project successful, then further exploratory work can be considered along the strike and down dip from the present workings.

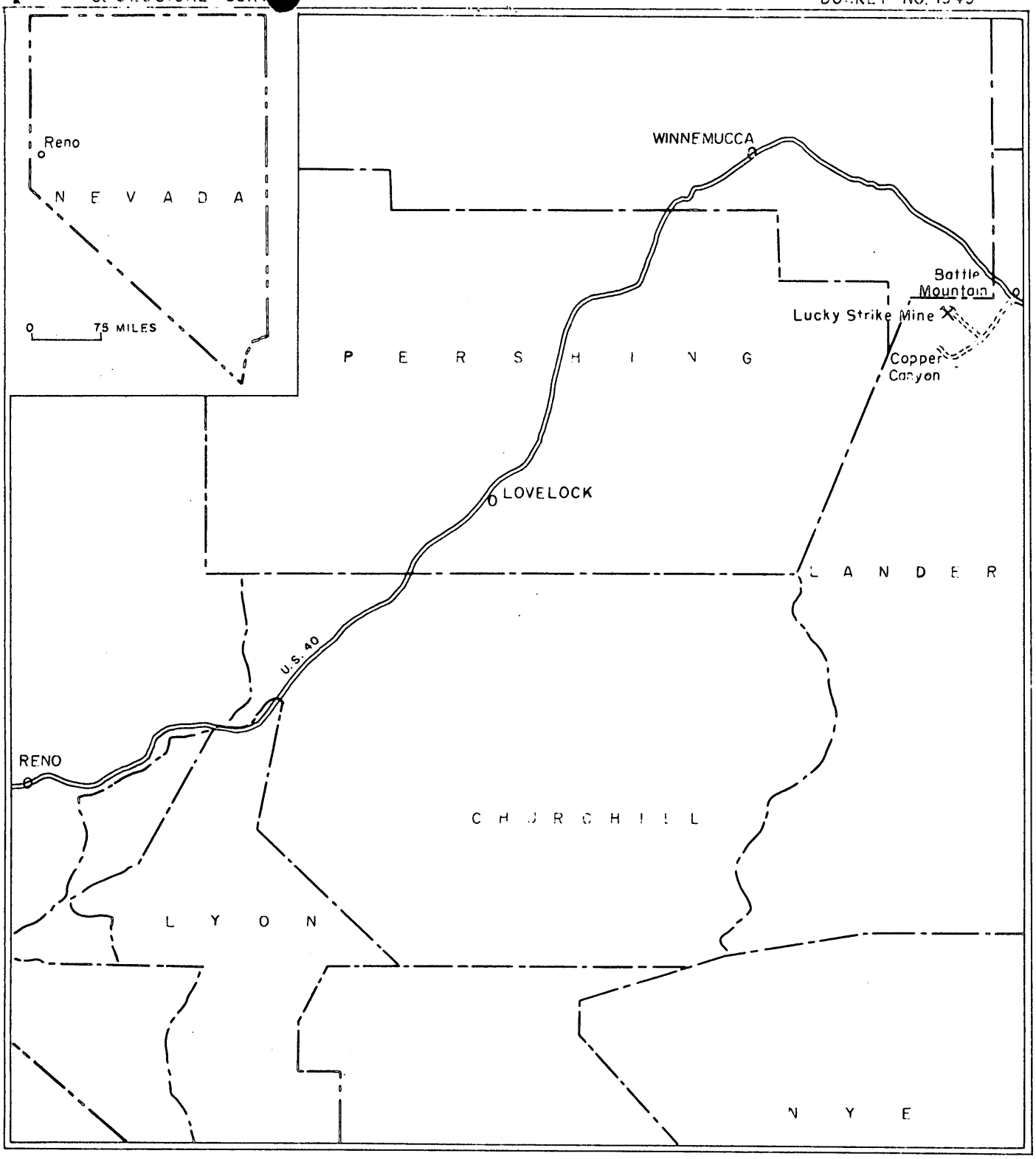

FIG. I INDEX MAP OF NEVADA

0 12 24 36 MILES
Scale

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.

UNITED MINERALS RESERVE CORPORATION

FELT BUILDING
SALT LAKE CITY 1, UTAH

231 SO. LASALLE ST.
CHICAGO 4, ILLINOIS

September 17, 1951

U. S. Department of the Interior
Defense Minerals Administration
Region III
1415 Appraisers Building
San Francisco, California

Re: Docket No. DMA-1949

Dear Sirs:

On July 29, 1951, this organization filed an application for aid for an exploration project pursuant to Mineral Order 5, under the Defense Production Act of 1950.

This application for the Lucky Strike mine was assigned the above Docket number.

The total project contemplated the expenditure of $17,693.44 of which sum 50 percent was to be furnished by the operator and 50 percent by the U.S. Government.

Recent development of substantial bodies of lead - zinc sulfide ore indicate that the project should be considerably increased.

Consequently applicant herewith submits amendments to the original application in order that the scope of development projected therein may be brought in line with most recent information available.

The following paragraphs are therefore amended as follows:

21. It is proposed to perform additional development work both laterally and with depth as indicated on the attached map. This work will consist of approximately 1400 feet of drifting, 400 feet of winze and extensive bulldozer cuts. This program may however be rearranged as development responses warrant. Estimated time for completion is eighteen months.

23.	(a)	Labor - 8 miners @ $12.00 X 280 shifts		26,880.00
		Industrial Accident Commission, F.O.A.B.		4,085.76
	(b)	Mine superintendant @ $400.00/month		7,200.00
		Insurance, accident camp, etc.		890.00
	(c)	Repairs excluding labor		1,200.00
	(d)	Compressor house		500.00
		Housing structures		1,000.00
	(e)	7½ H.P. air tugger hoist	1,150.00	
		2-45 lb. jackhammers	1,100.00	
		Other equipment items	1,000.00	
			3,250.00	3,250.00

To: U.S. Department of the Interior
San Francisco, California

United Minerals Reserve Corp.
September 17, 1951

(f)	Compressor, jackhammers, bulldozer, buildings, etc. $500.00/month (average)	9,000.00
(g)	Hoist, pipe, fittings, buildings, ore bin, platforms, rail, trucks, mine cars etc., $500.00/month (average)	9,000.00
(h)	Supply items	16,940.00
(i)	None	
		$79,945.76

Note: Overhead, engineering etc., not included in above total.

24.	Expenditures	Sinking	Drifting	Other
1st month	6,645.76	40'	50'	1,945.76
2nd month	8,300.00	60'	50'	2,000.00
3rd month	7,300.00	60'	50'	1,000.00
4th month	7,300.00	60'	50'	1,000.00
5th month	7,800.00	60'	100'	
6th month	7,800.00	60'	100'	
7th month	7,800.00	60'	100'	
8th month	3,000.00		100'	
9th month	3,000.00		100'	
10th month	3,000.00		100'	
11th month	3,000.00		100'	
12th month	3,000.00		100'	
12 - 18 months	12,000.00		400'	
	$79,945.76	400'	1400'	

Respectfully submitted,

UNITED MINERALS RESERVE CORPORATION

George W. Snyder Jr.

George W. Snyder, Jr.
President

GWSjr/md

FILE COPY
SURNAME:

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

Lynn (ETM)
McKnight
Mr. Fox
Johnson
Ron
Moon

G.E.C.

AUG 31 1951

Mr. George W. Snyder, Jr., President
United Minerals Reserve Corporation
518 Felt Building
Salt Lake City, Utah

In reply please refer to
Docket DMA-1949

Dear Mr. Snyder:

Your application for a loan of $17,693.44 to explore the Lucky Strike group of claims in Lander County, Nevada has been reviewed by the Defense Minerals Administration and has been referred to Mr. H. C. Miller, Executive Officer of Field Team, 1012 Flood Building, 870 Market St., San Francisco 2, California, for further information and advice.

Very truly yours,

SIGNED 8/31

Tom Lyon, Director
Supply Division

TPBillings:gt

8/27/51

Copies to: H.C.Miller- Region III
Chief, Lead-Zinc Br.
E. T. McKnight, 4204 GSA
R. H. Mote
Reports & Records Unit
Director's r. file, 4214 GSA
Br. r. file, 4214 GSA
Files

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

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED
SEP 4 1951
SAN FRANCISCO, CALIFORNIA

AUG 30 1951

Mr. H. C. Miller
Executive Officer, DMA Field Team
Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Dear Sir:

We attach "Review of Application for Exploration Assistance"

on:

Docket No. DMA-1949

Commodity Zinc, lead

Applicant United Minerals Reserve Corporation, 518 Felt Building
Salt Lake City, Utah

Please expedite the consideration of this application with particular reference to the points raised in the attached "Review."

Very truly yours,

Tom Lyon
Chairman
Coordinating Committee

Lowell B. Moon
For Bureau of Mines

Olaf T. Rove
For Geological Survey

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D.C.
NOV 13 8 43 AM '51

6/5/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. DMA-1949

Commodity Zinc, lead

Total Amount $17,693.44

Govt. Participation 50% ($8,846.72)

1. Name and Address of Applicant United Minerals Reserve Corporation, 518 Felt Building, Salt Lake City, Utah

2. Location of Property Lucky Strike Unit, T. 32 N., R. 43 E., M.D.M., about 1½ miles N. of Antler Peak, Lander County, Nevada. Specific claims listed in lease.

3. Mineral or metal Zinc, lead, silver, gold ~~Is~~ it listed in Section 9 of MO-5? Yes

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good

b) Poor

c) None

d) Don't know—needs field examination X

e) Is there an alternative and favorable project?
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? Yes
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? Yes

Does the lease have sufficient time to run to cover a future productive period? Yes

*question numbers are those of MF-103

7. Are subordination agreements necessary? Yes

a) MF-201? No

b) MF-202 Yes. Applicant requests these be left open to negotiation

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes

b) Equipment and supplies Yes
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Yes

d) Water (question 13)* Yes

e) Power (question 13)* Yes

Is a field check needed on any of these points? No

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes

Is a field check needed on this point? No

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? In general terms only

If not, are there sufficient data given so that you can describe the project? _____ If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? Map of workings, but proposed work not shown

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes

If not, what part of it is? _____

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed? No

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? No If so, attach a draft.

e) Are the cost estimates reasonable? Don't know

f) Should more information be requested from applicant? Yes

g) Is a field examination necessary to complete Exhibit A? Yes

11. Exhibit B (question 23-d)*

a) Is it applicable? Yes

b) If so, are sufficient data furnished? No If so, attach a draft.

c) Is a field check needed? Yes

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? Yes

b) Sufficient data? No If so, attach a draft.

c) Are rents and charges reasonable? Don't know

d) Is a field check needed? Yes

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? Yes

b) Is the schedule adequate for the work proposed? Yes

c) Is the schedule excessive for the work proposed? No

d) Are the proposed wages and salaries reasonable? Yes

e) Is a field check needed? No

14. Exhibit E (question 23-c)*

a) Is it applicable? Yes

b) Sufficient data? No

c) Reasonable? Don't know

d) Field check needed? Yes

15. In your judgment, can the proposed work be done in the proposed time? Yes

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question? Ralph Roberts may be able to give a geological recommendation without a field examination. Subordination agreements should be obtained if possible. Questionable whether ore bin should be allowed.

Reviewed by: Erwin J. Lyons, GS

Date 8-28-51

INT.-DUP. SEC., WASH., D.C. 99009

FILE COPY
SURNAME:

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

Code 210
August 22, 1951

Mr. George W. Snyder, Jr.
President
United Minerals Reserve Corp.
Felt Building
Salt Lake City 1, Utah

My dear Mr. Snyder:

This will acknowledge your letter dated August 16, 1951 requesting information regarding your applications for exploration assistance on the Rip Van Winkle mine and the Lucky Strike mine.

Please be advised that the Rip Van Winkle mine located in Elko County, Nevada, was assigned docket DMA No. 1948 and the Lucky Strike mine located in Lander County, Nevada, was assigned docket DMA No. 1949.

Sincerely yours,
SIGNED BJ 8/22

Robert E. Adams, Chief
Reports and Records Unit

READAMS/hb

Copy to: Reports and Records Files ✓

UNITED MINERALS RESERVE CORPORATION

FELT BUILDING
SALT LAKE CITY 1, UTAH

231 SO. LASALLE ST.
CHICAGO 4, ILLINOIS

answered by Adams 8/22/51

August 16, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 20 1951

Mr. Robert E. Adams, Chief
Reports and Records Unit
U.S. Department of the Interior
Defense Minerals Administration
Washington 25, D.C.

Dear Mr. Adams:

On August 6th we filed application for exploration loan assistance on two properties, the Rip Van Winkle mine 1948 located in Elko County, Nevada, and the Lucky Strike mine 1949 located in Lander County, Nevada. Your two communications of August 13th assigned Docket numbers DMA-1948 and DMA-1949 to these applications.

We are unable to determine however which number was assigned to either of the properties, your communications not identifying the application other than by Docket numbers.

We will appreciate your advice as to which property received Docket number DMA-1948 and which property received Docket number DMA-1949.

Thanking you, we are

Very truly yours,

UNITED MINERALS RESERVE CORP.

George W. Snyder Jr.

George W. Snyder, Jr.
President

GWSjr/md

August 13, 1951

Mr. George W. Snyder
President
United Minerals Reserve Corporation
518 Felt Building
Salt Lake City, Utah

Subject: Exploration Loan
Re: DMA-1949

My dear Mr. Snyder:

This will acknowledge receipt of your application dated August 6, 1951 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMA- 1949 and referred to the Load-Zinc Branch.

Kindly refer to DMA- 1949 in any future correspondence relating to your application.

Sincerely yours,

Robert E. Adams

Robert E. Adams, Chief
Reports and Records Unit

2463

AUG 14 1951