DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE Idm-E NO._____ DMEA NO. 4854

Application
- [ ] Denied
- [x] Withdrawn

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

Right Side

- [ ] 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
- [ ] 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
- [ ] 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

L E A S E

THIS AGREEMENT, made and executed this 1st day of May A.D. 1958, by and between Ben S. Gantz, 2347 South Arlington Ridge Road, Arlington County, Arlington, Virginia, hereinafter called the Lessor and Walter S. Clifford and Charles L. Stiles, Custer, Custer County, South Dakota, hereinafter called the Lessees.

WITNESSETH, That the Lessor does hereby let to the Lessees the B.S.G. and the B.S.G. No.1 lodes located in the N.W. corner, Section No. 2, T. 4 S., R. 4 E. B.H.M. for a period of two years under the following terms and conditions: in Custer County, South Dakota

(1) That development and working of these lodes shall be continuous after the exploration work is completed unless prevented by conditions beyond the control of the lessees such as breakdowns, weather etc.

(2) That this lease shall automatically renew from year to year as long as development work is diligently pursued.

(3) That the lessor is to receive a ten percentum (10%) royalty from all rare minerals and non metallics mined from these lodes and sold and is to be paid on the first of each and every month when in successful operation.

(4) That a strict accounting of all sales shall be kept and a copy of such sales to individuals and the government shall be furnished to the lessor monthly.

(5) That this lease is not transferable without the permission of the lessor.

Ben S. Gantz

Ben S. Gantz

Walter S. Clifford

Walter S. Clifford

Charles L. Stiles

Charles L. Stiles

LEASE

THIS AGREEMENT, made and executed this 1st day of May A. D. 1958, by and between Ben S. Gant z, 2347 South Arlington Ridge Road, Arlington County, Arlington, Virginia, hereinafter called the Lessor and Walter S. Clifford and Charles L. Stiles, Custer, Custer County, South Dakota, hereinafter called the Lessees.

WITNESSETH, That the Lessor does hereby let to the Lessees the B. S. G. and the B. S. G. NO. 1 lodes located in Custer County, South Dakota, in the N. W. corner, Section No. 2, T. 4 S., R. 4E. B.H.M. for a period of two years under the following terms and conditions:

(1) That development and working of these lodes shall be continuous after the exploration work is completed unless prevented by conditions beyond the control of the lessees such as breakdowns, weather etc.

(2) That this lease shall automatically renew from year to year as long as development work is diligently pursued.

(3) That the lessor is to receive a ten percentum (10%) royalty from all rare minerals and non metallics mined from these lodes and sold and is to be paid on the first of each and every month when in successful operation.

(4) That a strict accounting of all sales shall be kept and a copy of such sales to individuals and the government shall be furnished to the lessor monthly.

(5) That this lease is not transferable without the permission of the lessor.

Ben S. Gantz

Walter S. Clifford

Charles L Stiles

L E A S E

THIS AGREEMENT, made and executed this 1st day of May A.D. 1958, by and between Ben S. Gantz, 2347 South Arlington Ridge Road, Arlington County, Arlington, Virginia, hereinafter called the Lessor and Walter S. Clifford and Charles L. Stiles, Custer, Custer County, South Dakota, hereinafter called the Lessees.

WITNESSETH, That the Lessor does hereby let to the Lessees the B.S.G. and the B.S.G. No.1 lodes located in the N.W. corner, Section No. 2, T. 4 S., R. 4 E. B.H.M. for a period of two years under the following terms and conditions:

(1) That development and working of these lodes shall be continuous after the exploration work is completed unless prevented by conditions beyond the control of the lessees such as breakdowns, weather etc.

(2) That this lease shall automatically renew from year to year as long as development work is diligently pursued.

(3) That the lessor is to receive a ten percentum (10%) royalty from all rare minerals and non metallics mined from these lodes and sold and is to be paid on the first of each and every month when in successful operation.

(4) That a strict accounting of all sales shall be kept and a copy of such sales to individuals and the government shall be furnished to the lessor monthly.

(5) That this lease is not transferable without the permission of the lessor.

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 2 1958

DATE	INITIALS	CODE

Ben S. Gantz

Walter S. Clifford

Charles L. Stiles

Fixed term. Clear - what lessee to do so many shifts. Not general terms.

Rebound by Hand to Left

LEASE

Lease returned to lessor who will return a new lease

THIS AGREEMENT, made and executed this 15th day of April A.D. 1958, by and between Ben S. Gantz, 2347 South Arlington Ridge Road, Arlington County, Arlington, Virginia, hereinafter called the Lessor and Walter S. Clifford and Charles L. Stiles, Custer, Custer County, South Dakota, hereinafter called the Lessees.

WITNESSETH: That the lessor does hereby let to the lessees the B.S.G. and the B.S.G. No. 1 lodes located in the N.W. corner, Section No. 2, T. 4 S., R. 4 E. B.H.M. for a period of one year under the following terms and conditions: DMEA Report received

(1) That development and working of these lodes shall be continuous after ~~operations~~ commence unless prevented by conditions beyond the control of the lessees such as breakdowns, weather etc. reasonably

(2) That this lease shall automatically renew from year to year as long as these lodes are successfully worked.

(3) That the lessor is to receive a ten percentum (10%) royalty from all rare minerals and non metallics mined from these lodes and sold and is to be paid on the first of each and every month when in successful operation.

(4) That this lease is not transferable without the permission of the lessor.

(5) That a strict accounting of all sales shall be kept and a copy furnished to the lessor.

(6) That in the event that operations cease on these claims, this lease shall be automatically cancelled, become null and void and without further force or effect.

IN TESTIMONY WHEREOF
Signed in the presence of:

E. O. Gantz	Ben S. Gantz
	Walter S. Clifford
Charles L. Stiles	Charles L. Stiles

MF-205
(Combines and supercedes MF-20[illegible] and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Custer, State of South Dakota, described as follows: 2/

unpatented claims BSG. & BSG #1 Located in NW corner of Section 2 T4N R4E BHN

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: _____ (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

MF-205
(Combines and supercedes MF-20[illegible] and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of _____, State of _____, described as follows: 2/

_____

_____

_____

_____,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

_____

_____

_____

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: _____ (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of _____, State of _____, described as follows: 2/

_____

_____

_____

_____,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

_____

_____

_____

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: _____ (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

MF-205
(Combines and supercedes MF-20[illegible] and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of _____, State of _____, described as follows: 2/

_____

_____

_____

_____,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

_____

_____

_____

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: _____ (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

MF-205
(Combines and supercedes MF-20[illegible] and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of _____, State of _____, described as follows: 2/

_____

_____

_____

_____,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

_____

_____

_____

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: _____ (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of _____, State of _____, described as follows: 2/

_____

_____

_____

_____,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

_____

_____

_____

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: _____ (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

MF-205
(Combines and supercedes MF-20[illegible] and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of _____, State of _____, described as follows: 2/

_____

_____

_____

_____,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

_____

_____

_____

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: _____ (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

AMENDED
LODE LOCATION NOTICE

[illegible] Shop — Pointers — Custer, S. D.

KNOW ALL MEN BY THESE PRESENTS:

That Ben S. Gantz and S. P. Gantz, the undersigned, having complied with the mining laws of the United States and the State of South Dakota, being over the age of 21 years and a citizen of the County of Arlington, Va. & Custer, State of South Dakota, claim by right of discovery and location, fifteen hundred feet linear and horizontal measurement on BEN LODE along the vein thereof with all dips, variations and angles, together with three hundred feet in width on each side of the middle of said vein at the surface, and all veins, lodes, lodes and surface ground within the lines of said Claim, 990 Feet on said Lode, running N. 9° 50' W. from center of discovery shaft and 620 feet running S. 9° 50' E. from said center of discovery shaft, said discovery shaft being situated upon said Lode within the lines of this Claim, in [illegible] Mining District in the County of Custer State of South Dakota, to be known as the BEN Lode Mining Claim, containing 20.66 acres, more particularly described as follows:

From Corner No. 1 the NW Corner of Section 2; T. 4 S.; R. 4 E.; of the B.H.M. bears N. 11° 15' W. 1938.5 ft. dist., Corner No. 7 of Buster No. 3 Lode Mining Claim bears S. 86° 40' W. 120 ft. dist.; thence N. 86° 40' E. 603 ft. dist. to Corner No. 2, from which Corner No. 9 HEN 256 bears S. 86° 40' W. 50 ft. dist.; thence S. 9° 50' E. 1500 ft. dist. to Corner No. 3; thence S. 86° 40' W. 603 ft. dist. to Corner No. 4; thence N. 9° 50' W. 1500 ft. dist. to Corner No. 1, the place of beginning. The BEN Lode Claim is abandoned mining ground [illegible] timber and surface ground within the boundaries of this claim for the use, benefit and working thereof.

Said BEN Lode Claim was located on the [illegible] day of July 19[illegible]

S. P. Gantz

S. P. Gantz 2/3 interest [illegible]

ATTEST:

[illegible]

Ben S. Gantz [illegible]

S. P. Gantz 2/3 [illegible]

John R. Halfred

A-28671

Lode Location Certificate

_____ Lode

_____

_____

_____

_____ Locator

STATE OF SOUTH DAKOTA,
County of Custer } ss

OFFICE OF REGISTER OF DEEDS

I certify the within instrument was filed for record on the 13th day of July A.D. 1957 at 10 o'clock and 30 minutes A. M., and recorded in Book 19 Misc. on page 401 in the said Register of Deeds office for said County.

Joyce Phillips
Register of Deeds.

_____ Deputy.

Fee $1.00 Pd.

RECORDED
INDEXED
PAID

LA[illegible] LOCATION NOTICE

[illegible] — Pointer — [illegible]

KNOW ALL MEN BY THESE PRESENTS:

That Ben S. Austin and S. P. Austin, the undersigned, having complied with the mining laws of the United States and the State of South Dakota, being over the age of 21 years and a citizen of the County of Arlington, VA. & Custer, State of South Dakota, claim by right of discovery and location, fifteen hundred feet linear and horizontal measurement on BSO LODE along the vein thereof with all dips, variations and angles, together with three hundred feet in width on each side of the middle of said vein at the surface, and all veins, lodes, dikes and deposits within the lines of said Claim, as 390 [illegible] Feet on said Lode, running N. 1° 42' W. from center of discovery shaft and 1110 feet running S. 1° 42' E. from said center of discovery shaft, said discovery shaft being situated upon said Lode within the lines of this Claim, in an organized [illegible] Mining District in the County of Custer State of South Dakota, to be known as the BSO Lode Mining Claim, containing 12.9 acres, more particularly described as follows: Corner No. 1 of BSO lode mining claim is identical to Corner No. 7 of Buster No. 3 lode mining claim, from which the N. W. Corner of Section 2; T. 4 S.; R. 4 E.; of the B.H.M. bears N. 7° 47' W. 1918.9 ft. dist.; thence S. 21° 48' W. 390.7 ft. dist. to Corner No. 2, common to Corner No. 11 H.E.S. 256; thence S. 0° 03' E. 887 ft. dist. to Corner No. 3, common to Corner No. 12 H.E.S. 256; thence S. 27° 08' E. 295 ft. dist. to Corner No. 4, common to Corner No. 13 H.E.S. 256; thence S. 70° 35' E. 430 ft. dist. to Corner No. 5; thence N. 1° 42' E. 1222.4 ft. dist. to corner No. 6, common to Corner No. 10 H.E.S. 256; thence N. 70° 35' W. 600 ft. dist. to Corner No. 1, the place of beginning, [illegible] Claim all the timber and surface ground within the boundaries of this claim for the use, benefit and working thereof.

Said B.S.O. Lode Claim was located on the 26 day of May 19 51.

S. P. Austin, a [illegible]

Ben S. Austin, a [illegible]

ATTEST:

[illegible]

[illegible] Wallace [illegible]

a-28428

Mining Location Certificate

_____ Lode

_____

_____

_____

_____ Lode

STATE OF SOUTH DAKOTA,
County of Custer } ss

OFFICE OF REGISTER OF DEEDS

I hereby certify that within instrument was filed for record the 29th day of June A.D. 1951, at 9 o'clock and 40 minutes A. M., and recorded in Book 19 Loc. on page 396

of the Mining Records of Deeds office for said County.

Joyce Phillips
_____ of Deeds.

_____ Deputy.

Fee $2.00

RECORDED
INDEXED

LODE LOCATION NOTICE — Chocolate Shop — Pointers — Custer, S. D.

KNOW ALL MEN BY THESE PRESENTS:

That Ben S. Gantz and S. P. Gantz, the undersigned, having complied with the mining laws of the United States and the State of South Dakota, being over the age of 21 years and a citizen of the County of Arlington, Wa. & Custer, State of South Dakota, claim by right of discovery and location, fifteen hundred feet linear and horizontal measurement on BSB No. 1 LODE along the vein thereof with all dips, variations and angles, together with three hundred feet in width on each side of the middle of said vein at the surface, and all veins, lodes, ledges and surface ground within the lines of said Claim, 500 Feet on said Lode, running N. 9° 50' W. from center of discovery shaft and 1000 feet running S. 9° 50' E. from said center of discovery shaft, said discovery shaft being situated upon said Lode within the lines of this Claim, in no organized Mining District in the County of Custer State of South Dakota, to be known as the BSB No. 1 Lode Mining Claim, containing twenty acres, more particularly described as follows:

From Corner No. 1 the NW Corner of Section 2; T. 4 S.; R. 4 E. of the B.H.M. bears N. 11° 15' W. 1938.5 ft. dist., Corner No. 7 of the Easter No. 3 Lode bears S. 86° 40' E. 120 ft. dist.; thence S. 86° 40' W. 600 ft. dist. to Corner No. 2; thence S. 9° 50' E. 1500 ft. dist. to Corner No. 3; thence N. 86° 40' W. 600 ft. dist. to Corner No. 4, identical with Corner No. 4 BSB Lode; thence N. 9° 50' W. 1500 ft. dist. to Corner No. 1, the place of beginning. The BSB No. 1 Lode mining claim is abandoned mining ground.

Be it also known that we Claim all the water timber and surface ground within the boundaries of this claim for the use, benefit and working thereof.

Said BSB No. 1 Lode Claim was located on the 9th day of October 1937.

S. P. Gantz

S. P. Gantz, a 1/3 undivided interest

Ben S. Gantz

Ben S. Gantz, an undivided 2/3 interest

ATTEST:

A-29049

Lode Location Certificate

B.S.S. No. 1 Lode

Ben S. Gaitz
S. P. Gaitz Locator

STATE OF SOUTH DAKOTA }
County of Custer } ss

OFFICE OF REGISTER OF DEEDS

I certify the within instrument was filed for record the 28th day of Oct. A.D. 1951, at 9 o'clock and 45 minutes A.M. and recorded in Book 19 Misc. on Page 441

Witness my hand and seal of said office the day and year last above written.

Joyce Pettigrew
Register of Deeds

By _____ Deputy.

Fee $1.00 Rd

RECORDED

QUIT CLAIM DEED—Mine Short Form

Printed at The Chronicle Shop, Custer, South Dakota

S. P. Gantz, Grantor

of Custer County,

State of South Dakota for and in consideration of

Ten Dollars ($10.00) DOLLARS,

conveys and quit claims to Ben S. Gantz

the Grantee

of Arlington, Virginia P. O., all title, right and interest in the following described mining property, situated in the no organized Mining District in the County of Custer, State of South Dakota:

All my right, Title and interest in and to the BSG, the BSG No 1 and as amended, located in Section 2, T. 4 S., R. 4 E. Black Hills Meridian.

Dated this 7th day of April, 19 58

S. P. Gantz

STATE OF SOUTH DAKOTA,
Custer County } ss.

On this 7th day of April, in the year 1958, before me, Homer V. Morris, Clerk of the Court within and for said county and state, personally appeared S. P. Gantz

known to me to be the person who is described in and who executed the within and foregoing instrument, and acknowledged to me that he executed the same.

Homer V. Morris
Clerk 7th Judicial Circuit Court.

Custer County, So. Dakota.

My term of office expires January 1, 19 59

A-29496

QUIT CLAIM DEED

MINE SHORT FORM

S. P. Gantz

TO

Ben S. Gantz

STATE OF SOUTH DAKOTA,
County of Custer } ss

Filed for record this 8th day of April A. D. 19 58 at 11:50 o'clock A. M., and recorded in Book 24 of Deeds Page 115

Joyce Phillips
Register of Deeds

By .....
Deputy

Fees, $1.00 pd.

CORPORATION ACKNOWLEDGEMENT

STATE OF SOUTH DAKOTA,
..... County } ss.

On this ..... day of ....., in the year 19 ....., before me, ..., a ....., within and for said county and state, personally appeared .....

known to me to be ..... of the corporation that is described in and that executed the within and foregoing instrument, and acknowleged to me that such corporation executed the same.

My commission expires ....., 19 .....

OFFICIAL FILE COPY DMEA RECEIVED OCT 17 1957		
DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado

October 14, 1957

Messrs. Walter S. Clifford
and Charles L. Stiles
Box 893
Custer, South Dakota

Re: Application for DMEA Aid (Mica-Beryl)
Messrs. Walter S. Clifford and
Charles L. Stiles
(Buster No. 3 and BMS lode)
Custer County, South Dakota

Gentlemen:

Receipt is acknowledged of your application for Government assistance under the Defense Minerals Exploration Administration program on Form MF-103.

The original and three copies of Form MF-103 were received; however, you only supplied two copies of the supporting data. If you will refer to the "General Instructions" on Form MF-103, you will see that each copy of the form must be complete with all pertinent supporting data. Therefore, please supply two complete additional copies of the supporting data, consisting of your work program, maps, and other pertinent information.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

JWT:jy
cc: Sec. Op. Comm. (2)
Harshman (2)
DMEA,DFC (2)
Docket
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 17 1957

DATE	INITIALS	CODE

October 14, 1957

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA Aid (Mica-Beryl) Messrs. Walter S. Clifford and Charles L. Stiles (Buster No. 3 and BSG lode) Custer County, South Dakota

Enclosed are the original and two copies of the subject application on Form MF-103. The Applicant did not supply supporting data for the two copies of Form MF-103, which we will write for and when received will hold in this office pending return of the two copies of Form MF-103. One complete copy of the application is being retained in this office.

The Applicant proposes an exploration program consisting of 100 feet of vertical shaft sinking and 250 feet of drifting at a total estimated cost of $26,458.00.

E. N. Harshman

E. N. Harshman

Enclosures

Form MF-103
Revised Feb. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1035.3
Approval expires June 30, 1958

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

NAME OF APPLICANT (Full legal name and mailing address as it should appear on contract if one is executed)

Walter S. Clifford
and Charles L. Stiles
Box 823
Custer
South Dakota

RECEIVED OCT 17 1957 D.M.E.A.

DMEA
DEPARTMENT OF THE INTERIOR
OCT 14 1957
REGION III
DENVER, COLORADO

APPLICANT NOT TO USE THIS BLOCK

Docket Number: DMEA-4854
Date Received: 10/17/57
Government Participation %:
Region: III
Division Code: 600

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [ ]
- Partnership [X]
- Other (Specify) [ ]

State in which firm is organized: S. D.

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title

Mineral(s) for which you wish to explore: Mica and beryl

Estimated Cost of Project: $ 26,458

LOCATION OF PROPERTY

Name	County	State
Buster No. 3	Custer	S. D.
BSG Lode (leased)	Custer	S. D.

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order-I, Amended, "Government Aid in Defense Exploration Projects." To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 2(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

October 10, 1957
Dated

Gardner Gantz
BY (Signature)

Professional Mining Engineer
Title

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:*

(a) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *Physical Description:*

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in 2*(a)*.

(c) State, as far as you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves on the property giving quantities and grades and sampling methods used, supporting your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you may have, indicating on each whether you require its return to you.

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *property boundaries* or to the closest identifiable corner.

(b) If an access road to the project must be built, show the location on the property map and state the length, type, and construction methods proposed.

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. *(Note* – If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant, which will be used on the exploration project.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration project stating specifications and cost including labor, materials and supervision.

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(e)*. Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories.

Note – 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 the contract, should be included in the estimate of costs.

7. *(a)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Amended.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

INT.-DUP. SEC., WASH., D.C. 15539

Highways
Airports
City Streets
Water Rights
Sub-Divisions
Mine Surveys
Sewer & Water
Property Surveys
Irrigation Surveys
Mineral Patent Surveys

WALKER & GANTZ
CONSULTING ENGINEERS

Custer County Bank Building
P. O. BOX 892
CUSTER, SOUTH DAKOTA

Registered Professional Engineers
Registered Land Surveyors
Deputy U. S. Mineral Surveyor

WILLIS L. WALKER
GARDNER GANTZ

October 10, 1957

DMEA
DEPARTMENT OF THE INTERIOR
OCT 14 1957
REGION III
DENVER, COLORADO

U. S. Department of Interior
Defense Minerals Exploration Administration
New Customhouse Building
Denver, Colorado

Gentlemen:

Enclosed is an Application for Aid in an Exploration Project filed on behalf of Walter S. Clifford and Charles L. Stiles, Box 823, Custer, South Dakota. Also enclosed are maps by the U. S. Geological Survey and the U. S. Bureau of Mines, with certain data superimposed thereon.

1. This Application is made for exploration work on the Buster Dike covered by the following claims located in Sections 2 and 3, Township 4 South, Range 4 East of the Black Hills Meridian, in Custer County, South Dakota:

   (a) Buster No. 3 Lode, Claimants, Walter S. Clifford and Charles L. Stiles, together with Lease on the BSG and BSG No. 1 Lodes to the South of the Buster. All of these claims will be subject to lien by the Federal Government.

   (b) This group of claims covers that which has been known as the Buster Dike.

   (c) The interest in these claims consists of the following:

   The Buster No. 3 claimed outright by Clifford and Stiles. The BSG and BSG No. 1 claimed by Ben S. Gantz and S. P. Gantz, and to be leased to the Applicants when proper form is received by the DMEA for execution by these Claimants.

   (d) There are no liens, mortgages, or other encumbrances on these properties.

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 17 1957

DATE	INITIALS	CODE

2. (a) Mine workings as shown on the attached U.S.G.S. map of the Buster geology are caved, abandoned and inaccessable, however, prints or plan and section of these workings as prepared by the U.S.G.S. are attached.

   (b) This Engineer has no interest in these properties whatsoever other than technical advisor, and the principals have at no time had any interest in the old workings which are considered as abandoned mining ground.

   (c) The wartime production of the Buster was 600 tons of crude mica and 10 tons of beryl. Ore reserves as indicated by diamond drilling and attached report by U.S.G.S. may show an additional 600 tons of mineable mica.

   (d) Please refer to report of the geology of this vicinity by the U.S.G.S. herewith attached.

   (e) We expect to find adequate ore reserves by reason of U.S. G.S. report on the property and subsequent diamond drilling by the Bureau of Mines.

   (f) All available published data are enclosed. It will not be necessary to return same.

3. Accessability of Project:

   (a) The mine is located on a good County road about three miles from Custer, South Dakota.

   Mr. Walter Clifford, who may be contacted through the Mica Depot in Custer or the undersigned, whose office is over the Custer County Bank in Custer, South Dakota, will be available at any time to assist DMEA Engineers in the examination of the ground.

   (b) Shipping and supply point: Custer, South Dakota.

4. The exploration Project:

   (a) It is proposed to sink a vertical shaft at a safe distance from the vein to cut the mica seam as shown by D.D. No. 9 at approximately 100 ft. from the surface, with a drift to the vein east at 50 ft. in depth.

   A vertical shaft is preferred because it would be an economic waste of the mica encountered in an incline shaft by the shattering charges of shaft sinking.

   A drift on the vein to the North as long as mica is encountered and to the South to connect with the mica fold in

D.D. No. 10 by-passing old workings which are reported to be unsafe by those who last worked in the mine.

(b) See attached sketch of U.S.G.S. geological map and U.S. Bureau of Mines maps with proposed workings sketched thereon.

(c) No access road will be necessary.

(d) The work will be started within two weeks after the granting of the loan. It is estimated that it will take twelve weeks to complete shaft to a depth of 100 ft. and twelve weeks to drive proposed drifts of 250 ft. It is estimated that a three-foot average per day in shaft sinking may be anticipated even under adverse conditions. The shaft will make very little water unless the water accumulated in old workings should come in.

(e) Drifting should average five feet per day.

5. Both of the men who are seeking this loan are experienced miners of good judgment and integrity, with a splendid reputation in this community. The undersigned Engineer will be in charge of technical operations and will prepare proper mine maps of underground workings. My experience has been 35 years of mining on three continents, with the last 10 spent in pegmatite mining.

6. (a) Attached is an estimate of costs of the operations involved, together with a statement of machinery owned by Applicants to be applied to their share of the loan. Supervision will be by the Applicants and Engineering supervision by the undersigned.

(b) Shaft timbers will be framed by Homestake Mining Company.

(c) The equipment owned by the Applicants is presently in good condition.

(d) Buildings will be of the cheapest construction only to shield machinery and tools from the weather.

(e) The Applicants have sufficient usable equipment to make up their share of the loan.

(f) The Applicants will be almost entirely dependent on cash furnished by DMEA.

Very truly yours

Gardner Gantz

Gardner Gantz
Registered Professional
Mining Engineer.

GG:bjt

ESTIMATE
SHAFT SINKING

BUSTER MINE
CUSTER, S.D.

This estimate is based on accomplishing the objective, 100 ft. in depth, in a maximum of 12 weeks. Dimensions of shaft 9 ft. 4 ins. by 6 ft. 2 ins. 5½ ft. center to center between sets.

LABOR

2 Miners @ $2.50/hr. 52 hrs./ week	$ 3120	
2 Hoistmen @ $1.50/hr. 52 hrs./wk.	1872	
4 Muckers & common labor @ $1.50/hr. 52 hrs./wk.	3744	
1 Timberman @ $3.00/hr. 40 hrs./wk.	1440	
Total labor	$10176	
Social security	230	
Compensation ins.	321	
	10727	$10727

TIMBERS

8"x8" Wall plates, end plates, dividers & posts @ $100/M (including framing) 7000 bd. ft.	700	
3" lagging 1325 bd. ft. @ $65/M	165	
2" lagging 3875 bd. ft. @ $65/M	250	
2" x 4"s for ladders 450 bd. ft. @ $70/M	20	
1" manway lagging 1000 bd. ft. @ $65/M	65	
	1200	
2% sales tax	24	
Cost of timbers	1224	1224
18 sets hanging rods 5/8" steel @ $2.50/set	45	
Transportation on framed timbers from Spearfish	100	
	145	145

EXPENDABLE SUPPLIES

Gas and oil	1200	
Powder & Elec. blasting caps	700	
Nails and fasteners	50	
3 sets Swedish steel @ $100/set	300	
	2250	
2% sales tax	45	
	2295	2295

MACHINERY

Sinking pump	750	
Blower	300	
Hoist and engine	1800	
Air & water lines	250	
	3100	
2% sales tax	62	
	3162	3162
Hoist house, tool shed and office	600	600

OVERHEAD

Engineering	750	
Bookkeeper	375	
Bond to be posted with Bureau of Land Management	50	
	1175	1175
		18328

BUSTER MINE
CUSTER, S.D.

ESTIMATE
DRIFTING

This estimate is based on accomplishing the objective of 250 ft. of drifting in a period of 10 weeks.

LABOR

1 Miner @ $2.50/hr. 52 hrs./wk.		$ 1300	
2 Muckers @ $1.75/hr. 52 hrs./wk.		1820	
2 Hoistmen @ $1.50/hr. 52 hrs./wk.		1560	
	Total labor	4680	
	Social Security	105	
	Compensation ins.	180	
		4965	$4965

EXPENDABLE SUPPLIES

Gas and oil		1200	
Powder 50 boxes @ $11		550	
Electric Detonators		250	
		2000	
	2% sales tax	40	
		2040	2040

OVERHEAD

Bookkeeper	375	
Engineering	750	
	1125	1125
		8130

BUSTER MINE
CUSTER, S.D.

EQUIPMENT OWNED BY CLIFFORD & STILES TO BE USED AS THEIR SHARE OF LOAN

1 G.M.C. 1951 2-Ton Dump Truck	$1000.00
1 Chev. 1955 2-Ton Dump Truck	2000.00
1 Compressor	2000.00
1 Pneumatic tools & hose	900.00
1 Light Plant	300.00
Small Tools	200.00
1 Pickup Chev. 1946	300.00
1 Sinking Pump	250.00
1 Head Frame Steel	300.00
1 Loader Ford-Ferguson	850.00
2 Mine Cars	200.00
Rails 400 ft.	100.00
Bucket - Sinking	50.00
Water Tank & Hose	75.00
	$8525.00

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 17 1957
DATE | INITIALS | CODE

BUSTER DIKE MICA MINE (CUSTER DISTRICT)

By J. J. Norton

The Buster Dike mica mine, Custer County, was one of the principal producers of sheet mica from May 1942 to 1944. The mine is in sec. 2, T. 4S, R. 4E, about 3 miles south-southwest of Custer. The Buster Dike property consists of two unpatented claims. The main workings are on the Buster Dike claim proper, which is in the SW¼ NW¼ sec. 2, T. 4S. R.4E. The Buster Dike No. 2 claim is to the northwest and extends into sec. 3.

The mine was briefly described in 1942 by W. C. Stoll (unpublished).

Surface and underground maps of the Buster Dike mine were made by the writer, assisted at various times by L. R. Page, D. M. Kinney, L. C. Pray, and Peter Joralemon. A surface map was made by plane-table and telescopic alidade on a scale of 1" to 40 feet, and five sections were prepared on the same scale. An underground map and three sections were made on a scale of 1 inch to 20 feet, by a tape and Brunton compass survey based on a transit line down the shaft. A structure contour map was made of the hanging wall in the underground workings on a scale of one inch to 20 feet and a stope map on the same scale was made by projecting the underground workings to a plane trending N. 22° W. and dipping 60° SW. The field work was done between August 1943 and January 1944, most of it in November and December, 1943.

HISTORY

The Buster Dike property was first prospected many years ago, but no early production has been recorded. S. T. Gamber of Custer relocated the claims in 1939, and worked the two principal pits for potash feldspar. Early in 1942 the top of a rich mica zone was discovered at a depth of about 20 feet in the pit near the present shaft house. Gamber continued to work the pegmatite until May 1942, when the property was purchased by the Black Hills Mining Company. The Black Hills Mining Company operated the mine from an inclined shaft and adjacent stopes. Near the close of their operation in 1944, the shaft and levels were backfilled. The large production of mica for which the mine is noted was made during the period of operation by this company.

MINE WORKINGS

The Buster Dike was worked from a 180-foot shaft inclined at 63° to the west and extending from an altitude of 5,555 feet at the collar; a 25-foot vertical was connected at its base by an inclined drift to the main shaft. The older work on this pegmatite was done in an open-pit about 20 feet deep. The bottom of this pit was stoped out during the final operations.

The principal drift levels were at 103 ft. and 142 ft. vertically below the collar of the shaft. On the 103 level the drifts extended 37 ft. N. and 12 ft. S. of the shaft. The end of the S. drift was timbered off at the time of mapping, but at one time the drift extended about 20 ft. farther, to the end of the dike. On the 142 ft. level the drift extended 28 ft. S. and 60 ft. N. of the shaft. Most of the mica-bearing pegmatite from this level to the surface has been stoped out.

Prospect pits and one moderately large open cut have been opened on a number of other pegmatites on the property, principally for feldspar.

GEOLOGY

The Buster Dike property contains many west-dipping pegmatites intruding pre-Cambrian metamorphosed sedimentary rocks that consist principally of quartz-mica shcist. Pegmatite outcrops are numerous, but very little of the country is exposed.

QUARTZ-MICA SCHIST AND ASSOCIATED ROCKS

Most of the country rock is a moderately well foliated schist consisting principally of quartz, muscovite and biotite. Sillimanite commonly occurs in significant quantities. Small pods of microcline (in grains ¼ to 3/4 ins. across and with numerous inclusiend of the schist minerals) occur, especially in an exposure 240 ft. east-southeast of the main Buster Dike shaft.

PEGMATITE

The pegmatites mapped include two large groups of irregular pegmatites and a number of small independant tabular bodies. They are subparallel, averaging N. 15° W. in strike and 65° SW in dip, but at the surface they strike from N. 50° W. to N. 5° E. and dip from 40° to 87° to the West. In underground workings of the Buster Dike, where rolls are strongly developed, the ranges of strike and dip are greater. The average strike in the Buster Dike mine is N. 22° W. and the average dip is 60° SW.

The most unusual feature of the Baster Dike pegmatite is the complex interfingering pegmatites. If the rocks were more completely exposed, they would probably reveal an even more complex structural pattern.

At the time of mapping, the end of the Buster Dike pegmatite was exposed only on the 142 ft. level, but its approximate position was known from earlier reports. The plunge of the end of the pegmatite is about 60° to the S. 80° W. North of the shaft there is a conspicious roll and a conspicious anticlinal roll of the pegmatite contact that plunges 55° S. 40° W., and converges with the end of the dike. Just above the 142 ft. level the dip flattens markedly, and the synclinal roll disappears. The anticlinal roll remains as a very broad fold in the hanging wall. South of the shaft, according to reports, there are no conspicious rolls. The workings South of the shaft, above the 142 ft. level, were, for the most part, backfilled and inaccessable. The richest concentrations of mica are structurally limited by the South end of the pegmatite and by the N. limit of the anticlinal roll. The roll plunges toward the South end of the pegmatite , causing a shortening of the mica shoot with depth. It is doubtful whether the mica concentration is more closely related to the rolls or to the S. end of the pegmatite.

The surface exposures of the pegmatites are similar in composition and consist essentially of quartz-albite-perthite pegmatite. Zoning is very poorly defined, but in most pegmatites there is a general increase in the percentage of albite toward the walls and of perthite toward the interior of the intrusion. Border zones 1 in. or more in thickness, grade into the wall zones of quartz-albite pegmatite which are generally too narrow to map. Underground the Buster Dike pegmatite has a conspicuous zone of quartz-albite-muscovite pegmatite along the hanging wall and quartz-albite pegmatite on the foot wall.

QUARTZ-ALBITE-PERTHITE PAGMATITE On the surface map all the pegmatites have shown as quartz-albite-perthite pegmatite. In general, these pegmatites consist of quartz-albite aggregates in which the grains are 1 to 2 ins. in diameter, accompanied by scattered perthite crystals and quartz masses which are generally less than 2 ft. across, although some are larger. In places, well-segregated quartz and perthite occur with little little albite in the interior of a dike, as exposed in the two main open pits where potash feldspar was mined. The quartz-albite pegmatite is most conspicuous along the walls, where there is commonly a zone a few inches to 3 or 4 ft. thick, almost or entirely devoid of perthite. Determinations of the minimum refractive indices of clevage fragments of 9 specimins of albite taken from the surface exposures ranged from 1.528 to 1.532 (An_4An_{11}). Muscovite occurs in most of the pegmatite outcrops, commonly near the walls of the dike, but it is present only as flakes and widely scattered small books. Other accessory minerals include tourmaline, biotite and a little beryl.

Quartz-Albite-Muscovite Pegmatite. Underground, the Buster Dike pegmatite is quartz-albite-muscovite pegmatite on the hanging wall and quartz-albite pegmatite on the footwall, although from the surface to a depth of about 20 ft. it consists principally of quartz and perthite. Near the South end of the dike in the underground workings quartz-albite-muscovite pegmatite is said to have extended from wall to wall. A few muscovite books can generally be found near the footwall, but there is no well-defined mica zone consisting of quartz-albite-muscovite pegmatite on the footwall comparable to that on the hanging wall. The quartz-albite-muscovite pegmatite on the hanging wall is as much as 12 ft. in thickness, and an average thickness of ten feet has been worked in the stopes. Quartz and albite are in grains generally 1 to 2 ins. across. The minimum refractive indices of clevage fragments of two albite specimins from this zone are 1.528 and 1.531 An_5-An_{10}. Muscovite books as much as 4 ft. across have been reported. Meager quantities of tourmaline and beryl occur as accessory minerals.

QUARTZ-ALBITE PEGMATITE. The quartz-albite-muscovite pegmatite along the hanging wall of the Buster Dike grades into quartz-albite pegmatite toward the footwall. The thickness of the quartz-albite pegmatite is as umch as 15 ft., but the average is probably about 5 ft. This zone is essentially similar to the quartz-albite-muscovite zone except that it generally lacks appreciable quantities of muscovite, although muscovite does occur near the footwall in a number of places. The essential minerals are quartz and albite in grains averaging 1 to 2 ins. across. The minimum refractive indices of cleavage fragments from each of two albite specimens were found to be approximately 1.529 An_6. A small amount of cleavelandite (minimum index approximately 1.528 (An_5) was observed. Tourmaline occurs as an accessory mineral, and in some places a rather rich tourmaline-bearing zone occurs along the footwall, extending as much as 4 ft. into the pegmatite.

MINERAL DEPOSITS

MICA

The Buster Dike mine produced mica from a very rich concentration along the hanging wall at the South end of the pegmatite. A total of 602 tons of crude mica was produced from May 1942 thru December 1943. Production figures on processed mica previous to the sale to the Colonial Mica Corporation on December 15, 1942 are not available, but from that date to the end of 1943 the Buster mine produced 17 446 lbs. of large sheet mica ($1\frac{1}{2}$ by 2 in. and larger, three-quarter trim), 2 275 lbs. of small sheet (1 in. by 1 in. and $1\frac{1}{4}$ by $1\frac{1}{4}$ in. full trim) and 97 197 lbs. of untrimmed punch from a total of about 384 tons of mine-run mica.

The exact structural relationship of the mica-rich rock are not known beyond the fact that the mica is concentrated in the end of the pegmatite. The northern limit of the mica-bearing pegmatite was not determined but the limit of most of the mining has been the north edge of the strong anticlinal roll, where apparently, there was a sharp drop in the mica content. Possibly rolls with rich mica shoots lie in the north, but no exploration work has been carried out in search of them. The drift on the 142 ft. level was carried northward, 45 ft. beyond the roll but, unfortunatly it does not follow the hanging wall. It was driven into the center of the dike and then to the footwall. A crosscut to the hanging wall is reported to have been driven after our mapping was completed.

The Buster Dike mine produced a whitish or very pale ruby mica generally of good quality for a heavy air stain. Most of the few black inclusions that occur are tourmaline crystals. Herringbone structure is developed in much of the mica, and causes a low recovery of sheet from the crude mica. Books of Mica as much as 4 ft. in diameter reportedly have been recovered and books 8 to 12 ins. across are abundant.

It is estimated that between July 1, 1942, which is approximately the date of Stoll's examination, and the end of December 1943, about 5 700 tons of pegmatite was mined, and from this amount a total of 558 tons of crude mica, or 9.8 percent was recovered.

BERYL

At least ten tons of beryl was produced from the Buster Dike from 1939 to 1942, but only a few hundred pounds between July 1942 and 1943. A few tons of beryl was recovered from later work near the surface. Nearly all beryl occurs near the surface in or near the perthite-rich pegmatite, where crystals 1 ft. or more across are not uncommon. The refractive indices (N_0) of two specimins of green beryl from near the top of the mica zone were found to be 1.578 and 1.582.

FELDSPAR

Considerable quantities of perthite feldspar were mined in the two principal open-pits on the Buster Dike property prior to the discovery of the mica sheet. The perthite is white, and commonly in crystals several feet long. Possibly other pegmatites on the property could be worked pfofitably for feldspar.

RESERVES

It is difficult to estimate the mica reserves available in the Buster Dike mine. The known mica-bearing rock above the 142 ft. level has been mined out, but it is possible that additional mica shoots could be found by drifting northward along the hanging wall. Below the 142 ft. level mica-rich rock can reasonably be expected to extend more than 50 ft. down the dip. If the south end of the pegmatite and the north edge of the mica-rich pegmatite continue to converge as shown on the underground map, and if the average thickness of mica pegmatite is 9 ft. then approximately 17 000 cu. ft. weighing 1 400 tons, on the basis of 12.5 cu. ft. to the ton, are available within 50 ft. down the dip. If 9.8 percent of this is recoverable mica, approximately 138 tons of crude mica is available. Further reserves are expectable at greater depths. If the northern limit of the mica-rich pegmatite, which above the 142 ft. level closely coincides with the northern border of a strong roll, maintains its plunge to the south end of the pegmatite, the mica shoot may disappear within 100 ft. vertically below the 142 ft. level. If, on the contrary, the principal feature controlling the mica shoot is the south end of the pegmatite, and if the rolls are of relativly minor influence it would be possible from the present evidence to predict the depth to which the mica-rich rock may extend.

Most of the pegmatite elsewhere on the Buster Dike property do not appear promising for mica but prospecting the south end of the dike that crops out 200 feet east southeast of the Buster shaft may be well worthwhile.

Note: This report has been copied from U. S. Geological Survey Professional Paper 247. Pegmatite investigations 1942-1945, Black Hills, South Dakota.

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That we, Charles L. Stiles and Walter S. Clifford, partners and coowners of the Buster No. 3 lode mining claim, located in the W½ of Section 2; T. 4 S.; R. 4 E. of the B.H.M. in Custer County, South Dakota and lessors of the B.S.G. lode mining claim, likewise located in the W½ of Section 2; T. 4 S.; R. 4 E. of the B.H.M. in Custer County, South Dakota, do hereby appoint Gardner Gantz, Consulting Engineer, Custer, Custer County, South Dakota, Attorney in Fact, in the matter of procuring a loan from the D.M.E.A. of the Bureau of Mines.

Walter S. Clifford
Charles L. Stiles

ACKNOWLEDGEMENT:

STATE OF SOUTH DAKOTA)
County of Custer)ss

On this 5th day of September in the year 1957, before me S. P. Gantz, a Notary Public within and for said County and State, personally appeared Charles L. Stiles and Walter S. Clifford, known to me to be the persons who are described in and who executed the within and foregoing instrument and they acknowledged to me that they executed the same for the purpose herein contained.

S. P. Gantz
NOTARY PUBLIC

My commission expires June 21, 1958.

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 17 1957

DATE	INITIALS	CODE

U. S. Government Messenger Envelope

Standard Form No. 65 (Rev. 1/46)

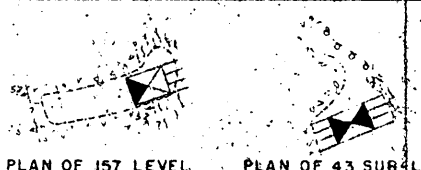
1. Use blocks consecutively, one at a ti
2. Void previous block.
3. Write clearly.

NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM		NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM	
Arnold E. Nelson Patuxent Refuge	RUN STOP		RUN STOP
[illegible]	RUN STOP		RUN STOP
[illegible]	RUN STOP		RUN STOP
~~STORES AND SHIPPING~~ ~~OFFICE OF THE SECRETARY~~ ~~ROOM 1070~~	RUN STOP		RUN STOP
[illegible]	RUN STOP		RUN STOP
[redacted]	RUN STOP		RUN STOP
Lawrence G. Houk, Chief, Non-Metallic Minerals Division, Defense Minerals Exploration Administration	RUN STOP		RUN STOP
	RUN STOP		RUN STOP
	RUN STOP		RUN STOP
	RUN STOP		RUN STOP

Send surplus envelopes to supply room for reissue.

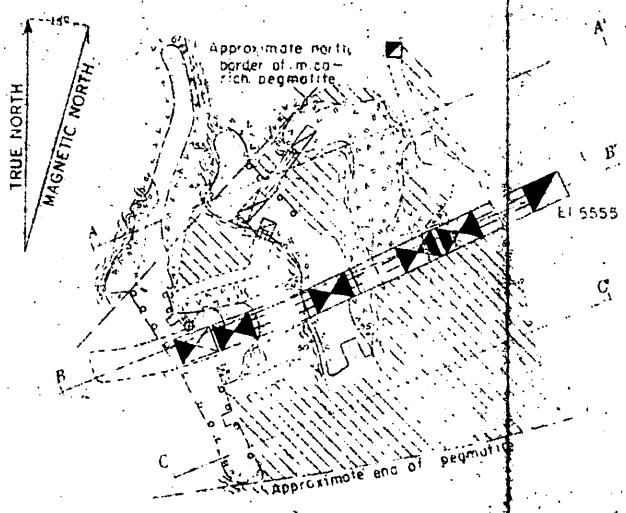
Use other side

Use RUN and STOP only when messenger service between Government buildings in Washington is required. Your mail room has RUN and STOP information.

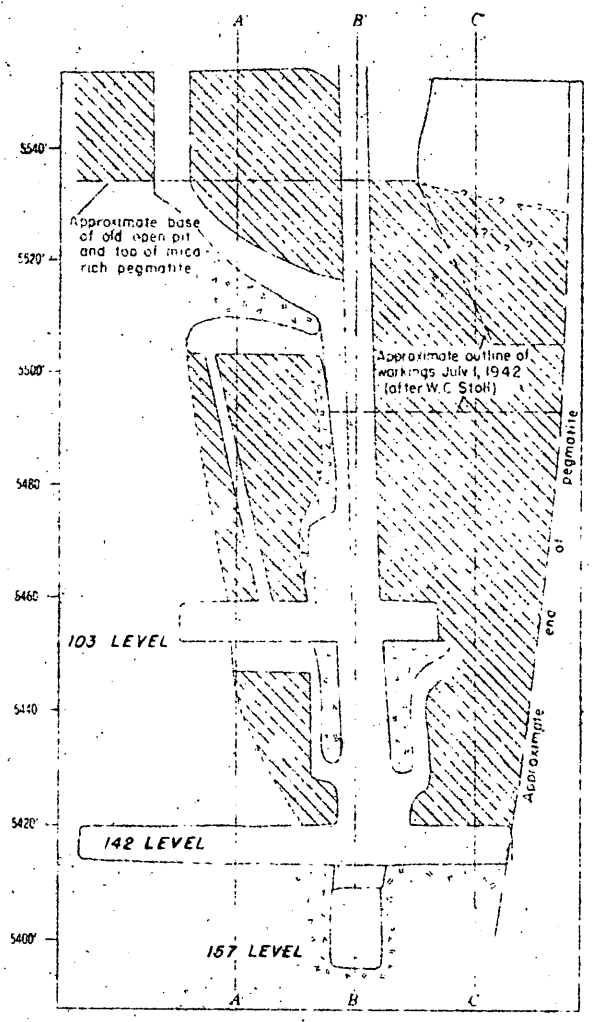


PLAN OF 157 LEVEL

PLAN OF 43 SUBLEVEL

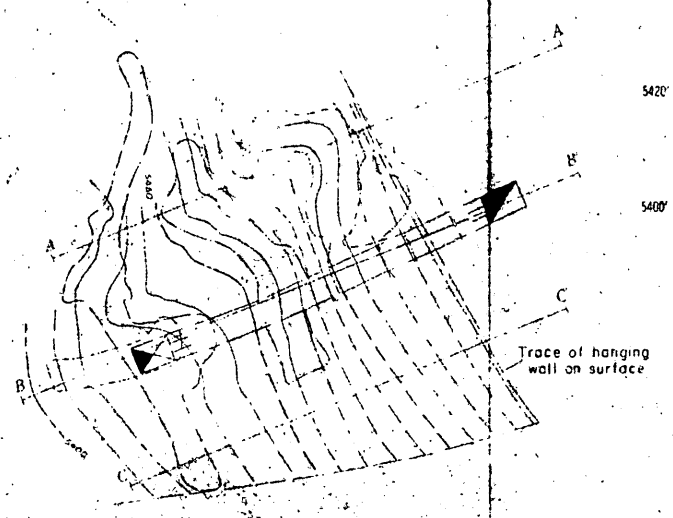


PLAN OF UNDERGROUND WORKINGS



LONGITUDINAL INCLINED SECTION

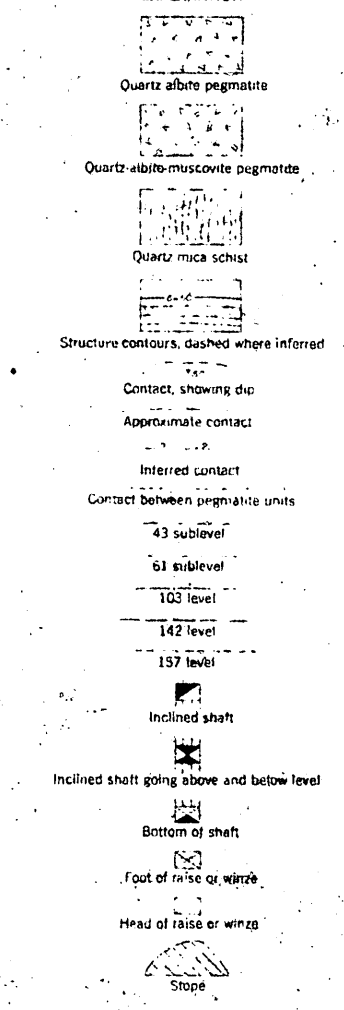
Made by projecting the underground workings horizontally to a plane striking N 22°W and dipping 60° W

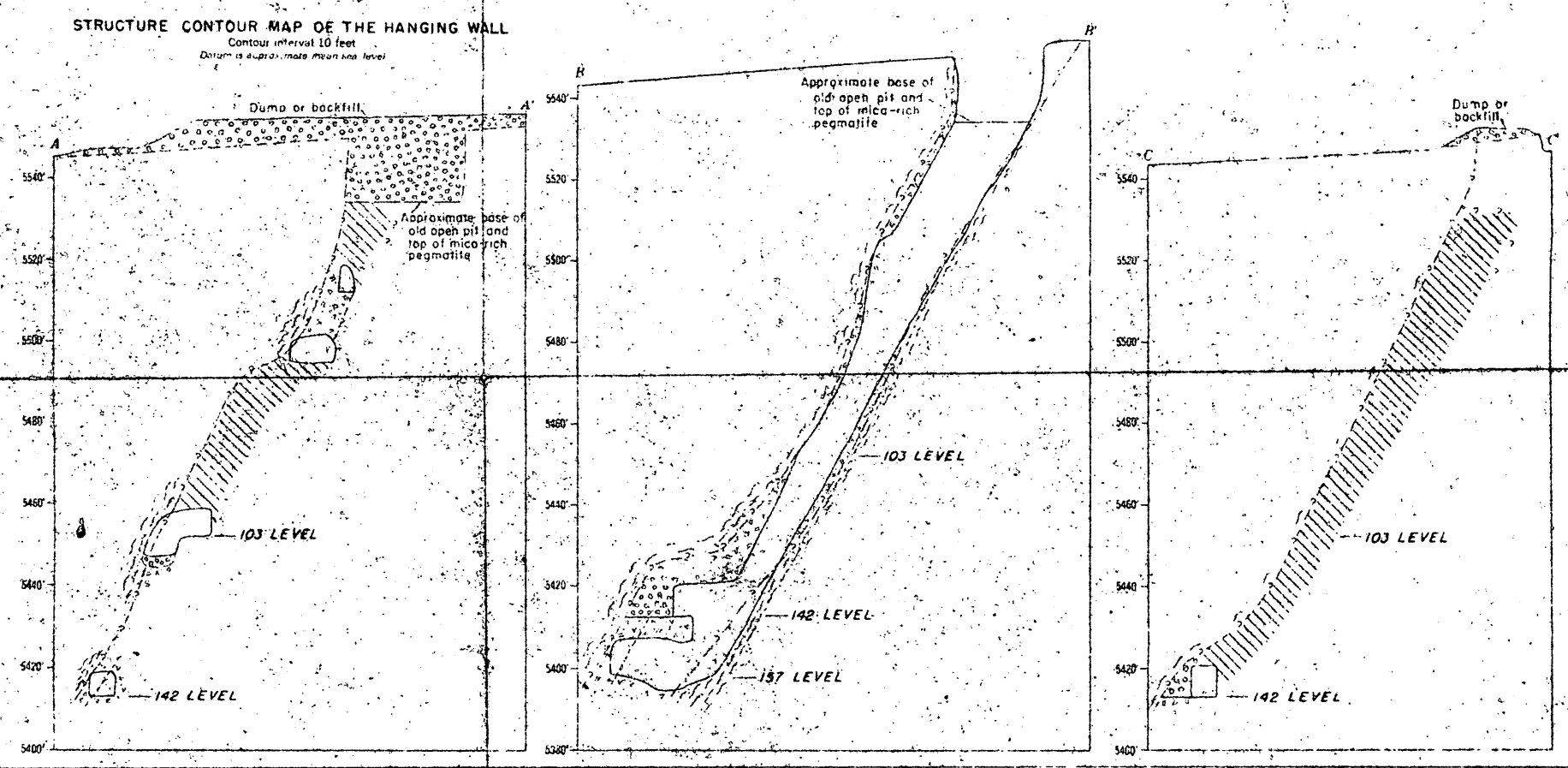


STRUCTURE CONTOUR MAP OF THE HANGING WALL

Contour interval 10 feet

Datum is approximate mean sea level





Geology by J. J. Norton and L. C. Pray, November 1943 to January 1944

20 0 100 Feet

Datum is approximate mean sea level

GEOLOGIC MAPS AND SECTIONS OF THE UNDERGROUND WORKINGS, BUSTER DIKE, CUSTER COUNTY, SOUTH DAKOTA

210124 O - 83 (In pocket)

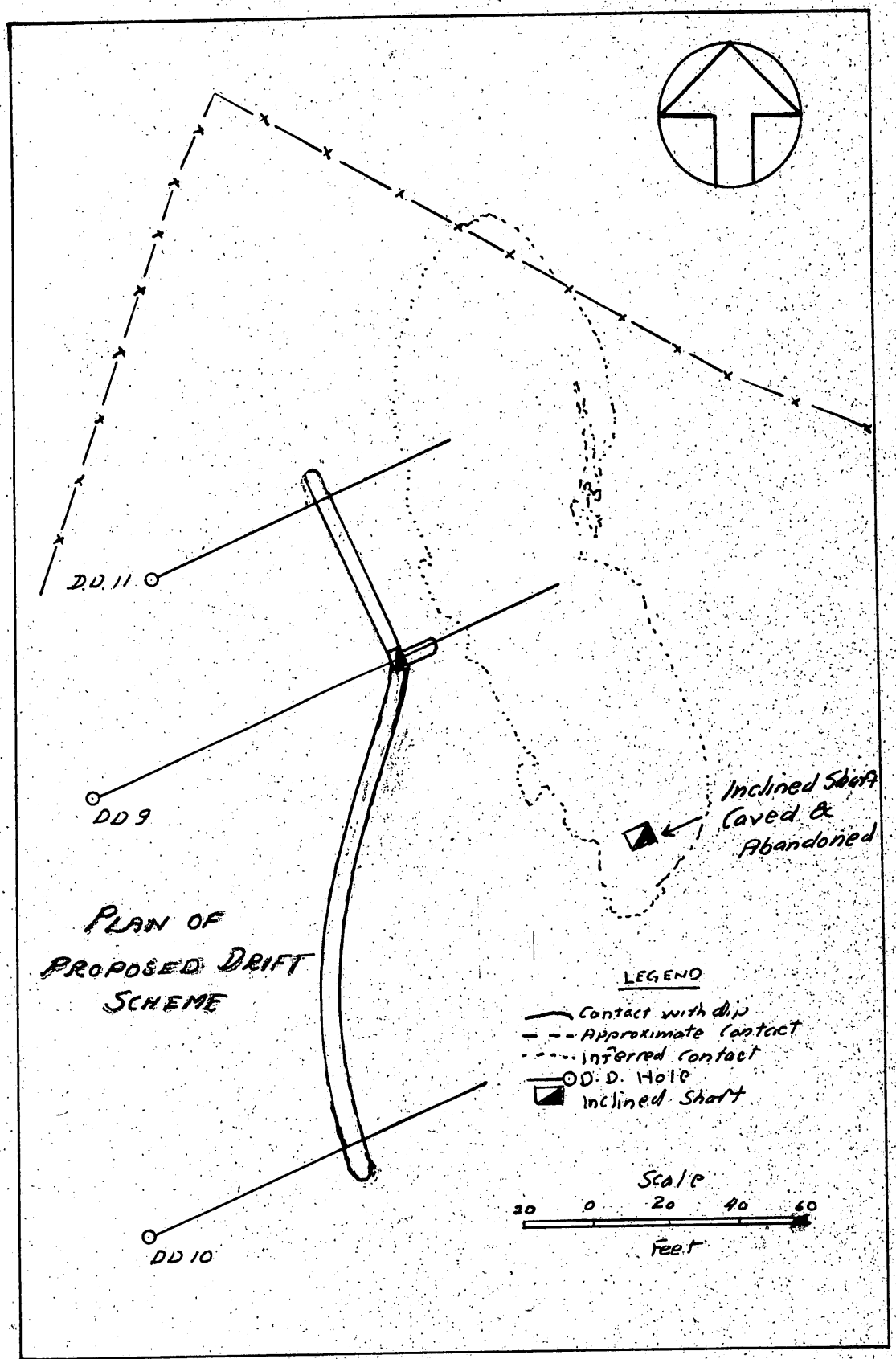


Figure 6. Surface outline of pegmatite & location of drill holes at the Buster Dike pegmatite
Bureau of Mines Report of Investigations 4693
BUSTER DIKE

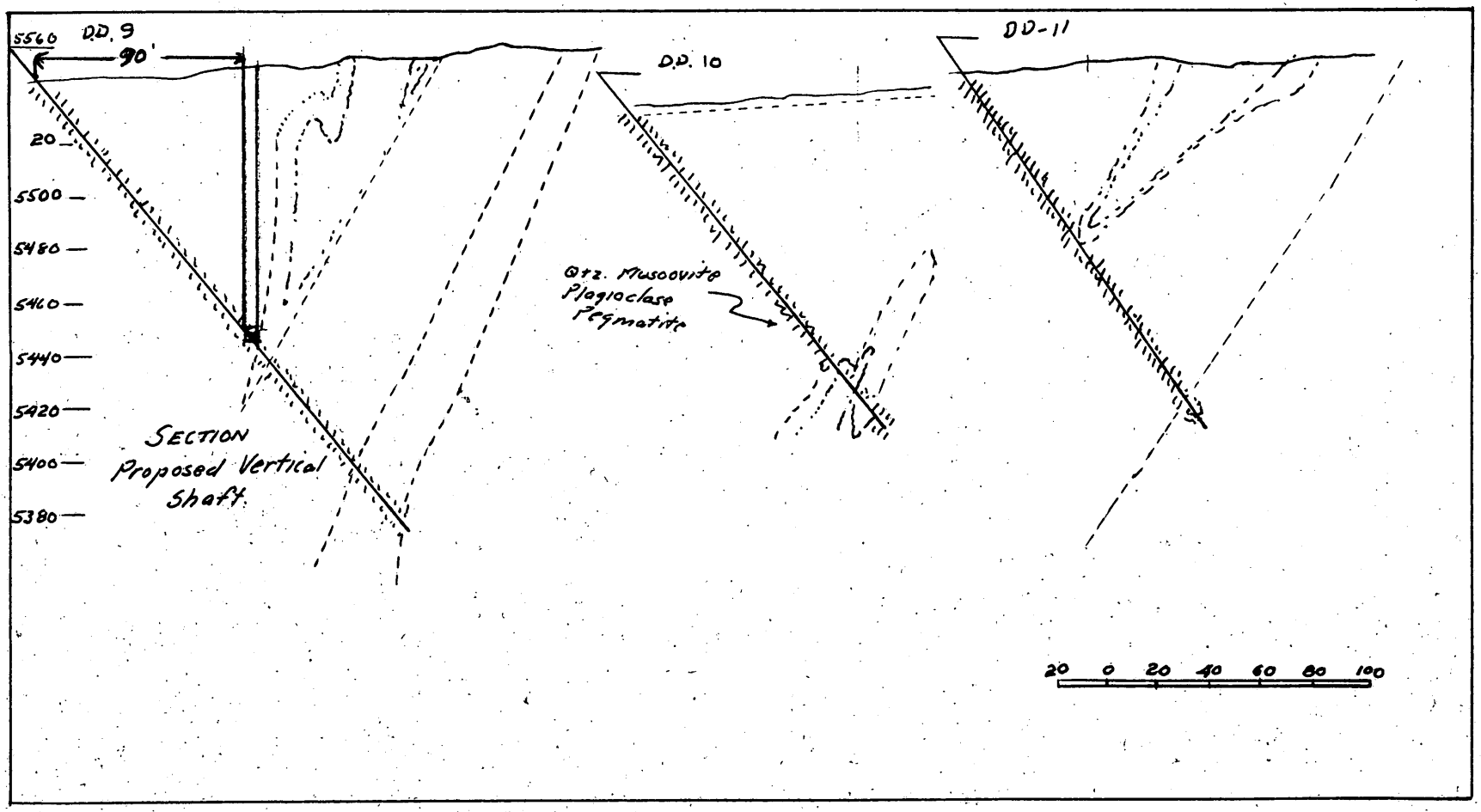


Figure 7 Cross sections through drill holes, Buster Dike pegmatite
From Bureau of Mines Report on Investigations 4693

BUSTER DIKE

Operator's copy

MF-200A
(Rev. April 1956)

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT
(Short Form)

DMEA No.	Commodity	Contract No. Idm-E	County	State
4854	mica	1211	Custer	South Dakota

It is agreed 18 JUN 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Walter S. Clifford and Charles L. Stiles, a partnership

whose mailing address is Box 823
Custer, South Dakota

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before 30 days from date of Contract, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 8 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $9,620.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $7,215.00, in accordance with the provisions of Articles 4 and 5.

(c) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: Interest of Lessor.

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows: Consent to Lien and Subordination Agreement of Lessor, Ben S. Gantz

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after certification of discovery or development, to inspect production operations and underground workings. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling, assaying, or transportation performed or paid by the Operator or by anyone other than the buyer are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent) after the lapse of six months from the date the ore was extracted from the ground remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this Article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—

.....

.....

.....

.....

.....

.....

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals
Exploration Administration

Walter S. Clifford XXXXXX (Partner)

XXX Charles L. Stiles (Partner)

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.

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

EXPLORATION PROJECT CONTRACT
WALTER S. CLIFFORD AND CHARLES L. STILES
DOCKET NO. DMEA-4854

ANNEX I

The land referred to in Article 2 of the Contract contains the Buster Dike pegmatite and consists of 3 unpatented lode mining claims situated in sections 2 and 3, T. 4 S., R. 4 E., Custer County, South Dakota, approximately 3½ miles south of Custer and west of U.S. Highway 85A at an altitude of 5,500 feet.

Notices of Location of the said mining claims, to which reference is hereby made for a more complete description, are recorded in the office of the Register of Deeds of Custer County, South Dakota, as follows:

Original Locations

Claim	Book	Page
Buster No. 3	19	285
Buster No. 3	19	307
BSG	19	396
BSG No. 1	19	441

Amended Locations

BSG	19	401
Buster No. 3	19	442

The Operator is the locator and owner of the Buster No. 3 claim and is in possession of the BSG and BSG No. 1 claims pursuant to the provisions of a lease executed May 1, 1958, by Ben S. Gantz. A copy of the lease is contained in Docket No. DMEA-4854.

A Consent to Lien and Subordination Agreement for the BSG and BSG No. 1 claims executed by Ben. S. Gantz is attached and made a part hereof.

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E
Contract Date 1 8 JUN 1958

RECEIVED
JUN. 2 1958
D.M.E.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Custer, State of South Dakota, described as follows: 2/

BSG and BSG No. 1 lodes located in the N.W. Corner Section No 2 T. 4 S., R. 4 E. B.H.M. recorded the 8th day of April A. D. 1958 in Book 24 of Deeds, Page 115

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 20th day of May, 1958.

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, Benjamin R. Grant certify that I am the sole owner ~~(Secretary, etc.) of the corporation named herein; that~~ _____ ~~who signed this agreement was then~~ _____ ~~(President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.~~ of the above described Claims.

Ben R. Grant

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
WALTER S. CLIFFORD AND CHARLES L. STILES
DOCKET NO. DMEA-4854

EXHIBIT "A"

Description of the Work

Explorations for concentrations of strategic mica shall be performed in the area shown on the attached Figure 2 map, entitled "Sketch showing Location of Buster No. 1 claim and Surface Conflicts, W. S. Clifford and C. L. Stiles, Custer County, South Dakota, DMEA-4854", and shall follow approximately the plan indicated on the attached Figure 3 map, entitled "Buster No. 3 Mica Pegmatite, Custer Co., South Dakota - Showing Aspects of Proposed Exploration, - DMEA-4854".

1. Construct a frame building having minimum dimensions of 12 feet by 15 feet by 10 feet high, with a tar paper roof and having a door equipped with lock and key, to serve as a toolhouse, hoist house, and office.

2. Sink a two compartment inclined shaft, not less than four feet by eight feet in cross-section in the clear of timber, to a depth not in excess of 100 feet.

3. From or near the bottom of the shaft drift and/or crosscut for a distance not to exceed 120 feet. The drift and/or crosscut shall have minimum cross-sectional dimensions of five feet by seven feet in the clear of timber.

The location, inclination, direction and extent of all work are subject to the approval of the Government.

Fixed Unit Costs

1. Building construction[1/]	$ 400.00
2. Sinking shaft - 100 feet @ $55.00/ft.	5,500.00

3. Drift and/or crosscut - 120 feet @ $31.00/ft.	$3,720.00
Estimated Total Cost of Project	$9,620.00
Government participation @ 75%	$7,215.00

1/ The completed work constitutes the unit.

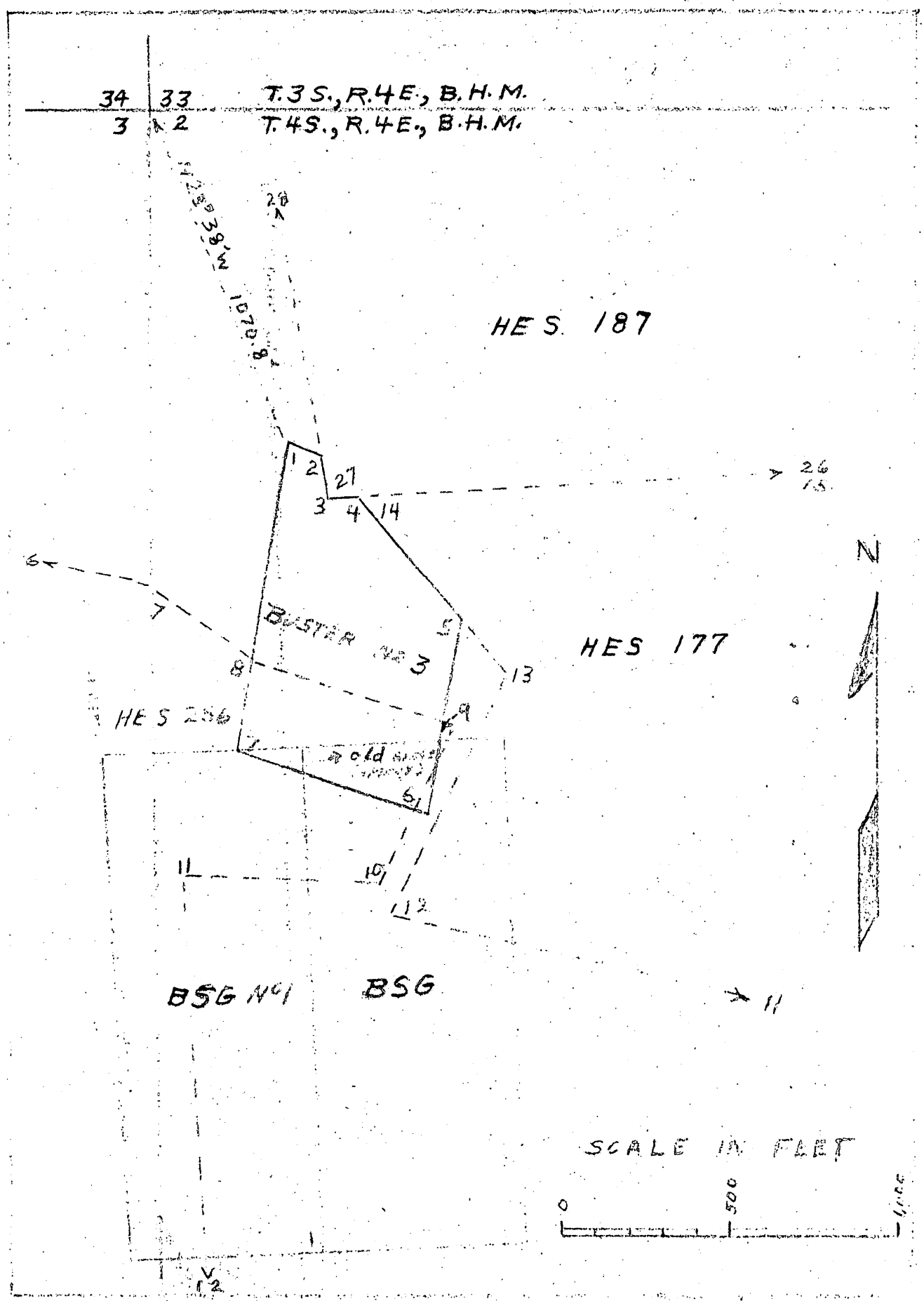


FIGURE 2 - SKETCH SHOWING LOCATION OF BUSTER No. 1 CLAIM AND SURFACE CONFLICTS, W.S. CLIFFORD AND C.L. STILES, CUSTER COUNTY, SOUTH DAKOTA. DMEA 4854

Finance office copy

MF-200A
(Rev. April 1966)

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT
(Short Form)

DMEA No.	Commodity	Contract No. Idm-E	County	State
4854	mica	1211	Custer	South Dakota

It is agreed 18 JUN 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Walter S. Clifford and Charles L. Stiles, a partnership

whose mailing address is Box 823
Custer, South Dakota
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before 30 days from date of Contract, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 8 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $9,620.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $7,215.00, in accordance with the provisions of Articles 4 and 5.

(c) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: Interest of Lessor.

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows: Consent to Lien and Subordination Agreement of Lessor, Ben S. Gantz

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after certification of discovery or development, to inspect production operations and underground workings. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling, assaying, or transportation performed or paid by the Operator or by anyone other than the buyer are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent) after the lapse of six months from the date the ore was extracted from the ground remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this Article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—

.....

.....

.....

.....

.....

.....

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mitchell Dorr
Administrator, Defense Minerals
Exploration Administration

.....(Partner)
Walter S. Clifford

xxx.....(Partner)
Charles L. Stiles

.....

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.

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

EXPLORATION PROJECT CONTRACT
WALTER S. CLIFFORD AND CHARLES L. STILES
DOCKET NO. DMEA-4854

ANNEX I

The land referred to in Article 2 of the Contract contains the Buster Dike pegmatite and consists of 3 unpatented lode mining claims situated in sections 2 and 3, T. 4 S., R. 4 E., Custer County, South Dakota, approximately 3½ miles south of Custer and west of U.S. Highway 85A at an altitude of 5,500 feet.

Notices of Location of the said mining claims, to which reference is hereby made for a more complete description, are recorded in the office of the Register of Deeds of Custer County, South Dakota, as follows:

Original Locations

Claim	Book	Page
Buster No. 3	19	285
Buster No. 3	19	307
BSG	19	396
BSG No. 1	19	441

Amended Locations

BSG	19	401
Buster No. 3	19	442

The Operator is the locator and owner of the Buster No. 3 claim and is in possession of the BSG and BSG No. 1 claims pursuant to the provisions of a lease executed May 1, 1958, by Ben S. Gantz. A copy of the lease is contained in Docket No. DMEA-4854.

A Consent to Lien and Subordination Agreement for the BSG and BSG No. 1 claims executed by Ben. S. Gantz is attached and made a part hereof.

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

RECEIVED
JUN 2 1958
D.M.E.

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
Contract Date 10 JUN 1958

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Custer, State of South Dakota, described as follows: 2/
BSG and BSG No. 1 Lodes located in the N.W. Corner Section 2 T. 4 S., R. 4 E. BHM., recorded the 8th day of April AD 1958 in Book 24 of Deeds, Page 115.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 20th day of May, 1958.

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, Benjamin L. Faust certify that I am the sole owner (Secretary, etc.) ~~of the corporation named herein; that~~ _____ who signed this agreement ~~was then~~ _____ (President ~~or Vice President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said~~ corporation by authority ~~of its governing body, and was within the scope of its corporate powers~~. of the above described Claims.

Benj. Faust

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
WALTER S. CLIFFORD AND CHARLES L. STILES
DOCKET NO. DMEA-4854

EXHIBIT "A"

Description of the Work

Explorations for concentrations of strategic mica shall be performed in the area shown on the attached Figure 2 map, entitled "Sketch showing Location of Buster No. 1 claim and Surface Conflicts, W. S. Clifford and C. L. Stiles, Custer County, South Dakota, DMEA-4854", and shall follow approximately the plan indicated on the attached Figure 3 map, entitled "Buster No. 3 Mica Pegmatite, Custer Co., South Dakota - Showing Aspects of Proposed Exploration, - DMEA-4854".

1. Construct a frame building having minimum dimensions of 12 feet by 15 feet by 10 feet high, with a tar paper roof and having a door equipped with lock and key, to serve as a toolhouse, hoist house, and office.

2. Sink a two compartment inclined shaft, not less than four feet by eight feet in cross-section in the clear of timber, to a depth not in excess of 100 feet.

3. From or near the bottom of the shaft drift and/or crosscut for a distance not to exceed 120 feet. The drift and/or crosscut shall have minimum cross-sectional dimensions of five feet by seven feet in the clear of timber.

The location, inclination, direction and extent of all work are subject to the approval of the Government.

Fixed Unit Costs

1. Building construction[1/]	$ 400.00
2. Sinking shaft - 100 feet @ $55.00/ft.	5,500.00

3. Drift and/or crosscut - 120 feet @ $31.00/ft.	$3,720.00
Estimated Total Cost of Project	$9,620.00
Government participation @ 75%	$7,215.00

1/ The completed work constitutes the unit.

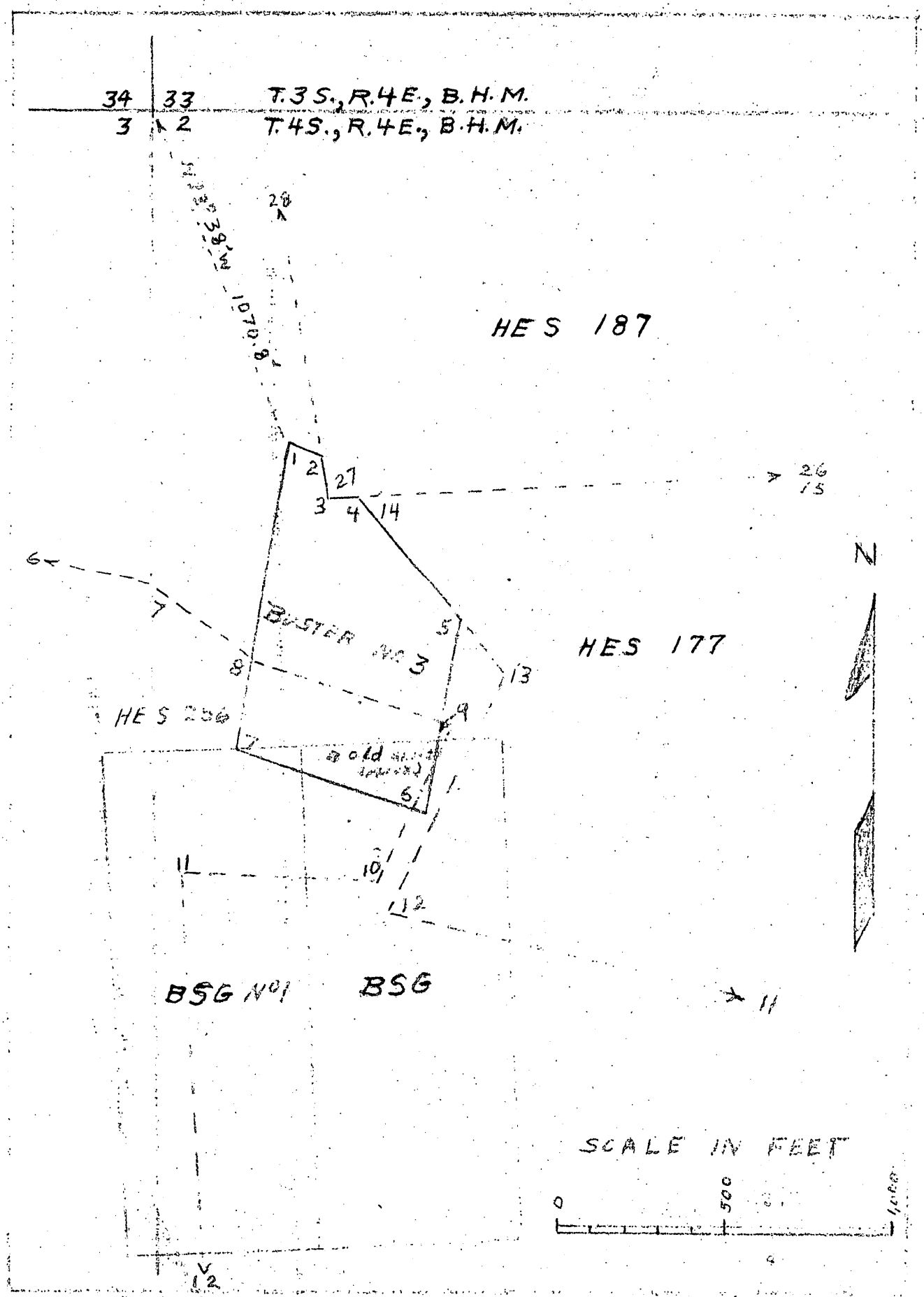


FIGURE 2 - SKETCH SHOWING LOCATION OF BUSTER No. 1 CLAIM AND SURFACE CONFLICTS, W.S. CLIFFORD AND C.L. STILES, CUSTER COUNTY, SOUTH DAKOTA. DMEA 4854

Field Team's copy

MF-200A
(Rev. April 1956)

DMEA
DEPARTMENT OF THE INTERIOR
JUN 30 1958
REGION III
DENVER, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR
JUN 19 1958
REGION III
DENVER, COLORADO

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT
(Short Form)

DMEA No.	*Commodity*	*Contract No.*	*County*	*State*
4854	mica	*Idm-E* 1211	Custer	South Dakota

It is agreed 18 JUN 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Walter S. Clifford and Charles L. Stiles, a partnership

whose mailing address is Box 823
Custer, South Dakota
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before 30 days from date of Contract, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 8 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $9,620.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $7,215.00, in accordance with the provisions of Articles 4 and 5.

(c) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: Interest of Lessor.

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows: Consent to Lien and Subordination Agreement of Lessor, Ben S. Gantz

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after certification of discovery or development, to inspect production operations and underground workings. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling, assaying, or transportation performed or paid by the Operator or by anyone other than the buyer are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent) after the lapse of six months from the date the ore was extracted from the ground remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this Article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—

.....

.....

.....

.....

.....

.....

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. J. Mittendorf
Administrator, Defense Minerals
Exploration Administration

.....(Partner)

Walter S. Clifford xxxxxx (Operator)

xxx.....(Partner)

Charles L. Stiles

.....

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.

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

EXPLORATION PROJECT CONTRACT
WALTER S. CLIFFORD AND CHARLES L. STILES
DOCKET NO. DMRA-4854

ANNEX I

The land referred to in Article 2 of the Contract contains the Buster Dike pegmatite and consists of 3 unpatented lode mining claims situated in sections 2 and 3, T. 4 S., R. 4 E., Custer County, South Dakota, approximately 3½ miles south of Custer and west of U.S. Highway 85A at an altitude of 5,500 feet.

Notices of Location of the said mining claims, to which reference is hereby made for a more complete description, are recorded in the office of the Register of Deeds of Custer County, South Dakota, as follows:

Original Locations

Claim	Book	Page
Buster No. 3	19	285
Buster No. 3	19	307
BSG	19	396
BSG No. 1	19	441

Amended Locations

BSG	19	401
Buster No. 3	19	442

The Operator is the locator and owner of the Buster No. 3 claim and is in possession of the BSG and BSG No. 1 claims pursuant to the provisions of a lease executed May 1, 1958, by Ben S. Gantz. A copy of the lease is contained in Docket No. DMRA-4854.

A Consent to Lien and Subordination Agreement for the BSG and BSG No. 1 claims executed by Ben. S. Gantz is attached and made a part hereof.

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E
Contract Date 13 JUN 1958

RECEIVED
JUN 2 1958
DMEA

CONSENT TO LIEN and SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Custer, State of South Dakota, described as follows: 2/

BSG. and BSG No1. lodes located in the N.W. Corner Section 2, T. 4 S., R. 4 E. BHM recorded the 8th day of April A.D 1958 in Book 24 of Deeds, Page 115

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 20th day of May, 1958.

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, Benjamin A. Jantz certify that I am the sole owner ~~(Secretary, etc.) of the corporation named herein; that~~ _____ ~~who signed this agreement was then~~ _____ ~~(President or Vice President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.~~ of the above described Claims

Ben A. Jantz

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
WALTER S. CLIFFORD AND CHARLES L. STILES
DOCKET NO. DMEA-4854

EXHIBIT "A"

Description of the Work

Explorations for concentrations of strategic mica shall be performed in the area shown on the attached Figure 2 map, entitled "Sketch showing Location of Buster No. 1 claim and Surface Conflicts, W. S. Clifford and C. L. Stiles, Custer County, South Dakota, DMEA-4854", and shall follow approximately the plan indicated on the attached Figure 3 map, entitled "Buster No. 3 Mica Pegmatite, Custer Co., South Dakota - Showing Aspects of Proposed Exploration, - DMEA-4854".

1. Construct a frame building having minimum dimensions of 12 feet by 15 feet by 10 feet high, with a tar paper roof and having a door equipped with lock and key, to serve as a toolhouse, hoist house, and office.

2. Sink a two compartment inclined shaft, not less than four feet by eight feet in cross-section in the clear of timber, to a depth not in excess of 100 feet.

3. From or near the bottom of the shaft drift and/or crosscut for a distance not to exceed 120 feet. The drift and/or crosscut shall have minimum cross-sectional dimensions of five feet by seven feet in the clear of timber.

The location, inclination, direction and extent of all work are subject to the approval of the Government.

Fixed Unit Costs

1. Building construction[1]	$ 400.00
2. Sinking shaft - 100 feet @ $55.00/ft.	5,500.00

3. Drift and/or crosscut - 120 feet @ $31.00/ft.	$3,720.00
Estimated Total Cost of Project	$9,620.00
Government participation @ 75%	$7,215.00

1/ The completed work constitutes the unit.

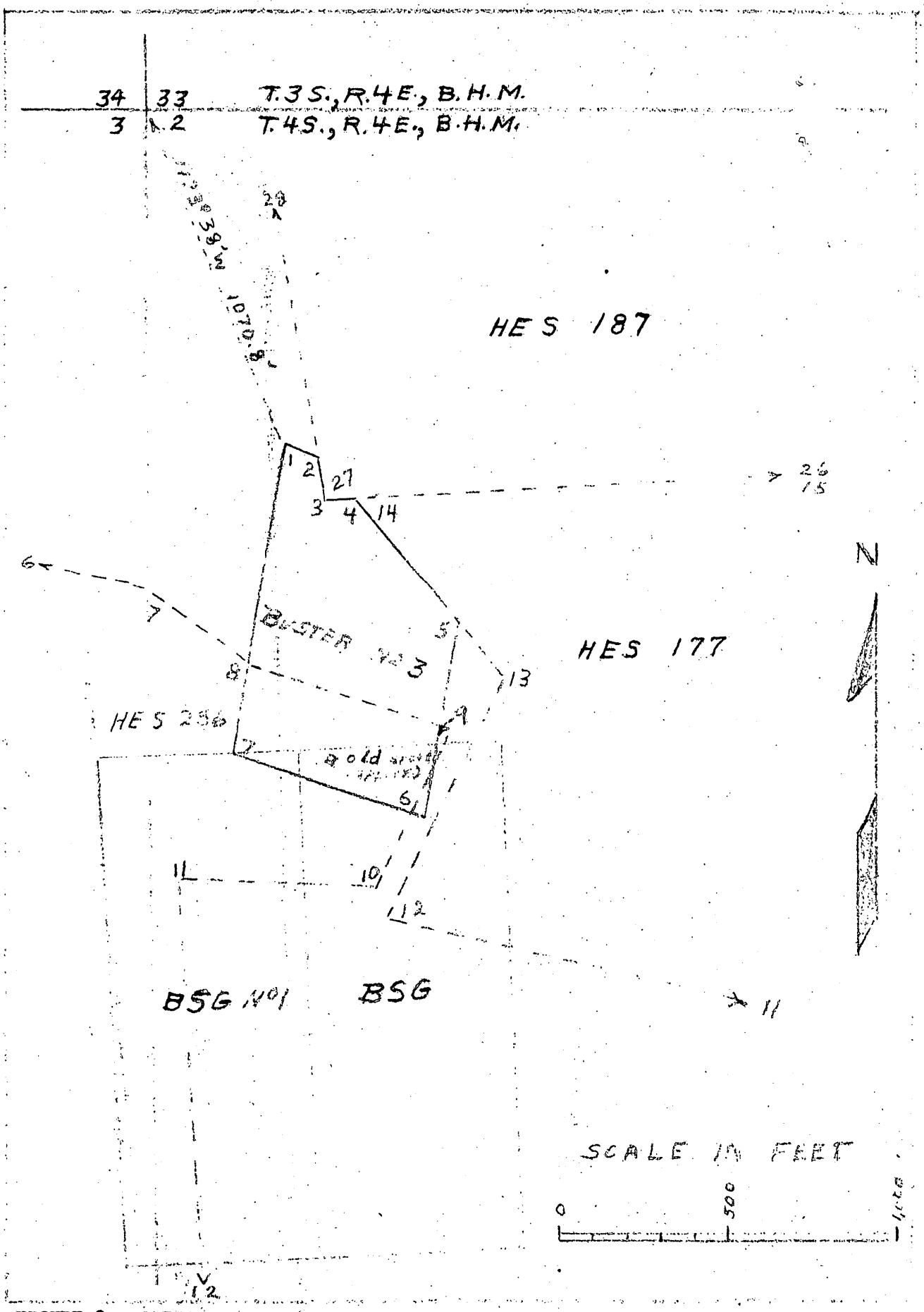


FIGURE 2 - SKETCH SHOWING LOCATION OF BUSTER No. 1 CLAIM AND SURFACE CONFLICTS, W.S. CLIFFORD AND C.L. STILES, CUSTER COUNTY, SOUTH DAKOTA. DMEA 4854

Audit's copy

MF-200A
(Rev. April 1956)

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT
(Short Form)

DMEA No.	Commodity	Contract No. Idm-E	County	State
4854	mica	1211	Custer	South Dakota

18 JUN 1958

It is agreed 20 JUN 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Walter S. Clifford and Charles L. Stiles, a partnership

whose mailing address is Box 823
Custer, South Dakota
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before 30 days from date of Contract, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 8 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $9,620.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $7,215.00, in accordance with the provisions of Articles 4 and 5.

(c) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: Interest of Lessor.

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows: Consent to Lien and Subordination Agreement of Lessor, Ben S. Gantz

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after certification of discovery or development, to inspect production operations and underground workings. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling, assaying, or transportation performed or paid by the Operator or by anyone other than the buyer are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent) after the lapse of six months from the date the ore was extracted from the ground remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this Article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals
Exploration Administration

Walter S. Clifford (Partner)

Charles L. Stiles (Partner)

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.

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

EXPLORATION PROJECT CONTRACT
WALTER S. CLIFFORD AND CHARLES L. STILES
DOCKET NO. DMEA-4854

ANNEX I

The land referred to in Article 2 of the Contract contains the Buster Dike pegmatite and consists of 3 unpatented lode mining claims situated in sections 2 and 3, T. 4 S., R. 4 E., Custer County, South Dakota, approximately 3½ miles south of Custer and west of U.S. Highway 85A at an altitude of 5,500 feet.

Notices of Location of the said mining claims, to which reference is hereby made for a more complete description, are recorded in the office of the Register of Deeds of Custer County, South Dakota, as follows:

Original Locations

Claim	Book	Page
Buster No. 3	19	285
Buster No. 3	19	307
BSG	19	396
BSG No. 1	19	441

Amended Locations

BSG	19	401
Buster No. 3	19	442

The Operator is the locator and owner of the Buster No. 3 claim and is in possession of the BSG and BSG No. 1 claims pursuant to the provisions of a lease executed May 1, 1958, by Ben S. Gantz. A copy of the lease is contained in Docket No. DMEA-4854.

A Consent to Lien and Subordination Agreement for the BSG and BSG No. 1 claims executed by Ben. S. Gantz is attached and made a part hereof.

MF-205
(Combines and supersedes MF-201 and MF-203)
June 1956

RECEIVED
JUN 23 1958
DMEA

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 13 JUN 1958
Contract Date

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Custer, State of South Dakota, described as follows: 2/

BSG and BSG No. 1 leases located in the N.W. Corner Section No. 2 T. 4 S., R. 4 E. B.H.M., recorded the 8th day of April A.D. 1958 in Book 24 of deeds, Page 115.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 20th day of May, 1958.

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, Benjamin S. Tait certify that I am the sole owner (~~Secretary, etc.~~) of ~~the corporation named herein; that~~ _____ ~~who signed this agreement was then~~ _____ ~~(President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.~~ of the above described Claims.

Benj. Tait

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
WALTER S. CLIFFORD AND CHARLES L. STILES
DOCKET NO. DMRA-4854

EXHIBIT "A"

Description of the Work

Explorations for concentrations of strategic mica shall be performed in the area shown on the attached Figure 2 map, entitled "Sketch showing Location of Buster No. 1 claim and Surface Conflicts, W. S. Clifford and C. L. Stiles, Custer County, South Dakota, DMRA-4854", and shall follow approximately the plan indicated on the attached Figure 3 map, entitled "Buster No. 3 Mica Pegmatite, Custer Co., South Dakota - Showing Aspects of Proposed Exploration, - DMRA-4854".

1. Construct a frame building having minimum dimensions of 12 feet by 15 feet by 10 feet high, with a tar paper roof and having a door equipped with lock and key, to serve as a toolhouse, hoist house, and office.

2. Sink a two compartment inclined shaft, not less than four feet by eight feet in cross-section in the clear of timber, to a depth not in excess of 100 feet.

3. From or near the bottom of the shaft drift and/or crosscut for a distance not to exceed 120 feet. The drift and/or crosscut shall have minimum cross-sectional dimensions of five feet by seven feet in the clear of timber.

The location, inclination, direction and extent of all work are subject to the approval of the Government.

Fixed Unit Costs

1. Building construction[1]	$ 400.00
2. Sinking shaft - 100 feet @ $55.00/ft.	5,500.00

3. Drift and/or crosscut - 120 feet @ $31.00/ft.	$3,720.00
Estimated Total Cost of Project	$9,620.00
Government participation @ 75%	$7,215.00

1/ The completed work constitutes the unit.

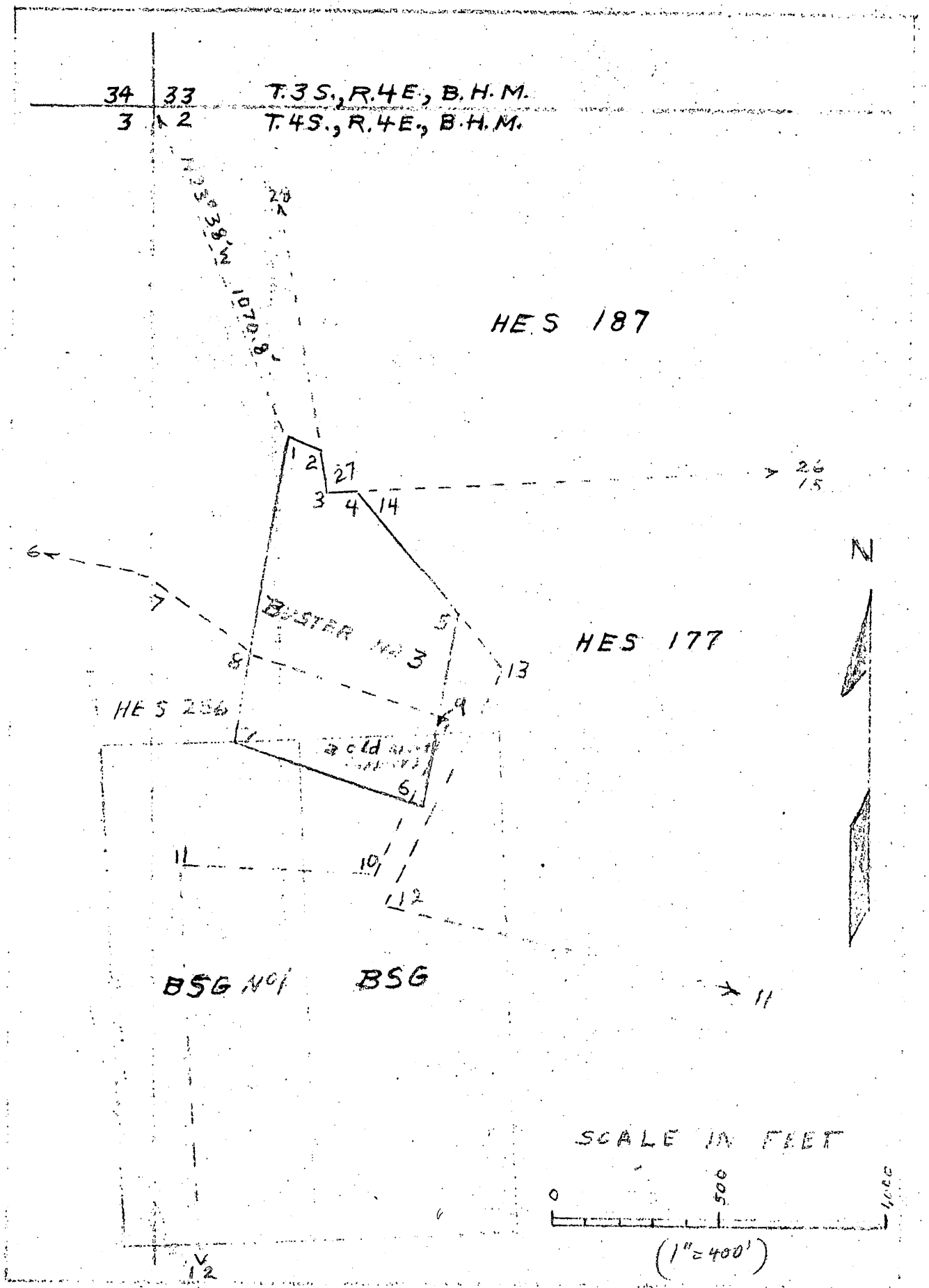


FIGURE 2 - SKETCH SHOWING LOCATION OF BUSTER No. 1 CLAIM AND SURFACE CONFLICTS, W.S. CLIFFORD AND C.L. STILES, CUSTER COUNTY, SOUTH DAKOTA. DMEA 4854

Form 7
56)

OFFICIAL FILE COPY

Date	Surname	Code
7/8	Houk	600
		220

600

13

July 8, 1958

Memorandum

To: Mr. Allen S. Dakan, Director
Operations Control and Statistics Division

From: Lawrence G. Houk, Director
Division of Nonmetallic Minerals

Subject: Withdrawal of application - Docket No. DMEA-4854-Mica-Beryl
Walter S. Clifford and
Charles L. Stiles
Buster No. 3 and BSG Lode
Custer County, South Dakota

The Applicants did not wish to execute the subject contract, as they desired more money for shaft sinking.

Please place docket in the inactive file and consider the case withdrawn.

LGHouk:rsi 7/8/58
Copy to: Admr. R. File
Mr. Houk

8623

Form 7
56)

OFFICIAL FILE COPY

Date	Surname	Code
7/8	Houk	600
7/8	Selfridge	110
"	Johnson	700
"	Mittendorf	200
		220

600

JUL 8 1958

Messrs. Walter S. Clifford
and Charles L. Stiles
Box 823
Custer, South Dakota

Re: Docket No. DMEA-4854-Mica-Beryl
Walter S. Clifford and
Charles L. Stiles
Buster No. 3 and BSG Lode
Custer County, South Dakota

Gentlemen:

Your letter of June 28, 1958, to Mr. J. W. Townsend, Alternate Acting Executive Officer, DMEA Field Team, Region III, and all copies of the proposed contract have been received in the Washington office.

We are sorry to learn that you do not wish to execute the contract. We are, therefore, considering your application as having been withdrawn and are placing it in our inactive file.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

C. O. Mittendorf

Administrator

LGHouk:rsi 7/8/58
Copy to: Admr. R. File
Field Team, Region III
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado
July 1, 1958

Memorandum

To: Chairman, Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4854 (Mica), Walter S. Clifford and Charles L. Stiles (Buster No. 3 and BSG Lode), Custer County, South Dakota - Proposed Exploration Project Contract No. Idm-E1211

Enclosed are the original and one copy of the Applicant's letter of June 28, 1958, and the Government's, Audit, Operator's, Finance Office, and Field Team copies of proposed Contract No. Idm-E1211, which was forwarded by your letter of June 18, 1958 for signature by the Applicant.

For reasons stated in the Applicant's letter of June 28, the contract is returned unexecuted.

J. W. Townsend

J. W. Townsend

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 7 1958

DATE	INITIALS	CODE
7/7	C	220
7/7	Hand	600

Government's copy

MF-200A
(Rev. April 1956)

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT
(Short Form)

DMEA No.	Commodity	Contract No. Idm-E	County	State
4854	mica	1211	Custer	South Dakota

It is agreed 18 JUN 1959, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Walter S. Clifford and Charles L. Stiles, a partnership

whose mailing address is Box 823
Custer, South Dakota
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before 30 days from date of contract, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 8 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $9,620.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $7,215.00, in accordance with the provisions of Articles 4 and 5.

(c) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: Interest of Lessor.

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows: Consent to Lien and Subordination Agreement of Lessor, Ben S. Gantz

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after certification of discovery or development, to inspect production operations and underground workings. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling, assaying, or transportation performed or paid by the Operator or by anyone other than the buyer are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent) after the lapse of six months from the date the ore was extracted from the ground remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this Article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—

Long
Dunger
App'd. Sol. Off.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Hush
Chambers
Selfridge
Johnson

.....(Partner)
Walter S. Clifford

By .....
Administrator, Defense Minerals
Exploration Administration

.....(Partner)
Charles L. Stiles

.....

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.

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

EXPLORATION PROJECT CONTRACT
WALTER S. CLIFFORD AND CHARLES L. STILES
DOCKET NO. DMEA-4854

ANNEX I

The land referred to in Article 2 of the Contract contains the Buster Dike pegmatite and consists of 3 unpatented lode mining claims situated in sections 2 and 3, T. 4 S., R. 4 E., Custer County, South Dakota, approximately 3½ miles south of Custer and west of U.S. Highway 85A at an altitude of 5,500 feet.

Notices of Location of the said mining claims, to which reference is hereby made for a more complete description, are recorded in the office of the Register of Deeds of Custer County, South Dakota, as follows:

Original Locations

Claim	Book	Page
Buster No. 3	19	285
Buster No. 3	19	307
BSG	19	396
BSG No. 1	19	441

Amended Locations

BSG	19	401
Buster No. 3	19	442

The Operator is the locator and owner of the Buster No. 3 claim and is in possession of the BSG and BSG No. 1 claims pursuant to the provisions of a lease executed May 1, 1958, by Ben S. Gantz. A copy of the lease is contained in Docket No. DMEA-4854.

A Consent to Lien and Subordination Agreement for the BSG and BSG No. 1 claims executed by Ben. S. Gantz is attached and made a part hereof.

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E
Contract Date 18 JUN 1958

RECEIVED
JUN 2 1958
D.M.E.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Custer, State of South Dakota, described as follows: 2/

BSG and BSG No 1. lodes located in the N.W. Corner Section No. 2 T. 4 S. R. 4 E. BHM. recorded the 8th day of April A.D. 1958 in Book 24 of deeds, Page 115

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 20th day of May, 1958.

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, Benjamin S. Gantz certify that I am the sole owner ~~(Secretary, etc. of the corporation named herein; that~~ _____ ~~who signed this agreement was then~~ _____ (President or Vice-President, etc.) ~~of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.~~ of the above described Claims.

Ben S. Gantz

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
WALTER S. CLIFFORD AND CHARLES L. STILES
DOCKET NO. DMEA-4854

EXHIBIT "A"

Description of the Work

Explorations for concentrations of strategic mica shall be performed in the area shown on the attached Figure 2 map, entitled "Sketch showing Location of Buster No. 1 claim and Surface Conflicts, W. S. Clifford and C. L. Stiles, Custer County, South Dakota, DMEA-4854", and shall follow approximately the plan indicated on the attached Figure 3 map, entitled "Buster No. 3 Mica Pegmatite, Custer Co., South Dakota - Showing Aspects of Proposed Exploration, - DMEA-4854".

1. Construct a frame building having minimum dimensions of 12 feet by 15 feet by 10 feet high, with a tar paper roof and having a door equipped with lock and key, to serve as a toolhouse, hoist house, and office.

2. Sink a two compartment inclined shaft, not less than four feet by eight feet in cross-section in the clear of timber, to a depth not in excess of 100 feet.

3. From or near the bottom of the shaft drift and/or crosscut for a distance not to exceed 120 feet. The drift and/or crosscut shall have minimum cross-sectional dimensions of five feet by seven feet in the clear of timber.

The location, inclination, direction and extent of all work are subject to the approval of the Government.

Fixed Unit Costs

1. Building construction[1/]	$ 400.00
2. Sinking shaft - 100 feet @ $55.00/ft.	5,500.00

3. Drift and/or crosscut - 120 feet @ $31.00/ft.	$3,720.00
Estimated Total Cost of Project	$9,620.00
Government participation @ 75%	$7,215.00

1/ The completed work constitutes the unit.

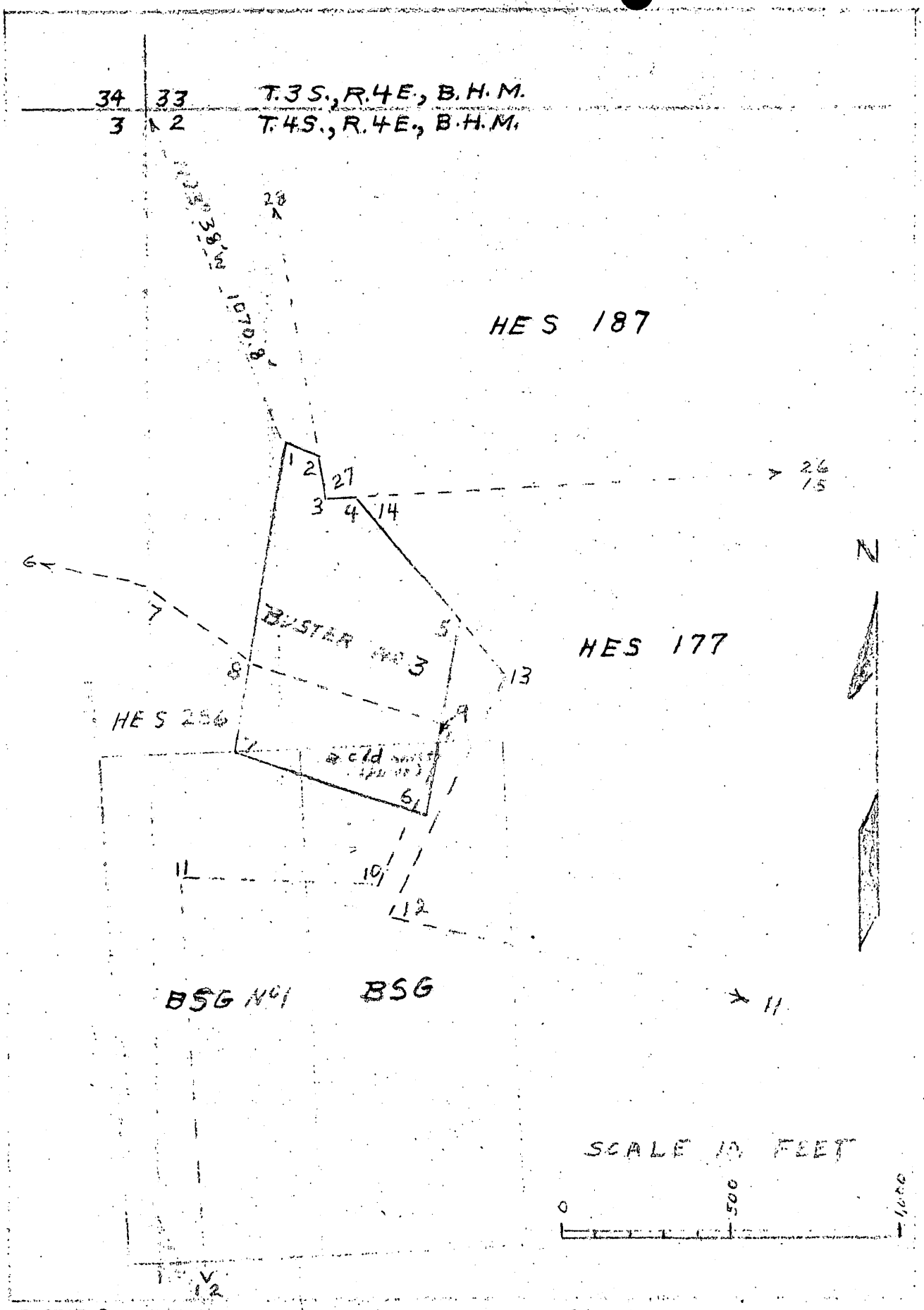


FIGURE 2 - SKETCH SHOWING LOCATION OF BUSTER No. 1 CLAIM AND SURFACE CONFLICTS, W.S. CLIFFORD AND C.L. STILES, CUSTER COUNTY, SOUTH DAKOTA. DMEA 4854

W.O.

DMEA
DEPARTMENT OF THE INTERIOR
JUN 30 1958
REGION III
DENVER, COLORADO

Custer, South Dakota
June 28, 1958

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III
U. S. Department of the Interior
Defense Minerals Exploration Adm.
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4854 (Mica)
Walter S. Clifford and
Charles L. Stiles
(Buster No. 3 and BSG Lode)
Custer County, South Dakota
Proposed Exploration Project
Contract No. Idm-E1211

Dear Sir:

This will acknowledge receipt of the various instruments in connection with the above-captioned proposed exploration project.

We have carefully considered all of the instruments submitted to us, and based upon our past mining experience, it is our opinion that this project could not possibly be completed for the amount allowed to us in the Contract. It might be possible to do the work in connection with the drift for the $31.00 per foot, but it definitely would not be possible to sink the 100 foot shaft for $55.00 per foot as allowed and set out in the proposed Contract.

In view of the above facts we feel that it is to our best interests to decline this proposed loan unless some adjustment could be made in regard to the amount allowed for sinking the 100 foot shaft. We are, therefore, herewith returning all of the papers submitted to us.

Yours very truly,

Walter S. Clifford

Walter S. Clifford

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 7 1958

DATE	INITIALS	CODE
7/7	Hook	600

Mr. George Selfridge

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 20 1958

DATE	INITIALS	CODE
6/20	C	220
6/20	Hovel	600

DN 235 BUR MINES 6-19-58 10-50

CHAIRMAN OPERATIN(COMITTEE DMEA

RE DOCKET DMEA 484, CLIFFORD AND STILES, YOUR TELETPXXX TELETPE JUNE 13 AND LETTER OF JUNE 18 FORWARDING PROPOSED CONTRACT. BEN GANTZ CALLED FROM SOUTH)AKOTA TIXX THIS MORNING AND HE WILL HAVE REQUIRED ADDITION MADE TO TWO COPIES OF LEASE AND FORWARD DXX TODAY DIRECT TO YOU, AIR MAIL, SPECIAL DELIVERY. PLEASE TELETYPE ADVICE FOR CLEARANCE TO RELEASE CONTRACT T XX TO APPLICANTS FOR SIGNATURE.

J W TOWNSEND

Denver, Colo.

No reply required see teletype of 6/19 from Selfridge.

BUREAU OF MINES
WASHINGTON, D. C.

1958 JUN 19 PM 2:31

DMEA
DEPARTMENT OF THE INTERIOR
JUN 30 1958
REGION III
DENVER, COLORADO

Custer, South Dakota
June 28, 1958

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III
U. S. Department of the Interior
Defense Minerals Exploration Adm.
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4854 (Mica)
Walter S. Clifford and
Charles L. Stiles
(Buster No. 3 and BSG Lode)
Custer County, South Dakota
Proposed Exploration Project
Contract No. Idm-E1211

Dear Sir:

This will acknowledge receipt of the various instruments in connection with the above-captioned proposed exploration project.

We have carefully considered all of the instruments submitted to us, and based upon our past mining experience, it is our opinion that this project could not possibly be completed for the amount allowed to us in the Contract. It might be possible to do the work in connection with the drift for the $31.00 per foot, but it definitely would not be possible to sink the 100 foot shaft for $55.00 per foot as allowed and set out in the proposed Contract.

In view of the above facts we feel that it is to our best interests to decline this proposed loan unless some adjustment could be made in regard to the amount allowed for sinking the 100 foot shaft. We are, therefore, herewith returning all of the papers submitted to us.

Yours very truly,

Walter S Clifford

Walter S. Clifford

224 New Customhouse
Denver 2, Colorado

JUN 19 1958

6|23 C 220
600

CERTIFIED MAIL

Messrs. Walter S. Clifford
and Charles L. Stiles
P. O. Box 823
Custer, South Dakota

Re: Docket No. DMEA 4854 (Mica)
Walter S. Clifford and
Charles L. Stiles
(Buster No. 3 and BBG Lode)
Custer County, South Dakota -
Proposed Exploration Project
Contract No. Idm-E1211

Gentlemen:

Enclosed are the Government's, Audit, Finance Office, and Field Team copies of proposed Exploration Project Contract No. Idm-E1211, which has been prepared pursuant to your application for Government assistance in exploration work under the Defense Minerals Exploration Administration program.

If the contract is satisfactory, all copies are to be signed by both partners as indicated and all copies promptly returned to this office.

In the event the contract is not satisfactory, all copies are to be returned promptly to this office, together with your comments on or objections to the contract.

Your attention is especially directed to three provisions in the contract:

1. The Government will not contribute to the costs of any of the work that is provided for in the contract which is performed prior to the date of the contract.

2. The contract requires completion of the exploration work within the period fixed therefor. Approval must be obtained from the Government for any suspension of work which may result in failure to complete the work within the period specified.

3. Royalty is due the Government on all production from the land described in the contract, beginning on the date of the contract.

If the contract is satisfactory, and upon return of all copies properly signed, the "Operator's Copy" of the contract will be forwarded to you, together with blank report forms and instructions relative to reporting on work performed under the contract. Also, instructions will be given as to the procedure to be followed in corresponding with this office in matters concerning operations under the contract.

The authority under which the DMEA is presently operating expires as of the close of June 30, 1958. Therefore, if the contract is to be made effective it must be signed and the envelope returning the executed contract to this office must be postmarked prior to midnight June 30, 1958.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

Enclosures

JWT:prl

cc: Chmn. Op. Comm. (2)
Marshman
DMEA/DFC (Kinyon)
Docket
Townsend
Chron.

Box 1285
Rapid City, S. D.
19 June 1958

U.S. Department of the Interior
Division of Non-metallic Minerals
Washington 25, D.C.

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 23 1958

DATE	INITIALS	CODE
6/23	C	220
		600

Attention Mr. Geo. C. Selfridge

RE: Docket No. DMEA-4854-Mica Beryl
Walter S. Clifford and Charles I Stiles,
Buster No. 3 and B.S.G Lode
Custer County S.D.

Sir:

In accordance with the request of the Denver Office, I am enclosing herewith two copies of the BSG and BSG No. 1 lease to Clifford and Stiles amended as requested by the insertion of "in Custer County, South Dakota" in the 2nd paragraph.

Very truly yours,
Ben A Gantz

P.S. The above address is for the summer only. After Oct. 1st it will be until further notice 2347 S. Arlington Ridge Rd, Arlington 2, Va.

DMEA Form 7
(2-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/19	Houk	600
6/19	Selfridge	130
"	Johnson	110
"	Chittenden	700
6/20	C	220
		600

JUN 19 1958

T E L E T Y P E

Department of the Interior

DMEA

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

14X4401(01) Revolving Fund,
Defense Production Act, Interior,
(Transfer to Office of Secretary)

Mr. J. W. Townsend
Alternate Acting Executive Officer, DMEA
Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re Docket DMEA 4854, Clifford and Stiles, Associate Solicitor

has approved lease. Contract may be executed.

George C. Selfridge

Chairman, Operating Committee (=43)

LGHouk:gad 6/19/58
Copy to: Admr. R. File
Confirmation Copy
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

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

JUN 19 1958

INTERIOR DEPT.

JUN 19 1958

Memorandum

To: Administrator, DMEA
Attention: Director, Division of Nonmetallic Metals

From: Associate Solicitor, Division of Mineral Resources

Subject: Walter S. Clifford and Charles L. Stiles, partners
Docket No. DMEA-4854

Reference is made to my memorandum of June 11, 1958, on the subject contract, regarding the adequacy of the land description in the lease dated May 1, 1958, from Ben S. Gantz. The Bureau of Land Management assures me that the initials "B.H.M." can only refer to the Black Hills Meridian and that consequently the description in the lease "* * * the N.W. corner, Section No. 2, T. 4 S., R. 4 E., B.H.M. * * *" could only refer to an area in Custer County, South Dakota.

Accordingly, I hereby withdraw the objections stated in my memorandum of June 11, 1958.

Robert P. Dwyer

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/13	Houk	600
6-16	Chambers	800
6/17	[illegible]	130
6/17	Johnson	110
"	[illegible]	100
6/18	[illegible]	220

600

JUN 18 1958

Mr. J. W. Townsend
Alternate Acting
Executive Officer, DMEA
Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re: Docket No. DMEA-4854-Mica-Beryl
Walter S. Clifford and
Charles L. Stiles
Buster No. 3 and BSG Lode
Custer County, South Dakota

Dear Mr. Townsend:

Enclosed are the original and four copies of a proposed short-form contract signed by the Administrator for the Government. It consists of the form, Annex I (1 page), one Consent to Lien and Subordination Agreement, Exhibit "A" (2 pages), and two maps. Also enclosed are two extra copies of Annex I, Exhibit "A", and the maps for Field Team use.

If the proposed contract meets with your approval, present it to the applicant for execution. Copies of the executed contract are to be distributed in the usual manner. If any part of this proposed contract does not have either your approval or that of the applicant and cannot be amended within your delegated authority, then the original and all copies of the contract and the two extra copies of Annex I, Exhibit "A" and the maps are to be returned to this office, together with the proposed changes for consideration.

Copies of memoranda dated December 23, 1957, and February 28, 1958, by Mr. Milford L. Snow, USBM, and Mr. N. E. Nelson, USGS, respectively, relating to the project are enclosed.

Sincerely yours,

Approved:

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

Thor H. Kiilsgaard (JLB)
Member, Geological Survey

George C. Selfridge
Chairman, Operating Committee (JLB)

LGHouk:rsi 6/13/58
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Enclosures 11

P.S. If you mail the contract to the Applicant for execution, advise him that the envelope returning the executed contract must be postmarked prior to June 30, 1958, (midnight). Please refer to our teletype of June 13, 1958

8623

EA Form 7
-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/17	[illegible]	130
"	[illegible]	110
"	[illegible]	100
6/18	[illegible]	225
6/18	[illegible]	600

JUN 17 1958

T E L E T Y P E

XXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXX

Department of the Interior

DMEA

14X4401(C1) Revolving Fund, Defense Production Act, Interior, (Transfer to Office of Secretary)

Mr. J. W. Townsend
Alternate Acting Executive Officer, DMEA
Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Reurtel June 16, 1958, Docket DMEA 4656, Contract Idm-K1105, Yellow Queen Uranium Company, we concur in your recommendation for extension of completion date. Please refer requests for all extensions beyond June 30, 1958, to us for prior approval.

Re Docket DMEA 4854, Clifford and Stiles, visit to residence of Ben S. Gants indicates he is presumably in South Dakota. Address unknown.

George C. Selfridge
Chairman, Operating Committee

GCSelfridge/esf - 6/17/58
cc to: Admr. Read. File
Operating Committee
THKiilsgaard, 5224
DMEA Field Team, Region III, confirmation
Mr. Selfridge

8623

Form 7
-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/17	Houk	600
6/17	Selfridge	120
	Hag	110
		~~100~~
		220

600

Memorandum

To: Mr. C. O. Mittendorf, Administrator

From: Lawrence G. Houk, Director, Division of Nonmetallic Minerals

Subject: Documentation of the Lessee's interest in the land

Docket No. DMEA-4854-Mica-Beryl
Walter S. Clifford and Charles L. Stiles
Buster No. 3 and BSG Lode
Custer County, South Dakota

The memorandum of June 11, 1958, from the Associate Solicitor's Office points out that paragraph 2 of a copy of the lease does not show the County and State. It does, however, give the section, township, range and principal meridian which nails down the location of the three claims. We have in the docket copies of the location notices on the claims. We also have in the docket a true copy of the original lease which Legal found too restrictive. The Owner of the claims, Mr. Ben S. Gantz, visited the office and we made the copies from his originals. I talked this over with Mr. John Hofflund and he feels we have sufficient interest in the land and that the documentation is enough for our purposes. The project objective itself is good. The heavy air staining of the mica from this pegmatite is the principal deterrent.

I recommend that you accept the documentation as sufficient for our purposes, and we forward the signed contract to Mr. Townsend for execution by the Applicants. I will talk with Mr. Dwyer when he returns and ask him to write us a new memorandum. In the meantime, the Field Team will be attempting to get exact copies of the lease and have Mr. Ben S. Gantz initial the changes as they have been instructed to do by teletype.

LGHouk:gad 6/17/58
Copy to: Admr. R. File
Mr. Houk

Send contract subject to stipulations contained herein until 6/13/58 memo from Dwyer supplying precise data as OPS.
LGH

8623

Form 7
56)

OFFICIAL FILE COPY

Date	Surname	Code
6/16	Selfridge	120
6/16	Houk	600
	HJ	110
		~~100~~

June 16, 1958

MEMORANDUM

To: Administrator

From: George C. Selfridge, Special Assistant

Subject: Proposed Contract
Docket No. DMEA-4854 - Mica-Beryl
Walter S. Clifford and Charles L. Stiles
Buster No. 3 and BSG Lode
Custer County, South Dakota

Mr. Townsend telephoned today during the meeting of the Operating Committee relative to our teletype of June 13, 1958, to him. He stated that they were unable to contact either Stiles or Clifford. Word has been left that the applicants contact the Denver office. Apparently there are two or more Gantzes involved in the matter and one of them is now in Columbia, South America.

Townsend suggested that we contact the Gantz residence at 2347 Arlington Ridge Road, South. The writer informed him that we already had tried to do so by telephone but that the telephone had been disconnected. As this address is close to the writer's home, he will drop by this evening to see what he can learn concerning Mr. Gantz. The writer promised Mr. Townsend that he would teletype him tomorrow morning, June 17, regarding his findings.

G. Selfridge.

GCS/esf
cc to: Docket
Admr. Read. File
Mr. Houk
Mr. Selfridge

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/13	Houk	600
6/13	[illegible]	130
"	[illegible]	110
"	[illegible]	100
		220

JUN 13 1958

Interior

DMEA
14X4401(01) Revolving Fund
Defense Production Act,
Interior, (Transfer to Office of
Secretary)

Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

TELETYPE

Mr. J. W. Townsend
Alternate Acting Executive Officer, DMEA
Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re Docket DMEA-4854, Clifford-Stiles, Have Binyon procure and send direct to Washington, an exact copy of lease of May 1, 1958 from Applicants, with Custer County, South Dakota, added to the second paragraph. Ben Gantz should initial changes. Will forward contract to you soon. Binyon should hold for lease approval from Washington before he presents contract for execution.

George C. Selfridge
Chairman, Operating Committee

LGHouk:rsi 6/13/58
Copy to: Admr. R. File
Operating Committee
Confirmation Copy

8623

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

JUN 11 1958

Memorandum

To: Administrator, DMEA
Attention: Director, Division of Nonmetallic Metals

From: Associate Solicitor, Division of Mineral Resources

Subject: Walter S. Clifford and Charles L. Stiles, partners
Docket No. DMEA-4854

We have prepared the attached contract as requested. However, we call your attention to the lease dated May 1, 1958, from Ben S. Gantz to the Operator, pursuant to which the Operator claims to be in possession of the B.S.G. and B.S.G. No. 1 lode mining claims. This purported lease is unacceptable in that it does not recite the County and State in which the mining claims are situate. Accordingly, before the attached contract is executed, the second paragraph of the purported lease should be amended to include the names of the appropriate County and State.

Robert P. Dwyer

Robert P. Dwyer

Attachments

Chairman, DMEA.

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 4 1958

DATE	INITIALS	
6/4	C	220
6/4	Lock	600

DN 235 BUR MINES 6-3-58 4-14

GEO C SELFRIDGE, CHAIRMAN
OPERATING COMMITTEE, DMEA

REUR TELEPHONE REQUEST TODAY, DOCKET DMEA 4854, CLIFFORD A STILES. COMBINATION HOIST ROOM, TOOL SHED, AND OFFICE SIXTEEN FEET BY EIGHTEEN FEET, SHED ROOF TEN FEET FRONT EIGHT FEET BACK, FRAME CONSTRUCTION, TAR PAPER ROOF, WITH 2,000 BOARD FEET ESTIMATED LUMBER ONE DOOR AND FIVE WINDOWS.

J W TOWNSEND

DI—17

SPECIAL

Denver, Colo.

12
15

128

JUN 4 8 44 AM '58

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

orm 7
5)

OFFICIAL FILE COPY

Date	Surname	Code
5/2	Houk	

May 1, 1958

Memorandum for the file:

From: Lawrence G. Houk, Director, Division of Nonmetallic Minerals

Subject: Docket No. DMEA-4854-Mica-Beryl
Walter S. Clifford and
Charles L. Stiles
Buster No. 3 and BSG Lode
Custer County, South Dakota

Mr. Ben S. Gantz visited the office and brought in the lease which we requested from the Applicants.

The lease was rather restrictive, and it was suggested and he agreed to re-write the lease and have it executed, and send it in. When the lease is received we will prepare Consent to Lien and Subordination Agreements and send them to him direct in Arlington. He will sign and return them. A Quit Claim Deed is placed in the docket from S. P. Gantz giving Ben S. Gantz complete control.

LGHouk:gad 5/1/58
Copy to: Docket
Chron.

8623

ZA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/11	Houk	600
"	[illegible]	110
"	[illegible]	100
4/15	[illegible]	220

APR 11 1958 600

Messrs. Walter S. Clifford
and Charles L. Stiles
Box 823
Custer, South Dakota

Re: Docket No. DMEA-4854-Mica-Beryl
Walter S. Clifford and
Charles L. Stiles
Buster No. 3 and BSG Lode
Custer County, South Dakota

Gentlemen:

Reference is made to our request of March 10, 1958, for a copy of the lease on the BSG and BSG #1 and owners consents to lien and subordination agreement and to Mr. W. H. King's requests of December 13, 1957 and February 20, 1958, for the same documents.

We wish to cooperate with you fully in allowing ample time to comply with our request; however, we cannot indefinitely postpone action on an application. Therefore, if we do not receive the requested information within 30 days from the date of this letter, we will assume that you are no longer interested in proceeding with your application, and we will consider it as having been withdrawn.

Sincerely yours,

[illegible] (for)

Administrator

Delivered lease by hand 5/1/58 Returned and will be re executed
Hold our [illegible]
[illegible]

LGHouk:rsi 4/11/58
Copy to: Admr. R. File
Field Team, Region III
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

May
~~April~~ 20, 1958

U.S.Department of the Interior
Division of Nonmetallic Minerals
Washington 25, D.C.

Attention of Mr. Lawrence G. Houk

Re: Docket No. DMEA-4854-Mica-Beryl
Walter S.Clifford and
Charles L. Stiles,Buster No.3 and
and B.S.G.Lode, Custer County, So.Dak.

Sir:

In compliance with the request contained in your letter of March 10, 1958 I enclose herewith a copy of our lease on the BSG and BSG #1 claims together with five copies of Consent to Lien and Subordination Agreement forms executed by the owners.

Very truly yours,

Walter S. Clifford
Walter S. Clifford

Charles L. Stiles
Charles L. Stiles

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 2 1958

DATE	INITIALS	CODE
6 2	C	220
6 2	Houk	600

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/10	Houk	600
"	Hutchinson	100
3/11	C	220
		600

600

MAR 10 1958

Messrs. Walter S. Clifford
and Charles L. Stiles
Box 823
Custer, South Dakota

Re: Docket No. DMEA-4054-Mica-Beryl
Walter S. Clifford and
Charles L. Stiles
Buster No. 3 and BSG Lode
Custer County, South Dakota

Gentlemen:

On December 13, 1957, and on February 20, 1958, you were requested to supply a copy of your lease on the BSG and BSG #1 claims by Mr. W. H. King, Executive Officer, DMEA Field Team, Region III.

To date we have not received the copy of your lease. It will be necessary that you have the enclosed Consent to Lien and Subordination Agreement forms executed by the owners and return five copies of the form to this office.

Unless we receive the requested information we will not be able to resume the processing of your application. Please give this matter your prompt attention.

Sincerely yours,

Lawrence G. Houk, Director
Division of Nonmetallic Minerals

Enclosures 5

LGHouk:gad 3/10/58
Copy to: Admr. R. File
Field Team, Region III
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 3 1958

DATE	INITIALS	CODE
3/4	C	220
/		600

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

February 28, 1958
Re: DMEA 4854
Walter S. Clifford and Charles L. Stiles
Buster No. 3 and BSG Lode
Custer County, South Dakota
Mica

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Joint Memo recommending less costly work.

The joint memo was written as an answer to the objections of the Division and Operating Committee to the work program recommended in the Joint Engineering and Geologic report of Dec. 11, 1957.

I concurred with that recommendation. Diamond drill hole No. 2 appears to have located either a new pegmatite or an offset section of the original. As plotted it is much out of line and may be a separate pegmatite of length unknown. Otherwise work at the 103 (5450) and 142 levels (5412) should have led into what appears to be a sizable mass.

As projected and plotted in plan, the hanging wall lines up with the shaft hanging wall exposure in the 157 level (Norton and Pray map and sections). To infer 2,500 tons ($\frac{1}{2}$ of 5,000) for the body is not unreasonable. That it contains 250 tons of crude mica worth $600.00 per ton is another guess.

The same holds for the north part of the mine. Here interpretation of the cores of 2 drill holes is involved. The tonnage of pegmatite appears probable, the mica content much less certain.

The examiners now tentatively recommend a work program consisting of 80 feet of shaft sinking, 40 feet of crosscutting, and 40 feet of drifting. The location of the shaft is to be the same as originally proposed, in the footwall of the pegmatite.

In my opinion more interesting inferences are possible from the results of drill hole No. 2 (10) at the south end of the mine, than are aroused by drill holes 1 and 3 (9 and 11). However, as J. J. Norton probably agrees with the examiners, I concur with their recommendation of an abbreviated work program.

N. E. Nelson

N. E. Nelson

February 27, 1958

NOTE TO THE FILE

Docket No. DMEA-4854-Mica-Beryl
Walter S. Clifford and Charles L. Stiles
Buster No. 3 and BSG Lode
Custer County, South Dakota

Production: A total of 602 tons of crude mica produced May 1942 through December 1943. First sale to Colonial December 15, 1942. December 15, 1942 to end of 1943 produced 17,446 lbs $1\frac{1}{2}$x2 and larger 3/4 trim. 2,275 lbs of 1x1 and $1\frac{1}{4}$ x$1\frac{1}{4}$ full trimmed and 97,197 lbs of untrimmed punch from about 384 tons of run-of-mine.

Page 88, USGS Professional Paper 247: "The Buster Dike produced whitish or very pale ruby mica, generally a good quality except for heavy air stain." "Herringbone structure is developed in much of the mica and causes a low recovery of sheet from crude mica." "Between July 1, 1942 and December 1943 it is estimated about 5,700 tons of pegmatite were mined and 558 of crude mica recovered."

RI [illegible] 48

[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 24 1958

DATE	INITIALS	CODE
2/24	C	220
2/26	JB	130
2/27	C	220
		600

224 New Customhouse
Denver 2, Colorado
February 20, 1958

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4854 (Mica-Beryl) Walter S. Clifford and Charles L. Stiles Buster No. 3 and BSG Lode Custer County, South Dakota

This replies to your letter dated February 3, 1958, on the subject docket.

Enclosed are the original and two copies of a Joint Memorandum from the Field Examiners. If the Operating Committee is unable to concur with the recommendations of the examinating team, and believe the scope of the program should be reduced, we believe a minimum program should include 80 feet of shaft sinking, and 40 feet of cross cutting, plus 40 feet of drifting along the hanging wall of the dike.

Also attached are three copies of a letter to the applicant again requesting that he submit a copy of the lease.

W H King
W. H. King
Executive Officer

Reviewed by
DMEA OPERATING COMMITTEE
2-26-58
(date)

224 New Customhouse
Denver 2, Colorado

February 20, 1958

DMEA
RECEIVED FEB 24 1958
DATE CODE
2/26 2/3 130
220

Messrs. Walter S. Clifford
and Charles L. Stiles
Box 823
Custer, South Dakota

Re: Docket No. DMEA 4854
(Mica) (Buster No. 3,
BSG, and BSG No. 1
claims) Custer County,
South Dakota

Gentlemen:

Reference is made to our letter to you dated December 13, 1957, in which we requested a copy of your lease on the BSG and BSG No. 1 claims. Upon receipt of a copy of your lease, we will continue to process your application for DMEA assistance.

Very truly yours,

Original signed by
W. H. KING

W. H. King
Executive Officer

HMC:dp

cc: Sec. Oper. Comm. (3)
Harshman
DMEA/BFC
Docket
Chron.

Reviewed by
DMEA OPERATING COMMITTEE
2-26-58
(date)

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
FEB 20 1958
REGION III
DENVER, COLORADO

DATE		CODE
2/26	2/12	130
		220

February 18, 1958

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: E. N. Harshman

From: W. N. Sharp
E. O. Binyon

Subject: DMEA Docket 4854 (Mica), Walter S. Clifford and Charles L. Stiles (Buster No. 3 and BSG lode), Custer County, South Dakota

This memorandum is in reference to comments and questions in a letter of February 3, 1958, from the Chairman, Operating Committee to the Executive Officer, Region III, concerning the Buster Dike pegmatite examination report.

The exploration program recommended in the Field Examination Report, in the opinion of the examiners, is justified by the mica potential of the unmined parts of the Buster dike. This program and the mica potential of the dike were again discussed with James J. Norton and he believes that the Buster Dike pegmatite has been one of the best producers and is now the best prospect for mica in the Black Hills.

Drilling in lieu of drifting to explore the south end of the dike is not recommended by the examining team. One additional drill hole would add little pertinent data to that already obtained from

Reviewed by
DMEA OPERATING COMMITTEE
2-26-58
(date)

drill hole No. 2 (USBM hole no. 10). Also it is doubtful that the operators will accept a drill hole as part of the program.

If the Operating Committee is unable to concur with the recommendations of the examining team, and believe the scope of the program should be reduced, a minimum program should include 80 feet of shaft sinking, and 40 feet of crosscutting--in essence the Stage II portion of the program shown in figure 3-plus 40 feet of drifting along the hanging wall of the dike.

The following comments are in answer to questions and points of apparent uncertainty brought out in the Chairman's letter.

It would appear from figure 3 of the Examination Report that more than a "limited target pegmatite" remains north of the stoped area (see upper block of figure 3). This conclusion is not based on USBM diamond drill holes 9 and 10 (holes 1 and 2, fig. 3), but on surface outcrop dimensions and character, and USBM diamond drill hole 11 (hole 3, fig. 3), the northernmost hole. Holes 9 and 10 were located to explore the central and southern parts of the dike.

If the first sentence in the second paragraph of the Chairman's letter should read south, then the core data from diamond drill hole 10, which cuts the south-plunging end of the pegmatite, are partly the basis for assuming an adequate target pegmatite to the south. This hole core was logged by L. R. Page, and an interpretation was made by Page and Norton. Our conclusions, briefly again, are that

a plunging roll feature occurs south of the stope, and that the roll and the lobing end of the pegmatite probably localize quality mica in sufficient quantity to justify exploration. Inasmuch as one hole has been drilled 30 feet south of the stope and cuts more than 15 feet of mica-bearing pegmatite, there appears to be ample volume of mica-bearing pegmatite indicated to justify the south drift without additional preliminary drilling.

We do not believe that the quality of the mica in the Buster dike can be determined by two BX holes. Page's core logs do mention "heavily air stained" mica from USBM drill hole 10 but not from hole 9. It should be noted (USBM Inves. Report 4693) that hole 9 (hole 1, fig. 3) penetrated two pegmatites. The pegmatite penetrated in the hole-interval 131.5 (?)-138.8 feet is interpreted to be the Buster pegmatite; the pegmatite penetrated at 191-218.8 feet is another pegmatite. Almost half of the Buster pegmatite core was lost in coring, and an interpretation is made that most of the core lost was muscovite. Also the mica present in the core was only slightly air stained (page 28, USBM Inves. Report 4693). The mica in the lower pegmatite cut by the hole (not the Buster) was heavily air stained.

The log of USBM hole 10 (hole 2, fig. 3) makes reference in two places in the pegmatite to "heavily air stained" ruby mica. However, in four intervals of core, reference is made to mica apparently

not heavily air stained. It would appear that the log evidence is in favor of good quality mica in the area of the pegmatite cut by USBM holes 9 and 10.

More reliable and impressive data on quality of mica are obtained from the production figures. To illustrate this a new table is given, the values of which are from the mica production microfilm at the Bureau of Mines in Denver (Table 1). The table shows a quality breakdown for mica sold in 1942, 1943, and 1944. Also the table shows that of the total value (183,254.00) received from the sale of mica from the mine, 1942 through 1944, $149,622.00 was from sheet mica. During 1943 and 1944 the sheet mica sold for $5 to $6 per pound. Such a price seems strongly indicative of good quality mica.

The table on page 4 of the Examination Report, through some oversight, has punch and sheet mica combined under sheet mica. The new breakdown in Table 1 of this memo shows that the conspicuous increase in price per pound of sheet mica in reality is from 1942 to 1943, not 1943 to 1944. The reason for the increase in price for the 1943 and 1944 mica over that sold in 1942 is not known; however, it is assumed that a human element in mica grading is involved in large part. A survey of mica production from two other major mica mines of the area, the Victory and the Old Mike mines, shows a similar change in price of sheet mica from 1942 to 1944.

Victory mine sheet production

	Total weight	Total value	Price/lb.
1944	45,451 lbs.	$287,879	$ 6.32
1943	2,649 "	13,347	5.00
1942	50 "	50	1.00

Old Mike mine

1944	4,670 lbs.		5.87
1942	1,625		2.10

W. N. Sharp
Geologist

E. O. Binyon
Mining Engineer

Table 1.--Buster Dike mica production

Year	Punch pounds	Punch value	Punch value per pound	Sheet pound	Sheet value	Sheet value per pound	Scrap tons	Scrap value
1944	--	$ --	$	5,417	$37,495.00	$6.92	164	$ 5,014.00
1943	81,383	14,340.00	0.17	17,629	88,145.00	5.00	293	4,395.00 *
1942	53,959	7,015.00	0.13	19,033	23,982.00	1.26	239	2,868.00 *
Total	135,342	$21,355.00	$0.158	42,079	$149,622.00	$3.56	696	$12,277.00 *

Total value all mica - $183,254.00

No production record before 1942 or after Sept. 1944.

---

* Please note correction of these figures from those given in examination report.

DMEA
RECEIVED FEB 13 1958

DATE	INITIALS	CODE
2/13	C	220
2/13	Hook	600

224 New Customhouse
Denver 2, Colorado

February 10, 1958

Memorandum

To: E. N. Harshman
DMEA/DFC (Binyon)

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4854 (Mica-Beryl) Walter S. Clifford and Charles L. Stiles (Buster No. 3 and BSG Lode) Custer County, South Dakota

Enclosed is a copy of a letter from the Chairman, Operating Committee, dated February 3, 1958.

Will you please forward this office a joint memorandum with your recommendations concerning a diamond drill hole placed south and down dip from the stoped area, as suggested in the Chairman's letter which is attached.

Also, please give us the answers to the Chairman's questions regarding the quality of the mica produced and an explanation of the six-fold increase in the price per pound received for mica produced in 1944 over that produced in 1943.

Original signed by
W. H. KING

W. H. King

Enc.

HMC:bh

cc: Chmn., Op. Comm. (2)
Docket
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/3	Houk	600
2/3	[illegible]	130
"	Johnson	110
"	Chittenden	100
2/4	[illegible]	220
		600

600

FEB 3 1958

Mr. William H. King
Executive Officer, DMEA
Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re: Docket No. DMEA-4854-Mica-Beryl
Walter S. Clifford and Charles L. Stiles
Buster No. 3 and BSG Lode
Custer County, South Dakota

Dear Mr. King:

Based upon our study of the Field Examination Report, we are unable to concur with the recommended exploration program.

A careful study of the Bureau of Mines Report of Investigation 4693, particularly Diamond Drill Holes 9 and 10, indicates that only a limited-target pegmatite remains north of the stoped area, and only a limited amount of work could be justified here. As Diamond Drill Hole 10 is so close to the stope end, we do not feel it is very conclusive. Would a well-placed diamond drill hole to determine the potential to the south and down dip from the stoped area be preferable? Was most of the mica sold as punch or was the mica poor quality sheet? Is there a quality breakdown for 1942, 1943, and 1944? From our study of the drill hole data, it appears that much of the mica was heavily air stained and it would be difficult to meet "good stained" quality requirements under the present buying program. Can you explain the six-fold increase in the price per pound received for 1944 mica over 1943?

We will continue processing this application when we have your reaction and comments on the above suggestions. To date we have not received a copy of the lease. Mr. James Norton, on his last visit to Washington, discussed this pegmatite with Mr. L. G. Houk.

LGHouk:gad 2/3/58
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Approved:

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

Thor H. Kiilsgaard (SLB)
Member, Geological Survey

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (SLB)

8623

ORIGINAL FILE COPY
DMEA
RECEIVED DEC 23 1957

DATE	INITIALS	CODE
12/24	C	220
		600

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

December 23, 1957

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Acting Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4854 (mica)

Applicant: Walter S. Clifford and Charles L. Stiles

Name and Location of Property: Buster # 3 and Buster # 1 (BGS Claims)

Date of Field Team Report: 12/13/57

Date Rec'd. by Br. of Ceramic & Fertilizer Mtls. 12/19/57

Field Team Recommendation: Recommend the applicant's work proposal be approved as modified by them

Comments:

1. Applicant wishes to explore pegmatite dike from which $183,764.00 worth of mica was produced between 1942 and 1944.

2. Geologic factors and field examination indicate that the possibility of recovering a significant quantity of strategic mica is excellent.

Recommendation:

I concur with the recommendation of the field team that DMEA assistance be granted.

Milford L. Skow

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 23 1957

DATE	INITIALS	CODE
12/23	gb	220
		600

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

December 20, 1957
Re: DMEA 4854
Chas. L. Stiles
Buster No. 3, etc. Claims
Custer County, South Dakota
Appl. Est. $26,458.00
Rec'd " $14,950.00 - Mica

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team Report

The applicant requested assistance in resuming exploration of a large zoned, concordant, pegmatite credited with the production of $170,987.00 worth of sheet mica in the years 1942-1944. Scrap mica to the value of $12,777.00 also was recovered.

In the opinion of the examiners, $300,000 worth of strategic mica may remain. The estimate is based on the inference that $5,000 tons of mica bearing pegmatite carrying 500 tons of crude mica worth $600.00 per ton, was left by the last operators, in the north and south ends of the pegmatite. The inference as for the south end is sustained by the results obtained in a Bureau of Mines diamond drill hole No. 2, which apparently penetrated 25 feet of pegmatite, 5 feet of which on the hanging wall, and 10 feet on the footwall is mica bearing.

The alternate work program of the examiners appears to be adequate. I concur with the recommendation of the examiners and the Field Team that the program be approved.

N. E. Nelson

N. E. Nelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

December 13, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 16 1957

DATE		CODE
12/16	C	220
12/18	ZB	130
12/20	C	220
		680

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 4854 (Mica) Walter S. Clifford and Charles L. Stiles (Buster No. 3, BSG, and BSG No. 1 claims) Custer County, South Dakota

Enclosed are the original and two copies of the Joint Report of Examination on the subject property by Carl Belser, USBM, and W. N. Sharp, USGS.

The field examiners conclude that the probability for making a significant discovery is sufficiently promising to justify Government participation. Accordingly, they recommend that the Applicant's work proposal be approved, as modified by them. The Field Team concurs in this recommendation.

The Applicant has been requested to submit to your office a photostat of a signed copy of the lease on the BSG and BSG No. 1 claims.

Also enclosed are eight extra copies each of Figures 2 and 3 for possible use in the contract.

W H King

W. H. King
Executive Officer

Reviewed by
DMEA OPERATING COMMITTEE
12-20-57
(date)

On-Site Exam Rept.

FOR UNITED STATES GOVERNMENT USE ONLY

WDK
HMC

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

TRANSMITTED
DEC 13 1957

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA
DEPARTMENT OF THE INTERIOR
DEC 13 1957
REGION III
DENVER, COLORADO

OFFICE FILE COPY
DMEA
RECEIVED DEC 16 1957

DATE	INITIALS	CODE
12/20	[illegible]	130
		220

DMEA 4854

Walter S. Clifford and Charles L. Stiles

Buster No. 3, BSG, and BSG No. 1 claims

Custer County, South Dakota

Mica

Joint Engineering and Geologic Report

by

W. N. Sharp, Geologist
Geological Survey

Carl Belser, Mining Engineer
Bureau of Mines

December 11, 1957

Reviewed by
DMEA OPERATING OFFICER
12-20-57
(Date)

CONTENTS

	Page
Introduction and summary	1
Acknowledgments	2
Location, topography, and climate	2
History and production	3
Ownership and extent	5
Present status	6
Exploration and development	6
Mining and milling equipment and other facilities	6
Geology	7
Ore reserves	10
Applicants' program and estimated cost	11
Recommended program	15
Estimated cost of program	17
Conclusions and recommendations	22

ILLUSTRATIONS

Figure		Follows page
1.	Location map, Buster Dike pegmatite, W. S. Clifford and C. L. Stiles, Custer County, South Dakota. DMEA 4854	2
2.	Sketch showing location of Buster No. 3 claim and surface conflicts, W. S. Clifford and C. L. Stiles, Custer County, South Dakota. DMEA 4854	5
3.	Buster No. 3 mica pegmatite, Custer County, South Dakota, showing aspects of proposed exploration. DMEA 4854	23

DMEA 4854

WALTER S. CLIFFORD AND CHARLES L. STILES
BUSTER NO. 3, BSG, AND BSG NO. 1 CLAIMS
CUSTER COUNTY, SOUTH DAKOTA

INTRODUCTION AND SUMMARY

Walter S. Clifford and Charles L. Stiles, P. O. Box 823, Custer, South Dakota, on October 10, 1957, submitted an application to Defense Minerals Exploration Administration for aid in a mica exploration project on the Buster Dike pegmatite, covered by the Buster No. 3, the BSG, and BSG No. 1 claims in sections 2 and 3, T. 4 S., R. 4 E., Black Hills meridian, Custer County, South Dakota. The application was for 100 feet of vertical sinking and 250 feet of drifting at a total estimated cost of $26,458.00. The property was examined on October 29, 1957.

The deposit is a thick lenticular body of granite pegmatite about 200 feet long and 60 feet wide in a quartz-mica country rock. The strike of the major axis is N 15° W and the dip is from 50° to 80° to the southwest. The richest concentrations of mica are limited by rolls in the wall zone and by the plunging south end of the dike.

The property was extensively worked between 1942 and 1944 during which time a 157-foot inclined shaft was sunk, drifts established on the 103- and 142-foot levels, and $183,764.00 worth of mica produced. The workings were allowed to cave and were backfilled.

Geologically it is believed that the future production of the property will be at least equal to the past production.

An exploratory program consisting of a 140-foot inclined shaft and 195 feet of drifting at a total estimated cost of $14,950.00 is recommended. Government participation at 75 percent will amount to $11,212.50.

ACKNOWLEDGMENTS

Credit for the regional geology and the geology of the Buster dike area is given to J. J. Norton and J. A. Redden of the USGS who are currently mapping the Precambrian rocks of the Black Hills. Publications consulted include: Pegmatite Investigations 1942-1945, Black Hills, South Dakota, by L. R. Page and others, U. S. G. S. Professional Paper 249, and Investigation of Mica Deposit at the White Bear, Silver Dollar, Buster Dike, and Hot Shot mines, Custer County, South Dakota, by A. B. Needham, Bureau of Mines R. I. 4693.

The examining team was accompanied during the examination by the applicants, Walter S. Clifford and Charles L. Stiles, and by Gardner Gantz, mining engineer.

LOCATION, TOPOGRAPHY, AND CLIMATE

The Buster Dike pegmatite is in sections 2 and 3, T. 4 S., R. 4 E., Black Hills meridian, Custer County, South Dakota. The property is 3-1/2 miles south of Custer and a short distance west of U. S. Highway 85A at an altitude of 5,500 feet (fig. 1).

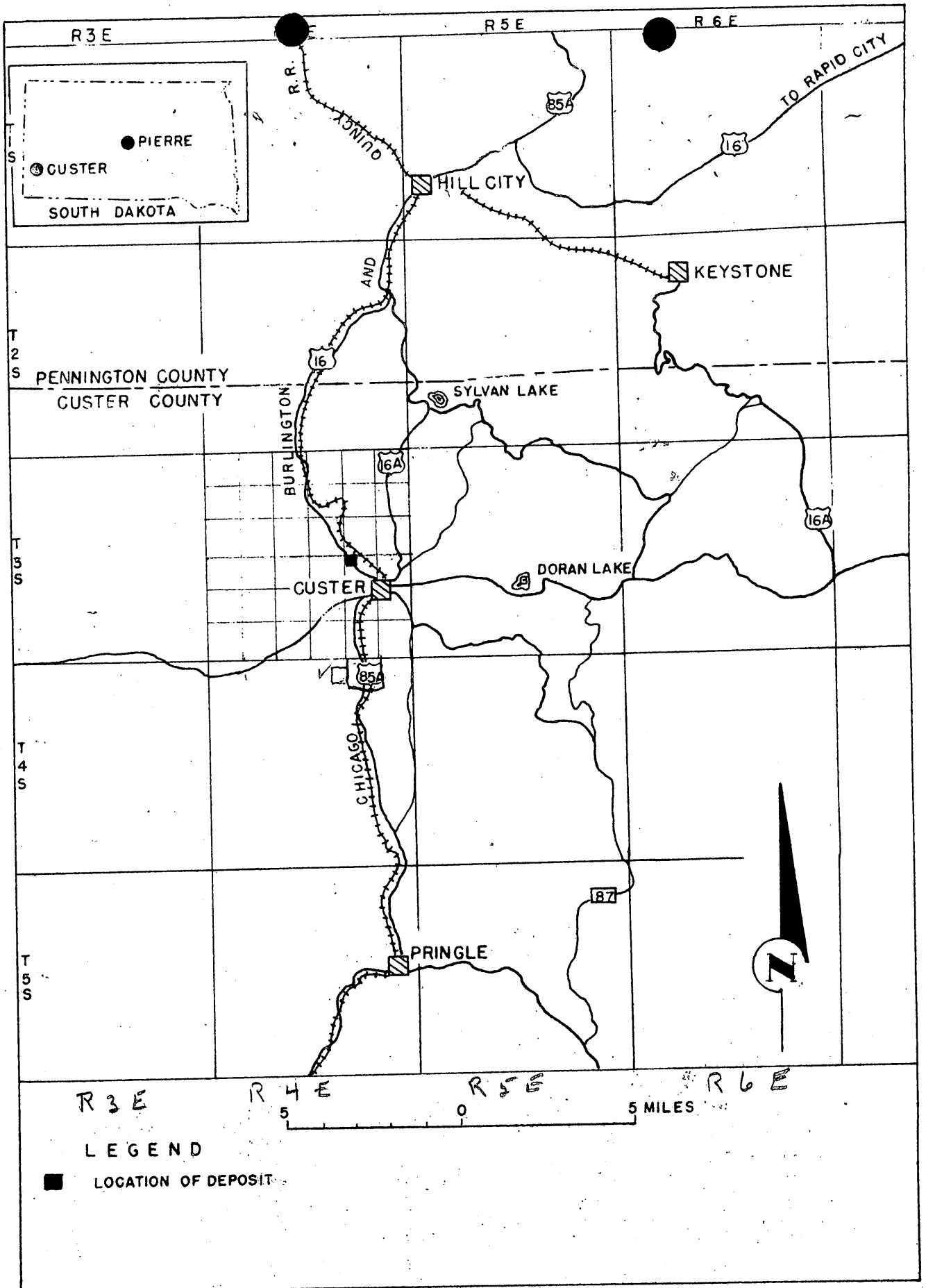


Figure 1 - LOCATION MAP, BUSTER DIKE PEGMATITE, W.S. CLIFFORD AND C.L. STILES, CUSTER COUNTY, SOUTH DAKOTA DMEA 4854

The property lies within the rough Precambrian rock terrane of the central part of the Black Hills. Rocky outcrops and spires are numerous and prominent, even though thick pine forests cover most of the countryside.

The climate is typical for low mountains at this latitude; summers are moderate and winters at times are severe.

The Chicago, Burlington, and Quincy railroad serves Custer. A Government mica purchasing depot is maintained in Custer. Water for mine purposes can be obtained from ponds near Custer, and timber for mine workings may be purchased from mills in Custer. Labor and supplies are available also in Custer. A two-phase R.E.A. power line passes just to the west of the property.

HISTORY AND PRODUCTION

The Buster Dike pegmatite has had a long but intermittent history of mining activity. The pegmatite was worked for feldspar many years ago. Later, in 1939 the claims were relocated by S. T. Gamber and again mined for feldspar. Early in 1942 good mica was uncovered in the spar quarry about 20 feet below surface and the mine was sold to the Black Hills Mining Company in May 1942. A 157-foot inclined shaft was sunk and mica was mined until 1944, mostly from stopes near the shaft. Near the close of operations in 1944 the shaft and levels were backfilled and caved, and the mine has been inaccessible and unproductive since that time. The three claims that presently cover the pegmatite were located in June and July 1957.

The geology of the area was studied from 1942-1944 by J. J. Norton and L. R. Page of the Geological Survey during the Black Hills pegmatite investigations program. In 1946-1947 three drill holes totaling 546 feet in length, were drilled through the pegmatite by the Bureau of Mines in an effort to evaluate the mica potential.

Beryl has been noticed in the feldspar on the dump from the Buster Dike pegmatite, and some beryl has been marketed from the pegmatite. Beryl production has been estimated at 10 tons, but both feldspar and beryl production records are sketchy. The records of mica production from the Buster Dike are available and these show that a significant amount of good mica was produced during the last war. Mica production for the Black Hills Mining Company from the Buster pegmatite dike is tabulated below:

Low Tons mica produced - Norton -

Year	lbs. sheet	Value	Tons scrap	Value
1944	5,417	$ 37,495.00 6.92	164	$ 5,014.00
1943	99,012	102,485.00 1.03	293	4,895.00
1942	72,992	30,997.00 42¢	239	3,868.00
Total	176,421 lbs. 88.2 Tons	$170,987.00 1,438 Tons 97¢	696 tons	$12,777.00

No production of mica is shown for the Buster pegmatite dike for the years 1939-1941, but the entire sheet mica production for South Dakota for the three-year period is 470,965 pounds valued at $54,570.00 and the scrap mica production is 6,267 tons valued at $79,212.00.

The applicant's estimates of reserves are problematical.

OWNERSHIP AND EXTENT

The applicants located the Buster No. 3 claim which covers most of the Buster Dike pegmatite and have leases on the unpatented BSG and BSG No. 1 claims (fig. 2). No copies of the leases have been furnished DMEA.

The claims are recorded in the office of the Register of Deeds of Custer County, South Dakota, as follows:

Claim	Book	Page	Date located	Date recorded	Locator
Buster No. 3	19	285	6/6/57	6/7/57	C. L. Stiles & W. S. Clifford
" " "	19	307	6/28/57	7/24/57	" " " " " " "
BSG	19	396	5/31/57	6/29/57	S. P. Gantz & Ben S. Gantz
BSG No. 1	19	441	10/9/57	10/28/57	" " " " " " "

Amendments

Claim	Book	Page	Date amended	Date recorded	Amenders
BSG	19	401	7/12/57	7/13/57	S. P. Gantz & Ben S. Gantz
Buster No. 3	19	442	---	10/28/57	C. L. Stiles & W. S. Clifford

The three mining claims lie partly on three Homestead Entry Surveys HES-177, HES-187, and HES-256 (fig. 2). The present owners are unknown.

The HES Patents were granted as follows:

HES No.	Date of patent
177	Nov. 2, 1920
187	July 13, 1914
256	April 12, 1918

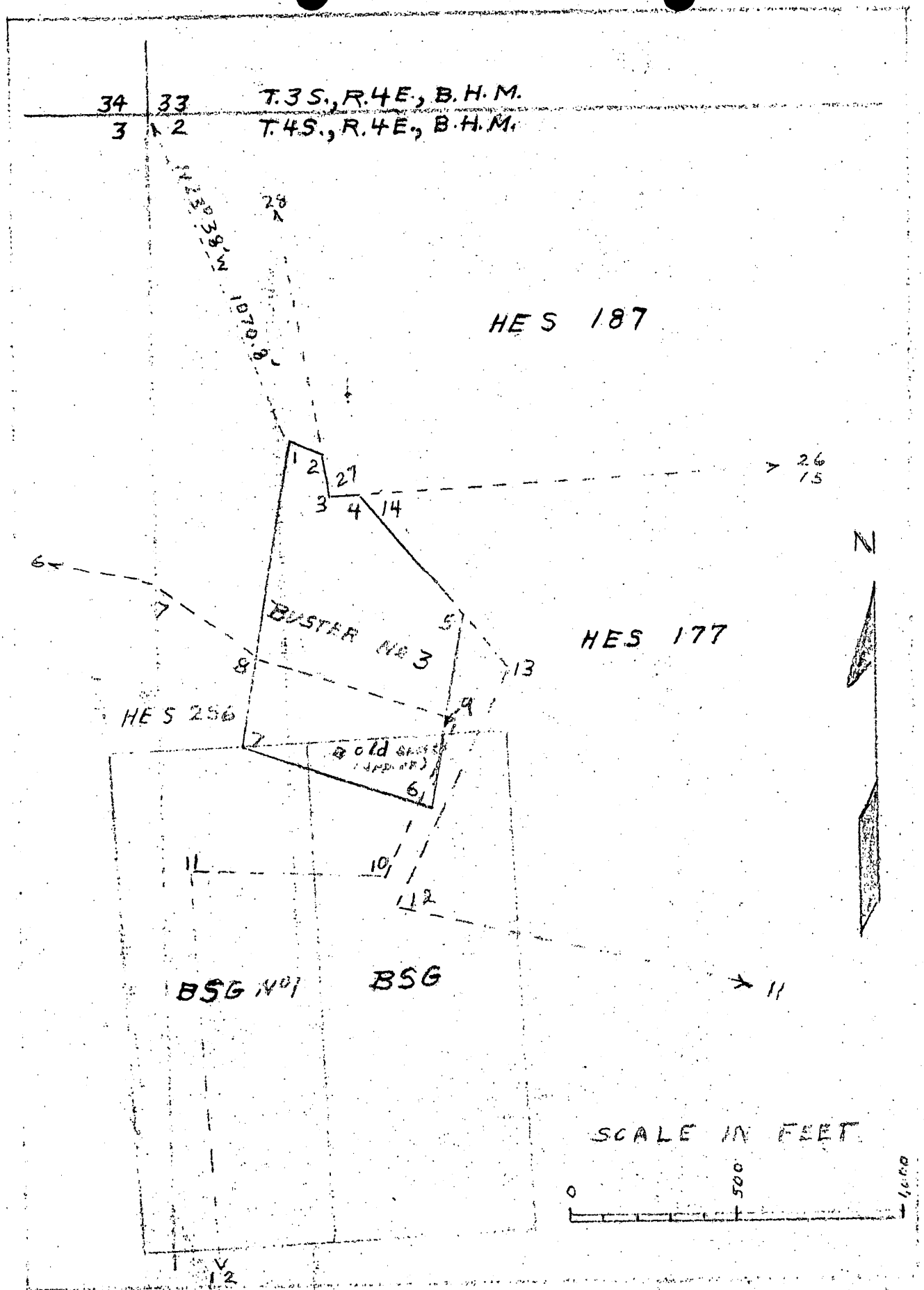


FIGURE 2 - SKETCH SHOWING LOCATION OF BUSTER No. 1 CLAIM AND SURFACE CONFLICTS, W.S. CLIFFORD AND C.L. STILES, CUSTER COUNTY, SOUTH DAKOTA. DMEA 4854

On all three patents the mineral rights were reserved by the Government. The present occupants of the patents object to the location of the claims but apparently have no legal rights except with respect to surface damage. The same patents were in existence when the Black Hills Mining Company mined the Buster pegmatite.

A $1,000.00 bond is required with the Bureau of Land Management for the protection of the holders of the surface rights. Waste material has to be hauled to open land.

PRESENT STATUS

Exploration and development

In 1942 a 63° inclined shaft was sunk 157 feet, and levels established at 103 feet and 142 feet. The area near the shaft was extensively stoped and during the 1944 operations shaft pillars were robbed and the levels and shaft backfilled. At the present time there is a depressed area on surface which represents the old spar quarry and the old caved shaft site. The location of the old shaft can only be guessed from the location of the old hoist timbers. Three diamond drill holes, totaling 546 feet, were drilled by the Bureau of Mines in 1946-1947.

Mining and milling equipment and other facilities

There is no mining or milling equipment on the property. The applicants own the following usable equipment (owners' evaluation):

1 - G.M.C. 1951 2-ton dump truck	$ 1,000.00
1 - Chevrolet 1955 2-ton dump truck	2,000.00
1 - Compressor	2,000.00
1 - Thor No. 75 drill, tools, hose, etc.	900.00
1 - Light plant	300.00
Small tools	200.00
1 - Chevrolet 1945 pickup truck	300.00
1 - Sinking pump	250.00
1 - 25-foot 4" steel headframe	300.00
1 - Ford-Ferguson loader	850.00
2 - 1-ton roller-bearing mine cars	200.00
400 feet 16-pound mine rails (2,130 lbs.)	100.00
1 - 1-ton sinking bucket	50.00
Water tank and hose	75.00
Total	$ 8,525.00

GEOLOGY

The Buster Dike property is in the southern part of the exposed metamorphic-crystalline core of the Black Hills uplift. The country rock of the property is quartz-mica schist with small areas of sillimanite-bearing schist. The rock, though not generally exposed, is dark gray and well foliated.

A number of granite pegmatites are exposed in the vicinity of the Buster property. They intrude the mica schist, generally concordant with the schistosity. The various pegmatites of the property appear to be of similar composition consisting of quartz-albite-perthite pegmatite. Zoning in the exposed pegmatites is not generally distinct except in the mined Buster Dike pegmatite where a discontinuous wall zone of quartz-albite-muscovite pegmatite is evident.

The Buster Dike pegmatite is a thick lenticular body about 200 feet long by 60 feet wide at the surface. The dike tapers with depth and appears to pinch out at 100 to 200 feet. Say 150

The strike of the major axis is N 15 W; the contact with the schist changes in dip from place to place but ranges from 50° to 80° west to southwest. The dike as a body has a plunge of about 60° S 30 W.

The contact of the dike with schist is generally smoothly irregular. Several roll or fold features on the hanging wall of the dike appear to persist with depth and also plunge as the body of the dike (fig. 3). It also appears that the richest concentrations of mica in the dike are structurally limited by rolls in the wall zone and by the plunging south end of the dike.

The composition of the Buster Dike is essentially quartz-albite-perthite pegmatite but an irregular wall zone of quartz-albite-muscovite

pegmatite is well developed particularly on the hanging wall. This muscovite-bearing zone is as much as 12 feet thick at places. The south end of the dike appears to consist entirely of this muscovite-bearing rock.

Accessory minerals of the dike include black tourmaline, biotite, apatite and beryl. Beryl is a fairly common accessory in the main body of the quartz-albite-perthite pegmatite and appears to have been most abundant near the surface.

Mica in the Buster Dike has occurred most abundantly in books of 4 to 12 inches across but books as much as 4 feet across have been reported. The mica is whitish or very pale ruby and generally of a good quality. The few black inclusions are predominantly tourmaline crystals.

The mica shoots in the Buster Dike appears to be related to the rolls or flexures in the walls of the dike which are reflected in the border zone.

Past mining has exploited one of these plunging anticlinal rolls and significant amounts of good quality mica were recovered. It appears that the lateral extent of the old workings outline the extent of the roll feature. Additional roll features are apparent from surface data and drill hole core data on both sides of the old workings in the hanging wall of the dike. These unexplored wall zone areas are considered to be good potential mica-bearing rock (Norton, personal communication).

Irregularities in the footwall of the dike, the surface outcrop of which show mica-rich wall zones, also may produce good mica. The footwall of the dike has not been adequately explored to give a general evaluation of this part of the dike, but data from drill holes as well as mine data indicate that a wall zone bearing good mica is present. The north drift of the 142 level in the old workings crossed from the hanging wall to the footwall of the dike but the workings apparently ran out of a productive zone away from the roll feature.

The southern end of the dike that narrows with depth appears to be muscovite-bearing pegmatite from wall to wall. The core of drill hole DDH-2 supports this contention. The pegmatite cut by the hole is predominantly muscovite-bearing with a narrow core-zone of quartz-albite pegmatite (fig. 3). The barren core-zone probably disappears within a short distance towards the plunging end of the dike.

ORE RESERVES

The Buster pegmatite appears to have the potential for a significant discovery of muscovite-bearing pegmatite. An evaluation of this potential may be developed by a survey of the production history of the pegmatite and by the analysis of the geologic facts.

It would appear that the Buster Dike pegmatite should contain an amount of muscovite-bearing pegmatite equal, at least, to that already produced from the dike. In numbers this would amount to about 5,000

tons of pegmatite. If recoverable mica amounts to about 9 percent of this rock as it has in the past, then about 500 tons of crude mica is available.

The 5,000 tons of mica-bearing pegmatite inferred to be available is calculated to be in the south end of the dike and along the major roll predicted to be north of the old workings. Any additional mica-rich shoots would increase the amount of mica-bearing rock to over 5,000 tons. Why

The value of mica, handcobbed, from the Buster Dike has been about $600/ton (Norton, personal communication). If future production is of equal quality, mica valued at $300,000 could be recovered from the Buster pegmatite.

APPLICANTS' PROGRAM AND ESTIMATED COST

The applicants proposed a two-stage project; Stage I consisted of a vertical shaft to 100 feet depth, 9.3 feet by 6.166 feet in the clear; Stage II consisted of 250 feet of drifting. The costs follow:

Shaft sinking

Independent contracts

None

Labor and supervision

2 miners at $2.50/hr. 52 hrs/week - 12 weeks	$ 3,120.00
2 hoistmen at $1.50/hr. 52 hrs/week - 12 weeks	1,872.00

4 muckers at $1.50/hr. 52 hrs/week - 12 weeks	$ 3,744.00	
1 timberman at $3.00/hr. 40 hrs/week - 12 weeks	1,440.00	
Engineer part time	750.00	
		$10,926.00

Operating materials and supplies

8" x 8" timbers 7,000 bd. ft. at $100/M	$ 700.00	
1,325 bd. ft. 3-inch lagging at $65/M	165.00	
3,875 bd. ft. 2-inch lagging at $65/M	250.00	
450 bd. ft. 2- by 4-inch at $70/M	20.00	
1,000 bd. ft. 1-inch lagging at $65/M	65.00	
2 percent sales tax on above timber	24.00	
18 sets shaft hangers at $2.50/set	45.00	
Transportation of framed timber from Spearfish	100.00	
Gas and oil	1,200.00	
Powder and electric blasting caps	700.00	
Nails and fastners	50.00	
3 sets Swedish steel at $100/set	300.00	
2 percent sales tax on last $2,250	45.00	
Total operating materials and supplies		$ 3,664.00

Operating equipment (Purchase)

Sinking pump	$ 750.00	
Blower	300.00	

Hoist and engine	$ 1,800.00	
Air and water pipe	250.00	
	3,100.00	
2 percent sales tax	62.00	
Total operating equipment		$ 3,162.00

Rehabilitation and repairs

None

New buildings, improvements, installations

Hoist house, tool shed, office		$ 600.00

Miscellaneous

Bookkeeper	$ 375.00	
Bond to be posted with Bureau of Land Management	50.00	
Social security and compensation insurance	551.00	
Total miscellaneous		$ 976.00
Total estimated cost for 100 feet of sinking		$19,328.00
Cost per foot		$ 193.28

(Total cost is $18,328.00 by operator)

Stage II (250 feet of drifting)

Independent contracts

None

Labor and supervision		
1 miner 52 weeks at $2.50/hr.	$ 1,300.00	
2 muckers 52 weeks at $1.75/hr.	1,820.00	
2 hoistmen 52 weeks at $1.50/hr.	1,560.00	
Engineering (part time)	750.00	
Total labor and supervision		$ 5,430.00
Operating material and supplies		
Gas and oil	$ 1,200.00	
Powder 50 boxes at $11/box	550.00	
Detonators	250.00	
2 percent sales tax	40.00	
Total operating material and supplies		$ 2,040.00
Operating equipment		
None		
Rehabilitation and repairs		
None		
New buildings, improvements, installations		
None		
Miscellaneous		
Bookkeeping	$ 375.00	
Social security and compensation ins.	285.00	
Total miscellaneous		$ 660.00

Total estimated cost of Stage II drifting (250 feet)	$ 8,130.00
Estimated cost per foot	$32.52

The above estimated costs per foot of $193.28 and $32.52, respectively, do not include the applicants' machinery listed as worth $8,525 which the applicant proposes as putting up as their share of the expense.

RECOMMENDED PROGRAM

The applicants' program to explore the Buster Dike by a vertical shaft north of the old workings and a 200-foot drift around the old workings to the south end of the dike follows generally the recommendations made by U. S. G. S. geologists (Norton and Redden) familiar with Black Hills pegmatites. However, a modification of this program has been suggested to the applicants and agreed to, and is recommended to DMEA as providing better exploration of the probable mica-bearing parts of the dike. This program of exploration, worked out in conjunction with Norton and Redden of the U. S. G. S., consists of two stages. Stage I consists of an inclined shaft sunk on the footwall of the dike to an inclined depth of 140 feet, a crosscut turned from the shaft at 130 feet (100-foot level) and a drift extended southward paralleling the hanging wall to the south end of the dike (see fig. 3). Stage II consists of a crosscut turned from the shaft at a depth of about 65 feet (50-foot level).

The shaft is located on the footwall at a place where the muscovite-bearing wall zone outcrops. At this location the shaft will explore the footwall to an inclined depth of 140 feet; 10 feet of this shaft will be sump. An inclined shaft in this position will have considerably more exploration value than the proposed vertical shaft to be cut in country rock. The recommended collar location is about 50 feet N 43° W from the apex of the old vent shaft cribbing (fig. 3). The recommended direction of the incline is S 65° W. with an inclination of about 55° paralleling the dike-schist contact (fig. 3).

The crosscut and drift on the 100-foot level is located to arrive at the hanging wall of the dike at a postulated roll structure. The drift southward from this point at this level is judged to be best to explore the south end of the dike as well as a possible roll near the south end. The south drift should follow along the trend of the hanging wall of the dike but at such a distance to avoid the old stope of the previous workings. The length of this drift should be about 145 feet.

The Stage II crosscut (50-foot level) is located to intersect the hanging wall of the dike at the plunging anticlinal roll explored on the 100-foot level, and postulated to be 25 to 30 feet north of the old workings at that level. This crosscut is intended to explore the roll at shallower depths in the event that the roll flattens and is not present on the lower level. If the roll is present on the lower level Stage II crosscutting will not be authorized.

The exploratory work of this program amounts to about 140 feet of inclined shaft and 195 feet of drifting, most of which is in or partly in dike rock.

The modified program as outlined purposely avoids intersecting the old workings of the Buster Dike. In the old workings a large volume of the dike was removed during the early mining period and the space back-filled in part. The near surface part was blast-filled and concealed and much of this space may be filled with water. Under such conditions it seems best to avoid intersecting the old workings. Even so, remaining parts of the dike that hold promise of good mica reserves can be explored conveniently with only a modest amount of dead work in by-passing the old stope. The proposed drift to the south end of the pegmatite utilizes the dogleg shape of the dike to cut down dead drifting.

ESTIMATED COST OF PROGRAM

The project has been modified to a 140-foot inclined shaft with a crosscut and drift 145 feet in length on the 100-foot level and a cross-cut 50 feet in length on the 50-foot level (fig. 3). The shaft will be cribbed near the collar and stulled and wallplated the rest of the way. The shaft will be 4 feet by 8 feet in the clear with two compartments. The stulls shall be in rows of three at 5-foot intervals. Wall plates shall be laid lengthwise across the shaft above the hitch end of the

stulls to hold the skids and ladders. Headboard and lagging shall be used where needed. Estimated costs follow:

Sinking (6 weeks time, 2 shifts per day)

Independent contracts

None

Labor and supervision

2 miners (supervisors) $2.50/hr. 52 hrs./wk.	$ 1,560.00
2 hoistmen at $1.50/hr. 52 hrs./week	936.00
3 4 muckers $1.75 hr. 52 hrs. week	2,184.00 1638.00
Engineering 2 days at $40.00	80.00
	$ 4,760.00 4214.00

Operating materials and supplies

2,000 b.f. 4" x 12" x 14' at $70.00/M	$ 140.00
1,000 b.f. 2" x 12" at $70.00/M	70.00
2,000 b.f. 3" lagging at $65.00/M	130.00
2" x 4" 450 b.f. at $70.00/M	31.50
400 b.f. 6" x 6" (sawed cornerwise) at $70.00/M	28.00
550 lineal feet 8" timber at $0.30 a foot	165.00
Gas and oil	1,100.00
Powder and electric blasting caps	830.00
Nails 200 lbs.	28.00
Total operating materials and supplies	$ 2,522.50

Operating equipment

Rentals
Furnished by applicant (two-month basis)

Pump (1/30 of $250.00)	$ 8.33	
Steel headframe (1/30 of $300.00)	10.00	
Compressor (1/30 of $2,000.00)	66.67	
Drills and hoses (1/15 of $1,000.00)	66.67	
Sinking bucket (1/15 of $75.00)	5.00	
Light plant (1/30 of $300.00)	10.00	
G.M.C. 2-ton dump truck (1/30 of $1,000.00)	33.33	
Ford-Ferguson loader (1/30 of $850.00)	28.33	
Furnished by others		
Hoist (value $1,800.00) 2 months at $150.00/mo.	300.00	
Total operating equipment		$ 523.33

Rehabilitation and repairs

None

New buildings, improvements, installations

Hoist house, tool house, office (1/2 cost)		$ 300.00

Miscellaneous

Bookkeeping 2 months at ~~$50.00~~ 25.00/mo.	$ ~~100.00~~ 50.00	
Payroll taxes, workmen's compensation and liability insurance (7 percent of ~~$4,860.00~~ 4214	~~340.20~~ 294.98	
Total miscellaneous		$ 440.20 344.98

Total estimated cost of 140 feet of sinking ~~$ 8,551.03~~ 7609.81

Estimated cost per foot $61.08 — use $55.00/ft.

Drifting, 195 feet (5' x 7') (8 weeks, one shift per day)

Independent contracts

None

Labor and supervision

1 miner supervisor 52 hrs./wk. at $2.50/hr.	$ 1,040.00	
2 muckers at $1.75/hr. 52 hrs./wk.	1,456.00	
1 hoistmen at $1.50/hr. 52 hrs./wk.	624.00	
Engineer 4 days at $40.00/day	160.00	
		$ 3,280.00

Operating materials and supplies

Gas and oil	$ 960.00	
Explosives 40 cases at $11.00	440.00	
Detonators	200.00	
Sales tax	32.00	
Total operating material and supplies		$ 1,632.00

Operating equipment

Rentals (furnished by applicant)

Pump (1/30 of $250.00)	$ 8.33
Steel headframe (1/30 of $300.00)	10.00
Compressor (1/30 of $2,000.00)	66.67

Drills and hoses (1/15 of $1,000.00)	$ 66.67	
Sinking bucket (1/15 of $75.00)	5.00	
2 mine cars (1/15 of $200.00)	13.33	
400 feet of rails (1/30 of $100.00)	3.33	
Light plant (1/30 of $300.00)	10.00	
G.M.C. 2-ton truck (1/30 of $1,000.00)	33.33	
Ford-Ferguson loader (1/30 of $850.00)	28.33	
Furnished by others		
Hoist 2 months at $150.00/mo.	300.00	
Purchase		
Blower and pipe	300.00	
Total operating equipment		$ 844.99
Rehabilitation and repairs		
None		
New buildings, improvements, installations		
1/2 of hoist house cost		$ 300.00
Miscellaneous		
Bookkeeping 2 months at ~~$50.00~~ 25.00/mo.	$ ~~100.00~~ 50.00	
Payroll taxes, workmen's compensation and liability insurance (7 percent of $3,380.00	236.60	
Total miscellaneous		$ 336.60
Total estimated cost of drifting 195 feet		~~$6,393.59~~ 6043.59
Estimated cost per foot	$32.79 use $31.00/ft.	
Total estimated cost of project		$14,944.62

Recapitulation

Stage I

140 feet of sinking at $61.10/ft.	$ 8,554.00	
145 feet of crosscutting and drifting at $32.80/ft.	4,756.00	
Total estimated cost of Stage I		$13,310.00

Stage II

50 feet of crosscutting at $32.80/ft.	$ 1,640.00
Total estimated cost of project	$14,950.00
Government participation 75 percent	$11,212.50
Time for completion 4 months	

CONCLUSIONS AND RECOMMENDATIONS

The Buster Dike pegmatite is considered by J. Norton and J. Redden of the U. S. G. S. to be one of the best mica properties in the Custer district. The significant production of strategic grade mica during 1942-43 attests to the probability that the remainder of the pegmatite contains good mica shoots. Mica appears to have been most abundant along a roll feature of the hanging wall of the dike. Similar roll features appear to be present both north of the old workings and near the south end of the dike. The number of favorable features known and deduced about the Buster Dike pegmatite leads to the conclusion that an

exploration program is justified. The method of exploration is essentially dictated by the nature of pegmatites and by the commodity searched for.

It is recommended that the application to explore for strategic grade mica in the Buster Dike by the modified program herein outlined be approved.

OFFICIAL FILE COPY
DMEA
RECEIVED 1957

DATE		CODE
12/16	C	220
12/17	Hand	602

224 New Customhouse
Denver 2, Colorado

December 13, 1957

Messrs. Walter S. Clifford
and Charles L. Stiles
Box 823
Custer, South Dakota

Re: Docket No. DMEA 4854 (Mica)
(Buster No. 3, BSG, and BSG
No. 1 claims) Custer County,
South Dakota

Gentlemen:

Before we can continue to process your application, it will be necessary for you to submit a photostat of a signed copy of your lease on the BSG and BSG No. 1 claims. It might save time if you would submit the lease direct to the Washington Office, DMEA, whose address is Defense Minerals Exploration Adm., U. S. Department of the Interior, Interior Building, Washington 25, D. C.

Very truly yours,

Original signed by
W. H. KING

W. H. King
Executive Officer
DMEA Field Team, Region III

HMC:eh

cc: Sec. Op. Comm. (2)
Harshman
DMEA/DFC
Docket
Chron.

11/12 C 220
11/12 Hook 600

224 New Customhouse
Denver 2, Colorado

November 8, 1957

Memorandum

To: E. N. Harshman Att: W. M. Sharp) W/encs. 1-5 Below
DMEA/DFC Att: Carl Belser) " " "

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 4854 (Mica-Beryl) Walter S. Clifford and Charles L. Stiles (Buster No. 3 and BSG Lode) Custer County, South Dakota

Enclosed is the following material relating to the subject docket:

1. Copy of application for Government assistance in exploration work under the DMEA program.
2. Memorandum of Review by W. F. Dietrich, USBM.
3. Memorandum of Review by W. P. Williams, USGS.
4. Letter of transmittal of the foregoing to this office, dated November 4, 1957, from the Chairman, Operating Committee, DMEA.
5. Routing Control Sheet.

Although the field examination on this property has been completed the attached information may be helpful in writing the joint report of examination.

Since our only copy of the application was forwarded you October 24, 1957, will you please return it.

E. N. Harshman
Acting Executive Officer

Enclosures

MHC:eh

cc: Sec. Op. Comm. (2)
Docket
Chron.

RECEIVED		
DATE	INITIALS	Con

224 New Customhouse
Denver 2, Colorado

November 8, 1957

Memorandum

To: E. N. Harshman Att: W. M. Sharp) W/encs. 1-5 Below
DMEA/DFC Att: Carl Belser) " " "

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 4854 (Mica-Beryl) Walter S. Clifford and Charles L. Stiles (Buster No. 3 and BSG Lode) Custer County, South Dakota

Enclosed is the following material relating to the subject docket:

1. Copy of application for Government assistance in exploration work under the DMEA program.
2. Memorandum of Review by W. F. Dietrich, USBM.
3. Memorandum of Review by W. P. Williams, USGS.
4. Letter of transmittal of the foregoing to this office, dated November 4, 1957, from the Chairman, Operating Committee, DMEA.
5. Routing Control Sheet.

Although the field examination on this property has been completed the attached information may be helpful in writing the joint report of examination.

Since our only copy of the application was forwarded you October 24, 1957, will you please return it.

E. N. Harshman

E. N. Harshman
Acting Executive Officer

Enclosures

MHC:eh

cc: Sec. Op. Comm. (2)
Docket
Chron.

DMEA Form 7
(12-56)

OFFICIAL

Date	Surname	
11/4	Houk	
11/4	Selfridge	130
11/4	Jones	130
"	Johnson	110
		~~110~~
		~~100~~
		220
11/4	Kilsgaard	130

600

NOV 4 1957

Messrs. Walter S. Clifford
and Charles L. Stiles
Box 823
Custer, South Dakota

Re: Docket No. DMEA-4854-Mica-Beryl
Walter S. Clifford and Charles L. Stiles
Buster No. 3 and BSG Lode
Custer County, South Dakota

Gentlemen:

Your application for assistance in exploring the subject property has been reviewed by the Division of Nonmetallic Minerals of the Defense Minerals Exploration Administration and has been referred to Mr. E. N. Harshman, Acting Executive Officer, DMEA Field Team, Region III, DMEA, 224 New Customhouse Building, Denver 2, Colorado, for further consideration and possibly a field examination.

The Regional Office will contact you at an early date if an examination is to be made. Any assistance you may give the members of the Field Team during the examination will be appreciated.

Sincerely yours,

Frank E. Johnson (for)

ACTING Administrator

LGHouk:gad 11/4/57
Copy to: Admr. R. File
Operating Committee
Field Team, Region III
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Give to Dave for filing

8623

DMEA Form 7
(12-56)

OFFICIAL FILE

Date	Surname	
11/4	Houk	600
11/4	[illegible]	130
"	Johnson	110
		~~100~~ 215
11/5	C	220
		600

600

NOV 4 1957

Mr. E. N. Harshman
Acting Executive Officer, DMEA
Field Team, Region III
DMEA, 224 New Customhouse Bldg.
Denver 2, Colorado

Re: Docket No. DMEA-4854-Mica-Beryl
Walter S. Clifford and Charles L. Stiles
Buster No. 3 and BSG Lode
Custer County, South Dakota

Dear Mr. Harshman:

Please review the subject application and arrange for a field examination if you deem it necessary.

Copies of memoranda dated October 25 and 31, 1957, by Mr. W. F. Dietrich, USBM, and Mr. W. P. Williams, USGS, respectively, relating to the project are enclosed. There are also enclosed copies of the application for the use of the Field Team.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

P. F. Yopes (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

LGHouk:gad 11/4/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Enclosures 8

P.S. Please forward the enclosed letter to the Applicant if you are in agreement.

8623

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

October 31, 1957

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: W. P. Williams, U. S. Geological Survey

Subject: Review of application, DMEA 4854 (mica-beryl), Clifford & Stiles, Buster and BSG Claims, Custer County, South Dakota

The applicant proposes to explore for strategic mica and beryl on three mining claims located south of the Black Hills.

The property has produced some 600 tons of mica and 10 tons of beryl, according to the applicant. The old workings are now caved and inaccessible.

The proposed work would consist of 100 feet of shaft sinking and 250 feet of drifting at a total estimated cost of $26,458. I recommend that the application be referred to the Field Team to determine whether further exploration on the property is warranted.

W. P. Williams

W. P. Williams

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 1 1957

DATE	INITIALS	CODE
11/1	C	220
		600

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

CONFIDENTIAL COPY
DMEA
RECEIVED OCT 28 1957

DATE	INITIALS	CODE
10/28	C	220
		600

October 25, 1957

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4854 (mica and beryl)

Applicant: Walter S. Clifford and Charles L. Stiles

Name and Location of Property: Buster No. 3 and BSG Lode, Custer County, South Dakota

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 10/22/57

Comments:

1. Applicants wish to explore by shaft sinking and drifting claims on the Buster Dike from which mica and beryl were recovered during World War II.
2. Records show that there may be additional reserves.
3. Reason for sinking a vertical shaft outside of vein is not valid. Also, it is desirable to learn the value of the ground between the surface and the 100 foot level.
4. Cost is well above average unit cost for such work, partially due to excess labor.
5. If an average of 3 feet aday is anticipated for shaft sinking, how will 100 feet take 12 weeks to complete? Also, if 5 feet aday is expected in drifting, how will 250 feet require 12 weeks to complete?

Recommendation:

It is recommended that the field team visit this mine when in that vicinity to ascertain if an exploration project is justified. If so, the field team and applicant should agree on a definite plan of exploration on a unit-cost basis.

W. F. Dietrich

W. F. Dietrich

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

October 17, 1957

Messrs. Walter S. Clifford
and Charles L. Stiles
Box 823
Custer, South Dakota

Subject: DMEA-4854

Gentlemen:

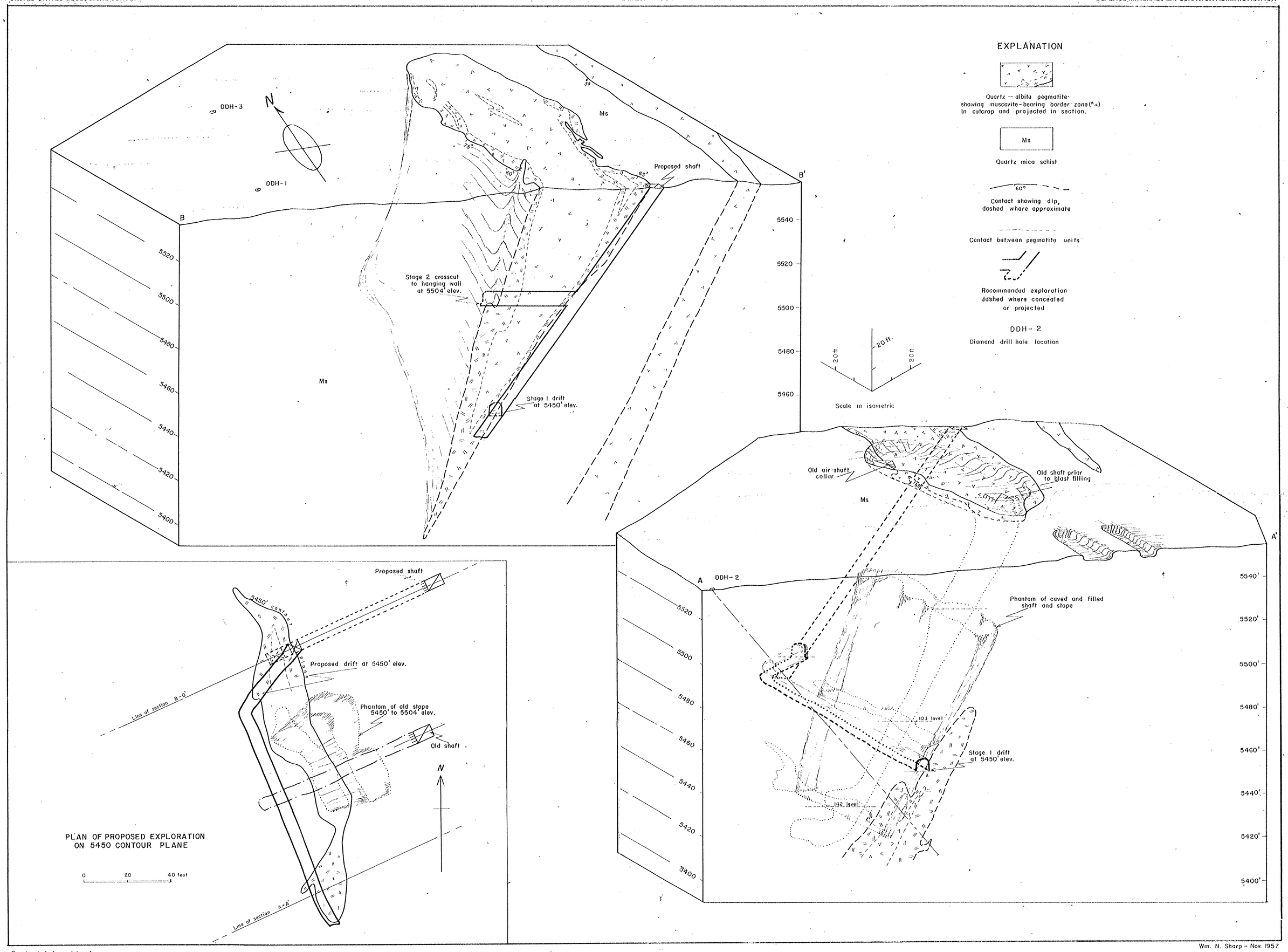
Your application for exploration assistance, dated October 10, 1957 submitted to our office at Denver, Colorado has been assigned Docket Number DMEA-4854 and referred to the Nonmetallic Minerals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to:

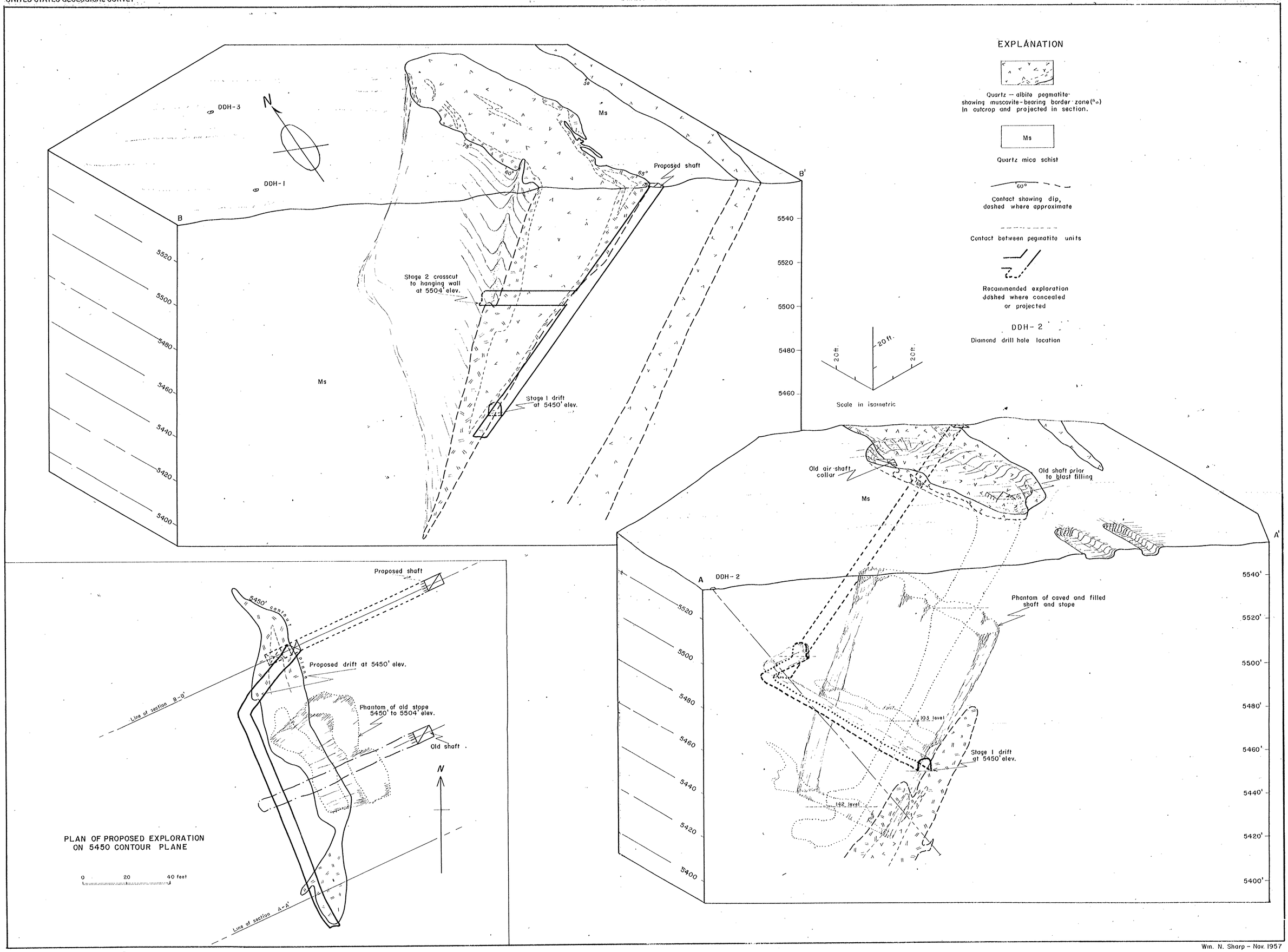
Region III



Constructed from data of
J. J. Norton and J. A. Redden - U.S.G.S.

Wm. N. Sharp - Nov. 1957

Figure 3 - BUSTER NO. 3 MICA PEGMATITE, CUSTER CO., SOUTH DAKOTA
SHOWING ASPECTS OF PROPOSED EXPLORATION, - DMEA-4854



Constructed from data of
J. J. Norton and J. A. Redden – U.S.G.S.

Wm. N. Sharp – Nov. 1957

Figure 3 - BUSTER NO. 3 MICA PEGMATITE, CUSTER CO., SOUTH DAKOTA
SHOWING ASPECTS OF PROPOSED EXPLORATION, - DMEA-4854