DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

R. H. McHenry

Buffalo

Wyoming

pertaining to Exploration Project Contract No. Idm-F252, Docket No. DMA-2011X, including Amendments Nos. 1 and 2, for the period of April and May, 1952.

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 an audit of the Operator's accounts and records for the following reasons:

(a) the administrative cost to the Government of an audit would be excessive in relation to value of the contract or the estimated amount of possible disallowances thereunder;
(b) the Monthly Reports were partially supported by documentary proof of the costs incurred under the contract; and
(c) a major portion ($793.73) of the costs covered an allowance to the operator as a working supervisor.

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

Total cost as billed by Contractor		$1,457.37
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith (schedule attached)	-0-	-0-
Total Accepted Cost		$1,457.37

The contract calls for a 90 per cent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of One thousand three hundred eleven Dollars and 63/100

- $1,311.63 -

is considered valid and proper.

Auditor

October 3, 1952

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

August 18, 1952

Memorandum

To: Jay Chambers, Chief, Contract Administration and Audit Division, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA-2011x, Contract Idm-E252, R. H. McHenry

Reference is made to your memorandum of August 14, 1952, regarding use of balance of funds from the subject project.

My memorandum of July 30, 1952, to the Operating Committee, DMEA, on the above contract advised as follows:

Total contract allotment	$3,538.00
Government's share	3,184.20
Total amount spent	1,457.37
Government's share of expenses	1,311.63
Balance of Government's share available for the general exploration fund	1,872.57

The project was completed May 18, 1952, and July 28, 1952, is official completion date.

Accordingly, $1,872.57 can be released to the general fund.

A. B. Needham
Executive Officer
Field Team, Region V

DEPARTMENT OF THE INTERIOR
Bureau of Mines
Library
AUG 20 1952

ABNeedham:dg
cc Dutton
Region V
files
df

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

800

AUG 14 1952

Mr. A. B. Needham
Executive Officer
DMEA Field Team, Region V
2908 Colfax Avenue, South
Minneapolis, Minnesota

Re: Contract No. Idm-E252
Docket No. DMA-2011X
R. H. McHenry

Dear Mr. Needham:

According to our records a final report has been received on the above project for property located at Custer County, South Dakota.

If there are no other obligations to be submitted by the contractor, it would appear that this contract has been finished so far as the financial side is concerned. If so, we would like to release the balance of the money allotted to this account. I shall appreciate your advice on this point.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration and
Audit Division

JLChamber/wb
August 14, 1952

Copy to: Mails & Files
Admr. Reading File
Mr. Chambers

COPY

Form I-1017 Rev.
Form approved by
Comp. Gen., U.S.
August 20, 1951

DEPARTMENT OF THE INTERIOR

VOUCHER AND SCHEDULE OF PAYMENTS

Sheet 1 of

Bureau or Office: Defense Minerals Exploration Administration

Location of Transmitting Office: Minneapolis 8, Minnesota | Station No. 14-09-050 | D. O. Symbol 409

D. O. Voucher No.

Bu. Schedule No. 13

Appropriation Summary: (Symbol and amount)

14X4401 - $2,172.76

PAID BY

10/9/52

(For use of paying office)

(1) Bureau Voucher No.	(2) Payee, and if necessary, address, invoice no., or other identification	(3) AMOUNT	(4) D. O. Check No.
	J. E. Miller 305 S. Oak Park Avenue Oak Park, Illinois Contract No. IDM E-178 Stage 1 and 2	$1,102.25	
	R. H. McHenry Buffalo Wyoming Contract No. IDM-E-252	130.00	
	L. D. Pitts Custer South Dakota Contract No. IDM-E-263	940.51	
	TOTAL	$2,172.76	

Pursuant to authority vested in me, I certify that the items listed herein are correct and proper for payment from the appropriation(s) designated.

10/7/52
(Date) L. A. Hill (Authorized Certifying Officer)

U. S. GOVERNMENT PRINTING OFFICE—1951—968901

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

35

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 252

Name of Operator R. H. McHenry (Wiegie Group)
Docket No. DMA 2011-X
Total Contract Amount $ 3,538.00
Government Participation: 90 % Amount, $ 3,184.20
Distribution of Expenditures for Month of April and May, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 11 1952

RECEIVED
MAY 23 1952
BUREAU OF MINES
REGION V
MINING DIVISION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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

R. H. McHenry (Wiegie Group)
(Name of Company)

By R H McHenry
(Signature of Authorized Official)

May 19, 1952
(Date)

Operator
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]	107.82	--	107.82	107.82	--	107.82
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY NARRATIVE REPORT

Docket No. DMA 2011-X
Contract Idm A-252
Miegie Group

The exploration conducted on the Miegie placer included only churn drill sampling. Thirteen 6-inch holes were drilled for a total of 116.5 feet. Fifteen samples were taken, but to date results on only four of them have been submitted by the analyst.

Samples from holes E-5, E-4, E-1 and C-5 showed no columbite-tantalite according to the analyses by Chas. Bentley of the South Dakota School of Mines and Technology.

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor [3]						
5. Supervision	793.73	--	793.73	793.73	--	793.73
6. Supplies						
(a) Timber						
(b) Explosives						
(c) Repair Parts	117.95	--	117.95	117.95	--	117.95
(d) Other	113.65	--	113.65	113.65	--	113.65
7. Power gasoline & oil	136.72	--	136.72	136.72	--	136.72
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation						
10. Contract Work Sample Analysis	187.50	--	187.50	187.50	--	187.50
11. Other (specify)						
Total	1,457.37	--	1,457.37	1,457.37	--	1,457.37
Deletions						
Adjusted totals						
Totals previously reported	--	--	--			
Totals to date	1,457.37		1,457.37	1,457.37	--	1,457.37

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by E. O. Bunyon
Entered by
Approved by D. F. Marlow Supervising Engineer
Amount approved for payment 1311.63
Remarks 130.00 withheld pending final report
1181.63 HG

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF April-May, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes	6.013		3.26	0.924	10.097					
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying				1.61	1.61					
Roads and trails										
Test pits										
Other (specify)										
Totals	6.013		3.26	2.534	12.697	Feet	126.5	0	126.5	633

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

AMENDMENT NO. 2

Docket No. DMEA 2011, Contract Idm E-252, dated February 5, 1952 between the United States of America and R. H. McHenry is hereby amended as follows:

1. Under item 3, exploration contract, the operator's completion date is hereby extended to May 31, 1952.

2. Under Exhibit A of the contract, Labor and Supervision, the amounts set forth for sampler, sampler helpers, and driller to be used for wages of working supervisor (operator) to the extent necessary to complete the work, but not to exceed the allowable total of $1,378.00.

This amendment shall not be construed to increase the estimated cost of the project, the aggregate total amount the Government must pay, or the percentage of the costs which the Government may pay under provisions of Article 13 of the contract form.

UNITED STATES OF AMERICA

Dated: May 19, 1952

By [illegible]
Executive Officer, DMEA Field Team
Region V

Dated: MAY 13 1952

R. H. McHenry
R. H. McHenry

JUSTIFICATION OF AMENDMENT NO. 2

Docket No. DMEA-2011, Contract Idm E-252, R. H. McHenry

The project is designed to determine if columbite-tantalite exists in placer gravels in sufficient quantity to warrant further development and subsequent operation with mechanized equipment.

Because of the amount of water in French Creek and the difficulty of diverting the water to investigate the deposit by trenching, churn drilling was selected as the most feasible method of obtaining the desired information.

Placer gravels invariably contain some large boulders that are difficult to drill with prospecting equipment. Drilling on this project, because of boulders, has not progressed as fast as anticipated.

The operator, who supervises the work and is also the lessee, has performed the duties of the driller and sampler, as well as supervisor, and probably accounts for some delay. However, an inspection of the work does not indicate that additional labor would have appreciably affected progress to date. Furthermore, additional labor would increase unit costs. The requirement of a sampler, to be selected only with the approval of the government, was to guard against any possible contamination of samples by persons having a financial interest in the property. The present arrangement appears to have effectively prevented any possible contamination.

Because of the foregoing, the provisions of the attached amendment No. 2 are amply justified and it is recommended that the amendment be approved.

D. H. Mullen
Supervising Engineer

2 1 1952

MAY 1 3 1952

Contracts & Audit

AMENDMENT NO. 1

Amendment to Docket No. DMEA 2011X, Contract Idm E-252, R. H. McHenry

Contract Idm E-252 dated February 5, 1952 between the United States of America and R. H. McHenry is hereby amended as follows:

(1) Under Item 3, exploration contract, the operator's date of starting work is hereby extended thirty (30) days, making the starting date on or before April 5, 1952.

This amendment shall not be construed to increase the estimated cost of the project, the aggregate total amount which the Government must pay, or the percentage of the costs which the Government may pay, under provisions of Article 13 of the contract form.

Dated March 4, 1952

UNITED STATES OF AMERICA

By A. B. Needham
A. B. Needham
Executive Officer, Region V, DMEA

R. H. McHenry
R. H. McHenry

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 10 1952

Docket No. ~~2011~~

Commodity ~~Columbite, Tantalite~~, Cassiterite

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E ~~32~~

Date of Contract or Amendment: ~~XXXXXXXXXXX~~ February 5, 1952

Name and Address of Operator:

B.H. McHenry
Buffalo, Wyoming

Amount of Government participation $ 3,184.20

Percent of Government participation 93 %

Region: 7 State: South Dakota

NOTE: Please release $1,872.57. Authority: Records of Contract Administration and Audit Division.

(Name)
J.L. Chambers
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. August 26, 1952

13808

Docket No. DMEA-2011

Commodity ~~Columbite~~ Tantalite & Cassiterite

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM

To: Chief, Finance Section
Washington Office

Please enter on the records of the Defense Minerals Administration, under the Strategic and Critical Mineral Exploration Program, the following contract.

Contract No. Idm-E 252 Date: February 5, 1952

Name of Operator: R. H. McHenry

Address of Operator: Buffalo, Wyoming

Amount of contract (Government participation) ..... $ 3,194.20

Percent of participation ..... 90 %

Region: V

State: South Dakota

J. L. C (Name) Chambers
Chief, Contract, Audit and Administrative Division
(Title)

Submit one copy

MF-200
(June 1951)

Docket No. DMA 2011X
Commodity Columbite
Tantalite
Cassiterite
dm-E-252

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

GOVERNMENT'S COPY

RECEIVED
FEB 7 1952
BUREAU OF MINES
REGION V
MINING DIVISION

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 5th day of February, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and[2] R. H. McHenry (an individual)
Buffalo, Wyoming

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of South Dakota, County of Custer described as follows:[3] The "Wiegie Group" of eight claims, namely: Pure Gold, Half Muck, Long Shot, Christmas, Happy New Year, Pink Elephant, Hang Over, Resolution, located in sections 3 and 10, T.4S., R.5E., B.H.M.

with respect to which the Operator represents and undertakes:[4]

(*a*) ~~That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:~~

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

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] Columbite-Tantalite; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of[6] seventy-five (75) days from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. 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.

5. *Fixtures and improvements.* 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. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[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.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, 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.

11. *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.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 90 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $3,184.20, which is 90 percent of the agreed estimated total cost of this project, $3,538.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *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 worthwhile 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 render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

R. H. McHENRY
(Operator)

By R H McHenry

THE UNITED STATES OF AMERICA

By C D Mitteudorf
Acting Administrator, Defense Minerals Exploration Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

EXPLORATION PROJECT CONTRACT
R. H. McHENRY
DOCKET NO. DMEA-2011

EXHIBIT "A"

Statement of the Work

This contract will consist of drilling six rows of 6-inch churn-drill holes across the channel gravel. The rows will be at intervals of 650 to 750 feet and there will be 3 to 5 holes per row with the holes 100 to 150 feet apart in the row. Total footage to be drilled according to the pattern just described is approximately 630 feet.

One hole (to be designated by a representative of the Field Team) in each row is to be sampled at 5-foot intervals. From the remaining holes, one sample only representative of the entire mineralized section is to be taken from each of the other holes. Operator will keep a complete log of each hole drilled. Sampling and disposition of the samples taken, are to be under the direction of the Regional Field Team.

It is estimated the work will require 30 working shifts.

Estimated Costs of the Project

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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Fixtures and improvements

None

Operating equipment

To be purchased:

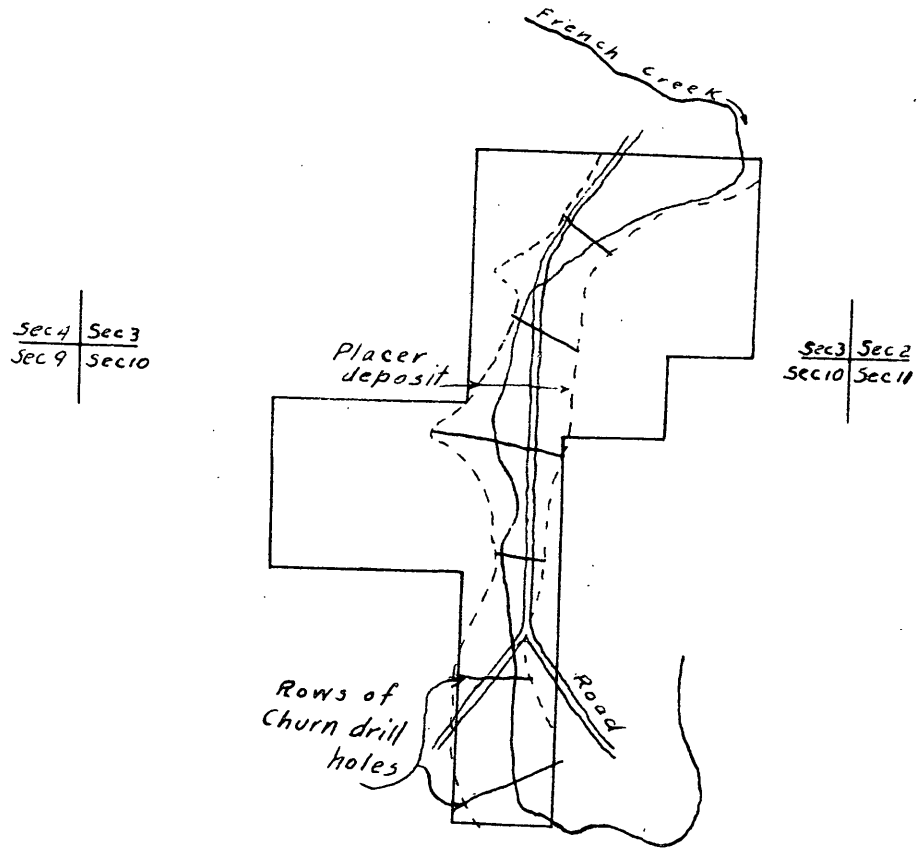
60 feet of 6-inch casing (threaded in 5-foot lengths) @ $5.00 per foot	$300.00	
1—4" Hendershot sand pump	325.00	$625.00

To be rented:

Drill rig @ $0.50 per foot	315.00	
Repairs to drill rig	100.00	415.00

Labor and supervision		
1—Sampler @ $1.50/hr., plus 6% for taxes and insurance for 30 days 1/	$381.60	
1—Driller @ $1.50/hr., plus 6% for taxes and insurance for 30 days	381.60	
1—Sample helper @ $1.25/hr., plus 6% for taxes and insurance, for 10 days	106.00	
1—Working supervisor (operator) @ $2.00/hr., plus 6% for taxes and insurance for 30 days	508.80	$1,378.00
Rehabilitation and repairs		
None		
Miscellaneous		
Fuel (gasoline and oil)	195.00	
Sample sacks and supplies	75.00	
Concentrating the samples	500.00	
Analyzing samples	350.00	1,120.00
Estimated total costs		$3,538.00

1/ The sampler, who will be responsible for the collection, preparation, and delivery of samples, will be selected and employed only with the approval of Government engineers.



Sketch of Wiegie Placer Sec. 3+10 T4S, R5E. B.H.M.

DMA-2011-X.

MF-202

DMA 2011

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Custer, State of South Dakota, described in a certain Exploration Project Contract dated February 5, [illegible], 1952, between R. H. McHenry, Buffalo, Wyoming, the Lessee of said property, and the United States of America;

DMA

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated January 18, 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 8th day of September, 1951

Carl L. Wiehe

Carl L. Wiehe

B. A. Gira

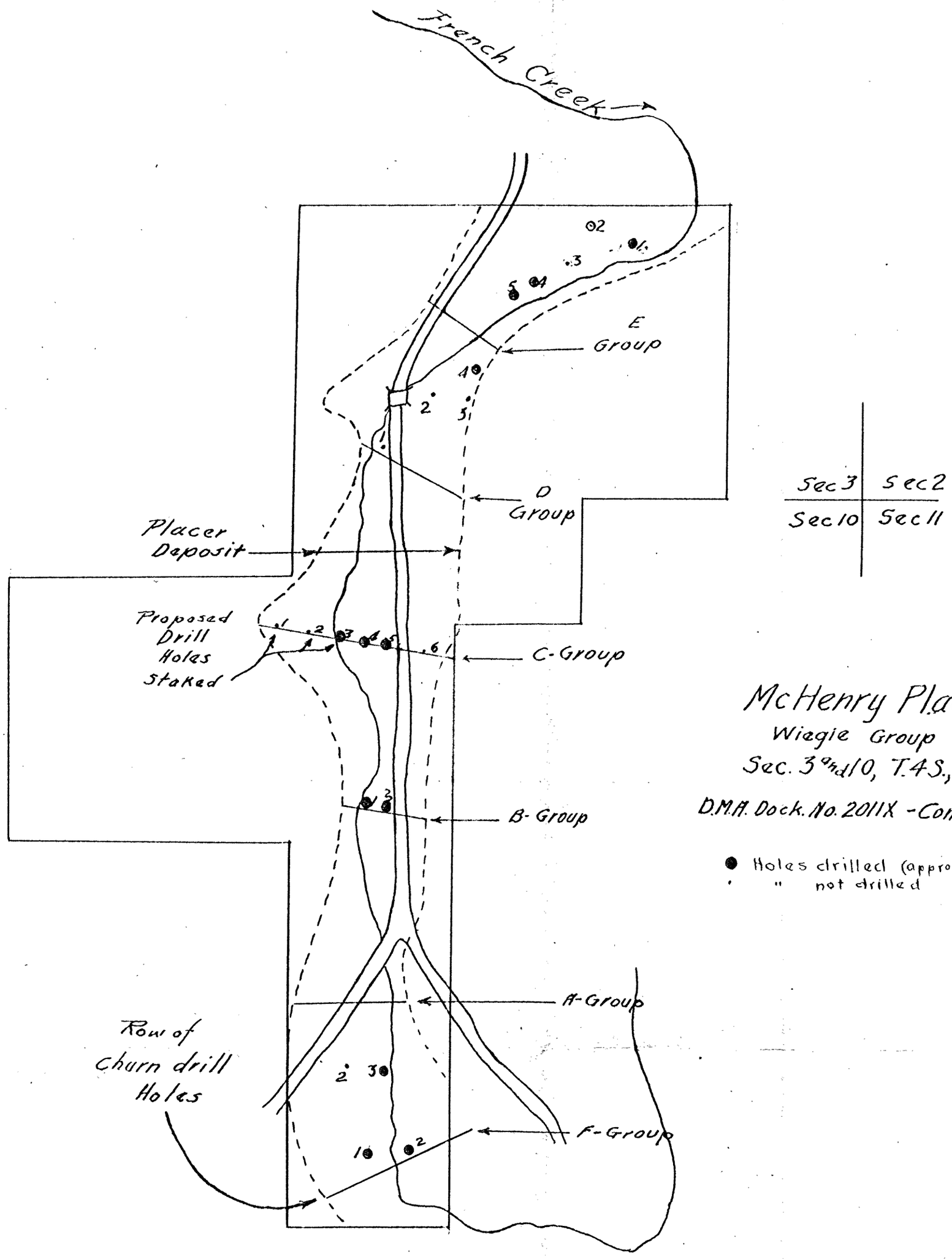
B. A. Gira

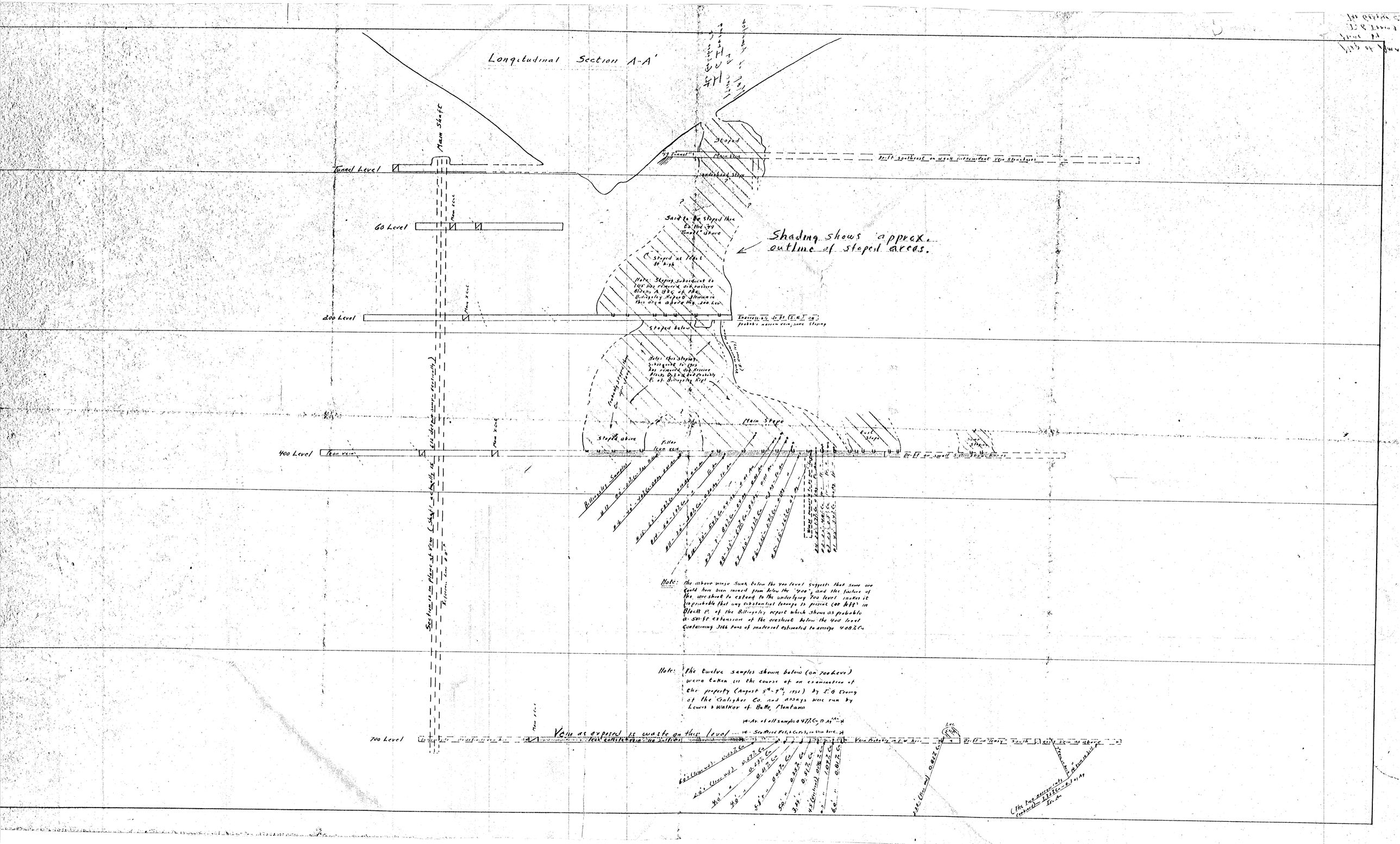
Fred Schermer By: Carl L. Wiehe

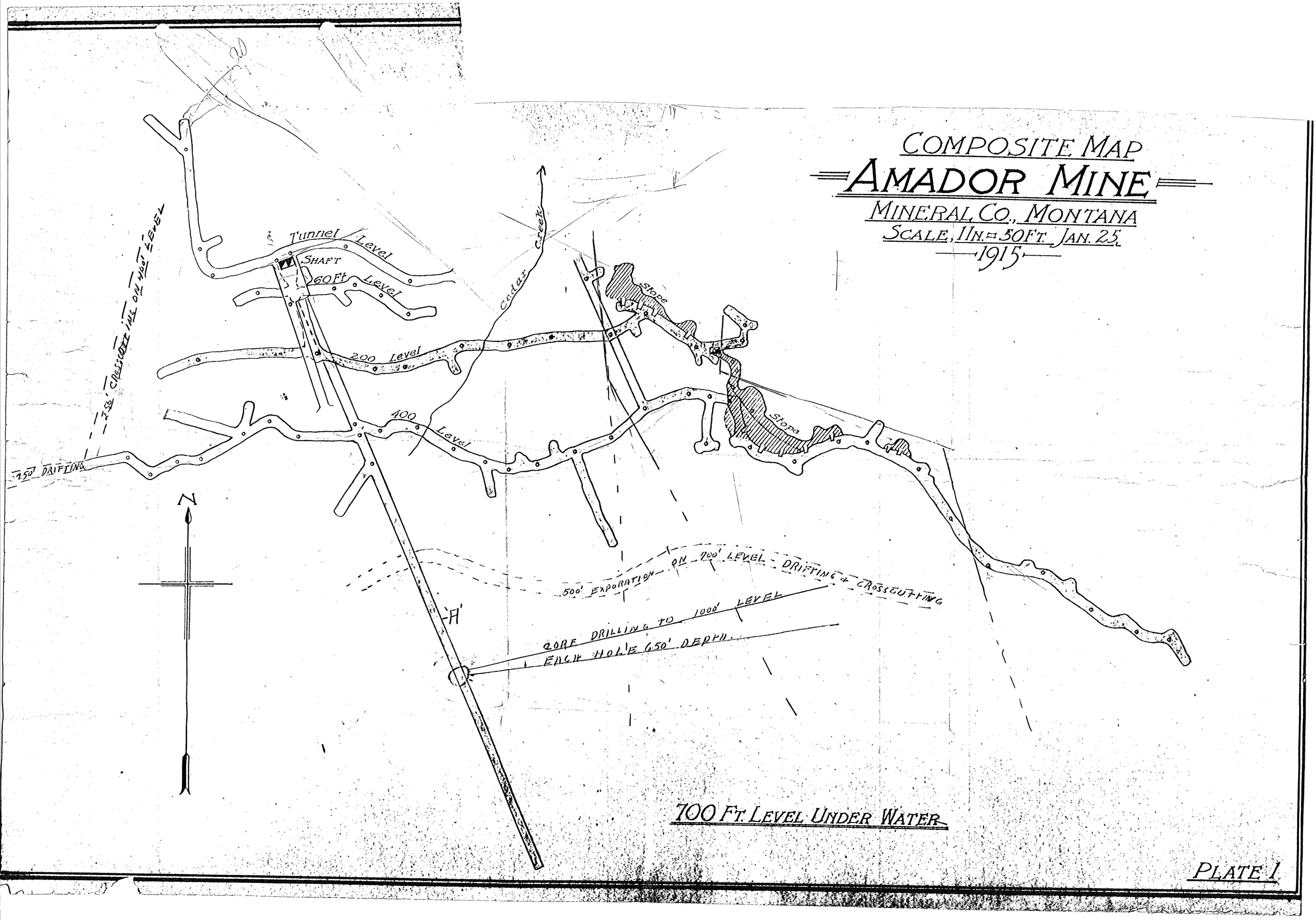
Fred Schermer - Power of Attorney to Carl L. Wiehe

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 10 1952

U. S. GOVERNMENT PRINTING OFFICE 16—64582-1


French Creek
E Group
D Group
Placer Deposit
Proposed Drill Holes Staked
C-Group
B-Group
A-Group
F-Group
Row of Churn drill Holes
Sec 3
Sec 2
Sec 10
Sec 11
McHenry Placer
Wiegie Group
Sec. 3 and 10, T.4S., R5E., B.H.M.
D.M.A. Dock. No. 2011X - Contract Idm E-252.
Holes drilled (approximate location)
" not drilled " "


Longitudinal Section A-A'
Main Shaft
Tunnel Level
60 Level
200 Level
400 Level
700 Level
Stoped
Main Vein
Footwall Stope
Said to be stoped thru to the "49 Tunnel" above
Shading shows approx. outline of stoped areas.
Stoped at Tunnel 58' high
Stoped below
Main Stope
Stoped above
Pillar Main vein
East Stope
Billingsley Samples
Note: The above winze sunk below the 400 level suggests that some ore could have been mined from below the "400", and the failure of the ore shoot to extend to the underlying 700 level makes it improbable that any substantial tonnage is present (or left) in Block P. of the Billingsley report which shows as probable a 50-ft extension of the oreshoot below the 400 level containing 3166 tons of material estimated to average 4.00% Cu.
Note: the twelve samples shown below (on 700 Level) were taken in the course of an examination of the property (August 5th-7th, 1951) by I. O. Ewing of the Gallagher Co. and assays were run by Lewis & Walker of Butte, Montana
Av. of all samples 0.47% Cu, 0.17 oz Ag
Vein as exposed is waste on this level
Vein Probably in Fw Brx.
Drift on Vein South
Vein as above
Vein Contact
Vein Contact
0.82% Cu
0.97% Cu
0.97% Cu
0.97


COMPOSITE MAP
AMADOR MINE
MINERAL CO., MONTANA
SCALE, 1 IN. = 50 FT. JAN. 25.
1915
Tunnel Level
SHAFT
60 Ft Level
Cedar Creek
Stope
200 Level
Stope
400 Level
750' CROSSCUTTING ON 400' LEVEL
750' DRIFTING
N
500' EXPORATION ON 700' LEVEL DRIFTING & CROSSCUTTING
'A'
CORE DRILLING TO 1000' LEVEL
EACH HOLE 650' DEPTH.
700 FT. LEVEL UNDER WATER
PLATE I

PLAT

OF THE CLAIM OF

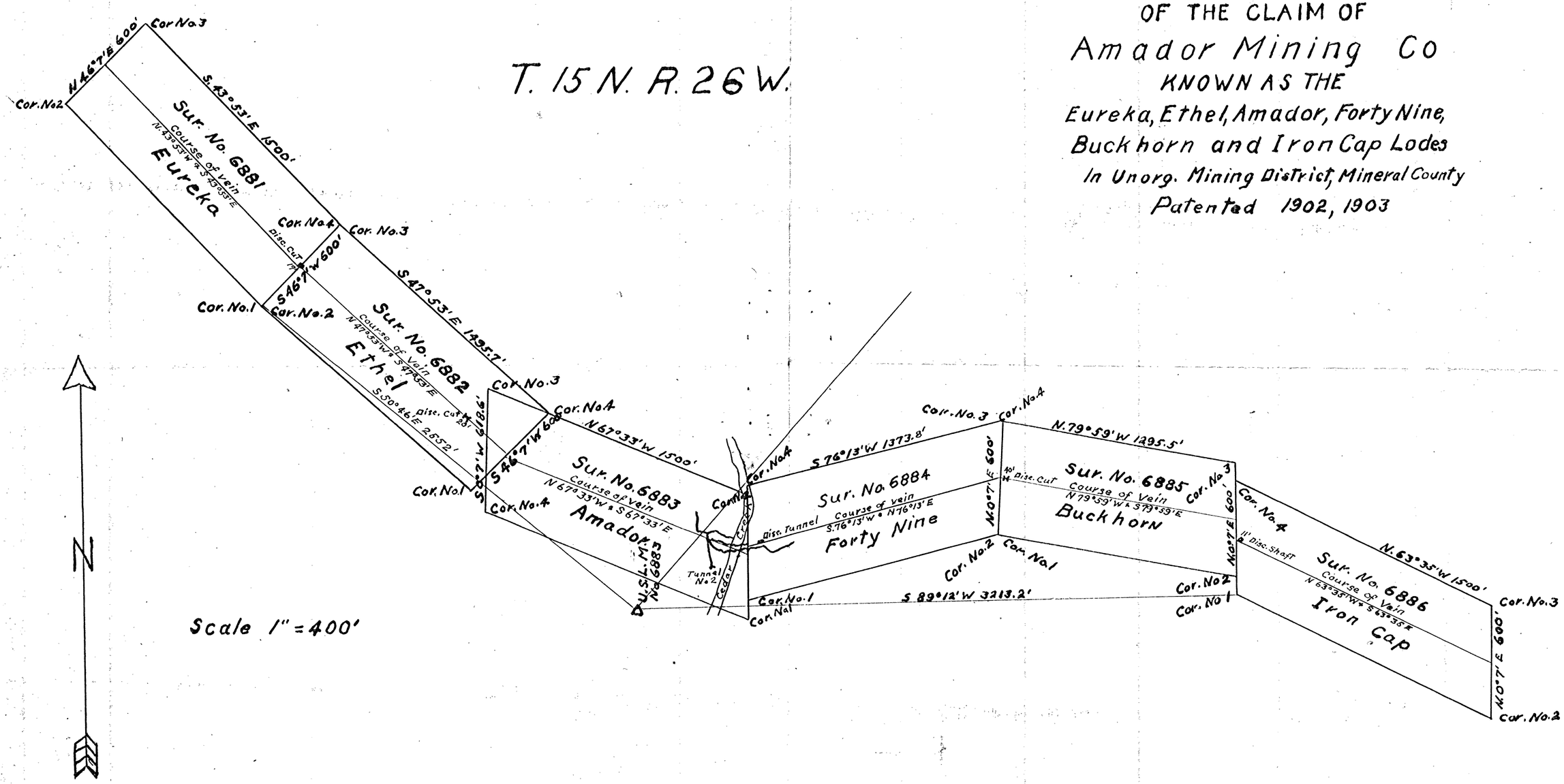
Amador Mining Co

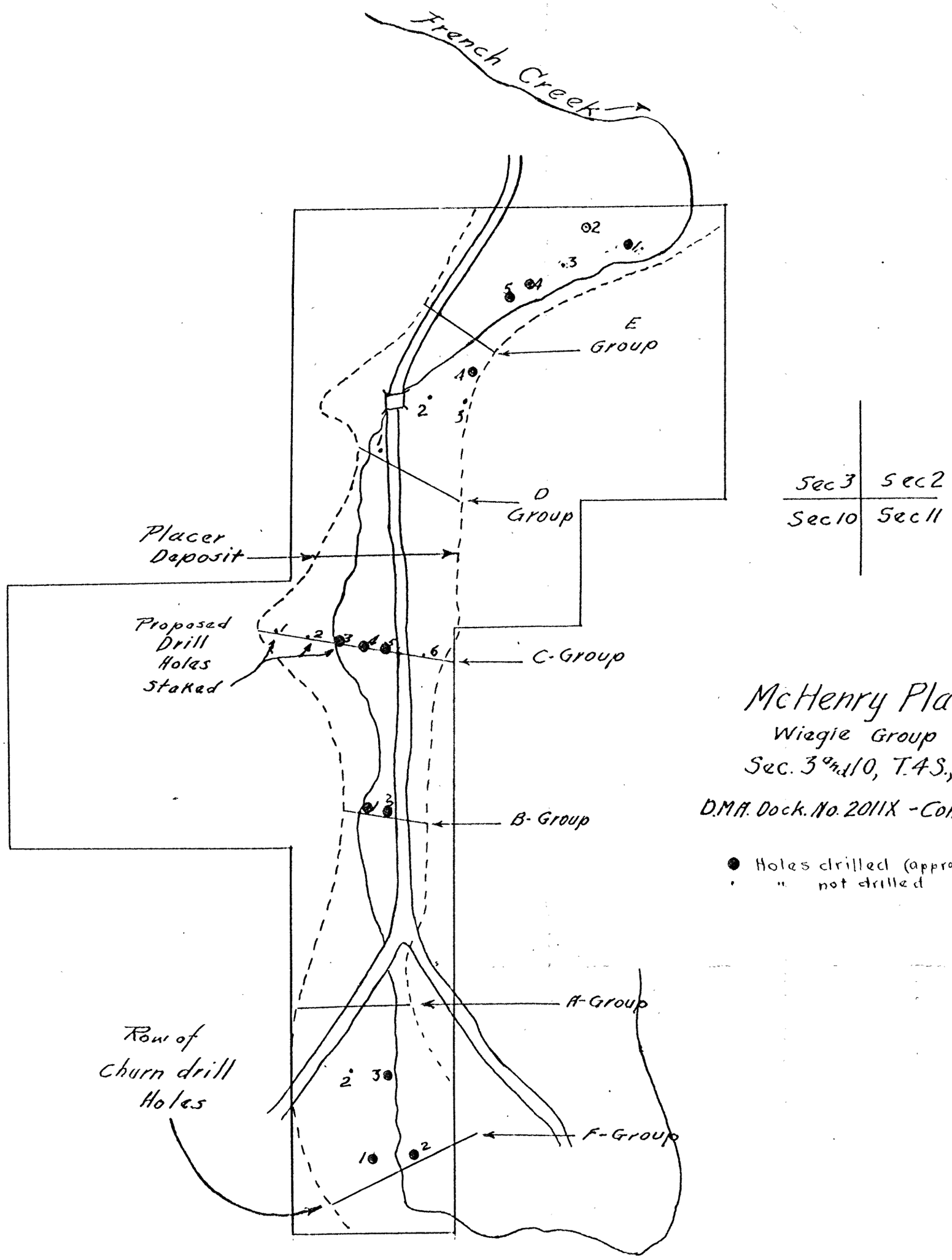
KNOWN AS THE

Eureka, Ethel, Amador, Forty Nine, Buckhorn and Iron Cap Lodes

In Unorg. Mining District, Mineral County

Patented 1902, 1903

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