DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

PROJECT SUMMARY REPORT

By: J. W. Alt July 24, 1958

1. Docket No. DMEA-1 & 1A (Lead-Zinc)
Contract No. Idm-E4
Property: Chief No. 1 Mine
Juab and Utah Counties, Utah

Operator: Chief Consolidated Mining Company
608 Dooly Building
Salt Lake City, Utah

Mine and Mine offices in Eureka, Utah

Operator's Property Rights: Owner

2. Contract dated June 13, 1951. To complete - 24 months.

Work Authorized

Project 1	2700 Foot Level	Total Cost
Drift North from the 18-411 winze 600 feet @ $30/ft.		$18,000.00
Drift East, north of the Leadville Fault 800 feet @ $30/ft.		24,000.00
Drift West, north of the Leadville Fault 400 feet @ $30/ft.		12,000.00
Raises, North Drift	100 feet @ $30/ft.	3,000.00
Raises, East Drift	100 feet @ $30/ft.	3,000.00
Raises, West Drift	100 feet @ $30/ft.	3,000.00
Total		$63,000.00

8623

Project 1A	3100 Foot Level	Total Cost
Sinking 18-411 winze, 4 compartment, 400 feet @ $350/ft.		$140,000.00*
Drift North from winze on 3100 foot level 600 feet @ $30/ft.		18,000.00
Drift East, north of Leadville fault 800 feet @ $30/ft.		24,000.00
Drift West, north of Leadville fault 400 feet @ $30/ft.		12,000.00
Raises, North Drift 500 feet @ $30/ft.		15,000.00
Raises, East Drift 500 feet @ $30/ft.		15,000.00
Raises, West Drift 500 feet @ $30/ft.		15,000.00
Total		$239,000.00

* Government will contribute ¼ of the total cost.

Total cost of Project 1A reduced by		70,000.00
Total, Project 1A		$169,000.00
Total, Project 1		63,000.00
Total		$232,000.00
Exhibits "B""J" "C"		
Electrical System installed	$ 78,900.00	
Pumping Equipment installed	126,020.00	
Sumps, extension of drainage workings and enlargements	26,500.00	
		231,420.00
Total Estimated Cost of the Project		$463,420.00
Government Participation @ 50%		$231,710.00

Amendments

No. Not numbered - dated November 26, 1951.

Delete Exhibit "A" and substitute an Exhibit "A" - change being in the allowable cost for shaft sinking in Project 1A.

No. Not numbered - agreed August 13, 1951.

Allows for cost of work performed by company prior to the date of the contract.
Allows for payment of work performed on unit cost basis.

No. 3 Effective as of date of contract.

Establishes monthly rates for additional salaried employees.

First Amended Exploration Project Contract

Date of Contract - June 16, 1953. To complete - December 13, 1954.

Specifies that the 18-441 winze shall be three compartments instead of four compartments and that a sump and pump station shall be constructed on the 3100-foot level.

Second Amended Exploration Project Contract

Date of contract - June 16, 1953. To complete - December 13, 1954.

A. Recapitualtion of Costs as Estimated in Original Contract

Project 1		$ 63,000.00	
Project 1A			
4-compartment,400-foot winze, ½ of which is allowable for Government contribution	$70,000.00		
Drifting and raising	99,000.00	169,000.00	$232,000.00
Exhibits "B" and "C"			
Electrical system		78,900.00	
Pumping system		126,020.00	
Sump, etc. (2700-foot level)		26,500.00	231,420.00
Total Estimated Cost			$463,420.00

B. Costs Incurred Under Original and First Amended Contracts (Subject to Audit), Plus Costs to Be Incurred, Costs (allowable) Incurred Under First Contract

Project 1	$ 63,999.54	
Project 1A (½)	17,697.76	
Pumping system	240,705.59	
Retroactive adjustment of wages	4,815.32	$327,218.21
Added work		
Sump and pump station at 3100-foot level (a unit)	$ 20,482.50	
Work described in Original Contract Uncompleted		
323 ft. of winze @ $360/ft., $116,280.00, ½ allowable	58,140.00	
330 feet of drifting, crosscutting, raising @ $34/ft.	112,200.00	190,822.50
Estimated New Total		$518,040.71

C. Specifies Original Estimate of Costs Plus Additions.

Amendments

No. 1 Effective August 27, 1953.

Recesses work of project from August 27, 1953 to November 1, 1953.

No. 2 Effective January 15, 1954.

Recesses work from January 15, 1954 to September 15, 1954.
Extends completion time from December 13, 1954 to September 16, 1955.
Extends royalty payment period from 10 years to 15 years.

No. 3 Agreed September 24, 1954.

Extends recess time to January 15, 1955.
Completion time extended to January 16, 1956.

No. 4 Agreed March 7, 1955.

Extends recess time to March 15, 1955.
Completion time extended to March 16, 1956.
Royalty payment period 15 years from the date of the Original Contract (June 13, 1951).

Work Completed

Drifting and crosscutting, 1,663 feet	$ 59,744.91
Raising, 300 feet	7,403.33
Shafts, 77 feet	36,025.56
Shafts, 253.7 feet	45,666.00
Electrical system, pumping equipment, sumps	238,060.53
Total Expenditures	$386,900.39

Work on the project was started June 15, 1951 and terminated on agreement effective October 15, 1955.

3. Report of Review: Second Interim Audit Certificate dated January 23, 1957. Not a final audit as the equipment has not been sold as of the date of this audit.

Total cost as billed by Contractor	$389,383.46
Plus reinstatement, Operator's error	176.79
Total True Cost Due	$389,560.25
Exceptions	2,659.86
	$386,900.39

The contract calls for participation of exploration expenses by the United States Government as follows:

50% of $350,874.83 or	$175,437.42
25% of $ 36,025.56 or	9,006.39
Total $386,900.39	$184,443.81
Government Participation	$184,443.81

Operator's final report dated February 7, 1957.
Field Team final report dated March 10, 1958.

4. Certification date: February 17, 1956.

The discovery consisted of lead-zinc ores occurring as replacement deposits in limestone. The ore reserve resulting from the work was estimated to be 675,000 tons, with a grade of 5.5% lead, 6.8% zinc, 5.1 oz. of silver, and 0.02 oz. of gold per ton. Approximately 140,000 tons of this ore have already been extracted.

5. Comments

Actual construction of pumping and electrical facilities was started during December, 1950. Under Amendment No. 1, this work was allowable at a total cost of $231,420.00.

The work was designed to explore the downward extension of the Chief ore shoots in the block of ground north of the Leadville fault.

Drifting and raising on the 2,700-foot level, costing $66,163.76 was completed July 1, 1952. The shaft was sunk to the 3,080-foot level by May 4, 1955, and installation of additional electrical and pumping facilities was completed at a total cost of $238,060.53. The 18/411 winze was sunk 330.7 feet at a cost of $81,691.56. A total of $386,900.39 was expended on all work completed. A decision to abandon the project, pull the pumps, and flood the lower levels was made by the company in September, 1955.

Additional drifting and raising in excess of 6,500 feet was accomplished by the company in developing the 2,700 level.

The program was successful in discovering substantial tonnages of ore, but subsequent decreases in the prices of lead and zinc, and other factors forced the mine to suspend operations.

Work accomplished under the contract has demonstrated that the main ore zone is continuing strongly at the 2,900-foot level. All workings below the 1,800-foot level are now flooded following the company's decision to terminate operations as of September, 1955.

Additional exploration on the property, with Government participation is not recommended.

J. W. Alt

J. W. Alt

JWAlt/ss 6/27/58
Copy to: Docket
Mr. Johnson
Chron.

DMEA Form 17
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WORK COMPLETED ANALYSIS

After final audit or review report is received, prepare original only and file in official docket

Operator CHIEF CONSOLIDATED MINING COMPANY		Actual Cost	X
State UTAH		Agreed Unit Cost *	X
Final Report of Audit		Commodity LEAD-ZINC	Docket No. 1 & 1A
Final Report of Review	X		Contract No. 4

Operation	Authorized by Contract and Amendments		Completed		Net cost after sale of Government Property
	Units	Cost	Units	Cost	
Drifting & Crosscutting	1,663'	$ 61,411.53	1,663'	$ 59,744.97	$ 59,744.97
* @ $34.0/ft.	1,800'	61,200.00			
Raising	300'	7,403.33	300'	7,403.33	7,403.33
* @ $34.00/ft.	1,500'	51,000.00			
Shafts 1A	77'	38,180.26	77'	36,025.56	81,691.56
* @ $180.00/ft.	323'	58,140.00	253.7'	45,666.00	
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Pumping & Electrical Systems		240,705.59		238,060.53	217,786.27
Totals		$518,040.71		$386,900.39	* $366,626.13

* Net cost total must agree with final report of audit or review.

Proceeds from Property Disposition---$ 20,274.26

Prepared by W. P. Klugescheid Date 10/28/58.

31398

1/23/57 + 10/10/58

☒ Audited ~~2nd Audit~~ WORK ANALYSIS SHEET - DMEA PROJECT ☒ Actual Cost

☒ Certified 2/17/56. Analysis as of 3/24/55 *☒ Agreed Unit Costs

Incl. Voucher for May 1955 + Int. Audit

Name CHIEF CONSOLIDATED MINING COMPANY Docket No. 1 & 1A

State UTAH Commodity LEAD-ZINC Idm-E No. 4

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
		61,411.53			
Drifting & Crosscutting	1,663' 1,800' * @ $34.00/ft.	~~$ 56,596.21~~ 61,200.00	1,663'	$ 59,744.97	59,744.97
Raising	300' 1,500' * @ $34.00/ft.	7,403.33 51,000.00	300'	7,403.33	7,403.33
~~13,258.03~~ (1A) Shafts	77' 323' * @$180.00/ft.	~~17,697.76~~ 38,180.26 58,140.00	77' 253.7'	36,025.56 45,666.00	81,691.56
Winzes					
Drilling (Specify)					
~~Surface Excavation~~ ~~Wage Adjustment~~		~~4,815.32~~			
Underground Excavation					
~~Roads and Drains~~ ~~Sump & Pump Station~~		~~20,482.50~~			
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Pumping System		240,705.59		238,060.53	217,786.27
Totals		$ 518,040.71		$386,900.39	366,626.13

Date of Original Contract-June 13,1951.
Date of 1st Amended Contract--June 16,1953.
Date of 2nd Amended Contract--June 16,1953.
Expiration Date of Royalty Payments--June 13,1966.
Termination Agreement dated January 30,1956.
Total Royalties paid to July 10,1956 $ 127,035.90
Operator's Final Report received--January 23,1957.
Field Team Final Report received--March 19,1958.

Checks 2nd Int. Audit.
Proceeds from Property Disposition. $20,274.26

Prepared by W. P. Klugescheid

Ore Reserves	Indicated	Inferred	Total
Tons	123,000	323,000	446,000

remaining 600,000 originally

Project Summary Report written.

Grade estimated from lower level shipments

5.79% Pb 7.12% Zn. 5.27 Oz. Ag. 0.02 Oz. Au.

No further work warranted

Project Summary Report written

71626

3 7, 218. 21 163,609. 11 (A)

#1.				DMA Funds
Drifting	1800' ✓		54,000.00 ✓	27,000.00 ✓
#1A "	1800'		54,000.00	27,000.00
	63,000.00			
#1. Raising	300' ✓	99,000	9,000.00 ✓	4,500.00
#1A "	1500'		45,000.00	22,500.00
#1A, Cribbing 4 compart Bg.	changed to 3 compart. each compart 50"x50" 400'	1st Canada Contract	70,000.00 ½ total cost.	,000
			232,000.00	116,000.00
Electrical System			78,900.00	
Pumping Equip.			126,020.00	
Sumps, drainage etc.			26,500.00	
			231,420.00	
			463,420.00	

~~April~~ - may
~~April~~ 1955.

179' Sinking @ 180.00	=	$32,220.00
67' Sinking @ 180.00	=	12,060.00
246.0		$44,280.00
7.7 May 1955 @ 180.00	=	1,386.00
253.7'		$45,666.00

(B)

2nd Amended Contract

Estimated costs as on Sheet 2A

Actual costs incurred to date.

Project #1	1663' Drs = 56,596.21 300' Raises = 17,403.33	→ 63,999.54	
#1A 177' Shaft Sinking		17,697.76	
Pumping System		240,705.59	
Retroactive Adj. wages		4,815.32	327,218.21
added Work			
Sump + Pump Station		20,482.50	
Work from Orig. Contract Incomplete			
323' Wz.		58,140.00	
3300' Drs X CS + Raises		112,200.00	190,822.50
			518,040.71

See next Sheet

36,00
4
14,4002

(c)

Original Estimate of Costs plus additions

Original Estimate		463,420.00
Retro active Wage Adjust.		+ 4,815.32
added work:		
Sump, & Pump Station		20,482.50
Increased estimates		
3 Carson forest 400' Wg. (Incurred)	77 1/3 17,697.76	
Costs Remaining 323'	58,140.00	
	75,837.76 ✓	5,837.76
Original Allowable Est.	70,000.00	
3300' Dro, Raises + XCS.		
new est. @ $34	112,200.00	
Orig. est @ $30	99,000.00	13,200.00
Pumping System (Incurred)	240,705.59	
Orig. Est.	231,420.00	9,285.59
Project 1. Costs Incurred.	63,999.54	
Orig. Est.	63,000.00	999.54
		$518,040.71

Project. 1.	Dro. + XCS.	Raises	Total

☐ Audited

☐ Certified

Name Chief Consolidated

State Utah

ORK ANALYSIS SHEET - DMEA PROJ

Analysis as of 12/7/54

Incl. Voucher for 12/53

Commodity Lead-Zinc

☒ Actual Cost

☐ Agreed Unit Costs

Docket No. 1

Idm-E No. 4

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	3600	116,057	1810	43,046	43,046
Raising	1800	60,143	264	7404	7,404
Shafts					
Winzes	480	15,837.76	204	40,378	40,378
Drilling (Specify)					
Surface Excavation					
Underground Excavation		44,983		41,765	41,765
Roads and Trails					
Operating Equipment Purchased		214,206		214,206	214,206
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Retroactive wage adj		4,815.32		4,815	4,815
Totals		518,042			

See attached

#1 includes proration by footage & cost estimate of $1,000 added to project #1 and $13,200 added to project #2

Prepared by Adonis Chamberlain

71626

WORK ANALYSIS SHEET - DMEA PROJECT

☐ Actual Costs
☐ Agreed Unit Costs

Name Chief Consolidated

Docket No. 1

State Utah

Commodity Lead Zinc

Idm-E No. 4

OPERATION	ANALYSIS AS OF 11-23 INCL VOUCHER FOR 12-53 ‡			ANALYSIS AS OF ____ INCL VOUCHER FOR ____		
	Auth. 1/	Compl. 1/	Total Cost	Auth. 1/	Compl. 1/	Total Cost
Drifting & Crosscutting	3600	1210	43,046			
Raising	1800	264	7404			
Shafts						
Winzes	400	204	40,378			
Drilling: Diamond						
Churn						
Long Hole						
Wagon						
Augur						
Rotary						
Surface Excavation						
Underground Excavation	46,983	41,765*	41,765			
Roads & Trails						
Oper. Equip. Purchased	214,206	214,206	214,206			
Recovered Amount						
Initial Rehab. & Repairs						
New Buildings, Improve., etc.						
Other						
	Prepared by Adams & Clauch			Prepared by ____		

‡ Includes an 3 to 2nd amended contr

1/ The figures entered in these two columns opposite the items "Drifting & Crosscutting" through "Drilling" should be units of work stated in "feet." The units of work set opposite all other items from "Surface Excavation" through "Other" in both the authorized and completed columns should be stated in terms of dollars.

*Includes "underground shafts"

Project I — FA — Elect Sys + Pumps

RO	Rain	Mize	D	Rain	
600 +	300 +	400 +	600 +	500 +	~~231,420~~
800 +		(77)	800 +	500 +	204,920
400 +		(comb)	400 +	500 +	9286
					214,206

Comb. Hds

D	Rain	Zim Mize	Elec	Jumps
3600	1800	4000	214,206	46983

Jumps

26500

20488

Compl

1663. 300.

59,329.93 7403.33 0 2407705.59

127.

22680.

65,000

Drifts	584	40,517	81	2529
Raise	149	4882	115	2522
Underground shafts		15,265		12,803
~~Sinkings~~				5897
		60,664		23751

Shafts 127 22,680

17,698

40,378

33,625

26,500

MME Form 22
Dec. 60

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

DATE	INITIALS	CODE
4/19	[illegible]	800
		~~500~~
4/19	[illegible]	~~500~~
	~~[illegible]~~	
		220

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name and Address

Chief Consolidated Mining Company

Chief No. 1 Mine

Juab and Utah Counties, Utah

Contract No.	Docket No.
Idm E4 AMC	DMA 1 and 1A

Prepared by (Signature) T M Romslo — Date April 16, 1962

T. M. Romslo

Yes	No		
		1. (a)	Does the Operator stockpile ore subject to royalty repayment?
		(b)	If so, is segregation and identification procedure adequate?
		2. (a)	Does the Operator commingle production subject to DMEA or OME royalties with exempt production?
		(b)	If so, is the allocation of the commingled production equitable?
		3. (a)	Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?
		(b)	If so, are adequate records maintained on such material to protect the Government's interest?
		4.	Are the assay controls in effect adequate?
		5.	Does the manner of disposing of production give the Government its fair royalty returns?
		6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?
		7.	Does the Operator buy from or sell to other Operators?

8. Current status of property. (Check one).

	Operating.
X	Inactive.
	Abandoned.

Date of last production if not operating.

Comment on items 1(b), 2(b), 3(b), and 4 to 6, if answer is No:

Mr. Maynard Carter, Clerk, orally reported April 12, 1962, that activity in the project area since February 2, 1960, the last date of advice from the Operator, was confined to minor repairs of the main shaft.

84861-60

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/26	Kirkemo	120
		220

OCT 25 1966

Chief Consolidated Mining Company
Box 270
Eureka, Utah 84628

Re: DMA-1 and 1A (Lead-Zinc)
Chief Consolidated Mining Company
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract Idm-E4

Gentlemen:

By the terms of the subject Second Amended Contract, as amended, and the certification of discovery or development dated February 17, 1956, all minerals mined or produced from June 13, 1951, to June 13, 1966, were subject to the Government's royalty as set forth in said second amended contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the second amended contract or any production therefrom. We, therefore, are closing our books and records on this second amended contract. Your attention, however, is called to the provisions of the second amended contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
DMEA Docket
Br. of Budget and Finance
Region III w/cy of incoming 63
120M

MMerrithew/mm (10/26/66)

23263

DMEA 1 and 1A Chief Consolidated Mining Company

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom and when delivered ☐ Show to whom, when, and address where delivered ☐ Deliver ONLY to addressee

(Additional charges required for these services)

RECEIPT

Received the numbered article described below.

REGISTERED NO. 500752

CERTIFIED NO.

INSURED NO.

DATE DELIVERED 10-10-66

1 SIGNATURE OR NAME OF ADDRESSEE (*Must always be filled in*) E. R. Tonkin

2 SIGNATURE OF ADDRESSEE'S AGENT, IF ANY Thomas Baker

SHOW WHERE DELIVERED (*only if requested*)

WASHINGTON, DC REG. DIV. OCT 5 1966 USPO

c55—16—71548-S GPO

IN REPLY REFER TO:

90

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

REGISTERED MAIL
RETURN RECEIPT REQUESTED

October 4, 1966

OFFICIAL COPY
O. N. E.
RECEIVED
OCT 19 1966

INITIALS	CODE
gla	120
~~FEJ~~	~~110~~
	120

Re: DMA-1 and 1-A (Lead-Zinc)
Chief Consolidated Mining Co.
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract Idm-E4

Mr. E. R. Tomkinson, Secretary
Chief Consolidated Mining Company
Box 270
Eureka, Utah

Dear Mr. Tomkinson:

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

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

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

From March 1966, to June 13, 1966

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

From March 1966, to June 13, 1966

2. XXXXX , has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name E. R. Tomkinson Title Sec. & Treas.

Address Chief Consolidated Mng. Co. Date Oct. 13/66
Box 270
Eureka, Utah # 84628

STATE OF UTAH)
) ss.
COUNTY OF JUAB)

I, Rita S. Sorensen, a notary public, do hereby certify that on this 13th, day of Oct. 1966, personally appeared before me E. R. Tomkinson, being by me first duly sworn declared that he is Sec. of the above company and that all above information is true.

My Commission expires - - Aug. 26/1969 Rita S. Sorensen Eureka, Utah

320

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee ☐ Show address where delivered

(Additional charges required for these services)

RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

Chief Consolidated Mining Co

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

T Thomas Bottrell

DATE DELIVERED

8-23-66

SHOW WHERE DELIVERED *(only if requested)*

C55—16—71548-5—? GPO

1 + 1 A

DMEA 1 + 1 A

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

Ask Cecil

March 7, 1966

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Re: **DMA-1 and 1-A (Lead-Zinc)**
Chief Consolidated Mining Co.
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract Idm-E4

OFFICIAL COPY
O. M. E.
RECEIVED
APR
INITIALS
HO
120
120

Chief Consolidated Mining Co.
608 Dooly Building
Salt Lake City, Utah

Gentlemen:

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

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

Sincerely yours,

(Signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

DMA-1 and 1A
Idm-E4

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **July 1964**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since **July 1964**, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name [illegible] Title [illegible]

Address Eureka Date Mar 31 1966

220

DMA 1+1 A

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee ☒ Show address where delivered

(Additional charges required for these services)

RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

Chief Consolidated Mining Co

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

Thomas Bottre Jr

DATE DELIVERED	SHOW WHERE DELIVERED *(only if requested)*
3-15-66	Eureka, Utah

C55—16—71548-5—F GPO

DMA 1+1 A

COPY
O. M. E.
RECEIVED
MAY 9 1966

INITIALS	CODE
	120
FJ	110
HR	120
	120
	120

IN REPLY REFER TO.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

September 15, 1965

Chief Consolidated Mining Co.
608 Dooly Building
Salt Lake City, Utah

Re: DMA-1 and 1A (Lead-Zinc)
Chief Consolidated Mining Co.
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract Idm-E4

Gentlemen:

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

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

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

RECEIVED
U. S. GEOLOGICAL SURVEY
MAY 3 10 15 AM 1966
OFFICE OF THE DIRECTOR

MME Form 63
Revised 7-65

DMEA-1 and 1A
Idm-E4

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **July 1964**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since **July 1964**, has there been any production from the land subject to the contract? Yes ☐ No ☑

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

CHIEF CONSOLIDATED MINING COMPANY

Name E. R. Tomkinson Title Secretary

Address Box 270 , Eureka, Utah Date April 29, 1966

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

June 23, 1964

Mr. W. H. Watson
Vice President
Chief Consolidated Mining Co.
608 Dooly Building
Salt Lake City, Utah

Re: DMA-1 and 1A (Lead-Zinc)
Chief Consolidated Mining Company
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract
I6m-P4

Dear Sir:

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

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

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 13 1964

DATE	INITIALS	CODE
Copy of not signed		
by Geo. Quell to		
Keep this		
Copy		

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since May 8, 1963, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since May 8, 1963, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name [signature] Title Director

Address Eureka, Utah Date July, 8, 1964

4511

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

May 9, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 13 1963

DATE		CODE
5/14		800
		500
		220

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: Royalty Matters
DMEA 1 and 1A (Lead-Zinc)
Second Amended Contract Idm-E4
Chief, Consolidated Mining Company
(Chief No. 1 Mine)
Juab and Utah Counties, Utah

Attached is a letter dated May 8, 1963 from Mr. W. W. Watson, Vice President, Chief Consolidated Mining Company, that contains the information requested by you in your memorandum of March 21, 1963.

T. M. Romslo

T. M. Romslo

Attachment

See 3rd from last page

FIFTY-FOURTH ANNUAL REPORT OF THE

Chief Consolidated
Mining Company
OF ARIZONA

FOR THE YEAR ENDING
DECEMBER
THIRTY-FIRST
NINETEEN HUNDRED
AND SIXTY-TWO

1962

Chief Consolidated Mining Company

OF ARIZONA

Authorized Capital $2,250,000.00
1,500,000 Shares, Common, $1.00 Each
1,500,000 Shares, Preferred, $.50 Each

OFFICE, SALT LAKE CITY, UTAH

OFFICERS

CECIL FITCH, JR., *President & General Manager*.....Eureka, Utah
W. W. WATSON, *Vice-Pres., Sec. & Treas*.....Salt Lake City, Utah

---

DIRECTORS

RUDOLPH C. GEBHARDT — EARL L. VALENTINE
STEPHEN K. FOX — MAHLON S. KEMMERER
W. W. WATSON — CECIL FITCH, JR.
THOMAS BARDON

WALKER BANK & TRUST COMPANY, *Registrar*
Salt Lake City, Utah

On or about March 9, 1963, the management will request proxies for the annual meeting to be held April 16, 1963, and a proxy statement and proxy in form as provided by the rules and regulations of the Securities and Exchange Commission will be mailed to the stockholders. This annual report is not a part of the proxy soliciting material, nor is it to be used as such.

The Annual Meeting of Stockholders is held on the third Tuesday in April at the office of the company in Tucson, Arizona.

ACCOUNTANTS' OPINION

The President and Board of Directors,
Chief Consolidated Mining Company:

We have examined the consolidated balance sheet of Chief Consolidated Mining Company and its consolidated subsidiaries as of December 31, 1962 (Exhibit A) and the related statement of consolidated income and earned surplus for the year then ended (Exhibit B). Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, with the explanation in Note 2 to the financial statements concerning the basis upon which fixed assets are stated, the accompanying consolidated balance sheet and statement of consolidated income and earned surplus present fairly the financial position of the companies at December 31, 1962 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HASKINS AND SELLS
Certified Public Accountants

February 19, 1963

DIRECTORS' REPORT

To the Stockholders of
Chief Consolidated Mining Company:

During the past year Kennecott Copper Corporation completed in the area leased to them 2612 feet of underground diamond drilling, and 13,741 feet of surface rotary and diamond drilling.

The main purpose of surface drilling was to delineate the strike of the East Tintic thrust fault over a broad area. This is the fault which includes the Burgin ore body, and two of the holes drilled during the year indicate that this geologic structure may carry ore as far as 5000 feet north from the presently known Burgin ore body. While these indications at this time are extremely encouraging, it will not be definitely determined until the implications are further proven out by future drilling and underground work. If these indications can be proven, the total ore bearing area will equal or surpass all previous production in the Tintic District.

During the year a second underground shaft was put down to a depth of 140 feet below the 1050 level. This is 250 feet south of the bottom of the incline winze which we mentioned in our last annual report. The water flow in these workings was between 175 and 200 gallons per minute. The average of the assays of the bulk samples obtained between 116 and 140 feet in depth was 40% lead; .5% zinc; and 35.6 oz. of silver per ton. This indicated grade of ore in bulk samples was considerably above the grade indicated by the recovered core in adjacent drill holes. This, in general, would indicate that our overall estimates of the value of this ore body are on the conservative side.

Development work completed on the west end of the Burgin ore body in the area of the Eureka Standard fault has uncovered a silver bearing ore fissure which should add to the preliminary tonnage to be mined above the water table.

The rehabilitation of the Apex No. 2 shaft for ventilation purposes has been completed to the 700 ft. level as at this writing, and we anticipate that this work will be completed within the next 60 days. We have been advised by Kennecott personnel that at this point production from the Burgin shaft will commence on a limited basis and will probably be in the order of 50 to 70 tons per day. This tonnage

should continue until completion of the production shaft. The site of the production shaft has been leveled, the engineering completed, and the bids for the sinking of this facility should be let in the near future. Completion of this shaft according to newspaper releases by Kennecott should be within the next nine months. On completion of this shaft and ancillary drifts and cross cuts, this mine should come into full production. We estimate this will take approximately two years.

In the last few weeks, after many previous unsatisfactory negotiations, we believe that we are approaching a reasonable conclusion towards further financing of our Escalante joint venture. The water problem on this prospect is still the prime concern, and if our negotiations are successful, we believe by the end of this year we will know whether we have a silver mine or whether we should abandon this prospect.

We are continuing to examine silver properties brought to our attention which have the possibility of profitable production.

For the Board of Directors,

CECIL FITCH, JR.,
President.

Eureka, Utah
March 9, 1963

EXHIBIT B

CHIEF CONSOLIDATED MINING COMPANY, EAGLE AND BLUE BELL MINING COMPANY AND EUREKA MACHINERY & SUPPLY COMPANY SALT LAKE CITY, UTAH

STATEMENT OF CONSOLIDATED INCOME AND EARNED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 1962

INCOME:		
Sales of ore (Note 2)		None
EXPENSES:		
General and administrative	$86,541	
General taxes	7,280	
Payroll taxes	1,287	
TOTAL		$ 95,108
Operating Income (Loss) Before Depreciation		(95,108)
Less Depreciation		15,547
Operating Income (Loss)		(110,655)
OTHER INCOME:		
Interest	5,794	
Rental of equipment and supply sales	3,547	
Gain on sale of fixed assets	1,555	
TOTAL		10,896
Net Income (Loss) to Surplus		(99,759)
Consolidated Surplus January 1, 1962		208,824
Consolidated Surplus December 31, 1962		$ 109,065
SEGREGATED AS FOLLOWS:		
Minority shareholders of Eagle and Blue Bell Mining Company (deficit)		(8,581)
Applicable to Chief Consolidated Mining Company		117,646
TOTAL		$ 109,065

The accompanying Notes to Financial Statements are an integral part of this statement.

Notes to Financial Statements

1. All subsidiaries are included in this consolidation except Eureka Mines Company, East Crown Point Consolidated Mining Company, and American Star Mining Company. These companies are inactive and still in the development stage.

2. Fixed assets are stated at cost, including approximately $450,000 which represents the valuation assigned to the Company's common stock issued therefor. Mining claims and property of $1,409,289 which are no longer producing are excluded from the balance sheet, having been written off against reserves. Fixed assets are stated net of $205,089 valuation reserve. The amounts at which the fixed assets are stated do not purport to represent their present realizable value or replacement cost. The Company's mines were not in operation during the year.

3. A contingent liability exists for repayment of funds advanced by the Defense Minerals Exploration Administration of the United States Government under its minerals exploration program in the amount of $47,659 at December 31, 1962, payable under a sliding scale of 1½% to 5% royalty on net smelter returns from ore, if and when produced, within a 15-year period from June 13, 1951.

DEVELOPMENT AND EXPLORATION FOOTAGE

January 1, 1962, to December 31, 1962

Apex Standard Property:

Work performed by Kennecott Copper Corp.

Drifting	1,493.0 ft.
Winzing	95.0 ft.
Underground Rotary and Diamond Drilling	2,612.0 ft.
Surface Rotary and Diamond Drilling	13,741.0 ft.

General Summary of Development Work

1909 thru 1962

Drifts	497,225.0 ft.
Raises	131,167.5 ft.
Winzes	20,217.5 ft.
Shafts	7,847.0 ft.
Total	656,457.0 ft.=124.33 miles
Prospect Drilling	322,170.0 ft.

EXHIBIT A

Chief Consolidated Mining Company,
Eagle and Blue Bell Mining Company and Eureka Machinery & Supply Company
Salt Lake City, Utah

CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1962

ASSETS

CURRENT ASSETS:			
Cash on hand and in banks (demand deposits)		$ 20,320	
United States Treasury bills (at cost, face value $150,000)		147,783	
Accounts receivable — trade		2,370	
Accrued interest receivable		1,336	
Inventories of supplies and parts (at cost, on first-in, first-out method)		29,799	
TOTAL CURRENT ASSETS			$ 201,608
INVESTMENTS:			
Common stocks (at cost, no quoted market value)	$ 82,700		
Less valuation reserve	11,359	71,341	
Note of affiliated company		1,000	
Advances to affiliated companies		8,592	
TOTAL INVESTMENTS			80,933
FIXED ASSETS (Note 2):			
Plant and equipment	242,783		
Less provision for depreciation	169,619	73,164	
Mining claims and property (net of depletion)		2,563,862	
TOTAL FIXED ASSETS			2,637,026
OTHER ASSETS:			
Real estate contracts		4,037	
Investment in joint venture		57,939	
Prepaid expenses and insurance deposits		2,018	
TOTAL OTHER ASSETS			63,994
TOTAL			$2,983,561

LIABILITIES

CURRENT LIABILITIES:			
Accounts payable — trade		$ 1,388	
Accrued payroll		357	
Accrued payroll taxes		886	
Other		818	
TOTAL CURRENT LIABILITIES			$ 3,449
CONTINGENT LIABILITIES: (Note 3)			
MINORITY SHAREHOLDERS' EQUITY:			
EAGLE AND BLUE BELL MINING COMPANY:			
Capital stock		8,973	
Deficit (Exhibit B)		(8,581)	
TOTAL MINORITY SHAREHOLDERS' EQUITY			392
CAPITAL STOCK AND SURPLUS:			
Preferred stock — non-assessable, authorized 1,500,000 shares of $.50 par value each	$ 750,000		
Less unissued 127,284 shares	63,642		
TOTAL OUTSTANDING		686,358	
Common stock — non-assessable, authorized 1,500,000 shares of $1.00 par value each	1,500,000		
Less 224,057 shares unissued and 23,582 shares in treasury	247,639		
TOTAL OUTSTANDING		1,252,361	
Earned surplus (Exhibit B)		117,646	
Stock premiums, less discounts		923,355	
TOTAL CAPITAL STOCK AND SURPLUS			2,979,720
TOTAL			$2,983,561

The accompanying Notes to Financial Statements are an integral part of this balance sheet.

Chief Consolidated Mining Co.
608 Dooly Building
Salt Lake City, Utah

May 8, 1963

OME
DEPARTMENT OF THE INTERIOR
MAY 9 1963
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors, Asst. Field Officer
Office of Minerals Exploration
Federal Center, Building #2
Denver, Colorado

Dear Mr. Connors:

Several weeks ago a representative from your office visited with me in regards to the status of a certain DMEA contract that this Company has in effect with that agency. I advised your representative at that time that I would be out of town on other matters, and that if it was all right with him, I would reply to you direct at a later date. I am sorry that more time then I anticipated has expired.

Your representative referred particularly to a contract Docket No. DMEA-1 and 1A Commodity Lead-Zinc (original contract No. IDM-E4 dated June 13, 1951) with two subsequent amendments.

Your representative referred to certain news items that exploration and development work was currently being conducted by Kennecott Copper Corporation on a certain leased area of our Company's properties, part of which properties could become liable for royalty payments to the Government under the terms of the above referred to contract with DMEA.

This letter is for the purpose of advising you as follows:

1. That as of this date, no ores have been extracted or marketed from any of the areas within the aforesaid lease that the Government has an interest.

2. The lease agreement provides in Paragraph 16, Page 25 that Kennecott Copper Corporation is aware of the liability of Chief Consolidated Mining Company to the United States Government and its obligations thereunder. This lease agreement is a matter of record in the County Recorder's Office of Utah County, State of Utah, and open to the Government's inspection.

3. None of the exploration or development that has been performed on the leased area by Kennecott Copper Corporation is within any district

of the area covered by the aforementioned DMEA contract as far as the writer knows as of this writing. None is contemplated within the immediate future.

Yours very truly,

CHIEF CONSOLIDATED MINING CO.

W. W. Watson

W. W. Watson
Vice President

WWW:alc

OME
DEPARTMENT OF THE INTERIOR
MAY 9 1963
REGION III
DENVER COLORADO

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

April 15, 1963

OFFICIAL FILE COPY		
O. M. E.		
RECEIVED APR 17 1963		
DATE		CODE
4/18		800
		120
		500
		220

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: Royalty matters
DMEA 1 and 1A (Lead-Zinc)
Chief, Consolidated Mining Company
(Chief No. 1 Mine)
Juab and Utah Counties, Utah
Second Amended Contract Idm-E4

Reference is made to your memorandum dated March 21, 1963 concerning the area subordinated by the subject Second Amended Contract.

Mr. Romslo obtained the following information concerning this matter during conversations with the company's secretary, Mr. W. W. Watson, 608 Dooley Bldg., Salt Lake City, Utah, April 8, 1963. Two tracts of the subordinated area are included in a voluminous lease between the Chief Consolidated Mining Company and the Kennecott Mining Corporation. You will be informed within a week or two by Mr. Watson that the Government's rights have been protected as described in the enclosed company's 54th annual report.

The Bergen ore body is being extended northward from the Bergen shaft but to date no ore has been found on the DMEA ground.

Hugh M. Connors

Hugh M. Connors

Attachment
TMR

MME Form 7
(10-58)

OFFICIAL FILE

Date	Surname	Code
3/21	[illegible]	500
3/21	Talbot	800
	[illegible]	130
3/21	Johnson	110
3/21	Ferry	100
		220

MAR 21 1963

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: Royalty matters
DMEA 1 and 1A (Lead and Zinc)
Chief, Consolidated Mining Company
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract Idm-E4

It appears that the Kennecott Company is making plans for the new Burgin shaft and the ore body tributary thereto.

We have never been clear as to whether or not this new ore body occurs in land included under Exhibit B (yellow shading of map) contained in the Second Amended Contract. Such areas are subject to the payment of Government royalty until June 13, 1966.

At your convenience, would you be kind enough to look into this.

George C. Selfridge (gla)

WRGriswold/mm (3-20-63)
Rewritten: WRGriswold/gla (3-21-63)
cc to: Director's Reading File
Review Committee
Docket
Code 500

43683

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
	Griswold	500
3/20	Talbot	800
		190
		110
		100
		320

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: Royalty matters, DMEA 1 and 1A, Chief Consolidated Mining Co., Juab County, Utah, Contract Idm-E4.

It appears that the Kennecott Company is making plans for the new Burgin shaft, and the ore body tributary thereto.

We have never been clear as to whether or not this new ore body occurs in land included under Exhibit B (yellow shading of map) contained in the second amended Chief Consolidated contract. Such areas are subject to the payment of Government royalty until June 13, 1966.

At your convenience would you be kind enough to look into this.

WRGriswold/mm
3/20/63
cc: Director's Reading File
Review Committee
Docket
Code 500

8623

Building 20 - Federal Center
Denver 25, Colorado

RECEIVED O. M. E. MAR 12 1962		
DATE	INITIALS	CODE
3/12	gla	500
		220

March 9, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMA-1 and 1A (Lead-Zinc)
Second Amended Contract Idm-E4
Chief Consolidated Mining Company
(Chief No. 1 Mine)
Juab and Utah Counties, Utah

Attached is the original Report of Royalty Review on the subject property dated March 5, 1962 covering the period July 11, 1956, through February 2, 1960.

Original signed by

Hugh M. Connors

Attachment
HMC/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. Idm-E4
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

MAR 6 1962

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMA-1 and 1A (Lead-Zinc)
Chief Consolidated Mining Company
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract Idm-E4

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

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

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

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

Enclosures

EDTalbert/ama 3-6-62

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

43683

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

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 21 1962

DATE		
2/21		800
"		500
		220

February 19, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMA-1 & 1A (Lead-Zinc)
Second Amended Contract Idm-E4
Chief Consolidated Mining Company
(Chief No. 1 Mine)
Juab and Utah Counties, Utah

I have a request for a Check Sheet of Examining Engineer on the subject contract. I have no knowledge of the present status of the Chief No. 1 mine but it is not far from Glen L. Larsen's Iron Blossom mine, Contract 2129. The next time Mr. Romslo inspects the Larsen property he will get the required information on the Chief No. 1 mine.

Hugh M. Connors

Hugh M. Connors

cc T. M. Romslo

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/16	Selfridge	120
		220

FEB 16 1962

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMA-1 & 1A (Lead-Zinc)
Chief Consolidated Mining Company
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract Idm-E4

As you probably have surmised, this Division is making an effort to "up-date" its royalty audits and reviews. Such effort is being concentrated particularly on those contracts which have not been reviewed or audited within the last three to four years or which have ceased production since the last review or audit.

The last royalty audit on the subject contract covered a period ending July 10, 1956. In order that an "up-dated" Report of Royalty Review may be prepared, your submission of an original and one copy of MME Form 22, Check Sheet of Examining Engineer, will be appreciated.

The Washington files indicate that the last inspection of the property was made on January 20, 1959, and the last date of advice from the Operator was February 2, 1960. I assume, also, that the August 29, 1956, lease agreement with Bear Creek Mining Company is still in effect. Please confirm or correct by appropriate statement under item 8 of the MME Form 22.

EDTalbert/ama 2-16-62

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

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR

~~DEFENSE MINERALS EXPLORATION ADMINISTRATION~~
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
October 29, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 31 1958

DATE	INITIALS	CODE
11/3	C	220
11/3	~~WPLG~~	500

Memorandum

To: Chairman, Operating Committee, OME

From: OME Field Team, Region III

Subject: Docket No. DMEA 1 and 1A (lead-zinc) Contract ~~Idm-E4~~,
Chief Consolidated Mining Company, (Chief No. 1 ~~mine~~)
Utah and Juab Counties, Utah - FINAL SUMMARY REPORT

The Operator's final report was forwarded to your office by our memorandum of February 7, 1957, and the joint final engineering and geologic report by the OME field examiners was forwarded by our memorandum of March 17, 1958.

All matters prerequisite to closing the account have been resolved, including liquidation of the Government's interest in property acquired under the contract, and the account is considered closed in accordance with the Report of Review of reported project costs by the Contract Administration and Audit Division, dated October 10, 1958.

The contract was terminated before completion of all work provided for by a Termination Agreement, dated January 30, 1956, which was made effective October 15, 1955.

The exploration work completed consisted of 1663 feet of drifting and crosscutting, 300 feet of raising, and 330.7 feet of winze sinking. Acceptable work incident to the exploration work consisted of excavation for and installation of a pumping system, and installation of an electrical system; all at a total accepted cost of $366,626.13, to which the Government contributed $174,695.18.

The exploration work completed under the contract resulted in the discovery or development of a significant quantity of lead-zinc ore on which a Certification of Discovery or Development was issued February 17, 1956.

By E. N. Harshman
E. N. Harshman

By J. W. Townsend
J. W. Townsend

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 30 1958

DATE	INITIALS	CODE
10/30	C	220
10/31	[illegible]	500

224 New Customhouse
Denver 2, Colorado
October 28, 1958

Memorandum

To: T. A. Christensen

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

Subject: Docket No. IMEA 1 and 1A (Lead-Zinc) Second Amended Contract Idm-84, Chief Consolidated Mining Company, (Chief No. 1 mine) Juab and Utah Counties, Utah - FINAL SETTLEMENT

Reference is made to our memorandum of October 1, 1958, whereby we forwarded check No. 1705 from the subject Operator, in the amount of $6236.92, as settlement of the balance due for the Government's interest in property acquired under the contract.

In accepting the Operator's check, in effect, final payment was made to the Operator, which is in conformance with the Report of Review of the reported project costs by the Contract Administration and Audit Division, OME, dated October 10, 1958.

The account is considered to be closed, therefore, we are closing our records pertaining to the contract.

Original signed by
E. N. HARSHMAN
E. N. Harshman

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman (2)
Howes, OMI/SLC
MF-104 file, Reg. III
Corres. file, Reg. III
Cooper (2)
Chron

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/21	G. McCarthy	800
10/21	Talbert	800
10/21	C	220
10/21	[illegible]	500

OCT 21 1958

Mr. Donald T. Finch
OME Auditor
224 New Customhouse
Denver 2, Colorado

Re: Docket Nos. DMA-1 and 1A (Lead-Zinc)
Chief Consolidated Mining Company
Contract No. Idm-E4

Dear Mr. Finch:

Your Report of Review covering the referenced project is acceptable and normal distribution is authorized.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers
Contract Administration
and Audit Division

GMcCarthy/GMcC
October 21, 1958

cc: Docket
Director's Reading File
Mr. Chambers

8623

Old New Customhouse
Denver 2, Colorado
October 2, 1958

10-6 C 220
10-7 60 Pk. 500

Memorandum

To: GSE Auditor, Region III - w/enclosures

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

Subject: Docket No. MMA 1 and 1A (Lead-Zinc), Second Amended Contract No. [illegible], Chief Consolidated Mining Company (Chief No. 1 mine), Juab and Utah Counties, Utah

Enclosed are copies of the following correspondence pertaining to settlement of the Government's interest in property acquired under the subject contract:

1. Copy of our memorandum of October 1, 1958 to T. A. Christensen, whereby the Operator's check in the amount of $6,236.92, as the net balance due as the Government's share of property disposal, was forwarded for credit to voucher payments.

2. Copy of an instrument entitled "DISPOSAL OF GOVERNMENT'S INTEREST IN PROPERTY," dated September 23, 1958, signed by the Acting Director, Office of Minerals Exploration.

Copies of all previous correspondence relative to the matter of property liquidation have been forwarded to your office.

In arriving at the balance due the Government, and in accepting the Operator's check in payment thereof, in effect, final payment has been made to the Operator. Therefore, we will appreciate your furnishing to this office a Final Certificate and Report of Audit, or Report of Review of the reported project costs, whichever the case may indicate.

Original signed by
E. N. HARSHMAN

E. N. Harshman

JKC:pri
cc: Chem. Op. Comm. (2)
Harshman (2)
Howes, GSE/SLC
Corres. file
Cooper (2)
Chron.

224 New Customhouse
Denver 2, Colorado
October 1, 1958

10/3 C
10/7 ~~Wpl. 300~~ 220

Mr. W. W. Watson, Vice President
Chief Consolidated Mining Co.
608 Dooly Building
Salt Lake City, Utah

Re: Rocket No. DMEA 1 and 1A (Lead-Zinc)
Second Amended Contract No. Ilm-24
Chief Consolidated Mining Co.
(Chief No. 1 mine)
Utah and Juab Counties, Utah

Dear Mr. Watson:

Receipt is acknowledged of your letter dated September 26, 1958, whereby you forwarded check No. 1765, in the amount of $6,236.92, as the net amount due the Government on liquidation of the Government's interest in property acquired under the contract.

Enclosed is the "Operator's Copy" of an instrument, entitled "DISPOSAL OF GOVERNMENT'S INTEREST IN PROPERTY", dated September 23, 1958, signed by the Acting Director, Office of Minerals Exploration, whereby the Government sells, assigns, transfers, and sets over to Chief Consolidated Mining Company all property acquired under the Second Amended Contract No. Ilm-24.

In reference to the request contained in your letter, records in this office, which are tentative and subject to audit, indicate the amount due the Government, contingent on production from the property, to be $47,659.28.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer

JDC:prl

cc: Finance Office, Region III
Chem.Op.Comm.-2
Harshman-2
Howes OME/SLC
Cooper-2
Corres. file
Chron.

w/copy of Operator's letter dated September 26, 1958.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
October 1, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 3 1958

DATE	INITIALS	CODE
10/3	C	220
10/7	[illegible]	500

Memorandum

To: Chairman, Operating Committee, OME

From: Acting Executive Officer, OME Field Team, ~~Region III~~

Subject: Docket No. DMEA 1 and 1A (Lead-Zinc), Second Amended Contract No. Idm-E4, Chief Consolidated Mining Company (Chief No. 1 mine), Juab and Utah Counties, Utah

The subject Operator has rendered proper payment of the net amount due the Government on liquidation of property acquired under the contract. Therefore, in accordance with your letter of September 23, 1958, we are enclosing the Government's and Audit copies of the instrument entitled, "DISPOSAL OF GOVERNMENT'S INTEREST IN PROPERTY," dated September 23, 1958, and signed by the Acting Director, Office of Minerals Exploration.

Copies of the instrument have been distributed to the Operator, the Finance Office, and others concerned in Region III.

E. N. Harshman

E. N. Harshman

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
October 1, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 3 1958
DATE | INITIALS | CODE
10/3 | C | 220
10/7 | JG | 110
~~10/7~~ | ~~[illegible]~~ | ~~500~~

Memorandum

To: Chairman, Operating Committee, OME

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

Subject: Docket No. DMEA 1 and 1A (Lead-Zinc), Second Amended Contract No. Idm-E4, Chief Consolidated Mining Company (Chief No. 1 mine), Utah and Juab Counties, Utah

Enclosed are two copies of a memorandum, dated October 1, 1958, from this office to T. A. Christensen, with enclosures, relative to the rendering by the subject Operator of Check No. 1785 in the amount of $6,236.92, as the net balance due on settlement of the Government's interest in property acquired under the contract.

E. N. Harshman

E. N. Harshman

Enclosures

224 New Customhouse
Denver 2, Colorado

OCT 1 1958

Memorandum

To: T. A. Christensen

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

Subject: Docket No. DMSA 1 and 1A (Shak-Kim), Second Amended Contract No. Kim-24, Chief Consolidated Mining Company (Chief No. 1 mine), Juab and Utah Counties, Utah

Enclosed is check No. 1785 from the subject Operator in the amount of $6,236.92, as settlement of the net balance due for the Government's interest in the property acquired under the contract. Also enclosed are the following:

1. Copy of relative letter to this office, dated September 25, 1958, from the Chairman, Operating Committee, OME.

2. Copy of a letter from this office, dated September 29, 1958, to W. W. Watson, Vice President, Chief Consolidated Mining Company, whereby the Operator was informed of the amount due the Government.

The amount of payment to the Government by check No. 1785 is reconciled as follows:

Agreed value of the Government's interest in the remaining items of property		$ 6,500.00
Amount previously withheld from reimbursement to Chief Consolidated Mining Company	$ 1,500.00	
Overpayment to Chief Consolidated Mining Company per Second Interim Audit, dated 8/29/58	1,236.92	
Balance of withheld amount due Chief Consolidated Mining Company		263.08
Amount due the Government		$ 6,236.92

The amount of $6,236.92 is to be credited to voucher payments.

JDC:prl
cc: Chmn.Op.Comm.-2) w/copy of enclosures
Howes, OME/SLC) items 1 and 2.
MF-104 file,Reg.III)
Harshman-2
OME Auditor,Reg.III
Corres. file
Cooper-2
Chron.

Original sig. co...
E. N. HARSHMAN

E. N. Harshman

Chief Consolidated Mining Co.

608 Dooly Building
Salt Lake City, Utah

September 26, 1958

Mr. E. N. Harshman
Acting Executive Officer
Office of Minerals Exploration
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 1 and 1A (Lead-Zinc)
Contract No. Idm-E4
Chief Consolidated Mining Co.
(Chief No. 1 Mine)
Utah and Juab Counties, Utah

Dear Mr. Harshman:

I enclose our Company's check No. 1785 in the amount of $6,236.92 in full payment for the Government's interest in the property acquired under the above captioned contract as outlined in your letter of September 25. We shall appreciate receiving the instrument transferring the Government's right, title, and interest in this property.

According to the terms of the contract, there remains an amount due the Government which is contingent upon ores produced from the property for a period of fifteen years from the date of execution of the Contract. So that our records will be in agreement, we will appreciate receiving from you a statement of the amount of this contingent liability as it appears on the Government's books.

Very truly yours,

W. W. Watson

W. W. Watson
Vice President

WWW:ALC

Enc. - Check

OME
DEPARTMENT OF THE INTERIOR
OCT 1 - 1958
REGION III
DENVER, COLORADO

224 New Customhouse
Denver 2, Colorado
September 25, 1958

9/29 9/30 C 220 ~~wpl 2 500~~

Mr. W. W. Watson, Vice President
Chief Consolidated Mining Company
608 Dooly Building
Salt Lake City, Utah

Re: Docket No. IMMA 1 and 1A ~~(lead-time)~~
Contract No. Idm-84
Chief Consolidated Mining Company
(Chief No. 1 mine)
Utah and Juab Counties, Utah

Dear Mr. Watson:

Reference is made to your letter of September 9, 1958 and prior correspondence, relative to the settlement of the Government's interest in the remaining items of jointly owned property acquired under the Contract.

We have at hand an instrument, signed by the Acting Director, Office of Minerals Exploration, Washington, D. C., transferring to your Company all right, title, and interest in the property acquired under Contract No. Idm-84, which we are authorized to forward to you upon receipt of payment by your Company of the amount due the Government. The amount due the Government in the transaction is as follows:

Agreed value of the Government's interest in the remaining items of property		$ 6,500.00
Amount previously withheld from reimbursement to Chief Consolidated Mining Company	$ 1,500.00	
Overpayment to Chief Consolidated Mining Company as per Second Interim Audit, dated 8/19/58	1,236.92	
Balance of withheld amount due Chief Consolidated Mining Company		263.08
Amount due the Government		$ 6,236.92

We trust that the foregoing meets with your approval and that we will hear from you at an early date.

JWT:prl
cc: Chmn. Op. Comm. -2
Marshman-2
Howes, OMK/SLC
OME Auditors, Reg. III
MF-104 file, Reg. III-5
Corres. file
Cooper (2)
Chron.

) w/copy of Chairman's letter of Sept. 23.

Very truly yours,

Original signed by
E. W. Marshman

E. W. Marshman
Acting Executive Officer

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/23	Griswold	500
9/23	Talbot	800
9/23	GCS	1304
"	Jensen	110
"	Rutledge	100
		~~HB~~
9/24	C	220
		500

500

SEP 23 1958

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

Re: Docket No. DMEA-1 & 1A (Lead-Zinc)
Chief Consolidated Mining Company
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract No. Idm-E4

Dear Mr. Townsend:

With reference to your memorandum of September 10, 1958, we are enclosing the original and four copies of a Disposal of Government's Interest In Property, which have been signed by the Acting Director for the Government.

Upon receipt of the proper payment, the document may be forwarded to the Operator; copies then will be distributed as indicated.

Two extra copies are enclosed for the use of the Field Team.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (24B)

WRGriswold/er 9/23/58

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

Enclosures

APPROVED:

Frank J. Cservenyak (24B)
Member, Bureau of Mines

N. E. Nelson (24B)
Member, Geological Survey

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9-16	[illegible]	140

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

September 16, 1958

INTERIOR DEPT.
SEP 16 1958
SOLICITOR

Memorandum

To: Associate Soliciter, Division of Mineral Resources

From: W. R. Griswold, Director
Division of Base Metals

Subject: Docket No. DMEA- 1 & 1A (Lead-Zinc)
Contract No. Idm-E4, Second Amended
Chief Consolidated Mining Company
Chief No. 1 Mine
Juab and Utah Counties, Utah

Will you kindly prepare a document, to be signed by the Director of O.M.E., which will relinquish the Government's equity in equipment purchased under the contract to the Operator, in consideration of the payment of a sum of $6,500, which is in addition to sums which have already been paid on this account.

W. R. Griswold

WRG/izm

RECEIVED
SEP 16 1958
ASSOCIATE SOLICITOR
MINERAL RESOURCES

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/15	Talbert	800
9/16	[illegible]	220
11	[illegible]	700

SEP 15 1958

Mr. Thomas H. Brading
DMEA Auditor
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 1 & 1A
(Lead-Zinc)
Chief Consolidated Mining Company
Contract No. Idm-E4

Dear Mr. Brading:

The suggestion in your September 12 letter that, upon the completion of the winding-up and settlement actions, Mr. Finch prepare a Report of Review in lieu of a final audit of the referenced project has the concurrence of this Division.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert
Assistant Director
Contract Administration
and Audit Division

EDTalbert/GMcC
September 15, 1958

cc: [redacted]s and Fil
cc: Docket
Admr. Reading File
Mr. Chambers

8623

9/15 C 220
9/15 800
" 500

224 New Customhouse
Denver 2, Colorado
September 10, 1958

Mr. W. W. Watson, Vice President
Chief Consolidated Mining Co.
608 Newly Building
Salt Lake City, Utah

Re: Docket No. DMEA 1 and 1A (Lead-Zinc)
Contract No. 18m-84
Chief Consolidated Mining Co.
(Chief No. 1 mine)
Utah and Juab Counties, Utah

Dear Mr. Watson:

Receipt is acknowledged of your letter of September 9, 1958, concerning liquidation of the Government's interest in jointly-owned property acquired under the Contract.

The matter has been referred to the Washington Office for appropriate action and you may expect to receive further advice in the matter in the near future.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

JDC:prl

cc: Chem. Op. Comm. (2)
Harshman
Howes, DMEA/SLC
Corres. file
Cooper
Chron.

Cy sent to 800

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 15 1958

DATE	INITIALS	CODE
9/15	C	220
"	Eris	500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
September 10, 1958

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 1 and 1A (Lead-Zinc), Contract No. Idm-E4, Chief Consolidated Mining Company (Chief No. 1 mine), Utah and Juab Counties, Utah

Enclosed are the original and two copies of a letter from the Operator, dated September 9, 1958, advising this office that it will pay the Government an amount of $6,500.00 for the Government's interest in the balance of jointly-owned property acquired under the contract. This is the amount which you indicated would be acceptable to the Government in your letter to this office, dated August 22, 1958.

Will you please prepare the necessary instrument to transfer ownership of the jointly-owned property from the Government to Chief Consolidated Mining Company and forward the instrument to this office for signature by the Operator. Upon execution of the instrument, the Operator will forward a check for the full amount to the Government.

As indicated in your letter of August 22, 1958, the Operator's net indebtedness will be $6,236.92.

E. N. Harshman

E. N. Harshman

Enclosures

Chief Consolidated Mining Co.
608 Dooly Building
Salt Lake City, Utah

DMEA
Department of the Interior

SEP 10 1958
REGION III
DENVER, COLORADO
OFFICIAL FILE COPY
DMEA
RECEIVED SEP 15 1958

DATE	INITIALS	CODE

September 9, 1958

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

Re: Docket No. DMEA 1 & 1A (Lead-Zinc)
Contract No. Idm-E4

Dear Mr. Townsend:

We have considered your letter of September 2, in which you advise that the Government would accept $6500.00 for their interest in the remaining items of equipment jointly owned under the above cited contract, and have decided to accept the Government's offer.

Kindly prepare the necessary documents to transfer ownership to this Company, and upon execution, we will forward our check for the full amount.

Yours very truly,

W. W. Watson
Vice President

WWW:ALC

22h New Customhouse
Denver 2, Colorado
September 2, 1958

9/5 C 220
11 ~~Hrs~~ 500

Mr. W. W. Watson, Vice President
Chief Consolidated Mining Company
608 Booly Building
Salt Lake City, Utah

Re: Docket No. DMEA 1 & 1A (Lead-Zinc)
Contract No. Idm-E4
Chief Consolidated Mining Company
(Chief No. 1 mine)
Utah and Juab Counties, Utah

Dear Mr. Watson:

Reference is made to your letter of August 6, 1958, wherein you bid $5,000.00 for the Government's interests in the remaining portion of the jointly owned equipment acquired under the contract.

The letter was forwarded to the Washington Office, DMEA for their consideration on which we have been advised that the $5,000.00 bid is not considered adequate, but that they would accept an offer of $6,500.00 for the Government's interests in the remaining items of equipment, material and supplies acquired under the contract.

The sum of $1,500.00 presently withheld from reimbursement by the Government is in part offset by the overpayment to Chief Consolidated of the sum amounting to $1,236.92 as detailed in the Second Interium Audit Certificate and Report forwarded by T. H. Brading, DMEA Auditor, by letter of August 29, 1958. Therefore, there would remain only the sum of $263.08 with which to credit against your payment instead of the $1,500.00 as mentioned in your letter of August 6, 1958.

We will be pleased to receive your reply to the above at an early date.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

JWT:dz
cc: Chmn. Op. Comm. 2
Harshman 2
Howes, DMEA/SLC
T. H. Brading
Corres. File
Cooper 2
Chron.

)w/cy of Chairman's letter of August 22, 1958

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
		220
	Gris	

Mr. Thomas H. Brading
DMEA Auditor
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 1 & 1A (Lead-Zinc)
Chief Consolidated Mining Company
Contract No. Idm-E4

Dear Mr. Brading:

Pardon me for not telling you sooner that you should release the Second Interim Audit Report to Chief Con. The Company will not know that it owes this additional amount unless it receives the audit report. This matter had slipped my mind until I received your letter dated August 25th.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

JLChambers/GMcC
August 27, 1958

cc: Docket
Admr. Reading File
Mr. Chambers

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/14	Mirandel	500
8-22	Chambers	800
	Long	140
	Sluyter	130
8/22	Johnson	110
	Stutendorf	100
8/25	H. G.	220
		500
8/22	Selfridge	

AUG 22 1958

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

INTERIOR DEPT.
AUG 14 1958
SOLICITOR

Re: Docket No. DMEA 1 & 1A (Lead-Zinc)
Chief Consolidated Mining Company
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract No. Idm-E4

Dear Mr. Townsend:

We have your letter of August 8, with enclosures, covering the Government equity in equipment purchased under the cited contract.

The Operator's letter of August 6, 1958, neglects the fact that the Second Interim Audit by Brading showed an overpayment by the Government of $1,236.92.

We do not consider the offer of $5,000 as adequate but we would accept an offer of $6,500. Under such an arrangement the Operator's indebtedness would be $6,500 plus $1,236.92, minus the $1,500 of deferred salvage credit, or a net of $6,236.92. Will you please see if such an arrangement can be made.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

APPROVED:

P. F. Yopes (JHB)
Member, Bureau of Mines

N. E. Nelson (JHB)
Member, Geological Survey

WRG/dl 8/14/58
cc to: Docket
Admr. R. File
Oper. Comm.
FT. REG. III
Mr. Bishop, USBM
Mr. Killsgaard, USGS
Chron.

8623

A Form 7
-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/12	Friswold	500
8-13	Chamberlin	800
		140
		130
		110
		100
		220
		500

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

INTERIOR DEPT.
AUG 13 1958
SOLICITOR

Re: Docket No. DMEA-1 & 1A (Lead-Zinc)
Chief Consolidated Mining Company
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract No. Idm-E4

Dear Mr. Townsend:

We have your letter of August 8, with enclosures, covering the Government equity in equipment purchased under the cited contract.

If this Operator is willing to increase its cash offer from $3,500 to $5,000 (plus the $2,500 of deferred salvage credit) we would be willing to close out the account. Will you please see what can be done.

Sincerely yours,

Chairman, Operating Committee

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

WRG/dl 8/12/58
cc to: Docket
Admr. R. File
Oper. Comm.
FT. REG. III
Mr. Bishop, USBM
Mr. Killsgaard, USGS
Chron.

RECEIVED
AUG 13 1958
ASSOC. SOLICITOR
MINERAL RESOURCES

8623

A Form 7
2-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/11	Friswold	500
		800
		140
		130
		110
		100
		220
		500

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

Re: Docket No. DMEA-1 & 1A (Lead-Zinc)
Chief Consolidated Mining Company
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract No. Idm-E4

Dear Mr. Townsend:

We have your letter of August 8, with enclosures, covering the Government equity in equipment purchased under the cited contract.

We have noted the offer contained in the Operator's letter of August 6, of $3,500 net cash to the Government. If the Operator is willing to increase this offer to $5,000 net cash (the Government to retain the $1,500 deferred salvage credit), we would be willing to close out the account. Will you please see what can be done.

Sincerely yours,

Chairman, Operating Committee

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

WRG/dl 8/11/58
cc to: Docket
Admr. R. File
Oper. Comm.
FT. REG. III
Mr. Bishop, USBM
Mr. Killsgaard, USGS
Chron.

I suggest this letter be written in order to close the matter. The letter is now ready to sign.

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

August 8, 1958

8/11 N.g. 225
500

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 1 and 1A (Lead-Zinc) Contract Idm-E4
Chief Consolidated Mining Company (Chief No. 1 mine)
Utah and Juab Counties, Utah

Enclosed are the original and one copy of the Operator's letter of August 6, 1958, with attached data which are forwarded in reference to Mr. Griswold's telephone conversation with E. N. Harshman on August 4, regarding liquidation of the Government's interest in the balance of the jointly owned property at the project.

As soon as Mr. Harshman advised me of his conversation with Mr. Griswold, I called Mr. Watson of Chief Consolidated Mining Company and asked him if he would be interested in submitting a firm bid at this time for the Government's interest in the remaining items of property under the contract.

A review of our records indicates that we have received a return of $6,307.53 from sale of the property to date.

In order to close our files on the project it is recommended that the Operator's bid for the Government's interest in the remaining portion of materials and supplies be accepted.

J. W. Townsend

J. W. Townsend

Encls.

6307.53
1558.90
4748.63

Chief Consolidated Mining Co.
608 Dooly Building
Salt Lake City, Utah

DMEA
DEPARTMENT OF THE INTERIOR
AUG 7 - 1958
REGION III
DENVER, COLORADO

August 6, 1958

Mr. J. W. Townsend, Acting Executive Officer
DMEA Field Team, Region III
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 1 and 1A (Lead-Zinc)
Second Amended Contract Idm-E4
Termination Agreement dated 1/30/56

Dear Mr. Townsend:

I have discussed with our President and General Manager, Mr. Fitch, the matter of final disposition of the jointly owned equipment under the terms of the above cited contract as you requested in our telephone conversation on Monday of this week.

In this connection, we wish to reiterate our previous offer which was contained in my letter to Mr. Traver of October 16, 1956, a copy of which is attached. In substance, we offered $5,000.00 to the Government for title to the remaining equipment to be paid $3500.00 in cash and $1500.00 which is presently held for our account by the Government under the terms of Article 4 of the Contract.

For your information, I am enclosing a list of the remaining equipment. The cost of this equipment is approximately $85,680.00 of which the Government furnished 50% or approximately $42,840.00.

From the standpoint of our own mining operations, there is very little likelihood that we will ever need any of this equipment, consequently our only means of reimbursing ourselves will be through sale to others. As the equipment is very specialized, the possibilities of our finding immediate buyers is very remote, and it will probably take a number of years to dispose of most of the items.

Very truly yours

W. W. Watson

W. W. Watson
Vice President

WWW:ALC
Encs.

DMEA
DEPARTMENT OF THE INTERIOR
AUG 7 - 1958
REGION III
DENVER, COLORADO

OFFICE
DMEA
RECEIVED AUG 11 1958

DATE	INITIALS	CODE

CHIEF CONSOLIDATED MINING COMPANY
608 DOOLY BUILDING
SALT LAKE CITY, UTAH

THE FOLLOWING ITEMS OF MINING EQUIPMENT ARE OFFERED FOR SALE AND MAY BE INSPECTED AT OUR PROPERTIES IN EUREKA, UTAH

(SUBJECT TO PRIOR SALE)

(TERMS: NET CASH - 30 DAYS TO APPROVED CREDIT)

FOR ADDITIONAL INFORMATION, PRICES, ETC., CONTACT EITHER:

CECIL FITCH, JR.
EUREKA, UTAH
TELEPHONE 8-6

or

W. W. WATSON
608 DOOLY BUILDING
SALT LAKE CITY, UTAH
TELEPHONE ELGIN 5-2815

FIRST REVISION

DMEA
RECEIVED AUG 1 1 '59

DATE	INITIALS	COPY

CHIEF CONSOLIDATED MINING COMPANY
608 Dooly Building
Salt Lake City, Utah

Equipment for Sale

The following equipment which is owned jointly by the Chief Consolidated Mining Company and the Defense Minerals Exploration Administration of the United States Government is offered for sale and is available for inspection at the Chief Consolidated Mining Company's property in Eureka, Juab County, Utah:

Item	Quantity	Description
1	6	500 KVA, Askarel Immersed Larkin Auto Transformers type ASD, single phase, 60 cycles, 2400/4160Y volts to 1385/2400Y volts with tertiary windings for the suppression of telephone interfering harmonics, suitable for underground installation. Class A insulated for 55° C temperature rise above ambient.
2	1	60 KVA Askarel Immersed Larkin Auto Transformer Type ASD3, 3 phase, 60 cycles, class A insulated for 55° C temperature rise above ambient, 4160Y/2400Y volts. Dimensions: 38" x 26" x 22"
3	1	27H756 Transformer 2-2400-120/240 Serial 8564308 #865 4308 10 KVA
4	2	600 HP 2300 Volt, 3 phase, 60 cycle Westinghouse Reduced Voltage Starter, Auto Transformer Type, w/NEMA Type I Enclosure
5	5	M904E2705 Minneapolis Honeywell Modutrol Motors complete with AT72A1k Transformer, 115/60
6	~~1~~	~~(W) Class 11202 Starter with Heaters 2300 Volt, 3 phase, 60 cycle, oil immersed 450 HP~~
7	2	600 HP 2300 volt, 3 phase, 2 pole GE Motors 3600 RPM
8	1	#6GT-184 Rotor complete ~~for 600 H.P. Motor~~
9	~~1~~	~~W. 11202 Starter for 200 HP Motor~~
10	27	Cat. 13F138 25KVA R2400 Volt Class ID Single Phase Outdoor Capacitor Units
11	4	114725 W. 3 phase, 2400 Volt Capacitor
12	1	2883228 G2 FK-33-2500 V 400A Oil Circuit Breaker
13	7	Type F-11 Oil Circuit Breaker
14	~~2~~	~~DL-2883171-G-1 HA-2 Lever each with 1 DL-6850181-G-3 Trip Coils 5A TD~~

Item	Quantity	Description
15	~~1~~	~~DL-6155743-G-4 FK-142-4, 16-25, 4160V 600A~~
16	~~1~~	~~DL-6155743-G-4 FK-142-4, 16-25, 4160V 600A~~
17	1	121AC66A1A Rated 2.5/5 AMP Time Delay Relay over current relay
18	1	M-9138376 G3 CR-9140 Grid Assembly
19	2	DL-6155743-G-4 FK-142-4, 16-25, 4160V 600 A.O.C.B.
20	3	Cat. 121A051A1A Relays
21	1	121AC51A3A Relay
22	7	1114725 W. Capacitors Type FP
23	~~45,046~~ 36000	ft. #2/0, 37 Strand 1 Conductor 5KV, 10/64 Eskerona, 5/64 Neoprene Cable
24	8	Model 16SB1GE12x2 SB-1 Switches G. E.
25	13	CR-2810 B11AC1A2 Switches G.E.
26	12	CR-2810 B11AG1A2 Contactors G.E.
27	3	Cat. 416x10 150/5 Current Transformers G.E.
28	3	Cat. 70x200 Type J285 200/5 Current Transformers G.E.
29	6	1435 491 7201 Type CT 2.5 150/5 Ratio Westinghouse
30	3	#1435491 Type CT 2.5 150/5 Westinghouse Current Transformers
31	3	#1435490 Type CT 2.5 100/5 Ratio Westinghouse Current Transformers
32	2	#16CKXL-5 Stage Double Belted Submersible Bowl Assemblies
33	1	6GT Pump less Electric Motor Drive
34	2	Byron Jackson 8x10x14 Type DVS Horizontal Single Stage Split Case Centrifugal Pumps with coupling and base - [redacted] Scrapped except base and coupling
35	1	Spare Rotating Element Assembled and Balanced including bearings for 8x10x14 type DVS Pump
36	1	8" Smolensky Brass Check Valve

Item	Quantity	Description
37	2	10" Smolensky Brass Check Valves
38	1	Y34° High Pressure A
39	1	18" to 10" Victaulic Reducer
40	2	14" M&H Low Pressure IB BM DBL Disc Gate Valves NRS flanged for 14" OD Steel Pipe
41	2	18" M&H Low Pressure Gate Valves for 18" OD Steel Pipe
42	1	8" M&H AWWA NRS Flanged Gate Valve for 250# Working Pressure
43	2	10" Low Pressure IBEM Gate Valve DB
44	1	18" OD Ladish XHY 90 Deg. Weld Ell
45	1	18" OD x 14" OD Ladish Concentric Reducer
46	2	8" Wal 775-F I B Flanged Gate Valve
47	10	18" Victaulic Elbows for 18" O.D. Naylor Pipe 90 deg. long radius
48	10	18" Victaulic Elbows 45° for 18" O.D. Naylor Pipe
49	2	18" O.D. to 14" O.D. Victaulic 45° Laterals 18 x 18 x 14" O.D.
50	2	14" O.D. Victaulic 45° Lateral Nipples
51	2	12-ft. lengths 6" Suction Hose, each length complete with part C Evertite Shank Couplers on one end and other end with 6" steel nipple with IPT strainer and black iron foot valve attached to withstand 200 ft. head
52	2110	ft. 18" O.D. 8 gauge Naylor Pipe, cold tar primed, Victaulic Grooves, 10 ft. lengths for Water Pump Service at 250 lbs. P.S.I.
53	21'-3"	8" Black Pipe PE
54	5	#4B Speed Reducers 40:1 ratio
55	5	10" Ladish 300# FS Slip on Flanged
56	4	14" Ladish 300# for 14" OD Steel Pipe

Item	Quantity	Description
57	220	18" O.D. Victaulic Couplings complete with 18" Gaskets for 18" O.D. Naylor Pipe
58	9	14" O.D. Victaulic Couplings with Gaskets
59	3	12" Ladish 300 FS SO Flanges
60	30	ft. 8" H Beam (1029 lbs.)

22[illegible] New Customhouse
Denver 2, Colorado
August 1, 1958

RECEIVED 4 1958
8/4 J.J. 225
800
500

Memorandum

To: T. A. Christensen

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

Subject: Docket No. DMEA 1 and 1A (Lead-Zinc) Contract [illegible], Chief Consolidated Mining Co., (Chief No. 1 mine) Utah and Juab Counties, Utah - PROPERTY LIQUIDATION

Enclosed is Check No. 1778 from the subject Operator, in the amount of $20.00, payable to Defense Minerals Exploration Administration, as the Government's share of the proceeds from the sale of 200 feet No. 2/0, 37 (37/) strand, Bakeroma copper cable at $0.20 per foot.

Also enclosed is the Operator's transmittal letter of July 30, 1958, and a photo copy of a telegram dated March 4, 1958, from the Administrator, DMEA, to Mr. W. W. Watson, Vice President, Chief Consolidated Mining Company, authorizing the sale of No. 2/0, 37 strand copper cable at $0.20 per foot, FOB Eureka.

The amount of $20.00 is to be credited to voucher payments.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JWC:bmh

cc: Chem. Op. Comm. (2)
Marshman (2)
DMEA Auditor(Brading)
DMEA/SLC
Cooper (2)
Corres.file,Reg.III
Chron

} w/copy of Operator's letter of 7/30/58

Chief Consolidated Mining Co.

608 Dooly Building
Salt Lake City, Utah

July 30, 1958

DMEA
DEPARTMENT OF THE INTERIOR
AUG 1 - 1958
REGION III
DENVER, COLORADO

Mr. E. N. Harshman

Acting Executive Officer
DMEA Field Team, Region III
Defense Minerals Exploration Adm.
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 1 and 1A (Lead-Zinc)
Second Amended Contract Idm-134
Termination Agreement date 1/30/56

Dear Mr. Harshman:

On June 16 we sold to Centennial Development Co. of Eureka, Utah, the following described jointly owned equipment under the terms of the above cited contract:

200 ft., 2/0, 37 strand, single conductor
5KV, 10/64 Ethylene copper cable
@ 20¢ per ft. or $40.00.

Under the terms of the contract the Government is entitled to 50% of $40.00 or $20.00, for which please find our check enclosed.

Yours very truly,

W. W. Nelson

W. W. Nelson
Vice President

Encl.

224 New Customhouse
Denver 2, Colorado
July 17, 1958

7/21 C 220
7/21 800
7/21 500

Mr. W. W. Watson, Vice President
Chief Consolidated Mining Company
608 Deely Building
Salt Lake City, Utah

Re: Docket No. 1 and 1A (Lead-Zinc)
Contract Idm-M
Chief Consolidated Mining Company
(Chief No. 1 Mine)
Utah and Juab Counties, Utah

Dear Mr. Watson:

Form MF-104, Operator's Monthly Report and Voucher, dated March 1958, covering salvage costs incurred during the period January 1956, through February 1958, has been received in this office and is being processed for payment. The following deductions have been made:

Disallowance, Salvage Costs for January, 1956

Review of your records indicates that the salvage costs for January 1956, were incurred prior to January 30, 1956, and are therefore not allowable under item 3 of the Termination Agreement, dated January 30, 1956. The reported labor costs and applicable Workmen's Compensation Insurance for January 1956, are disallowed.

Amount Withheld

In accordance with Article 4 of the contract form, an amount of $1500.00 is withheld pending liquidation of additional jointly-owned equipment.

You will be further advised of the details of the above deductions by means of an Administrative Audit Difference Statement, which will be forwarded to you by the Finance Office, Region III. If you have any questions regarding the matter, please feel free to contact this office.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

JDC:hmh
cc: Chmn. Op. Comm. (2)
Harshman (2)
DMEA/SLC
Corres.file, Reg. III
Cooper (2)
Chron

6/ C 220
6/24 WPB 500

224 New Customhouse
Denver 2, Colorado
June 18, 1958

Memorandum

To: T. A. Christensen

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

Subject: Docket No. DMEA 1 and 1A (Lead-Zinc) Contract Idm-E4, Chief Consolidated Mining Co., (Chief No. 1 mine) Utah and Juab Counties, Utah - PROPERTY LIQUIDATION

Enclosed is Check No. 1773 from the subject Operator in the amount of $467.50, payable to Defense Minerals Exploration Administration, as the Government's share of the proceeds of the sale of

1 - Westinghouse Class 11202 Starter with Heaters, 2300 volt, 3 phase, 60 cycle, 450 H.P. for $935.00

Also enclosed is the Operator's transmittal letter of June 16, 1958. The original purchase price for the Starter was $840.79.

The amount of $467.50 is to be credited to voucher payments.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2))
Harahman (2)) w/copy of
CAAD (Brading)) Operator's
DMEA/SLC) letter of
Cooper (2)) 6/16/58
Corres.file, Reg.III)
Chron

Chief Consolidated Mining Co.
608 Dooly Building
Salt Lake City, Utah

June 16, 1958

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
Defense Minerals Exploration Adm.
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 1 and 1A (Lead-Zinc)
Second Amended Contract Idm-E4
Termination Agreement dated 1/30/56

Dear Mr. Harshman:

On May 24 we sold to Nickerson Pump and Machinery Company of Salt Lake City, Utah the following described jointly owned equipment under the terms of the above cited contract:

1 - Westinghouse Class 11202 Starter with Heaters, 2300 volt, 3 phase, 60 cycle 450 H.P. for $935.00.

Under the terms of the contract the Government is entitled to 50% of $935.00 or $467.50, for which please find our check enclosed.

Very truly yours

W. W. Watson

W. W. Watson
Vice President

WWW:ALC
Enc.

DMEA
DEPARTMENT OF THE INTERIOR
JUN 17 1958
REGION III
DENVER, COLORADO

224 New Customhouse
Denver 2, Colorado
June 6, 1958

6/9
6/10 C ~~[illegible]~~ 220 500

Memorandum

To: T. A. Christensen

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

Subject: Docket No. DMEA 1 and 1A (Lead-Zinc) Contract Idm-24, Chief Consolidated Mining Co., (Chief No. 1 mine) Utah and Juab Counties, Utah - PROPERTY LIQUIDATION

Enclosed is Check No. 1772 from the subject Operator, in the amount of $206.52, payable to Defense Minerals Exploration Administration, as the Government's share of the net proceeds from the sale of 2,130 feet No. 2/0 Copper Cable, at $0.20 per foot. Also enclosed is the Operator's transmittal letter of June 4, 1958, and a photo copy of a telegram dated March 4, 1958, from the Administrator, DMEA, to Mr. W. W. Watson, Vice President, Chief Consolidated Mining Co., authorizing the sale of No. 2/0 37 strand cable, at $0.20 per foot, FOB Eureka.

The amount of $206.52 is to be credited to voucher payments.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2)
Hurshman
CAAD (Brading)
DMEA/SLC
Townsend
Corres.file,Reg.III
Chron

w/copy of Operator's of 6/4/58

Chief Consolidated Mining Co.

608 Dooly Building
Salt Lake City, Utah

DMEA
DEPARTMENT OF THE INTERIOR
JUN 6 - 1958
REGION III
DENVER, COLORADO

June 4, 1958

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
Defense Minerals Exploration Adm.
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 1 and 1A (Lead-Zinc)
Second Amended Contract Idm-E4
Termination Agreement dated 1/30/56

Dear Mr. Harshman:

On May 14 we sold to Centennial Development Company, Eureka, Utah, the following described jointly owned equipment under the terms of the above cited contract:

2130 feet - 2/0, 37 strand, single conductor, 5 KV, 10/64 Eskerona, 5/64 Neoprene Cable @ 20¢ per ft.			$426.00
Less:	Rereeling and Measuring Labor	$11.99	
	Payroll Taxes and Insurance	.97	12.96
	Balance		$413.04*

Under the terms of the contract, the Government is entitled to 50% of $413.04 or $206.52 for which please find our check enclosed.

Very truly yours

W. W. Watson

W. W. Watson
Vice President

WWW:ALC
Enc.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/15	Griswold	500
5/15	Talbot	800
5/16	GCS	130
"	Johnson	110
"	Hartenstein	100
5/19	C	220
		500

500

MAY 16 1958

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re: Docket No. DMEA-1 & 1a (Lead-Zinc)
Chief Consolidated Mining Company
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract No. Idm-E4

Dear Mr. Harshman:

We have your memorandum of May 9, 1958, regarding the Government participation in salvage costs pertaining to the cited project. We fully agree that this should be 50 per cent, as you suggest.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)
WRGriswold/er 5/15/58
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Mr. Chambers, DMEA
Chron.

APPROVED:

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

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

8623

Cy sent to 800

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 12 1958

DATE		CODE
5/12	C	220
5/12	~~WPB~~	~~500~~

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
May 9, 1958

AIRMAIL

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 1 & 1A (Lead-Zinc) Contract Idm-E4, Chief Consolidated Mining Company, (Chief No. 1 mine) Juab and Utah Counties, Utah

Reference is made to Form MF-104, Operator's Monthly Report and Voucher, covering salvage costs incurred by the subject Operator from January 30, 1956, through February 1958, copies of which were forwarded to you with our memorandum of April 25, 1958. Your advice is requested in the following matter.

The first 77 feet of winze sinking under the contract was performed on a cost incurred basis at 25 percent Government contribution, therefore the Government's interest in property acquired in connection with the winze sinking is 25 percent of the proceeds from liquidation. The only applicable item sold to date is the Hydromucker which was salvaged prior to January 30, 1956, and which was purchased by the Operator. The Government was reimbursed for 25 percent of the resale price.

We presume that the Government would normally participate to the extent of only 25 percent in the salvage costs for property acquired in connection with the winze sinking where Government participation was only 25 percent; however, a review of the Operator's accounting reports and vouchers indicates that, with the exception of the Hydromucker, all property purchased in connection with the winze sinking consisted of minor items, which for the most part, were expendable. The value of any remaining items which may have been salvaged from the winze sinking operation would be insignificant in relation to the total value of all salvaged property.

It will be very difficult if not impossible to determine what portion, if any, of the reported salvage costs are applicable to

property purchased for the winze sinking operation, therefore we recommend that the Government participate on a straight 50 percent basis in all of the acceptable salvage costs incurred on and subsequent to January 30, 1956, the date of the Termination Agreement. We will appreciate prompt advice in the matter.

E. N. Harshman

E. N. Harshman

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 12 1958

DATE		CODE
5/12	C	220
5/12	~~Wpby.~~	500

224 New Customhouse
Denver 2, Colorado
May 9, 1958

Cy sent to 800

Memorandum

To: Chairman, Operating Committee

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

Subject: Docket No. DMEA 434 (Lead-Zinc) Contract Idm-E15 (Amended) Lead Carbonate Mines, Inc. (Lead Carbonate mine) San Juan County, Colorado

We wish to advise you that no royalties have been received by this office within the last thirty days applicable to the subject contract. The most recent payment of royalty was made to this office during November, 1955.

If a satisfactory reply to the Administrator's letter of April 2, 1958, has not been received from the Operator, we recommend that the collection of royalties be referred to the Office of the Attorney General.

E. N. Harshman

E. N. Harshman

RECEIVED		
DATE	INITIALS	
5/14	C	226
5/14	[illegible]	ZCC
5/14	[illegible]	SCC

224 New Customhouse
Denver 2, Colorado
May 9, 1958

Mr. W. W. Watson, Vice President
Chief Consolidated Mining Company
608 Dooly Building
Salt Lake City, Utah

Re: Docket No. DMEA 1 and 1A (Lead-Zinc)
Contract Idm-E4
Chief Consolidated Mining Company
(Chief No. 1 mine)
Utah and Juab Counties, Utah

Dear Mr. Watson:

Receipt is acknowledged of your letter of May 7, 1958, and Company check No. 1769 in the amount of $15.00, which represents the Government's share of the proceeds from the sale of 150 feet of No. 2/0 thirty-seven strand copper cable which was acquired under the subject contract.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JBC:hmh

cc: Chmn. Op. Comm. (2)
Harshman (2)
DMEA/SLC
Townsend (2)
Corres.file, Reg. III
Chron

INITIALS

5/14 C 220
5/14 ~~WBB~~ 5CC

224 New Customhouse
Denver 2, Colorado
May 9, 1958

Memorandum

To: T. A. Christensen

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

Subject: Docket No. DMEA 1 and 1A (Lead-Zinc) Contract Idm-Eh, Chief Consolidated Mining Co., (Chief No. 1 mine) Utah and Juab Counties, Utah - PROPERTY LIQUIDATION

Enclosed is check No. 1769 from the subject Operator in the amount of $15.00, payable to Defense Minerals Exploration Administration, as the Government's share of the proceeds from the sale of 150 feet of No. 2/0 copper cable at $0.20 per foot. Also enclosed is the Operator's transmittal letter of May 7, 1958, and a photo copy of a telegram dated March 4, 1958, from the Administrator, DMEA, to Mr. W. W. Watson, Vice President, Chief Consolidated Mining Company, authorizing sale of No. 2/0 thirty-seven strand cable at $0.20 per foot, FOB Eureka.

The amount of $15.00 is to be credited to voucher payments.

Original signed by
E. N. HARSHMAN
E. N. Harshman

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman (2)
CAAD, (Brading)
DMEA/SLC
Townsend (2)
Comres.file,Reg.III
Caron

w/copy of Operator's letter of May 7, 1958

Chief Consolidated Mining Co.

608 Dooly Building
Salt Lake City, Utah

May 7, 1958

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
Defense Minerals Exploration Adm.
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 1 and 1A (Lead-Zinc)
Second Amended Contract Idm-E4,
Termination agreement dated Jan. 30, 1956

Dear Mr. Harshman:

On April 22 we sold to the Centennial Development Company, Eureka, Utah, an additional 150 feet of the following described jointly owned equipment under the terms of the above cited contract:

150 feet - 2/0, 37 strand single conductor 5KV, 10/64 Eskerona, 5/64 Neoprene Cable.

The selling price was 20¢ per foot or $30.00, of which, under the terms of the contract, the Government is entitled to 50% or $15.00.

Please find our check in the amount of $15.00 in payment thereof.

Yours very truly

W. W. Watson

W. W. Watson
Vice President

WWW:ALC
Enc.

DMEA
DEPARTMENT OF THE INTERIOR
MAY 9 1958
REGION III
DENVER, COLORADO

DMEA
RECEIVED 9 1958

224 New Customhouse
Denver 2, Colorado
May 6, 1958

Mr. W. W. Watson
Chief Consolidated Mining Company
608 Dooly Building
Salt Lake City, Utah

Re: Docket No. DMEA 1 and 1A (Lead-Zinc)
Contract No. Idm-24
Chief Consolidated Mining Company
(Chief No. 1 mine)
Utah and Juab Counties, Utah

Dear Mr. Watson:

Receipt is acknowledged of your letter of May 2, 1958, and company check No. 1768 in the amount of $15.00, which represents the Government's share of the proceeds from the sale of 150 feet of No. 2/0 thirty-seven strand copper cable which was acquired under the subject contract.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman (2)
DMEA/SLC
Townsend (2)
Corres.file, Reg. III
Chron

224 New Customhouse
Denver 2, Colorado
May 5, 1958

5/9 5/9 ~~wrts~~ 220 500

Memorandum

To: T.A. Christensen

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

Subject: Docket No. DMEA 1 and 1A (Lead-Zinc) Contract Idm-E4,
Chief Consolidated Mining Co., (Chief No. 1 mine)
Utah and Juab Counties, Utah - PROPERTY LIQUIDATION

Enclosed is check No. 1768 from the subject Operator in the amount of $15.00, payable to Defense Minerals Exploration Administration, as the Government's share of the proceeds from the sale of 150 feet of No. 2/0 copper cable at $0.20 per foot. Also enclosed is the Operator's transmittal letter of May 2, 1958, and a photo copy of a telegram dated March 4, 1958, from the Administrator, DMEA, to Mr. W. W. Watson, Vice President, Chief Consolidated Mining Company, authorizing sale of No. 2/0 thirty-seven strand cable at $0.20 per foot, FOB Eureka.

The amount of $15.00 is to be credited to voucher payments.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2) }
Harshman (2) } w/copy of
CAAD, (Brading) } Operator's
DMEA/SLC } letter of
Townsend (2) } 5/2/58
Corres. file, Reg. III }
Chron

9

Chief Consolidated Mining Co.

608 Dooly Building
Salt Lake City, Utah

May 2, 1958

DMEA
DEPARTMENT OF THE INTERIOR
MAY 5 1958
REGION III
DENVER, COLORADO

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
Defense Minerals Exploration Adm.
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 1 and 1A (Lead-Zinc) Second Amended Contract Idm-E4, Termination Agreement dated January 30, 1956

Dear Mr. Harshman:

As of April 18 we sold Centennial Development Company, Eureka, Utah, the following described jointly owned equipment under the terms of the above cited contract:

150 feet - 2/0 37 strand single conductor 5KV, 10/64 Eskerona, 5/64 Neoprene Cable.

The selling price was 20¢ per foot or $30.00, of which, under the terms of the contract, the Government is entitled to 50% or $15.00.

Please find our check in the amount of $15.00 in payment thereof.

Yours very truly

W. W. Watson

W. W. Watson
Vice President

WWW:ALC
Enc.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/2	[illegible]	500
"	[illegible]	800
5/2	[illegible]	130
"	[illegible]	110
"	[illegible]	100
5/5	[illegible]	220
		500

500

MAY 2 1958

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re: Docket No. DMEA-1 & 1A (Lead-Zinc)
Chief Consolidated Mining Company
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract No. Idm-E4

Dear Mr. Harshman:

We have your memorandum of April 25, 1958, with enclosure, relative to salvage costs submitted by the cited Operator. Beyond doubt it was advisable that the jointly owned equipment be brought to the surface, rather than having been left underground to suffer rapid deterioration.

We suggest that you reimburse this Operator for about half of the Government's share of the salvage expense, and make settlement of the balance as equipment is liquidated.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (HB)

APPROVED:

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

W. P. Williams (HB)
Member, Geological Survey

WRGriswold/er 5/2/58
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Mr. Chambers, DMEA
Chron.

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado
April 25, 1958

28 958

4/28 C 220
4/28 wpg. 500

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 1 and 1A, (Lead-Zinc) Contract Idm-E4, Chief Consolidated Mining Company, (Chief No. 1 mine) Utah and Juab Counties, Utah

Enclosed for your information and consideration are three photo copies of the following:

1. Voucher and accounting Forms MF-104 and MF-104A, covering costs incurred by the Operator during the period from January 30, 1956, through February 28, 1958, in connection with the salvage of jointly-owned property acquired under the terms of the contract.

2. Three supplemental sheets showing distribution of the reported costs.

3. Letter from the Operator dated April 23, 1958, requesting reimbursement for the Government's share of the salvage costs, presuming that the costs are properly reported.

Item 3 of the Termination Agreement provides for Government contribution in the costs of property disposal incurred on and subsequent to January 30, 1956; however, we believe that it may be desirable to withhold reimbursement pending completion of closing procedures, as provided under Article 4 of the contract form.

The property liquidation is being handled direct by the Washington Office, therefore processing of the current voucher is deferred pending receipt of advice as to whether or not reimbursement to the Operator should be withheld, and if so to what extent. Your early attention and reply to this office will be appreciated.

E. N. Harshman

E. N. Harshman

Enclosures

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER
TERMINATION AGREEMENT, DATED JANUARY 30, 1956

Month of March, 1958 Docket No. DMEA 1 and 1A Contract No. Idm-E4
Operator's Name Chief Consolidated Mining Company Minerals Lead-Zinc
Address 608 Dooly Building, Salt Lake City, Utah
Contract Amount, $ Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
Salvage of Pumping Equipment	6173.56	none	6173.56			
TOTALS	6173.56		6173.56			

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

Date April 23, 1958 Payee Chief Consolidated Mining Co.

Per W. M. Watson Title Vice President

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

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

(Instructions on reverse)

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

$

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

TERMINATION AGREEMENT, DATED JANUARY 30, 1956

Month of March 1958 Docket No. DMEA 1 and 1A Contract No. Idm-E4

Operator's Name Chief Consolidated Mining Company Minerals Lead-Zinc

Address 608 Dooly Building, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Salvage of Pumping Equipment		6,173.56	--	6,173.56				
TOTAL COSTS								

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

Date April 23, 1958 Operator Chief Consolidated Mng. Co.

Per W. W. Watson Title Vice President

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

REMARKS:

(Instructions on reverse)

(For Government use only)

DMEA
DEPARTMENT OF THE INTERIOR
APR 24 1958
REGION III
DENVER, COLORADO

CHIEF CONSOLIDATED MINING COMPANY
608 Dooly Building
Salt Lake City, Utah

Summarized Statement of Cost of Salvaging Jointly owned Equipment incurred subsequent to and under terms of Termination Agreement, dated January 30, 1956, Docket DMEA 1 and 1A, Second Amended Contract Idm-E4

Item	Amount	Total
Direct Labor Year 1956 per detail attached	$ 745.00	
" " " 1957 " " "	64.39	
" " " 1958 " " "	4,720.98	
Total Direct Labor		$5,530.37
Sundry Supplies 1958		34.76
Proportion of Hoisting Electric Power 1958		160.30
Social Security Taxes Paid, 1956 ($745.00 x .02)	14.90	
" " " " 1957 ($64.39 x .0225)	1.45	
" " " " 1958 ($4,720.98 x .0225)	106.22	
Total Social Security Taxes		122.57
Unemployment Compensation Taxes 1956 ($745.00 x 1.0%)	7.45	
" " " 1957 ($64.39 x 1.8%)	1.16	
" " " 1958 ($4720.98 x 2.1%)	99.14	
Total Federal and State		107.75
Workmen's Compensation Insurance 1956 ($745.00 x .0496)	36.95	
" " " 1957 ($64.39 x .05933)	3.82	
" " " 1958 ($4720.98 x .0375)	177.04	
Total Workmen's Compensation Insurance		217.81
Total		$6,173.56

CHIEF CONSOLIDATED MINING COMPANY
608 Dooly Building
Salt Lake City, Utah

Detail of Labor expended in salvaging jointly owned Equipment incurred subsequent to and under terms of Termination Agreement, dated January 30, 1956 Docket DMEA 1 and 1A, Second Amended Contract Idm-E4

Occupation	Shifts	Rate	Amount	Over-time	Diff. Pay	Total
JANUARY, 1956						
Underground Mechanic	1	$13.20	$ 13.20			$ 13.20
" "	2 3/4	14.52	39.93			39.93
Total			$ 53.13			$ 53.13
SEPTEMBER, 1956						
Underground Mechanic	5 7/8	$16.00	$ 94.00			$ 94.00
" "	2	16.02	32.04			32.04
" Laborer	1 7/8	14.34	26.89			26.89
Total			$152.93			$152.93
OCTOBER, 1956						
Underground Mechanic	1	$16.00	$ 16.00			$ 16.00
" Laborer	1	15.54	15.54			15.54
" Mechanic	1	16.00	16.00			16.00
Total			$ 47.54			$ 47.54
NOVEMBER, 1956						
Underground Mechanic	12	$16.00	$192.00			$192.00
" Laborer	10	15.54	155.40			155.40
" Mechanic	9	16.00	144.00			144.00
Total			491.40			$491.40
FEBRUARY, 1957						
Electrician	3/8	$16.02	$ 6.01			$ 6.01
" Helper	3/8	14.10	5.29			5.29
Total			$ 11.30			$ 11.30
MARCH, 1957						
Electrician	1 3/8	$16.02	$ 22.04			$ 22.04
" Helper	1 3/8	14.10	19.39			19.39
Utility Truck Driver	3/4	15.54	11.66			11.66
Total			$ 53.09			$ 53.09
JANUARY, 1958						
Mechanic Helper	13	$14.10	$183.30			$183.30
" "	1	14.10	14.10			14.10
" "	12	14.10	169.20			169.20
" "	11½	14.10	162.15			162.15
" "	13	14.10	183.30			183.30
" "	7	14.10	98.70			98.70
Shift Boss	4	18.50	74.00		1.60	75.60
Mechanic Helper	13	14.10	183.30			183.30
" "	11½	14.10	162.15			162.15
" "	8	14.10	112.80			112.80
" "	12	14.10	169.20			169.20
" "	12	14.10	169.20			169.20
" "	1	14.10	14.10			14.10
" "	4	14.10	56.40		1.60	58.00
" "	4	14.10	56.40		1.60	58.00

Occupation	Shifts	Rate	Amount	Over-time	Diff. Pay	Total
JANUARY, 1958 (Cont.)						
Mechanic Helper	5	$14.10	$ 70.50		$2.00	$ 72.50
" "	5	14.10	70.50		2.00	72.50
" "	5	14.10	70.50		2.00	72.50
" "	2	14.10	28.20			28.20
" "	5	14.10	70.50		2.00	72.50
Hoistman	10 3/16	16.02	163.20			163.20
Shaftman	13/16	16.02	13.02			13.02
"	13/16	16.02	13.02			13.02
Mechanic Helper	7/16	14.10	6.17			6.17
" "	7/16	14.10	6.17			6.17
" "	7/16	14.10	6.17			6.17
" "	7/16	14.10	6.17			6.17
Hoistman	5 3/4	16.02	92.12		2.30	94.42
Truck Driver	6 9/16	15.54	101.98	3.40		105.38
Mechanic Helper	6. 7/8	14.10	96.94			96.94
Shift Bosses			328.13			328.13
Total			$2,951.59	$3.40	$15.10	$2,970.09
FEBRUARY, 1958						
Shaftman	7 1/16	16.02	$113.14	$ .50		$113.64
"	7 1/16	16.02	113.14	.50		113.64
Mechanic Helper	7 1/16	14.10	99.58	.44		100.02
" "	7 1/16	14.10	99.58	.44		100.02
" "	7 1/16	14.10	99.58	.44		100.02
" "	7 1/16	14.10	99.58	.44		100.02
" "	7 1/16	14.10	99.58	.44		100.02
" "	7 1/16	14.10	99.58	.44		100.02
" "	6 1/16	14.10	85.48	.44		85.92
Hoistman	9 1/16	16.02	145.18	.50		145.68
Truck Driver	5 13/16	15.54	90.33	6.31		96.64
Mechanic Helper	4 1/16	14.10	57.28	.44		57.72
Hoistman	4.1/16	16.02	65.08	.50		65.58
Mechanic Helper	2 5/8	14.10	37.01			37.01
Hoistman	2 5/8	16.02	42.05			42.05
"	1 5/16	16.02	21.03			21.03
Truck Driver	1 3/4	15.54	27.20	2.91		30.11
Shift Boss			341.75			341.75
			$1,736.15	$14.74		$1,750.89
GRAND TOTAL						$5,530.37

Chief Consolidated Mining Co.
608 Dooly Building
Salt Lake City, Utah

April 23, 1958

DMEA
DEPARTMENT OF THE INTERIOR
APR 24 1958
REGION III
DENVER, COLORADO

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
Defense Minerals Exploration Adm.
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 1 and 1A (Lead-Zinc)
Second Amended Contract Idm-E4
Termination Agreement Dated
January 30, 1956

Dear Mr. Harshman:

This will advise you that the salvage operation in connection with the above cited contract was completed during Feb., 1958, and all of the jointly owned equipment, which has not already been sold, is now on the surface at our property in Eureka, Utah.

In accordance with Mr. W. M. Traver's letter of June 22, 1956, we enclose the original and four copies of Form Mf 104 and MF 104-A and substantiating data.

If these meet with your approval, will you kindly have the same processed so that we may be reimbursed for the Government's share in this additional cost.

Very truly yours

W. W. Watson

W. W. Watson
Vice President

WWW:ALC
Encs.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/17	Griswold	500
4-17	Chamberlin	800
4/17	Selfridge	190
4/17	Johnson	~~130~~
		~~130~~
		~~110~~
		~~100~~ HB
		220
		500

APR 17 1958

Mr. W. W. Watson
Chief Consolidated Mining Company
608 Building
Salt Lake City, Utah

Re: Docket No. DMEA-1 & 1A (Lead-Zinc)
Chief Consolidated Mining Company
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract No. Idm-E4

Dear Mr. Watson:

This is with reference to our phone conversation of March 4, and our telegram to you of the same date, regarding property disposal under the cited contract.

In view of the present condition of the mining industry, we are not sure that it would be wise, at all times, to insist upon securing an equipment selling price of forty five percent of new cost. Quite possibly there may be times when a lower offer would be about all that could be hoped for. In such instances, when you might feel that it would be to the best interest of your concern to effect such a sale, the Government would not be inclined to enter an objection.

Sincerely yours,

(for)

Administrator

WRGriswold/er 4/17/58
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

8623

OFFICIAL FILE COPY
DMEA
RECEIVED APR 18 1958

224 New Customhouse
Denver 2, Colorado
April 14, 1958

Memorandum

To: T. A. Christensen

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

Subject: Docket No. DMEA 1 and 1A (Lead-Zinc) Second Amended Contract Idm-E4, Chief Consolidated Mining Co., (Chief No. 1 mine) Juab and Utah Counties, Utah

Supplementing our memorandum of April 11, 1958, enclosed is a photo copy of a telegram dated March 4, 1958, from the Administrator, DMEA, to Mr. W. W. Watson, Vice President, Chief Consolidated Mining Company, authorizing the sale of No. 2/0 thirty seven strand cable at 0.20¢ per foot, FOB Eureka.

Original signed by
E. N. HARSHMAN
E. N. Harshman

JDC:hmm

cc: Chmn. Op. Comm. (2)
Harshman (2)
C.A.A.D. (Brading)
DMEA/SLC
Townsend (2)
Corres.file, Reg. III
Chron

ORIGINAL FILE COPY
DMEA
RECEIVED APR 16 1958

224 New Customhouse
Denver 2, Colorado
April 14, 1958

Mr. W. W. Watson, Vice President
Chief Consolidated Mining Company
608 Dooly Building
Salt Lake City, Utah

Re: Docket No. DMEA 1 and 1A
(Lead-Zinc)
Chief Consolidated Mining Company
(Chief No. 1 mine)
Utah and Juab Counties, Utah

Dear Mr. Watson:

Receipt is acknowledged of your letter of April 9, 1958, and company check No. 1765, in the amount of $638.88, as liquidation of the Government's interest in 6,703 feet of No. 2/0 copper cable, which was acquired under the subject contract.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman (2)
DMEA/SLC
Townsend (2)
Corres. file, Reg. III
Chron

224 New Customhouse
Denver 2, Colorado
April 11, 1958

Memorandum

To: T. A. Christensen

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

Subject: Docket No. DMEA 1 and 1A (Lead-Zinc) Second Amended Contract Idm-E4, Chief Consolidated Mining Co., (Chief No. 1 mine) Juab and Utah Counties, Utah

Enclosed is check No. 1765, from the subject Operator in the amount of $638.88, payable to Defense Minerals Exploration Agency (Administration), as the Government's share of proceeds from the sale of 6703 feet of No. 2/0 copper cable, at 0.20¢ per foot. Also enclosed is the Operator's transmittal letter dated April 9, 1958.

The amount of $638.88 is to be credited to voucher payments.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2))
Harshman (2)) w/copy of
DMEA/SLC) Operator's letter
Townsend (2)) of 4/9/58
Corres.file, Reg.III)
Chron

Chief Consolidated Mining Co.

608 Dooly Building
Salt Lake City, Utah

April 9, 1958

DMEA
DEPARTMENT OF THE INTERIOR
APR 11 1958
REGION III
DENVER, COLORADO

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
Defense Minerals Exploration Adm.
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA-1 & 1A (Lead-Zinc)
Second Amended Contract Idm-E4

Dear Mr. Harshman:

We recently sold to the Imperial Wire and Cable Company of Los Angeles, California, the following jointly owned equipment under the terms of the above captioned contract:

6703 ft. 2/0, 37 strand, single conductor 10/64 Eskerona, 5/64 Neoprene Insulated copper cable at 20¢ per ft.	$1,340.60
Less: Selling expenses as detailed on the enclosed voucher	62.85
Balance	$1,277.75.

The Government's interest in this transaction amounts to 50%, or $638.88 for which please find our check enclosed.

Yours very truly

W. W. Watson

W. W. Watson
Vice President

WWW:ALC
Enc.

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

March 17, 1958

RECEIVED MAR 19 1958

DATE	INITIALS	CODE
3/19	C	220
	es	130
3/20		110
3/24		130
3/25		220
3/26		

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMA 1 and 1A (Lead-Zinc), Second Amended Contract No. I-DMA-E4, Chief Consolidated Mining Company (Chief No. 1 mine), Juab and Utah Counties, Utah.

Enclosed are three copies of a Final Engineering and Geologic Report, dated March 10, 1958, by W. E. Young, Mining Engineer, Bureau of Mines, and F. B. Moore, Geologist, Geological Survey, pertaining to work completed under the subject contract.

The Field Team final summary report will be forwarded when property liquidation has been completed and other matters that are a prerequisite to closing the account have been resolved.

W. H. King

W. H. King

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
3-24-58
(date)

FINAL FILE COPY

CHIEF CONSOLIDATED MINING CO.
JUAB AND UTAH COUNTIES, UTAH
Docket DMEA 1 & 1A
Contract Idm-E4
Lead-Zinc

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 19 1958

DATE	INITIALS	CODE
3/24	JB	130
		220

Final Engineering and Geologic Report

By W. E. Young
Mining Engineer
Bureau of Mines

and

F. B. Moore
Geologist
Geological Survey

March 10, 1958

Reviewed by
DMEA OPERATING COMMITTEE
3-24-58
(date)

CHIEF CONSOLIDATED MINING CO.
JUAB AND UTAH COUNTIES, UTAH

CONTENTS

	Page
Final engineering and geologic report	
Summary	2
Introduction	3
Location and accessibility	5
History and property ownership	6
Description of the exploratory work	7
General geology	12
Ore reserves	14
Expenditures	16
Conclusions and recommendations	18
Appendix 1	20

ILLUSTRATIONS

Fig. 1 Location map, Chief Consolidated Mining Co., Juab and Utah Counties, Utah
Fig. 2 Property map
Fig. 3 Property map showing excluded blocks
Fig. 4 Section through underground workings of Mammoth, Grand Central, Victoria, Eagle and Bluebell, and Chief Consolidated zones
Fig. 5 Plan of 2,700-foot level
Fig. 5a Plan and sections of 2,700-foot level
Fig. 6 Plan of 2,800-foot level
Fig. 7 Plan of 2,900-foot level

SUMMARY

The Chief Consolidated Mining Co. conducted a DMEA exploratory project for lead-zinc ores on property near Eureka, Juab County, Utah, during the period June 15, 1951, to May 4, 1955. The program was successful in discovering substantial tonnages of ore, but subsequent decreases in the prices of lead and zinc, and other factors forced the mine to suspend operations.

Application for assistance was made in December 1950. A contract was approved for a total expenditure of $518,040.71. The work consisted of installing additional electrical and pumping facilities, drifting and raising on the 2,700-foot level, sinking from the 2,700-foot level to the 3,100-foot level, and drifting and raising on the 3,100-foot level. The work was designed to explore the downward extensions of the Chief ore shoots in the block of ground north of the Leadville fault.

Drifting and raising on the 2,700-foot level, costing $66,163.76, was completed July 1, 1952. The shaft was sunk to the 3,080-foot level by May 4, 1955, and installation of additional electrical and pumping facilities was completed at a total cost of $238,060.53. The 18/411 winze was sunk 330.7 feet at a cost of $81,691.56. A total of $386,900.39 was expended on all work completed.

A decision to abandon the project, pull the pumps, and flood the lower levels, was made by the company in September 1955.

Additional exploration or development with Government participation is not warranted at this time.

The project was certified February 17, 1956, and the Government is entitled to royalties on any production from ground encumbered by the contract for a period of 15 years or to June 13, 1966.

Under present conditions it is not economically feasible to mine the deep ores of the Chief mine. As a result of the exploration, substantial tonnages of lead-zinc ore reserves are inferred and may be mined when conditions warrant.

INTRODUCTION

The Chief Consolidated Mining Co. of Salt Lake City, Utah, with mine and offices at Eureka, Utah, obtained a DMEA loan of $463,420 on June 13, 1951, to explore for lead-zinc ores (fig. 1). The Chief mine is one of the most recently operating of the larger mining properties of the Tintic district. The Tintic district was organized in 1870, and since that time has produced ores valued in excess of $450 million.

The company owns a large part of the patented mining property of the Tintic district. The original contract encumbered "10,000 acres of mineral lands owned in fee simple, with the exception of presently known ore bodies south of the Leadville fault and above the 2,450 level of the 18/411 winze." In addition to properties owned, the company controls other properties under lease. Several small excluded areas also are present within the acreage (figs. 2 and 3).

A remarkably continuous zone of connected and detached ore bodies has been mined from the surface at the Mammoth mine, northward through the properties of the Grand Central, Bingham Mines, and into the property

of the Chief Consolidated Mining Co., a distance of 1-1/4 miles (fig. 4). Prior to the establishment of the DMEA project, this "run" of ore, which has an average dip of about 17° to the north, had been mined to a depth of 2,600 to 2,700 feet in the Chief No. 1 mine. The DMEA project was designed to explore and develop the ores at greater depth, thereby augmenting the inferred ore reserve and assuring a maximum daily output of ore in keeping with the existing production possibilities of the mine.

Project work consisted of stipulated amounts of drifting, raising, and sinking, plus the installation of improved electrical and pumping systems. The project was originally to have been accomplished in 2 years, but conditions made it impossible for the operator to complete the work within the allotted time. Four amendments were made to the original contract. On June 16, 1953, the original contract was amended and superseded by the first and second amended contracts. Four amendments were made to the second amended contract, all of which extended the time for completion of the work.

The primary factor contributing to increased mining costs is a heavy flow of water below the 1,800-foot level of the mine. Seven thousand gallons of water per minute is discharged from the lower levels. In addition to the pumping problem, the mine faces ever-increasing development costs because of the distance of ore faces from existing shafts and winzes.

At the inception of the DMEA program, mining had progressed to the 2,700-foot level. Reserves of ore in the block of ground south of the Leadville fault-dike had been nearly exhausted above the 2,600-foot level. It was known that ore occurred north of the dike, but attempts to mine it had resulted in an increase of waterflow beyond the capacity of the existing pumping system. It became apparent that, in order to develop the block of ground north of the dike, it would be necessary to augment the pumping system, drain the north block, and prepare for mining at greater depth and at greater distance from the existing 18/411 service winze.

LOCATION AND ACCESSIBILITY

Property of Chief Consolidated Mining Co. covers a large area in T. 10 S., R. 2 and 3 W., S.L.B. and M., Juab and Utah Counties, Utah. The principal mine workings lie directly under the town of Eureka in Juab County.

Eureka is served by the Union Pacific and Denver and Rio Grande Railroads and U. S. Highway 6. Salt Lake City, approximately 90 miles to the north, is the principal source of supplies for mines of the district.

The climate of the Tintic district is characterized by severe winters and cool, dry summers. The topography is moderately rough, with broad valleys flanking the Tintic Mountains to the east and west. The altitude at the collar of the Chief Consolidated No. 1 shaft is 6,577 feet.

HISTORY AND PROPERTY OWNERSHIP

Property of Chief Consolidated Mining Co. is located in the Tintic mining district, Juab and Utah Counties, Utah. The company owns a large part of the mining claims in the area. The original contract encumbered "10,000 acres of mineral lands owned in fee simple, with the exception of presently known ore bodies south of the Leadville fault and above the 2,450 level of the 18/411 winze." The company also holds other properties under lease.

The Chief Consolidated Mining Co. was incorporated in 1909, and since that date production has been virtually continuous, although at a greatly reduced rate during depression years and periods of low metal prices. The first work consisted of retimbering and deepening an existing 800-foot shaft. During the period 1909 to 1918 ores were mined between the 600-foot level and the 1,800-foot level. The 1,800-foot level is the lowest level above the permanent water table.

As the ores were mined from the upper levels it became apparent that sustained ore production would require pumping water from levels below the 1,800-foot level. Water was first pumped to the surface, but later an exploratory drift on the 1,600-foot level encountered a large natural cavern. As an experiment, an attempt was made to fill this cavern by pumping water into the opening. Strangely the cavern did not fill; thus it was decided to pump the entire flow into the cavern. One hundred pounds of sodium fluorescein salt was added to determine if the water returned to the mine and was recirculated. No trace of return

water was found by this test or by subsequent tests using other indicators. All water pumped during recent operations from levels below the 1,800-foot level was discharged into this cavern.

A continuous zone of ore bodies has been mined from the surface at the Mammoth mine, through the Grand Central and Bingham mines and into the property of Chief Consolidated Mining Co., a distance of 1-1/4 miles. This ore zone has attained a depth, in the Chief property, at which profitable operation is limited to periods of favorable metal prices. Exploration outlined in the DMEA contract was designed to search for ores at greater depth.

DESCRIPTION OF THE EXPLORATORY WORK

The original contract permitted the operator to complete 400 feet of winze sinking, 3,600 feet of drifting and 1,800 feet of raising under a long-form contract. The cost of installing additional electrical and pumping facilities also was allowed. The total cost of this work originally was estimated at $463,420.

Actual construction of pumping and electrical facilities was started during December 1950. Under Amendment No. 1, dated August 13, 1951, this work was allowable at a total cost of $231,420.

Exploration was divided into two projects. Project I, under Amendment No. 2, dated November 26, 1951, allowed the following:

2,700-foot level

Drift north from 18/411 winze, 600 feet at $30 a foot	$18,000
Drift east, north of Leadville fault, 800 feet at $30 a foot	24,000
Drift west, north of Leadville fault, 400 feet at $30 a foot	12,000
Raises, north drift, 100 feet at $30 a foot	3,000
Raises, east drift, 100 feet at $30 a foot	3,000
Raises, west drift, 100 feet at $30 a foot	3,000
Total	$63,000

Project 1-A, under Amendment No. 2 dated November 26, 1951, allowed the following:

3,100-foot level

Project 1-A

Sink 18/411 winze, 4-compartment, (from 2,749-foot level to 3,149-foot level) 400 feet at $350 a foot, at an estimated total cost of $140,000. One-half of such cost only to constitute an allowable cost of the project	$70,000
Drift north from winze on 3,100-foot level, 600 feet at $30 a foot	18,000
Drift east, north of Leadville fault, 800 feet at $30 a foot	24,000
Drift west, north of Leadville fault, 400 feet at $30 a foot	12,000
Raises, north drift, 500 feet at $30 a foot	15,000
Raises, east drift, 500 feet at $30 a foot	15,000
Raises, west drift, 500 feet at $30 a foot	15,000
Total	$169,000

Work was started on Project 1 June 15, 1951. Work on Project 1-A (18/411 winze sinking) was started during November 1951. Drifting on the 2,700-foot level progressed satisfactorily. Ore was encountered at projected locations and mining proceeded at the anticipated rate, notwithstanding the excessive flow of water. Sinking operations in the 18/411 winze were impeded by extensive preparations necessary for control of the large volume of water. As a result of a labor strike work was stopped July 1, 1952, and Project 1 was considered complete with total advances of 1,663 feet of drifting and 300 feet of raising. Additional drifting and raising in excess of 6,500 feet was accomplished by the company in developing the 2,700-foot level (fig. 5). During this period drifting costs averaged $34.03 per foot and raising costs, $25.68 per foot. The cost of drifting exceeded the estimated figure by $4.03 per foot. Raising was accomplished for $4.32 per foot less than estimated. However, the allowable cost for Project 1 was exceeded by $999.54, thus the remaining 137 feet of drifting stipulated was not allowed.

Progress on Project 1-A at this time totaled 77 feet of sinking in the 18/411 winze. This work was accomplished at a cost of $467.86 per foot as compared to the estimate of $350 per foot.

Labor trouble which forced cessation of operations July 1, 1952, was settled by agreements between the company and the union and operation of the mine was resumed July 1, 1953. The lower levels, which had been partially flooded to minimize pumping costs, were dewatered. Work on

Project 1-A was resumed during August 1953 under revised contracts designated the first and second amended contracts. These contracts recapitulated and sanctioned all allowable costs incurred to July 1, 1953, and granted additional costs. Target objectives remained the same, but the project was brought under a short-form contract. The total allowable cost of all work under the new short-form contract was $518,040.71. Increased performance expenses due to unforeseen physical conditions and rising material and labor costs made contract revisions necessary.

Work on Project 1-A progressed only intermittently because of operational difficulties. Excavation for an enlarged 1,800-foot-level station and installation of a new hoist for the 18/411 winze on company account contributed to the delay. It became evident to company officials that ore reserves disclosed by Project 1 exploration, on and above the 2,700-foot level, were not sufficient to keep the mine operating while Project 1-A was completed. A DMPA loan was secured for development of the 2,800-, 2,900-, and 3,000-foot levels. Sinking in the 18/411 winze was delayed while the 2,800-foot-level station was excavated. Work on the 2,800-foot-level development drift tended to slow operation in the winze. The water drainage from the 2,800-foot level increased difficulties and made necessary an escape raise to the 2,700-foot level. The company anticipated the same difficulties on the 2,900-foot level and requested DMEA funds for a safety sump to permit water storage on this level. The request was denied on the

ground that it was relative to and caused by the intermediate level DMPA development, and costs could not be assumed by DMEA. The escape raise was driven and the emergency sump was completed with DMPA and company funds. This work necessarily impeded the winze-sinking operation.

Sinking operations were suspended in 1953. At this time company officials made a detailed study of the position and attitude of the ore zone in light of developments on and below the 2,700-foot level. As a result of this study application was made to change the sinking plans and drift on the 3,000-foot level as a substitute for drifting on the 3,100-foot level. This was denied, but permission to extend the time for completion was granted. Sinking was resumed February 25, 1955, and as of May 4, 1955, the winze was stopped at the 3,080-foot level. A total of 330.7 feet of sinking was completed. During September 1955 company officials decided to abandon the lower levels of the mine. Salvage operations were started preparatory to pulling the pumps and flooding the area.

Utilizing DMPA funds the company developed the 2,800-foot level and partially developed the 2,900-foot level. Mining was started by raising into the first ore channel intersected by diamond drill holes drilled from the 2,900-foot level (figs. 6 and 7).

GENERAL GEOLOGY

The sedimentary rocks of the Tintic district are folded into a broad, asymmetric syncline which extends through the district in a northerly direction. The syncline has a steeply dipping west limb and a gently dipping east limb. The fold plunges gently to the north. The Chief mine is developed in the steep western limb and the trough of the syncline. Sedimentary rocks ranging in age from Cambrian to Mississippian are found in the district. Tertiary igneous rocks which are in part intrusive quartz monzonite and monzonite, and in part effusive quartz latite, latite, and andesite, also are present.

Faulting and fissuring are prominent throughout the district. The predominant faults strike easterly or northeasterly. Four of these major faults traverse the property of the Chief Consolidated Mining Co. Four major north-trending vein zones are recognized in the district. The Chief mine is the northernmost of a series of mines along the second zone from the west.

The principal host rock is the Bluebell dolomite of Ordovician to Devonian age. The main ore zone starts in steeply dipping to vertical beds of the Bluebell dolomite at the Mammoth mine on the south. In its northerly course through the district the ore zone chiefly follows the steep beds, but in the central part of the Chief mine it enters the trough area of the syncline. In the gently dipping beds of the synclinal trough it plunges slightly steeper than the pitch of the syncline, thereby passing through the full thickness of the

Victoria and Bluebell formations, reaching the base of the Bluebell in the northern part of the mine near the point of its intersection with the east-northeast-trending Leadville fault. The South-dipping Leadville fault is a reverse fault which lowers the north block the full thickness of the Bluebell formation (approximately 800 feet). The ore shoot passes through the fault with little or no displacement and continues its northerly course high in the Bluebell dolomite (fig. 4).

The ore bodies are lead-zinc-gold-silver replacement-type deposits in dolomite. They are localized along bedding faults, tear faults, rolls, and bedded breccias. The mineralizing solutions apparently followed bedding-plane faults, and northeasterly trending strike slip faults. Ground preparation resulted in the development of pipelike deposits on faults. High-grade masses or pods of ore are commonly encased in envelopes of jasperoid, which form low-grade ore in the lower parts of the mine. Replacement of the jasperoid or dolomite by sphalerite and galena is extensive in the central part of the ore shoots, but some ore bodies have been mined that are virtually uniform in grade throughout. Silver is nearly always present in the ore, and some ore shoots are occasionally encountered which contain much native silver and argentite.

Ground water was encountered approximately 30 feet below the 1,800-foot level, and has presented an increasingly more difficult problem as greater depth is attained. Water was pumped to the surface until 1921. In 1921 a natural cavern was encountered on the 1,600-foot level and an attempt to discharge into this cavern was made. The successful

use of the cavern for water disposal made mining at greater depth possible. By 1950 mining had progressed to the 2,700-foot level, and the block of ground south of the Leadville fault had been drained to this elevation. Below the 1,600 level this structure is occupied by an argillized latite dike 1 to 3 feet thick which has the peculiar effect of damming the waters of the footwall block of the fault from the unwatered, mined-out area of the hanging wall block. In order to mine the ore zone north of the dike between the 2,450 and 2,700 levels and at greater depths, in both blocks of the Leadville fault, it became necessary to improve the pumping facilities of the mine. The flow of water increases temporarily as each successively lower level is opened. After the block of ground is drained, the flow subsides to normal and remains relatively constant irrespective of depth. This condition prevails north of the Leadville dike.

ORE RESERVES

It has been estimated by company engineers that with each 100 feet of vertical depth to the 2,200-foot level the ore bodies of the Chief No. 1 mine have produced 120,000 tons of ore. It is believed that this condition also will prevail below the 2,200-foot level. The company shipped a total of 155,221 tons of ore between September 1951 and September 1955. The bulk of this ore was mined from the 2,700- and 2,800-foot levels, with minor amounts from the 2,600- and 2,500-foot levels. It is believed that approximately 65 percent of the ore on the 2,800-foot level and 80 percent of the ore on the 2,700-foot level has been mined.

The practice of blocking out ore reserves in advance of mining has not been successfully followed at the Chief No. 1 mine. Therefore, ore reserves may be only roughly estimated on the basis of the above information. Company officials reported that the ore encountered on the 2,900-foot level is of equal strength and intensity to that encountered in other areas of the mine. However, a condition was noted on this level which adversely affects economic mining. The "eye bed" which forms the hanging wall of most of the ore bodies is a brittle, highly fractured dolomite unit that tends to cave and dilute the ore, thus substantially lowering the grade and increasing the lime content. This condition, which may be local to the particular area encountered on the 2,900-foot level, probably contributed to the decision to abandon the lower levels. The open-stope mining method is used exclusively. The ore is not sufficiently high grade to absorb the additional cost of timbering.

Based on the above information, it is estimated that the following tonnages of indicated and inferred ores remain in the mine below water level:

Block, level	Total estimated ore in block, tons	Indicated ore, tons, 50 percent	Inferred ore, tons, 50 percent
2,700 - 2,600	120,000 less 80 percent mined	12,000	12,000
2,800 - 2,700	120,000 less 65 percent mined	21,000	21,000
2,900 - 2,800	120,000	60,000	60,000
2,950 - 2,900	60,000	30,000	30,000
3,000 - 2,950	60,000	------	60,000
3,100 - 3,000	120,000	------	120,000
Total	600,000	123,000	323,000

Tabulations prepared by company engineers, showing production by channels (sub-zones within the main ore zone or "run"), and average assays for designated periods and lower level intervals, are shown in Appendix I.

A weighted average of lead-zinc ore shipments from the lower levels for the first 7 months of 1955 was calculated to indicate the grade of the above-estimated tonnages. A total of 55,882.3 dry tons of ore was shipped. A weighted average for these shipments is as follows:

	Percent		Ounces	
	Pb	Zn	Ag	Au
600,000 T =	5.785	7.122	5.266	0.023
675,000 T —	5.5	6.8	5.1	0.02

EXPENDITURES

The total expenditure allowable under the original contract was $463,420. Additional contract specifications were approved under the first and second amended contracts, raising the amount to $518,040.71.

A total of $327,218.21 was expended under the original and first amended contracts. Under the second amended contract the cost of the uncompleted work outlined in the original contract, plus the cost of added work, amounted to $190,822.50.

Audit of the project accounts has disclosed that expenditures for all completed work total $386,900.39. Settlement for part of the jointly held equipment and supplies has been made, but many items remain on the property. Property settlement has not been completed and is therefore not considered in this report.

The Government's share of the total expenditure is $184,443.81. A total of $131,140.32 remains unexpended. The Government's share of this amount is $65,570.16.

A total of 155,221.914 dry tons of ore was produced and sold through July 10, 1956. The value of this production is $2,638,328.74, which reflects the smelter settlement after deduction of freight. A total of $127,035.90 has been paid in royalties to DMEA through July 10, 1956, in accordance with the third Royalty Audit Certificate dated August 16, 1956. No production has been reported since that date.

Foley Electric Co. and Centennial Development Co. were subcontractors on installation of electrical and pumping facilities. Centennial Development Co. subcontracted the work under Projects 1 and 1A.

The second interim Audit Certificate dated January 23, 1957, allowed the following total costs:

Project 1 ----------	$305,208.83
Project 1A ----------	36,025.56
Shaft sinking ----------	45,666.00
Allowed total cost ----------	$386,900.39

CONCLUSIONS AND RECOMMENDATIONS

Exploration completed under contract with Chief Consolidated Mining Co. resulted in discovery of lead-zinc ores on the 2,700-, 2,800-, and 2,900-foot levels, through the 18/411 winze. A Certificate of Discovery or Development was issued February 17, 1956. The company mined ores throughout the period of contract operation and has paid royalties to the Government totaling $127,035.90.

Lead-zinc ores in the Chief property occur principally as replacement of the Bluebell dolomite of Ordovician to Devonian age. The main ore zone, explored on and below the 2,700-foot level of the Chief mine, starts at the Mammoth mine about 1-1/4 miles south of the Chief No. 1 shaft. In the Chief mine the ore zone plunges slightly steeper than the pitch of the prominent syncline in the area and passes through the full vertical thickness of the Victoria and Bluebell formations. The base of the Bluebell formation is found near the point of intersection of the ore zone with the northeast-trending Leadville fault. This south-dipping structure is a reverse fault which has lowered the footwall block approximately 800 feet. The ore shoot passes through the fault with little displacement and is found near the top of the Bluebell dolomite on the north side of the structure. Operations at the Chief mine traditionally have been conducted without definite delineation of ore bodies prior

to mining. Company engineers have estimated that with each 100 feet of vertical depth to the 2,200-foot level, the main ore zone has produced 120,000 tons of ore. It is believed that estimates of inferred ore below the 2,600 level can be made using this same factor. Estimated indicated and inferred ore reserves between the 2,600- and 3,100-foot levels total 446,000 tons.

Work accomplished under contract has demonstrated that the main ore zone is continuing strongly at the 2,900-foot level. All workings below the 1,800-foot level are now flooded following the company's decision to terminate operations as of September 1955. Additional exploration on the property, with Government participation, is not recommended.

APPENDIX 1

CHIEF CONSOLIDATED MINING COMPANY
Eureka, Utah

Tabulation Showing Channel Production and Grade
of Deep Workings for use in Estimating Future Ore

Name of Channel	Level Interval	Contributing Stopes	Color Code Plan Maps	Vertical Interval	Period (Inclusive)	(a) Tonnage	(b) (d) Tons / Vertical foot	(c) (d) Stope Production - Hand Sample weighted assays (Local Determinations) oz. Ag.	% Pb.	% Zn.
C-Sump Channel:										
(A) South of Leadville Fault	(1) 2500-2600	(26/27 - 26/32 - 26/33 26/34 - 26/41 - 26/61 - 26/107)	Russet	100	Dec. 1948 - June 1955	26,058	261	5.6	6.5	8.7
	(2) 2600-2700	(26/107 Wz - 27/13 - 27/334)		100	May 1950 - June 1955	9,811	98	4.1	5.1	7.6
	(3) 2700-2800	(27/36 Wz - 28/45)		35	May 1954 - June 1955	1,936	(55)	5.0	6.4	7.9
(B) North of Leadville Fault	(4) 2600-2700	(27/16 - 27/35 - 27/45 - 27/51 27/52 - 27/72)	Red	100	May 1950 - June 1955	10,783	108	7.4	7.5	10.0
	(5) 2700-2800	(27/45 Wz - 27/51 Wz - 28/5 Dr 28/28 - 28/33 - 28/40)		100	May 1954 - June 1955	10 025	(100)	5.8	6.7	10.4
Back Fault Channel:	(6) 2500-2600	(26/01 - 26/03 - 26/05 - 26/10 26/19 - 26/23)	Brown	100	Dec. 1948 - June 1955	4,540	45	4.2	4.7	7.3
North-South Channel (West):										
(A) South of Leadville Fault	(7) 2500-2600	(26/12 - 26/38 - 26/45)	Green	100	Dec. 1948 - June 1955	5,488	55	4.5	5.4	7.4
(B) North of Leadville Fault	(8) 2600-2700	(27/27 - 27/36 - 27/38 - 28/14)		100	May 1950 - June 1955	14,427	(144)	10.0	9.2	11.6
	(9) 2700-2800	(28/14 - 28/16 - 28/22 - 28/25 28/18)		100	May 1954 - June 1955	33,361	(334)	6.2	6.3	9.0
East-West Channel:										
(A) South of Leadville Fault	(10) 2500-2600	(26/46 - 26/48)	Turquoise	100	Dec. 1948 - June 1955	3,231	32	6.7	6.3	7.1
	(11) 2600-2700	(27/14 - 27/18 - 27/26 - 27/31)		100	May 1950 June 1955	4,521	45	8.8	9.3	12.0
	(12) 2700-2800	(27/31 Wz)		10	May 1954 - June 1955	872	(87)	8.6	10.7	10.7
(B) North of Leadville Fault	(13) 2500-2600	(26/53 -26/70 - 26/79 - 26/80)	Blue	100	Dec. 1948 - June 1955	13,441	134	9.6	10.5	9.6
	(14) 2600-2700	(27/43)		100	May 1950 - June 1955	3,833	38	10.6	12.4	14.9
North-East Channel:										
(B) North of Leadville Fault	(15) 2600-2700	(27/30 - 27/39 - 27/58 - 27/50 27/58 - 27/72 - 27/76 - 27/79)	Purple	100	May 1950 - June 1955	17,825	178	7.5	10.4	9.7
	(16) 2700-2800	(27/76 Wz - 27/39 Wz - 28/16 28/31 - 28/42)		100	May 1954 - June 1955	9,099	(91)	8.5	10.5	10.4
North-South Channel (East):										
(B) North of Leadville Fault	(17) 2500-2600	(25/36 Wz - 26/58 - 26/86 - 26/96 - 26/104)	Yellow	100	Dec. 1948 - June 1955	5,874	59	8.8	8.4	7.2
	(18) 2600-2700	(26/58 Wz - 26/104 - 27/83 -27/84)		100	May 1950 - June 1955	4,981	50	6.1	10.8	9.9
	(19) 2700-2800	(27/83 Wz - 27/84 Wz - 28/35 - 28/46)		60	May 1954 - June 1955	5,702	(95)	5.4	11.0	12.5
25/59 N-E Channel:										
(A) South of Leadville Fault	(20) 2500-2600	(26/55 - 26/59 - 28/73)	Red Violet	100	Dec. 1948 - June 1955	2,932	29	2.0	4.1	6.5
	(21) 2600-2700	(27/65)		100	May 1950 - June 1955	1,150	(12)	1.9	5.3	10.3
Unclassified Ores:	(22) 2600-2700	Random Spots		100	May 1950 - June 1955	183	—	---	—	---
	(23) 2700-2800	" "		100	May 1954 - June 1955	34	—	---	---	---
Millionaire Row Channel:										
	(24) 2400-2500		Red Orange	290	Nov. 1948 - June 1955	35,469	(122)	12.4	12.5	8.0
	(25) 2500-2600			90	July 1954 - June 1955	5,112	(57)	8.5	13.2	12.1
	(26) 2600-2700			100	1954 - 1955	4,926	(49)	6.9	12.3	15.3
Total Tonnage - All Channels, Except M. R. Channel (Lines 25, 26)										
	(27) 2500-2600			100	Dec. 1948 - June 1955	61,564	616	6.5	7.8	8.5
	(28) 2600-2700			100	May 1950 - June 1955	67,514	675	7.6	8.9	10.3
	(29) 2700-2800			100	May 1954 - June 1955	61,049	610	6.5	7.5	9.7
	(e) (30) 2500-2600			100	Dec. 1948 - July 1955	61,564	616			
	(e) (31) 2600-2700			100	Dec. 1948 - July 1955	67,954	680			
	(e) (32) 2700-2800			100	Dec. 1948 - July 1955	68,977	690			

Footnotes on following page

APPENDIX 1 (Cont'd.)

Tabulation Showing Channel Production and Grade of Deep Workings for use in Estimating Future Ore

(a) The figures shown actually represent the number of mine cars. The average mine car load weight is approximately 1.1 wet tons, thus the number of dry tons of ore would vary slightly from the tabulated figure.

(b) Parentheses around tons per vertical foot figures indicate channel is still being mined, or, as in the case of line 12, channel continuation has not been blocked out below this depth.

(c) Average channel assay determinations are derived by weighting the monthly production and the monthly hand samples average for all stopes which contribute to the total channel tonnage shown.

(d) Settlement assays and tonnages are not available for individual stopes as channel ores are mined in shipment.

(e) Lines (30), (31) and (32) are beyond the producing period covered by this tabulation and have been included only because they show a marked increase in the tons per vertical foot in depth.

Maps for Field
Fld Team Report
Dated 3/10/58.

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

OFFICIAL BUSINESS

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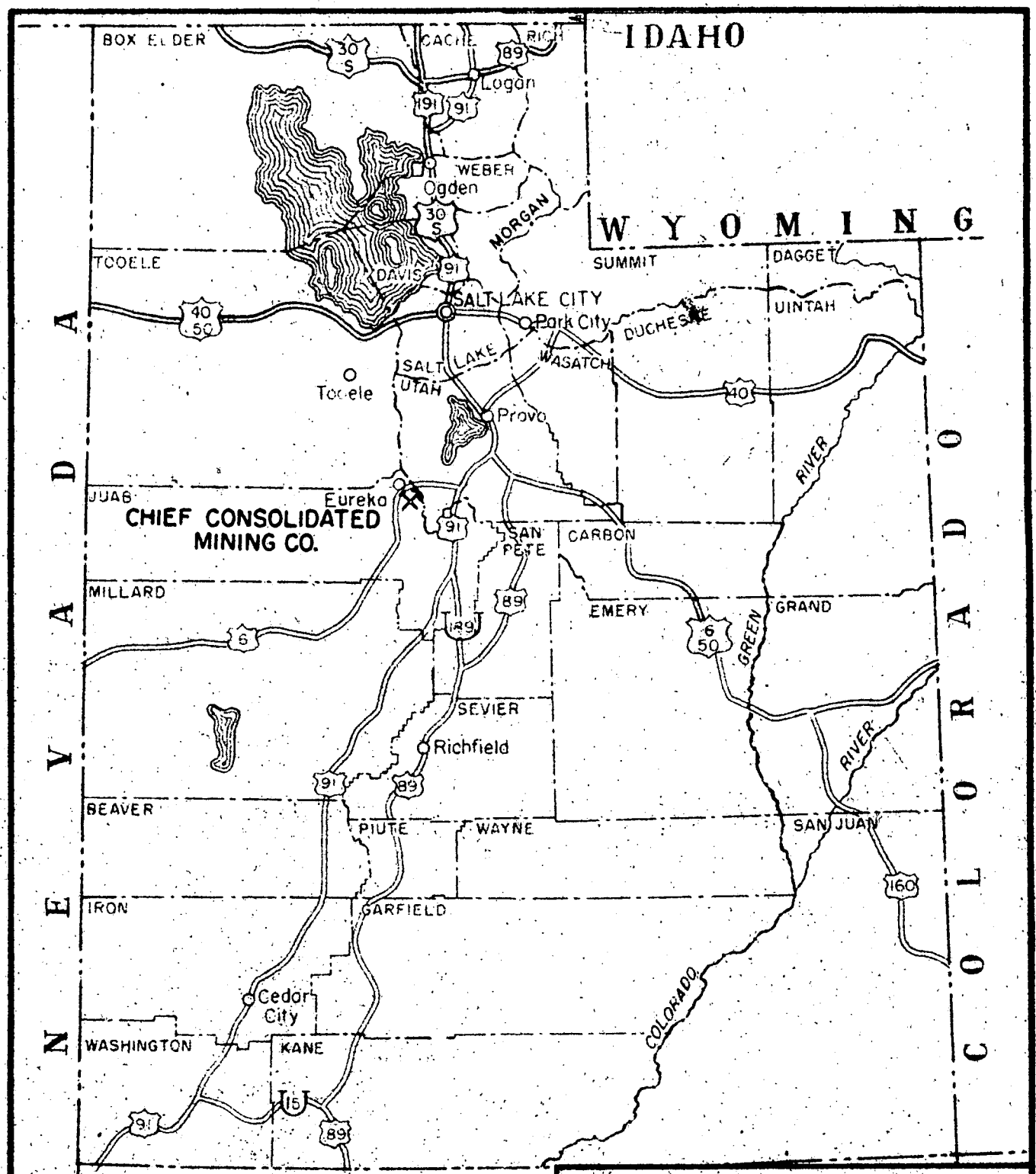

0 50 100
SCALE OF MILES

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Fig. 1 DMEA Docket No. 1 & 1A
Location Map

CHIEF CONSOLIDATED MINING CO.
TINTIC MINING DISTRICT
JUAB COUNTY, UTAH

ENGINEER W. E. Young	DATE MAR. 1, 1957
TRACED Mar. 1, 1957 A.P.T.S.	1500-1149-E
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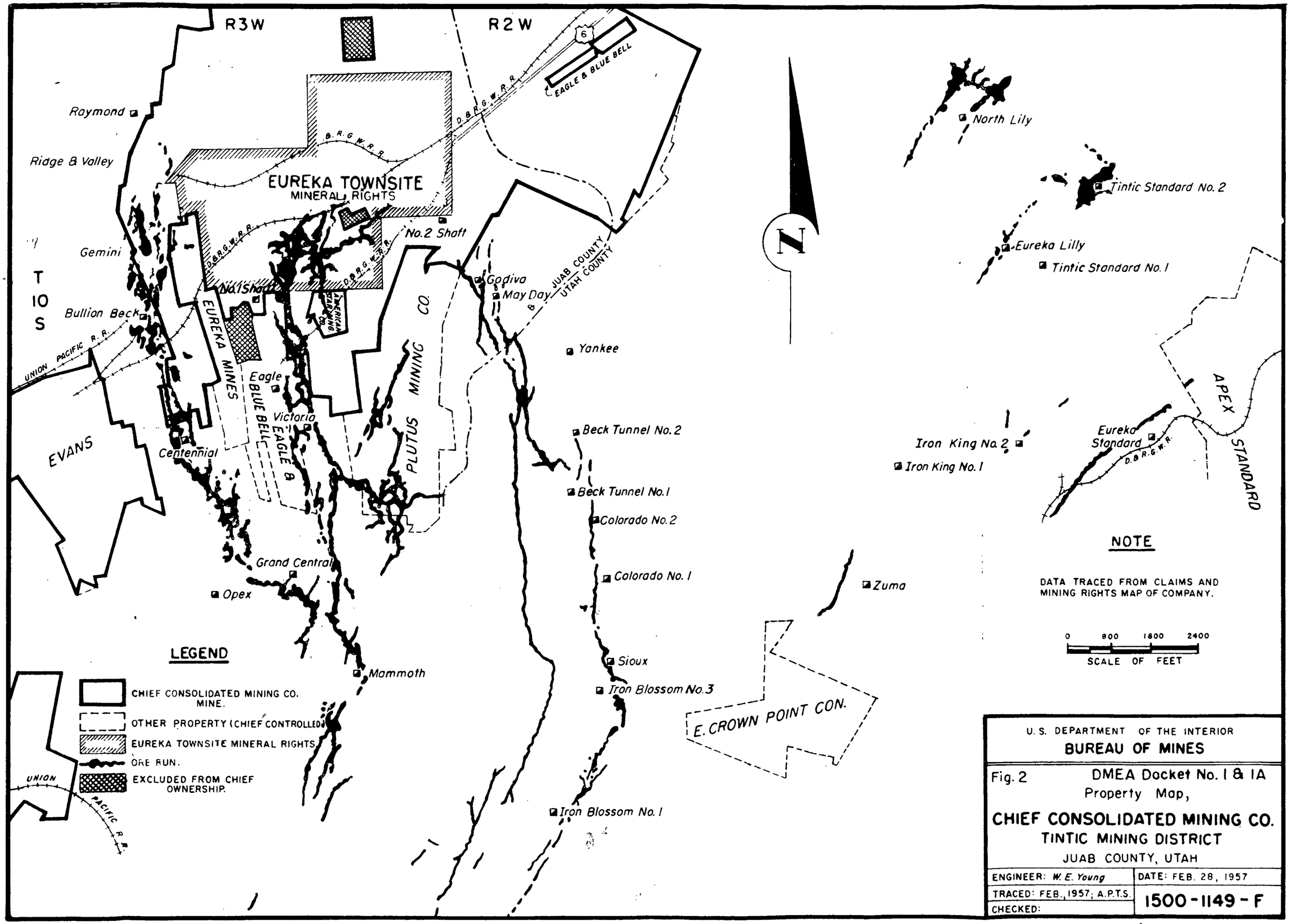

R3W
R2W
T 10 S
EUREKA TOWNSITE
MINERAL RIGHTS
EAGLE & BLUE BELL
D.&R.G.W.R.R.
B.R.G.W.R.R.
UNION PACIFIC R.R.
Raymond
Ridge & Valley
Gemini
Bullion Beck
No.2 Shaft
No.1 Shaft
AMERICAN SILVER MINING CO.
EUREKA MINES
Eagle
BLUE BELL
EAGLE &
Victoria
Centennial
EVANS
PLUTUS MINING CO.
Godiva
May Day
JUAB COUNTY
UTAH COUNTY
Yankee
Beck Tunnel No.2
Beck Tunnel No.1
Colorado No.2
Colorado No.1
Grand Central
Opex
Mammoth
Sioux
Iron Blossom No.3
Iron Blossom No.1
Zuma
E. CROWN POINT CON.
North Lily
Tintic Standard No.2
Eureka Lilly
Tintic Standard No.1
Iron King No.2
Iron King No.1
Eureka Standard
APEX
STANDARD
N
NOTE
DATA TRACED FROM CLAIMS AND MINING RIGHTS MAP OF COMPANY.
0 800 1600 2400
SCALE OF FEET
LEGEND
CHIEF CONSOLIDATED MINING CO. MINE.
OTHER PROPERTY (CHIEF CONTROLLED)
EUREKA TOWNSITE MINERAL RIGHTS.
ORE RUN.
EXCLUDED FROM CHIEF OWNERSHIP.
U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Fig. 2 DMEA Docket No. 1 & 1A
Property Map,
CHIEF CONSOLIDATED MINING CO.
TINTIC MINING DISTRICT
JUAB COUNTY, UTAH
ENGINEER: W. E. Young
DATE: FEB. 28, 1957
TRACED: FEB., 1957; A.P.T.S.
CHECKED:
1500-1149-F

FILE COPY
DMEA
RECEIVED MAR 19 1958

DATE	INITIALS	CODE

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

March 5, 1958

Memorandum for the Files

From: Director, Division of Base Metals

Subject: Phone conversation with Mr. Mittendorf and Mr. W. W. Watson of the Chief Consolidated Mining Company about Docket No. DMEA-1 & 1A, Chief No. 1 Mine, Juab and Utah Counties, Utah, Second Amended Contract No. Idm-E4

The telegram dated March 4, 1958, to Mr. W. W. Watson is with reference to a phone conversation of that date between Mr. Watson and Mr. C. O. Mittendorf.

Mr. Watson stated that 44,000 feet of 2/0 - 37 strand cable was on hand. That he could sell 6,000 feet of this for twenty cents per foot and perhaps sell more. Original cost had been 51 cents but copper prices are down at the moment and the insulation was rather inferior.

Mr. Watson also requested permission to reduce his asking prices from 60% to 45% of new cost. Also he inquired about credit selling.

W R Griswold

W. R. Griswold

WRG/er

Watson: Bill –

Offer – 44000 2° 37 strand cable
51¢ – 20¢ per ft –
6000 ft – @ 20¢
might take all – f.o.b. Eureka

decrease price on copper –
insulation poor – Korean gasoline

wants to drop 60% to 45%.
wire
– 608 Dooley Bldg –

Reasonably credit
on surface – everything – salvageable.

-WRH
DMEA-141A

Excerpt from Mr. Mittendorf's diary, 3/4/58:

Watson, of Chief Con, phoned from Salt Lake City to tell me of an offer he had received for 6000 ft. of 2/0 37-strand cable. It cost us 51¢ a foot and the bid is 20¢. The bid comes from a Los Angeles outfit who might buy the remainder of the 44,000 feet which was purchased under the contract.

Watson went on to say that he felt the offer was a good one because the price of copper had decreased substantially since this cable was purchased, and also that the insulation on it is not in too good shape. He pointed out that this cable was a Korean War product and could not compare in quality with cable manufactured today.

I thought we should accept the bid, but I wanted to clear with Chambers first, and I promised to send him a telegram later in the day.

He asked if I would consider changing our blanket authorization to him so he could sell anything for 45 percent of the cost price rather than 60 per cent under the present authorization. I told him we would consider that item also.

He then wondered if I would entertain any proposals to sell some of this jointly owned equipment on terms. He felt that he could dispose of some of it provided it did not require a full cash payment. He did not, however, want to take the full responsibility for collection; nor did he want to run the risk of the Government holding him responsible for the payment of the creditors' accounts. I said we would take up that matter too.

We got out a telegram before the close of the day authorizing the sale of the cable at 20¢ a foot. We also lowered the depreciation percentage from 60 to 45 percent.

~~Regarding the credit item, we authorized him to sell on time anything that cost less than $1000 if he deemed that the credit risk was reasonable. Anything that cost over $1000 should be referred to Washington.~~

See Telegram Com

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/4	Griswold	500
"	Chambers	800
3/4	Selfridge	130
"	Johnson	110
"	Mittendorf	110
3/5	C	220
		500

MAR 4 1958

TELEGRAM

W. R. Griswold/er Rm 4442, Ext. 3669

DMEA - Division of Base Metals

ZZXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

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

Date:

To: Mr. W. W. Watson
Chief Consolidated Mining Company
608 Dooley Building
Salt Lake City, Utah

You are authorized to make sale of 2/0 thirty seven strand cable at twenty cents per foot FOB Eureka. You are also authorized to sell any equipment or supplies at forty five per cent of new price. Regarding possible future sales on a reasonable credit base we are favorably disposed toward such sales when necessary but request you check with us prior to consumating any such sale if over one thousand dollars.

C. O. Mittendorf (few)

C. J. Mittendorf
Administrator

WRGriswold/er 3/4/58
Copy to: Docket ✓ DMEA-1001A
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

8623

DMEA-
1x/A-

224 New Customhouse
Denver 2, Colorado

February 24, 1958

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Reports on Terminated Certified Projects in Region III Prior to Final Settlement

Your office may expect to receive a semiannual report for period January 1, 1957 through June 30, 1957, and semiannually thereafter on the following projects:

CONTRACT	OPERATOR
E-4	Chief Consolidated Mining Company
E-15	Lead Carbonate Mines, Inc.
E-649	Camoose Uranium Mines of America
E-879	Uranium King Corporation
E-963	Vitro Minerals Corporation

The listed projects are added to those previously requiring a semiannual report in view of your decision concerning such reports for certified projects covered by Docket Nos. DMEA-1 & 1A and DMEA-434.

W. H. KING
W. H. King

MHM:bh
cc: Reg. Report File General
DMEA/DFC (2)
DMEA/Gr.Jct.
DMEA/SLC
DMEA/TUC
Marshman
Hasler
Emerick
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/7	Griswold	500
2/10	Selfridge	130
"	Johnson	110
"	Mattendorf	100
		HB
2/11	C	220
		500

500

FEB 10 1958

Mr. W. A. King
Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Semi-Annual Reports on Certified Projects for Docket Nos. DMEA-1 & 1A, DMEA-434 and DMEA-1297

Dear Mr. King:

We have your memorandum of February 3, 1958, covering semi-annual reports on various projects. You are correct that the East Ridge project (DMEA-1297) should be considered as active, though in recess until August 15, 1958.

However, the Chief Consolidated Mining Company (DMEA-1 and 1A) and the Lead Carbonate Mines, Inc. (DMEA-434) projects are not to be considered as "still active and in force", though details of final settlement may still lag for a protracted period.

We are meeting with increasing demands for summations of the results of the DMEA program and it is necessary that our data be as complete and as up to date as possible. Kindly let us have the reports on the latter two as soon as convenient.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (HB)

WRGriswold/er 2/7/58

Copy to: Docket (3)
Admr R Files
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

APPROVED:

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

Thor H. Kiilsgaard (HB)
Member, Geological Survey

8623

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

February 3, 1958

DMEA
RECEIVED FEB 6 1958

DATE	INITIALS	COMS.
2/6	C	220
2/6	WHK.	500

Memorandum

To: Chairman Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semi-Annual Reports on Certified Projects, your memorandum January 24, 1958.

Reference is made to your memorandum of January 24, 1958 regarding semi-annual reports on the following certified projects:

Docket No. DMEA-1 & 1A	Chief Consolidated Mining Co.
Docket No. DMEA-434	Lead Carbonate Mines, Inc.
Docket No. DMEA-1297	East Ridge Mining Company

Docket DMEA-1297, Contract Idm-E39, East Ridge Mining Company, is in operation, although in recess during the period of severe winter weather conditions at the high altitude.

The final settlement of Lead Carbonate Mines, Inc., Docket DMEA-434, Contract Idm-E15, has not been made due to the inability to make the final measurement. Access to the mine will not be possible until sometime late next spring.

The final settlement of Chief Consolidated Mining Company, Docket DMEA-1 and 1A, Contract Idm-E4, has not been made in connection with jointly-owned equipment.

Under these conditions, this office considers the above contracts to be in force, even though termination agreements have been executed for Contract Idm-E15, Lead Carbonate Mines, Inc., and Contract Idm-E4, Chief Consolidated Mining Company.

According to our interpretation of the "Special Note," at the conclusion of Memorandum No. 29, semi-annual reports are not required in connection with contracts in force.

W H King

W. H. King

Form 7
-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/24	Griswold	500
1/24	GCS	130
"	Johnson	110
"	Stockwell	100
1/27	C	220
		500

500

JAN 24 1958

Mr. W. M. King
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re: Semi-Annual Reports on Certified Projects.

Dear Mr. King:

According to our records, no semi-annual reports were received on the following certified projects, for the period January 1 - June 30, 1957:

Docket No. DMEA-1 & 1A	Chief Consolidated Mining Company
Docket No. DMEA-434	Lead Carbonate Mines, Inc.
Docket No. DMEA-1297	East Ridge Mining Company

Will you kindly bring us up to date.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GHB)

WRGriswold/er 1/24/58
Copy to: Dockets (3)
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Crhon.

APPROVED:

Frank D. Lamb (GHB)

Member, Bureau of Mines

Thor H. Kiilsgaard (GHB)

Member, Geological Survey

8623

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 18 1958
220
500

January 15, 1958

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Field Team Reports, your letter of January 8, 1958

Please refer to your letter of January 8, regarding Field Team reports on the following dockets:

Docket No.	Contract No.	Operator
DMEA-1 & 1A	Idm-E4	Chief Consolidated Mining Co.
DMEA-1098	Idm-E13½	Combined Metals Reduction Co.
DMEA-1701	Idm-E190	United Park City Mines Co.

The final Field Team report on Docket DMEA-1098, Contract Idm-E13½, Combined Metals Reduction Company, will be forwarded to you this week.

The final reports on the other two dockets will be forwarded as soon as it is possible to complete them.

W. H. King

Form 7
(6)

OFFICIAL FILE COPY

Date	Surname	Code
1/2/58	Griswold	500
1-3	Chambers	800
1/3	GCS	130
	Absent	110
3	Butterworth	109
1/6	gb	220

JAN 3 1958

Mr. W. H. King, Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-1 & 1A (Lead-Zinc)
Chief Consolidated Mining Company
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract No. Idm-84

Dear Mr. King:

We have your memorandum of December 26, with enclosures, relative to the cited account. It is out of the question for us to waive settlement of the Government's equity in this jointly-owned equipment; we would have no proper justification for such action.

We therefore must continue to carry this as an open account, and we trust that, little by little, liquidation will be effected.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

APPROVED:

P. F. Yopes (PFS)
Member, Bureau of Mines

Thor H. Kiilsgaard (THK)
Member, Geological Survey

WRGriswold/bjm (1/2/58)

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

8623

A Form 7
2-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/6	[illegible]	500
1/8	[illegible]	13
1/11	[illegible]	110
		~~[illegible]~~
		~~[illegible]~~
1/9	[illegible]	220
		500

500

JAN 8 [illegible]

Mr. W. H. King
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Field Team Final Reports for
Docket Nos. DMEA- 1 & 1A,
DMEA-1098 and DMEA-1701.

Dear Mr. King:

The following projects have been concluded for some time. Kindly let us have the final Field Team reports as soon as convenient.

Docket No. DMEA-1 & 1A	Chief Consolidated Mining Company
Docket No. DMEA-1098	Combined Metals Reduction Company
Docket No. DMEA-1701	United Park City Mines Company

Sincerely yours,

George C. Selfridge
(esy)
Chairman, Operating Committee
WRGriswold/er 1/6/58
Copy to: Dockets (3)
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

APPROVED:

O. M. Bishop
(esy)
Member, Bureau of Mines

Thor H. Kiilsgaard
(esy)
Member, Geological Survey

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

December 26, 1957

DMEA RECEIVED DEC 30 1957		
DATE	INITIALS	CODE
12/30	C	220
		500

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 1 and 1A (Lead-Zinc) Second Amended Contract Idm-E4, Chief Consolidated Mining Co., (Chief No. 1 mine) Juab and Utah Counties, Utah

In reference to your letter of December 11, 1957, enclosed are the original and one copy of a memorandum dated December 23, 1957, from M. H. Howes, Mining Engineer, Bureau of Mines, relative to activities at the subject property.

Due to existing circumstances we see no way to expedite liquidation of the Government's interest in the balance of the jointly owned property acquired under the contract. Apparently the Operator has made exhaustive attempts to dispose of the property as provided for in the contract.

If it is your decision to close the account at an early date, we recommend that the liquidation procedures as provided for in the contract be waived, leaving the costs of the jointly owned property as a cost to the project; and if the Company is willing to participate in the execution of the necessary instrument, increase the maximum period for royalty payments and lien for payment thereof to 20 years from the date of the contract.

W. H. King

W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 12, UTAH

DMEA
DEPARTMENT OF THE INTERIOR
DEC 26 1957
REGION III
DENVER, COLORADO
RECEIVED DEC 30 1957

DATE	INITIALS	CC

December 23, 1957

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region III

From: M. H. Howes

Subject: Docket No. DMEA 1 and 1A (Lead-zinc), Second Amended Contract No. Idm-E4, Chief Consolidated Mining Co. (Chief No. 1 mine), Juab and Utah Counties, Utah

Referring to your memorandum of December 16, 1957, the operations at the Chief No. 1 mine have been completely shut down since June 1957. Mr. Watson, vice president of the company, reports that considerable effort has been made to dispose of jointly owned property acquired under the contract, at a fair price. He claims that lists of the equipment have been sent to all of the used-equipment dealers in Salt Lake City, and to several dealers on the Pacific Coast and in Arizona. He also stated that lists of equipment have been sent to over 50 operating mines in the Western United States. All equipment on the list is available at the mine for inspection. Response to this advertising has been very disappointing. However, a few inquiries have been made and a small amount of the jointly owned equipment has been sold.

Much of the mining industry is in a very unhealthy state at present, and the outlook for improvement is not good. Because of the present uranium activity in the Ambrosia Lake area in New Mexico, some of the jointly owned pumping and electrical equipment may be sold.

If rapid liquidation of the Government's claim is deemed desirable, I suggest that the company's equipment debt to the Government be cancelled, and in lieu thereof to extend the contract repayment period from 15 years to 20 years.

M. H. Howes

M. H. Howes

cc: J. B. Clemmer

224 New Customhouse
Denver 2, Colorado

December 16, 1957

12/18	gb	220
12/19	bbf	800
12/19	~~[illegible]~~	500

Memorandum

To: DMEA/SLC (Howes)

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 1 & 1A (Lead-Zinc) Second Amended Contract No. Idm-E4, Chief Consolidated Mining Company (Chief No. 1 Mine) Juab and Utah Counties, Utah.

Enclosed is a copy of the Chairman's letter of December 11, 1957, pertaining to the subject contract. The Chairman requests advice as to the status of operations of the subject company.

Please contact the Operator and forward a memorandum report of your findings relative to the status of current operations on the property and status of the Operator's efforts in conjunction with liquidation of the Government's interest in the jointly owned property acquired under the contract.

Original signed by
W. H. KING

W. H. King

Enc.

JWT:bh

cc-Chairman, Op. Comm. (2)

Harshman (2)) w/copy of Chair-
Corres. File) man's letter

Townsend
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/9	Griswold	500
12-9	Chambers	800
12/11	GCL	130
"	Johnson	110
"	Rutledge	100
12/11	gb	220
		500

DEC 11 1957

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re: Docket No. DMEA-1 & 1A (Lead-Zinc)
Chief Consolidated Mining Company
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract No. Idm-E4

Dear Mr. Harshman:

We have heard nothing regarding the cited account since receiving our copy of your August 27 letter to the Operator. Since this is a large account and has been pending for a considerable period, we are naturally desirous of obtaining a progressive realization of the Government's equity.

We are fully cognizant of the fact that certain segments of the mining industry are in a depressed condition, and it may be difficult to make sales of second-hand equipment at this time. Nevertheless, we would appreciate a word from you as to the present status of the operations of this company, and your suggestions toward effecting a more rapid liquidation of the Government's claim.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

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

N. E. Nelson (GCS)
Member, Geological Survey

WRGriswold/er 12/9/57
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.
Mr. Jay Chambers

8623

224 New Customhouse
Denver 2, Colorado

August 27, 1957

Mr. W. W. Watson, Vice President
Chief Consolidated Mining Company
608 Dooly Building
Salt Lake City, Utah

Re: Docket DMEA-1 & 1A (Lead-Zinc)
Second Amended Contract Idm-E4
Chief Consolidated Mining Company
(Chief No. 1 mine)
Utah and Juab Counties, Utah

Dear Mr. Watson:

Receipt is acknowledged of your letter of August 21, 1957, and Company Check No. 1743, in the amount of $19.35, as liquidation of the Government's interest for two pump casings for 8x10x14 Byron-Jackson Centrifugal Pump, which were sold as scrap iron.

Yours very truly,

Original signed by
E. N. HARSHMAN
E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman (2)
DMEA/SLC
Townsend (2)
Corres.file, Reg. III
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 29

DATE	INITIALS	
8/29	C	
8/29	[illegible]	220
8/29	[illegible]	800
		500

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 29 1957

DATE	INITIALS	CODE
8/29	C	220
8/29	[illegible]	800
8/29	[illegible]	500

224 New Customhouse
Denver 2, Colorado

August 27, 1957

Memorandum

To: T. A. Christensen

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

Subject: Docket DMEA-1 & 1A (Lead-Zinc) Second Amended Contract Idm-E-4, Chief Consolidated Mining Company (Chief No. 1 mine) Utah and Juab Counties, Utah

Enclosed is Check No. 1743, from the subject Operator, in the amount of $19.35, payable to Defense Minerals Exploration Administration, as the Government's share of the proceeds from the sale of two pump casings for 8x10x14 Byron-Jackson Centrifugal Pump, which were disposed of as scrap metal. Also enclosed is the Operator's transmittal letter, dated August 21, 1957.

The amount of $19.35 is to be credited to voucher payments.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

JBC:hmh
cc: Chmn. Op. Comm. (2)
Harshman (2)
DMEA/SLC
Townsend (2)
Corres. file, Reg. III
Chron

} w/copy of Operator's letter of 8/21/57

Chief Consolidated Mining Co.
608 Dooly Building
Salt Lake City, Utah

August 21, 1957

Mr. E. N. Harshman
Acting Executive Officer,
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA-1 & 1A (Lead-Zinc)
Second Amended Contract Idm-E4

Dear Mr. Harshman:

We recently sold as junk to Frank O'Brien's Metal Salvage in Provo, Utah, 2 Pump Casings which were worn out during our operations under the above captioned contract; the sale of which was authorized by Mr. C. O. Mittendorf in his letter addressed to me of July 10, 1957.

We received $38.70 for the two cases; the Government's interest amounts to 50%, or $19.35 for which we enclose our check.

The two pump casings referred to were used in connection with the 8x10x14 Byron-Jackson Centrifugal Pump. Will you kindly correct your inventory of equipment jointly owned to give effect to this sale.

Yours very truly

W. W. Watson

W. W. Watson
Vice President

WWW:ALC
Encs

DMEA
ARTMENT OF THE INTERIOR
AUG 26 1957
REGION III
DENVER, COLORADO

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/9	Griswold	500
7-9	Chambers	800
		~~125~~
		~~110~~
7/10	[illegible]	110
"	Chatterton	100
7/10	[illegible]	225
/		500.

JUL 10 1957

Mr. W. W. Watson, Vice President
Chief Consolidated Mining Company
608 Dooly Building
Salt Lake City, Utah

Re: Docket No. DMEA-1 & 1A (lead-zinc)
Chief Consolidated Mining Company
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract No. Idm-E4

Dear Mr. Watson:

We have your letter of June 25 regarding two pump cases which you state are completely worn out and valueless except for junk. If such is the case, you have our permission to make disposal on a scrap iron base.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

WRGriswold/er 7/9/57
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Mr. Jay Chambers, DMEA
Chron.

8623

Johnson Chambers

Chief Consolidated Mining Co.

608 Dooly Building
Salt Lake City, Utah

June 25, 1957

FILE COPY
DMEA
RECEIVED JUN 26 1957

DATE	INITIAL	CODE
6/28	C	220
"	Com	100
		~~500~~
6/28	Ref	110
		800
		500

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Adm.
New Interior Building
Washington 25, D. C.

Re: Docket DMEA-1 & 1A (Lead-Zinc)
Second Amended Contract Idm-E4

Dear Mr. Mittendorf:

Reference is made to two Byron-Jackson 8x10x14 DVS Split Case Centrifugal Pump Cases which are part of the jointly owned equipment under the terms of the above captioned contract.

These two pumps were completely worn out and replaced with new pumps purchased from our own funds without Government participation while the contract was in operation.

Pumps? Cost? 4 pieces of iron?

We consider these pumps to be junk. At the present time we are collecting all the scrap iron on our property and are selling the same to a junk dealer for $30.00 per ton. These two items will approximate a ton, and we would appreciate the Government's permission to dispose of them in this manner.

For your further information, the Chief Consolidated Mining Co. closed its operations on June 15 for an indefinite period or until such time as the metal market situation improves to a point where our operations might be conducted on a profitable basis. In the meantime, we are keeping key personnel at the mine, and are bending every effort towards disposing of the jointly owned equipment.

With kindest regards,

6028.-

Sincerely yours

W. W. Watson

W. W. Watson
Vice President

WWW:ALC

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5-28	Chambers	800
5/28	C	220
5/29	~~[illegible]~~	500

MAY 28 1957

Mr. Thomas H. Breding
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: Chief Consolidated Mining Co.
Contract No. Idm-E4
Docket No. DMA 1 and 1A

Dear Mr. Breding:

I believe we came to the following agreement in regard to your letter of April 23, 1957, concerning the above-cited contract.

You had a different serial number on your list for a transformer than the company reported when it sold it. It is my understanding you were to correct the list according to the company's number but make a footnote thereof on your inventory list.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

JLChambers/wb
May 28, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

8623

224 New Customhouse
Denver 2, Colorado

April 8, 1957

4/11	C	220
4/11		800
4/15	WRB	500

Mr. W. W. Watson, Vice President
Chief Consolidated Mining Company
608 Dooly Building
Salt Lake City, Utah

Re: Docket [illegible]-1 & 1A (Lead-Zinc)
Second Amended Contract Idm-E-4
Chief Consolidated Mining Company
(Chief No. 1 mine)
Juab and Utah Counties, Utah

Dear Mr. Watson:

We have received Check No. 22796 in the amount of $388.50, as liquidation of the Government's interest in the Bucyrus Erie Hydromucker acquired under the contract. We appreciate your prompt attention in the matter.

Yours very truly,

Original signed by
E. N. HARSHMAN

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

JOC:hh
cc: Chmn. Op. Comm. (2)
Harshman (2)
Wilson
Townsend
Corres. File E4
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED APR 8 1957

DATE	INITIALS	CODE
4/8	C	220
4/8	[illegible]	800
4/9	[illegible]	500

224 New Customhouse
Denver 2, Colorado

April 4, 1957

Memorandum

To: T. A. Christensen

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

Subject: Docket DMEA-1 and 1A (Lead-Zinc) Contract 7dm-[illegible],
Chief Consolidated Mining Company (Chief No. 1 mine),
Utah and Juab Counties, Utah

Enclosed is a check from the subject Operator in the amount of $388.50, payable to Defense Minerals Exploration Administration, as liquidation of the Government's interest in a jointly-owned Bucyrus Erie Hydromucker which was acquired under the contract.

Also enclosed is a letter of transmittal dated April 2, 1957, from the Operator to the Acting Executive Officer, DMEA Field Team, Region III, and a copy of a letter dated March 29, 1957, from the Administrator, DMEA, to the Operator, whereby the Government accepted the Operator's offer to purchase the Hydromucker for $1554.00. The Government's interest in this item is 25 percent, or $388.50, the amount remitted.

The amount of $388.50 is to be credited to voucher payments.

Original signed by
E. N. HARSHMAN
E. N. Harshman

Enclosures
JEC:hh
cc: Chmn.Op.Comm. (2)
Harshman (2)
Wilson
Townsend
MF-104 File R4
Corres. File R4
DMEA Auditor, Reg III)
Chron.

) w/copy of Oper. Letter of 4/2/57 and Admin. Letter of 3/29/57

(9)

Chief Consolidated Mining Co.

608 Dooly Building
Salt Lake City, Utah

DMEA
DEPARTMENT OF THE INTERIOR
APR 4 - 1957
REGION III
DENVER, COLORADO

April 2, 1957

CENTRAL FILE COPY
DMEA
RECEIVED APR 8 1957

DATE	INITIALS	COPIES

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re: Docket No. DMEA-1 & 1A (Lead-Zinc)
Second Amended Contract No. Idm-E4

Dear Sir:

In a letter received from Mr. C. O. Mittendorf, dated March 29, 1957, he accepted, on behalf of the Government, our offer to purchase one Bucyrus Erie Hydromucker which is part of the equipment, in which the Government has an interest under the terms of the above captioned contract, for the sum of $1554.00 The original cost of this equipment was $2,590.00, and the Government's advance was 25% of the original cost.

The Government's interest, therefore, being limited to 25% of the selling price, we enclose herewith our check in the amount of $388.50 in full payment thereof.

Yours very truly

W. W. Watson

W. W. Watson
Vice President

WWW:ALC
Encl.

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

X C M

DMEA
DEPARTMENT OF THE INTERIOR
APR 1 - 1957
REGION III
DENVER, COLORADO

MAR 29 1957

Mr. W. W. Watson, Vice President
Chief Consolidated Mining Company
608 Boyly Building
Salt Lake City, Utah

Re: Docket No. DMEA-1 & 1A (Lead-Zinc)
Chief Consolidated Mining Company
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract No. Idm-24

Dear Mr. Watson:

I have your two letters of March 14, 1957, regarding disposal of jointly owned equipment. Funds due the Government should be handled by checks payable to the Defense Minerals Exploration Administration and forwarded to:

Mr. E. H. Marshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

The Government accepts your offer to purchase the Hydromasher at a valuation of $1,554.00.

I feel that the sales which you have made to date are highly satisfactory to both the Government and to your company.

Sincerely yours,

C. O. Mittendorf

Administrator

OFFICIAL FILE COPY
DMEA
RECEIVED APR 8 1957

DATE	INITIALS	CODE

WRGriswold/er 3/27/57
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Killsgaard, USGS
Mr. Jay Chambers, DMEA
Chron.
Region III (2)

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/27	Griswold	500
3-28	Chambers	800
3/28	Selfridge	120
"	Johnson	110
	Rattendorf	100
4/1	C	220
		500.

MAR 29 1957

Mr. W. W. Watson, Vice President
Chief Consolidated Mining Company
608 Dooly Building
Salt Lake City, Utah

Re: Docket No. DMEA-1 & 1A (Lead-Zinc)
Chief Consolidated Mining Company
Chief No. 1 Mine
Juab and Utah Counties, Utah
Second Amended Contract No. Idm-E4

Dear Mr. Watson:

I have your two letters of March 14, 1957, regarding disposal of jointly owned equipment. Funds due the Government should be handled by checks payable to the Defense Minerals Exploration Administration and forwarded to:

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

The Government accepts your offer to purchase the Hydromucker at a valuation of $1,554.00.

I feel that the sales which you have made to date are highly satisfactory to both the Government and to your company.

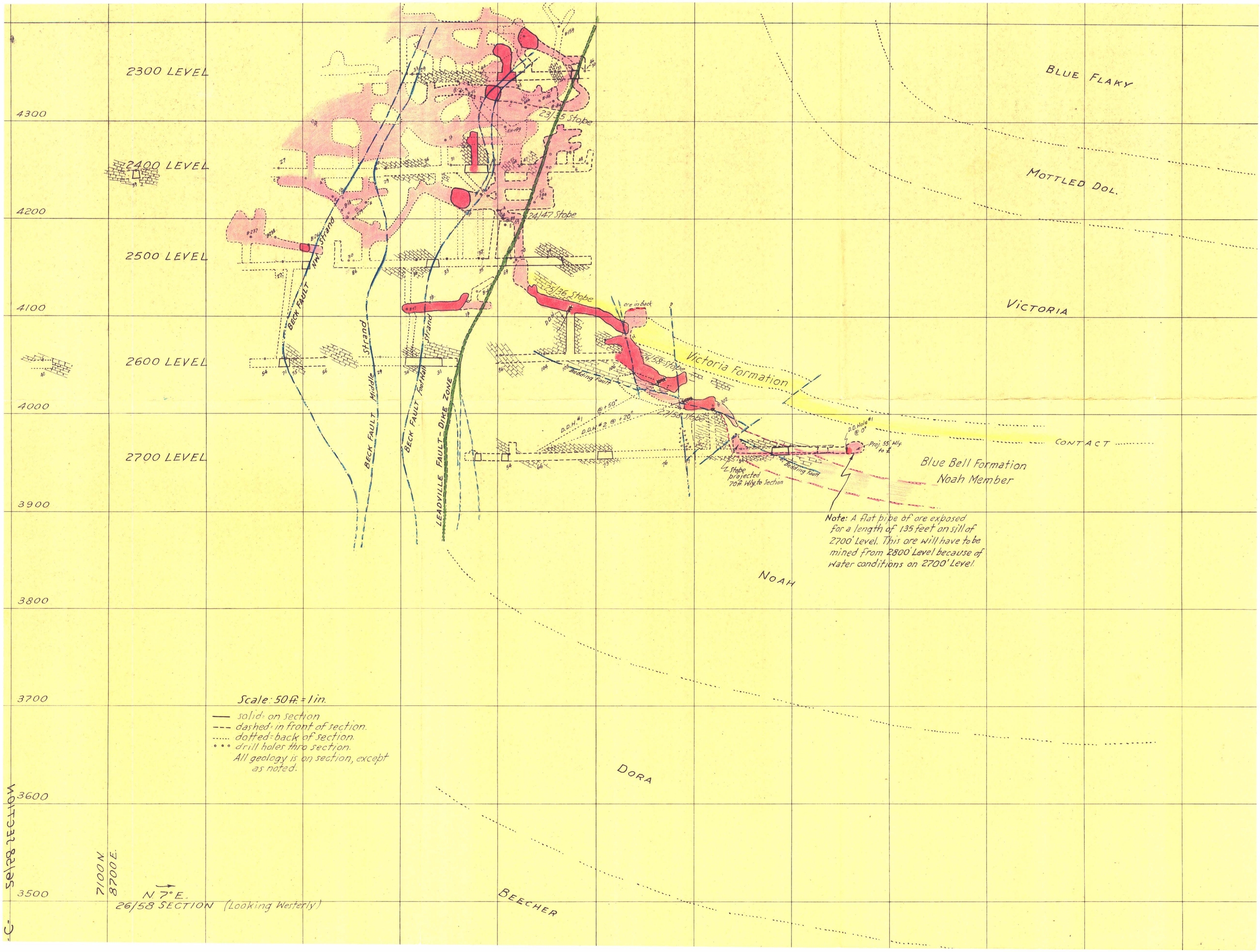
Sincerely yours,

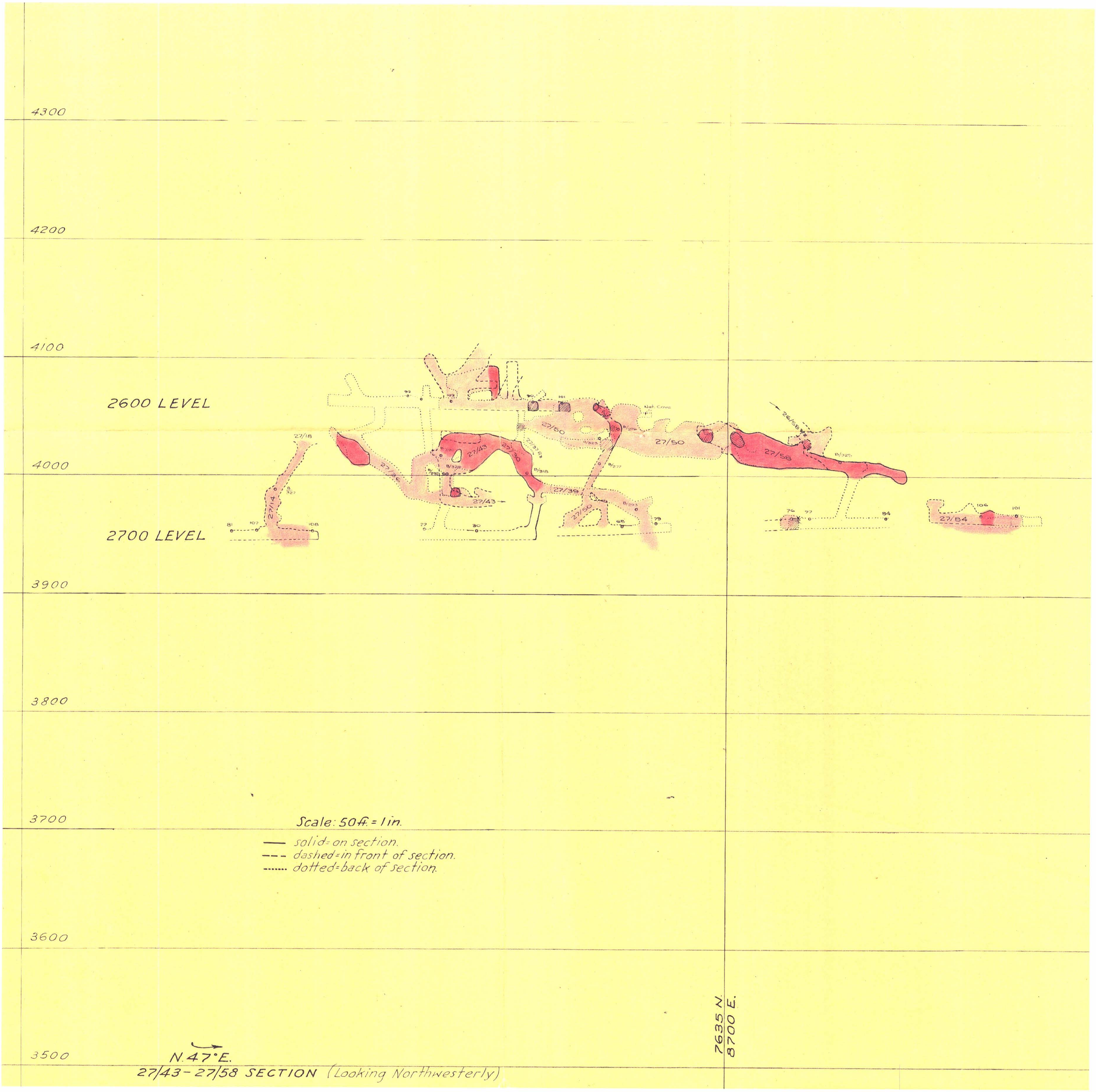
C. O. Mittendorf

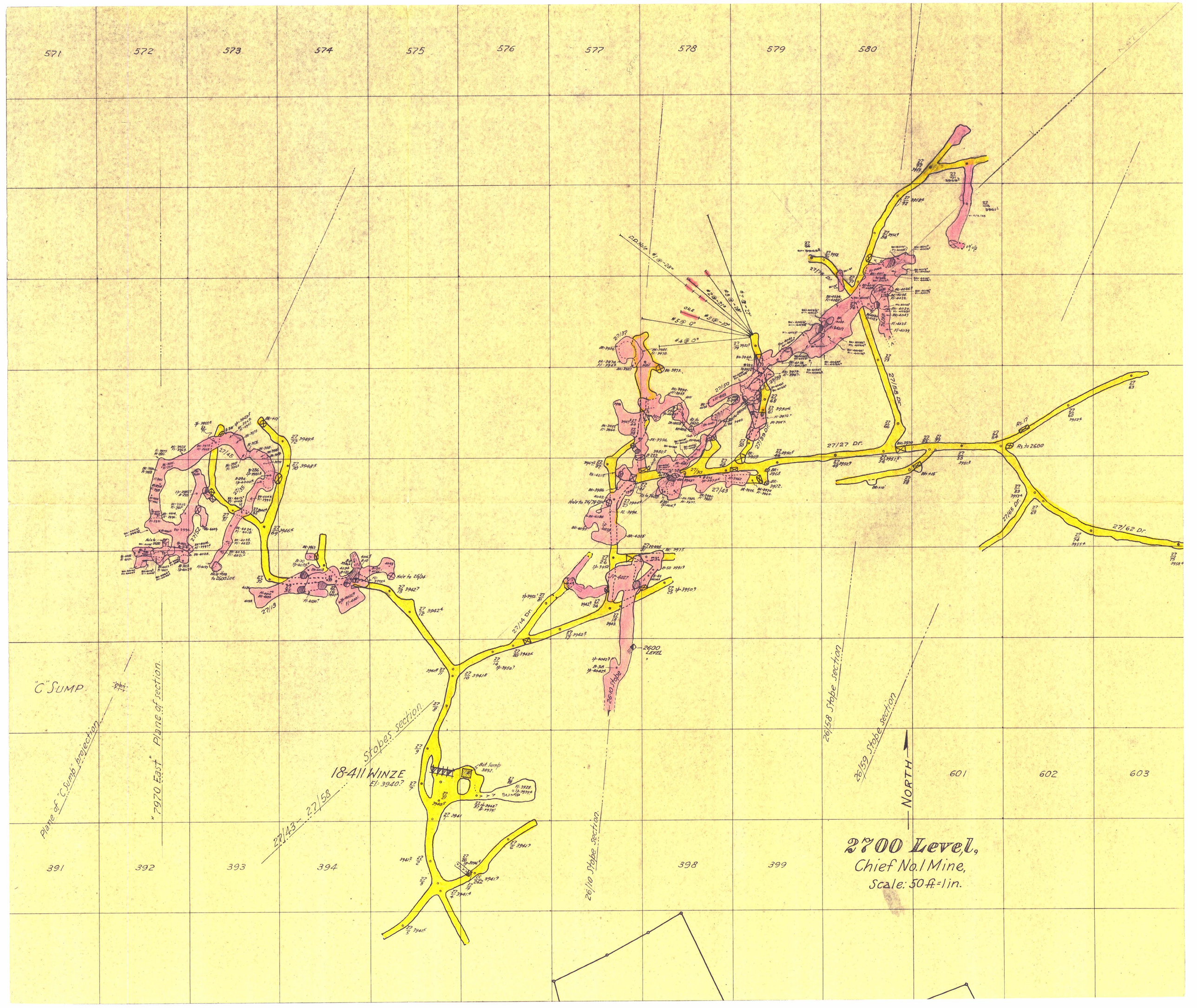
Administrator

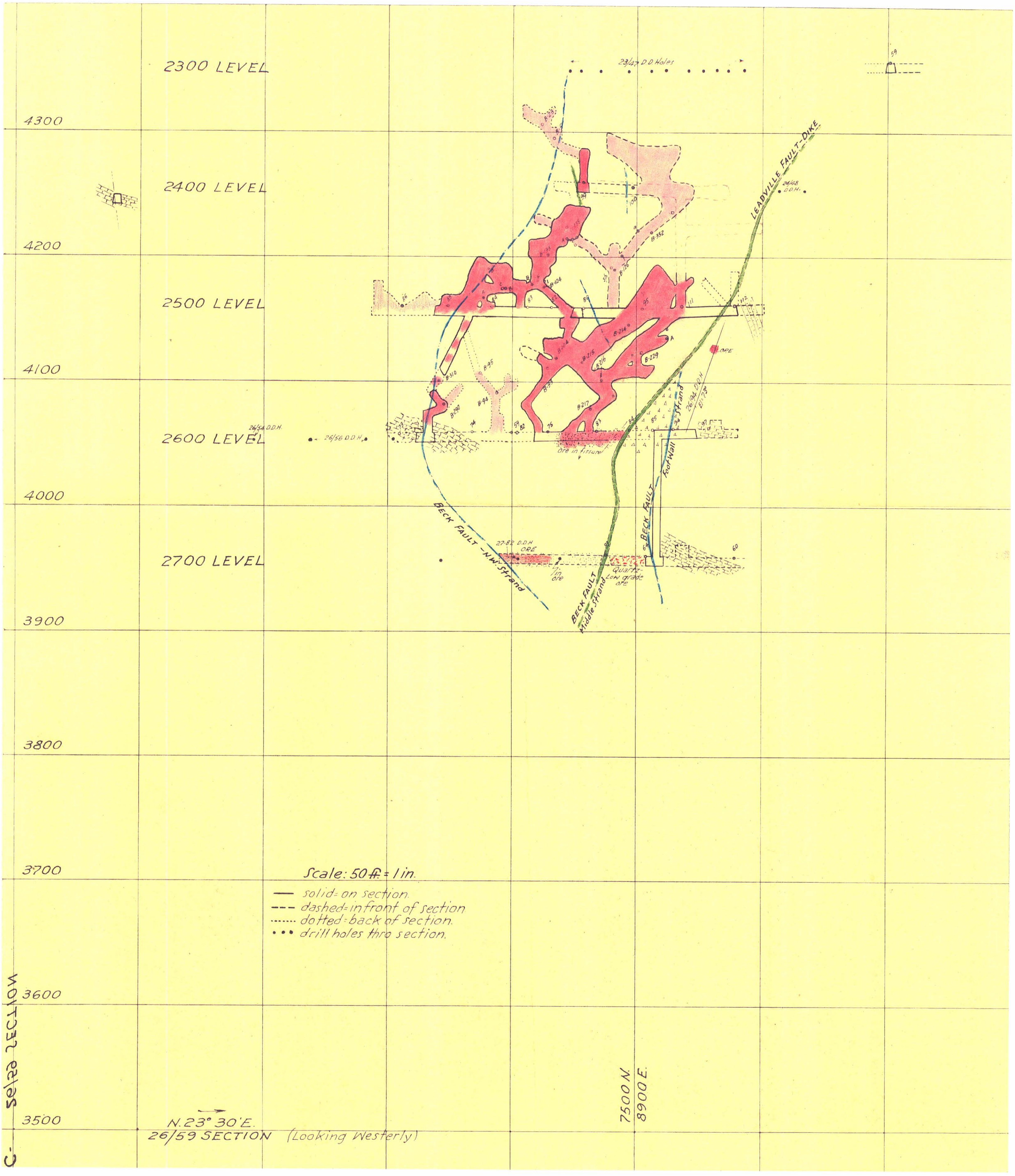
WRGriswold/er 3/27/57
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Mr. Jay Chambers, DMEA
Chron.
Region III (2)

8623


2300 LEVEL
2400 LEVEL
2500 LEVEL
2600 LEVEL
2700 LEVEL
4300
4200
4100
4000
3900
3800
3700
3600
3500
BLUE FLAKY
MOTTLED DOL.
VICTORIA
CONTACT
NOAH
DORA
BEECHER
23/35 Stope
24/47 Stope
25/36 Stope
26/58 Stope
22/58 Stope
Victoria Formation
Blue Bell Formation
Noah Member
BECK FAULT Nwk. Strand
BECK FAULT Middle Strand
BECK FAULT Foot Wall Strand
LEADVILLE FAULT-DIKE ZONE
Bedding Fault
ore in back
D.D.H. #1
D.D.H. #2 @ +20°
@ +50°
D.D. Hole #1 @ 0°
Proj. 55' Wly. to ↕
Stope projected 20 ft. Wly. to Section
Note: A flat pipe of ore exposed for a length of 135 feet on sill of 2700' Level. This ore will have to be mined from 2800' Level because of water conditions on 2700' Level.
Scale: 50 ft. = 1 in.
— solid - on section
--- dashed - in front of section.
..... dotted - back of section.
• • • drill holes thro section.
All geology is on section, except as noted.
7100 N
8700 E.
N 7° E.
26/58 SECTION (Looking Westerly)
-C- Sel28 SECTION


4300
4200
4100
4000
3900
3800
3700
3600
3500
2600 LEVEL
2700 LEVEL
27/18
27/14
27/43
27/30
27/50
27/39
27/58
27/84
Nat. Cave
26/58
B/325
B/318
B/327
Scale: 50 ft. = 1 in.
solid = on section.
dashed = in front of section.
dotted = back of section.
7635 N.
8700 E.
N. 47° E.
27/43 - 27/58 SECTION (Looking Northwesterly)


571
572
573
574
575
576
577
578
579
580
391
392
393
394
398
399
601
602
603
"C" SUMP
Plane of "C Sump" projection
"7970 East" Plane of section
27/43 - 27/58
Stopes section
18-411 WINZE
El: 3940.?
Bot Sump
3892.
SUMP
26/10 Stope section
26/58 Stope section
26/59 Stope section
2600 LEVEL
26/10 Stope
27/13
27/14 Dr.
27/15
27/27 Dr.
27/30
27/43
27/50
27/55 Dr.
27/59 Dr.
27/62 Dr.
27/65 Dr.
27/76 Dr.
Hole to 26/78 Dr.
Hole to 26/84
Hole Hna to 2600 Lev.
Hole to 2600
Rs. 17
Rs. to 2600
NORTH
2700 Level,
Chief No. 1 Mine,
Scale: 50 ft. = 1 in.


2300 LEVEL
2400 LEVEL
2500 LEVEL
2600 LEVEL
2700 LEVEL
4300
4200
4100
4000
3900
3800
3700
3600
3500
23/47 D.D. Holes
LEADVILLE FAULT-DIKE
24/48 D.D.H.
ORE
26/54 D.D.H.
26/56 D.D.H.
26/44 D.D.H.
El. 73'
Ore in fissure
Footwall
BECK FAULT
BECK FAULT - N.W. Strand
27-82 D.D.H.
ORE
Tin ore
Quartz-
Low grade ore
BECK FAULT
Middle Strand
Scale: 50 ft. = 1 in.
solid = on section.
dashed = in front of section
dotted = back of section.
drill holes thro section.
7500 N.
8900 E.
N. 23° 30' E.
26/59 SECTION (Looking Westerly)
C-
26/59 SECTION

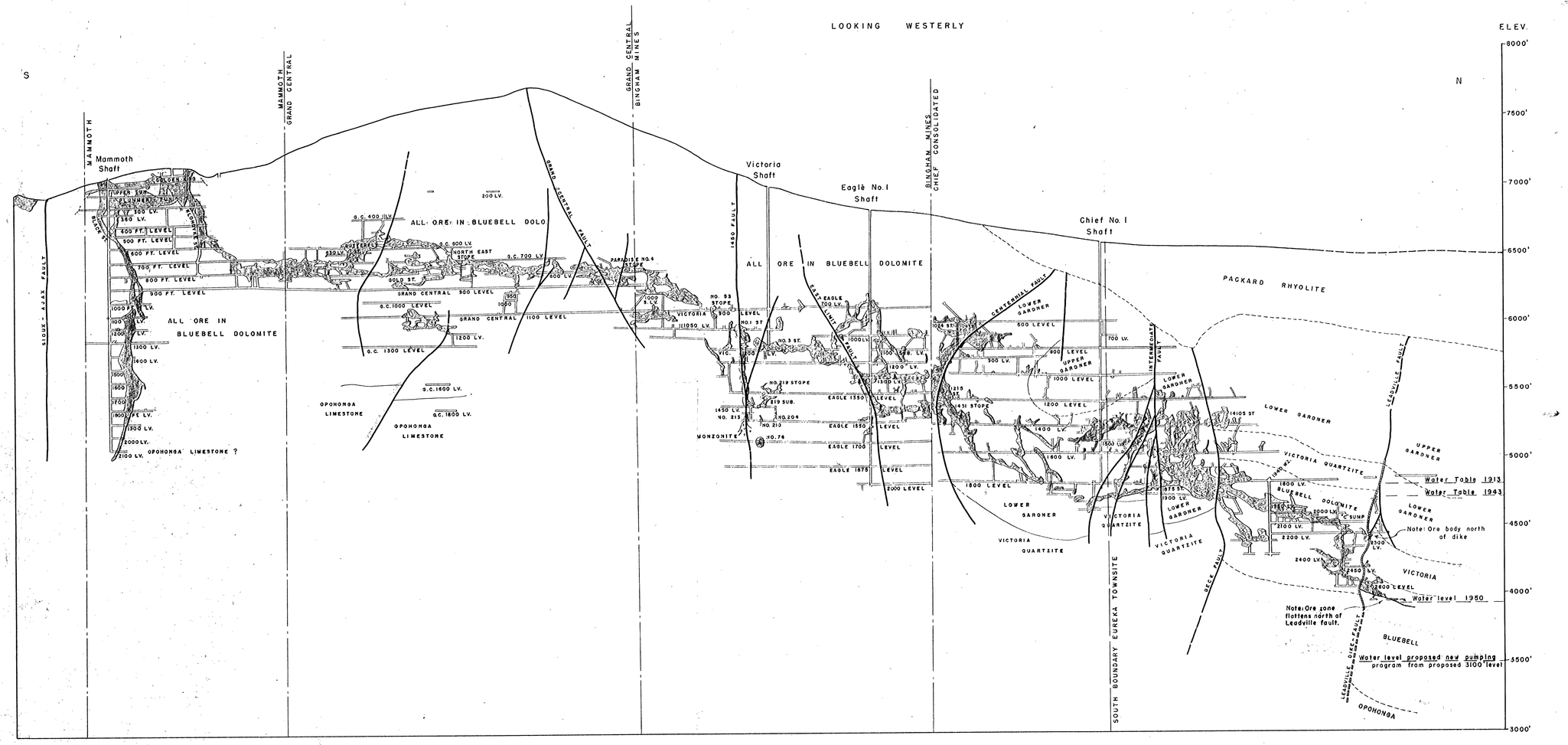
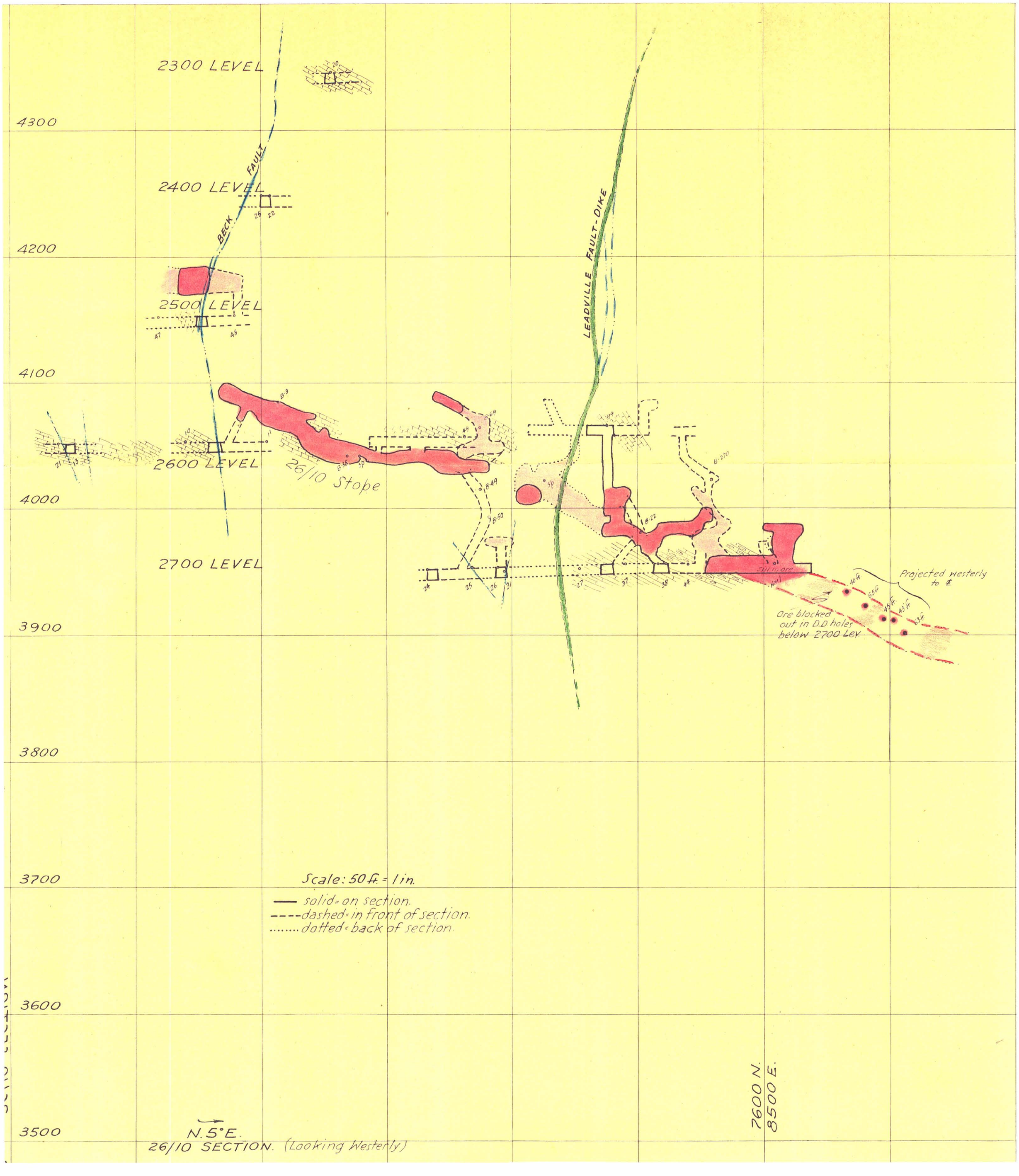
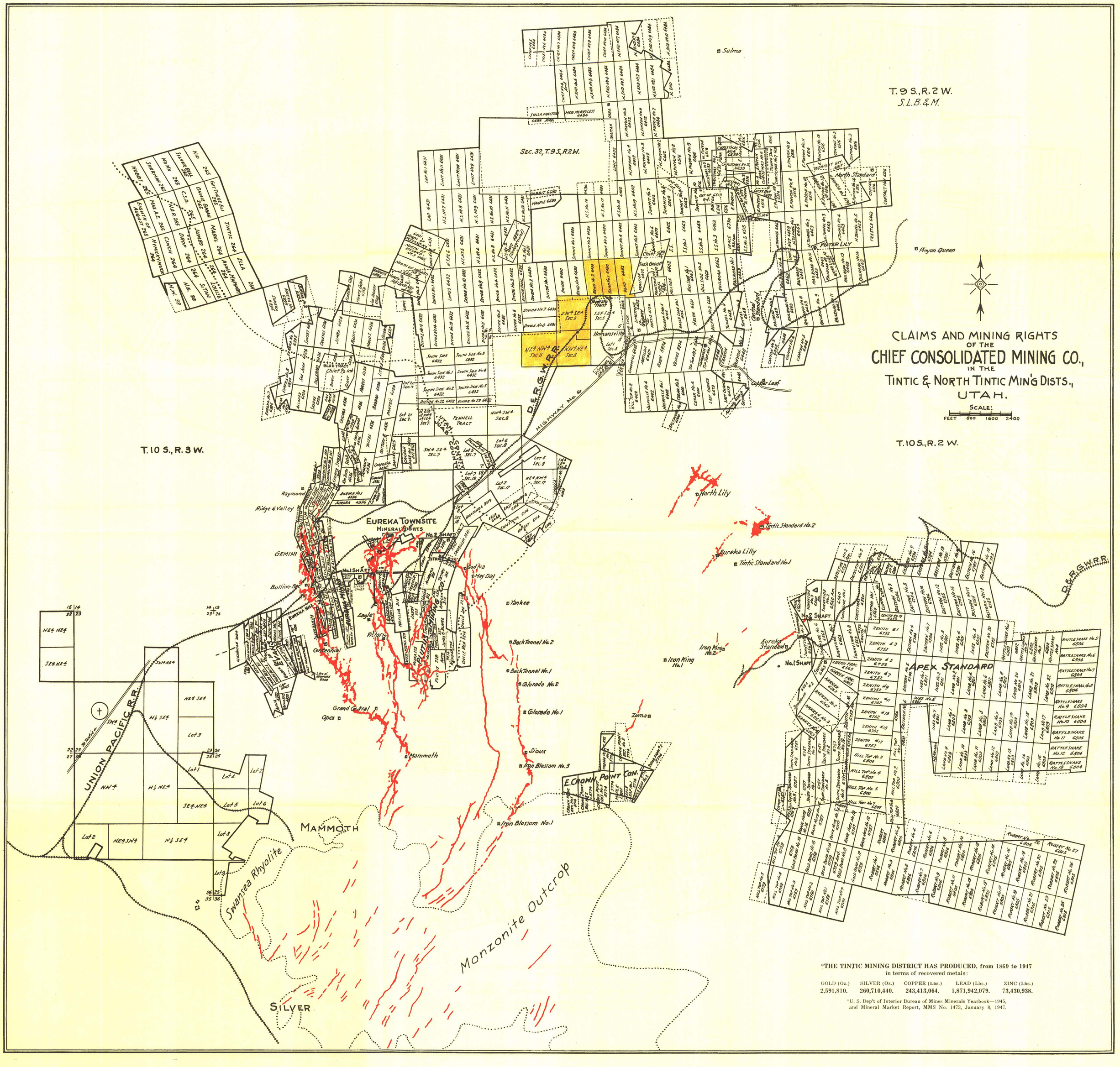


FIG. 1

PROJECTION OF THE WORKINGS IN
MAMMOTH, GRAND CENTRAL, VICTORIA, EAGLE AND BLUEBELL, AND CHIEF CONSOLIDATED ZONE
TINTIC DISTRICT, UTAH

0 500 1000 FEET
Scale

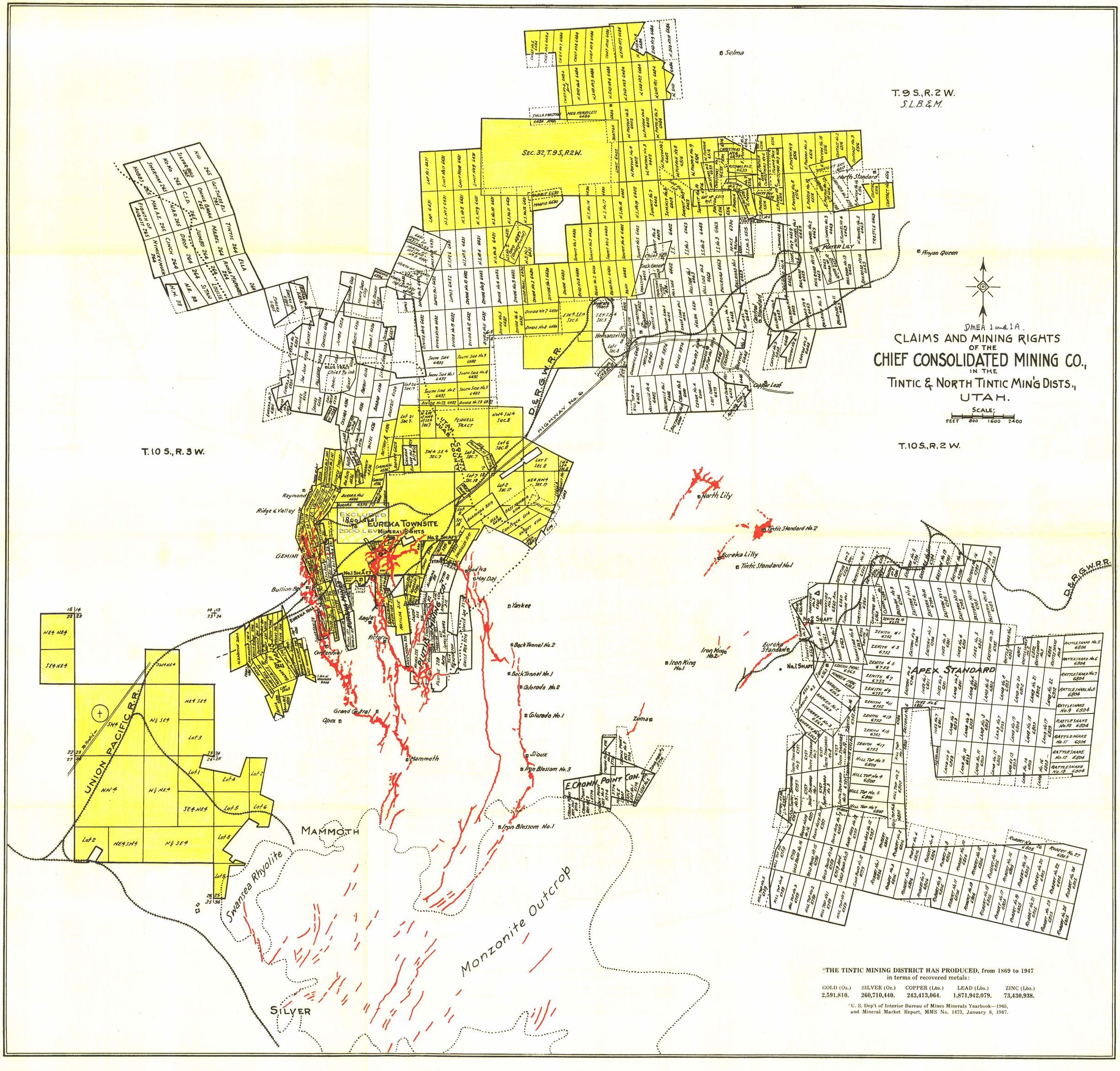

2300 LEVEL
2400 LEVEL
2500 LEVEL
2600 LEVEL
2700 LEVEL
BECK FAULT
LEADVILLE FAULT-DIKE
26/10 Stope
Projected westerly to ℄
Ore blocked out in D.D holes below 2700 Lev
Scale: 50 ft. = 1 in.
solid = on section.
dashed = in front of section.
dotted = back of section.
4300
4200
4100
4000
3900
3800
3700
3600
3500
7600 N.
8500 E.
N. 5° E.
26/10 SECTION. (Looking Westerly)



*THE TINTIC MINING DISTRICT HAS PRODUCED, from 1869 to 1947 in terms of recovered metals:

GOLD (Oz.)	SILVER (Oz.)	COPPER (Lbs.)	LEAD (Lbs.)	ZINC (Lbs.)
2,591,810.	260,710,440.	243,413,064.	1,871,942,079.	73,430,938.

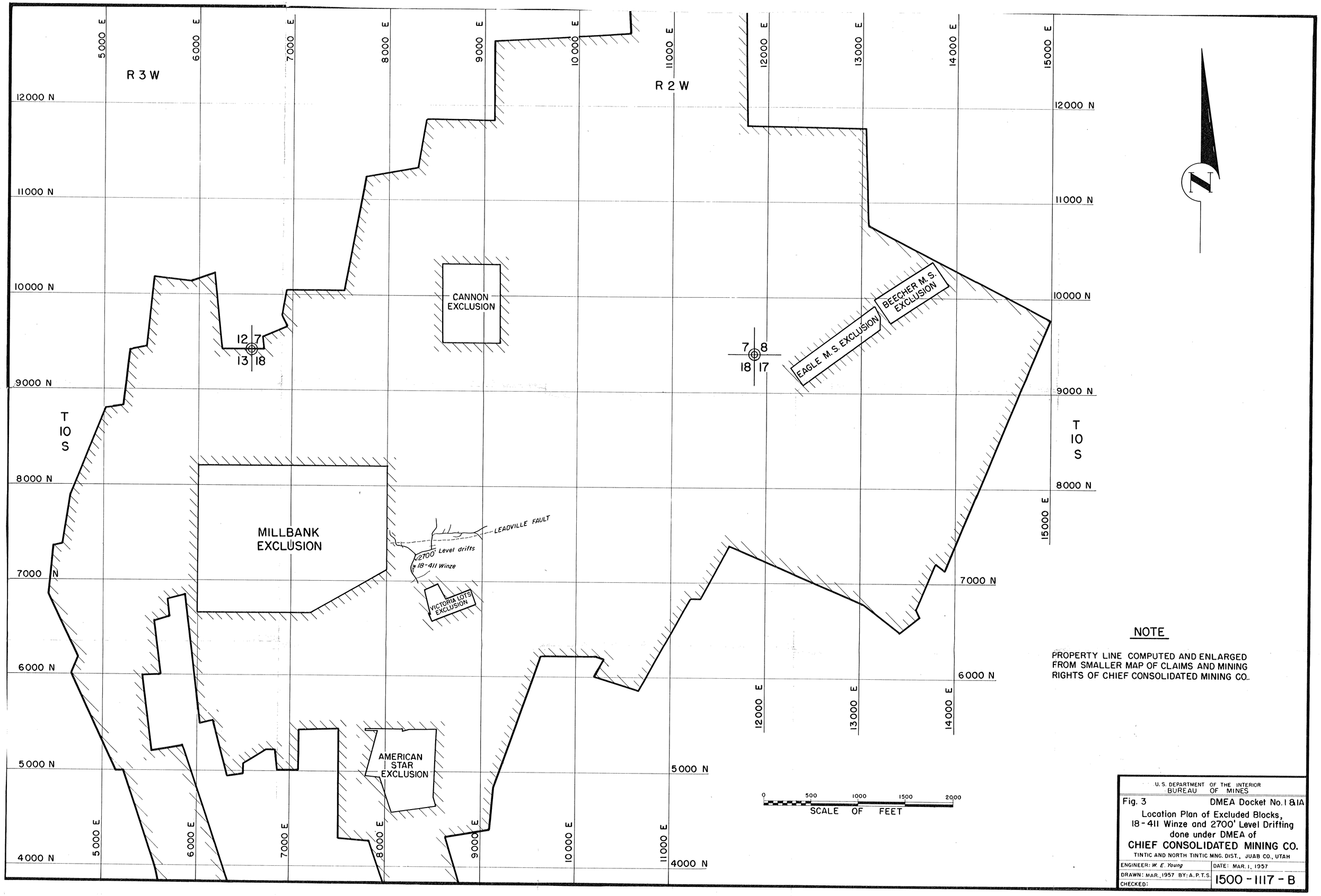
*U. S. Dep't of Interior Bureau of Mines Minerals Yearbook—1945, and Mineral Market Report, MMS No. 1473, January 8, 1947.



*THE TINTIC MINING DISTRICT HAS PRODUCED, from 1869 to 1947 in terms of recovered metals:

GOLD (Oz.)	SILVER (Oz.)	COPPER (Lbs.)	LEAD (Lbs.)	ZINC (Lbs.)
2,591,810.	260,710,440.	243,413,064.	1,871,942,079.	73,430,938.

*U. S. Dep't of Interior Bureau of Mines Minerals Yearbook—1945, and Mineral Market Report, MMS No. 1473, January 8, 1947.



NOTE

PROPERTY LINE COMPUTED AND ENLARGED FROM SMALLER MAP OF CLAIMS AND MINING RIGHTS OF CHIEF CONSOLIDATED MINING CO.

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

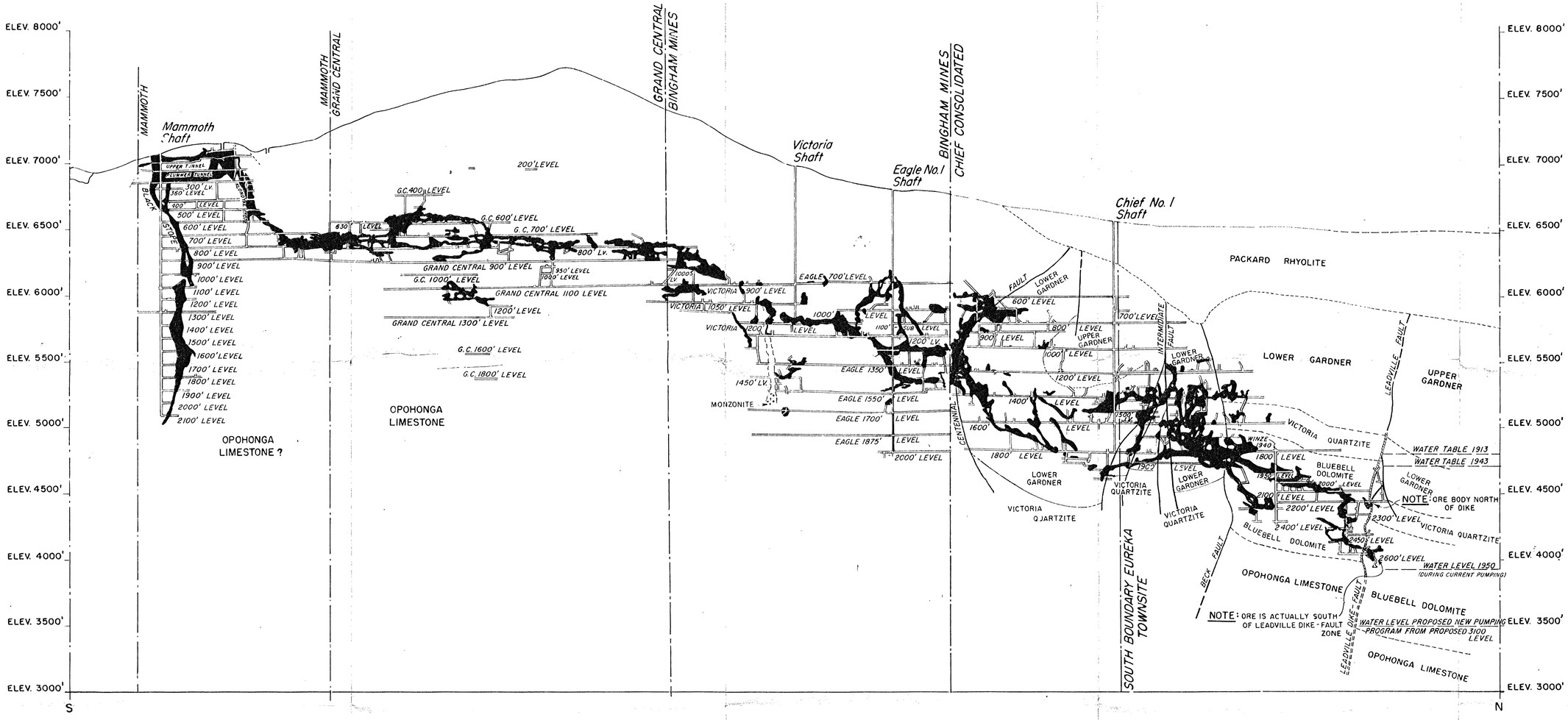
Fig. 3 DMEA Docket No. 1 & 1A

Location Plan of Excluded Blocks, 18-411 Winze and 2700' Level Drifting done under DMEA of

CHIEF CONSOLIDATED MINING CO.

TINTIC AND NORTH TINTIC MNG. DIST., JUAB CO., UTAH

ENGINEER: *W. E. Young*	DATE: MAR. 1, 1957
DRAWN: MAR., 1957 BY: A. P. T. S.	1500 - 1117 - B
CHECKED:	



SECTION THRU UNDERGROUND MINE WORKINGS

NOTE

DATA TRACED FROM COMPANY MAP.

0 400 800 1200 1600

SCALE OF FEET

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

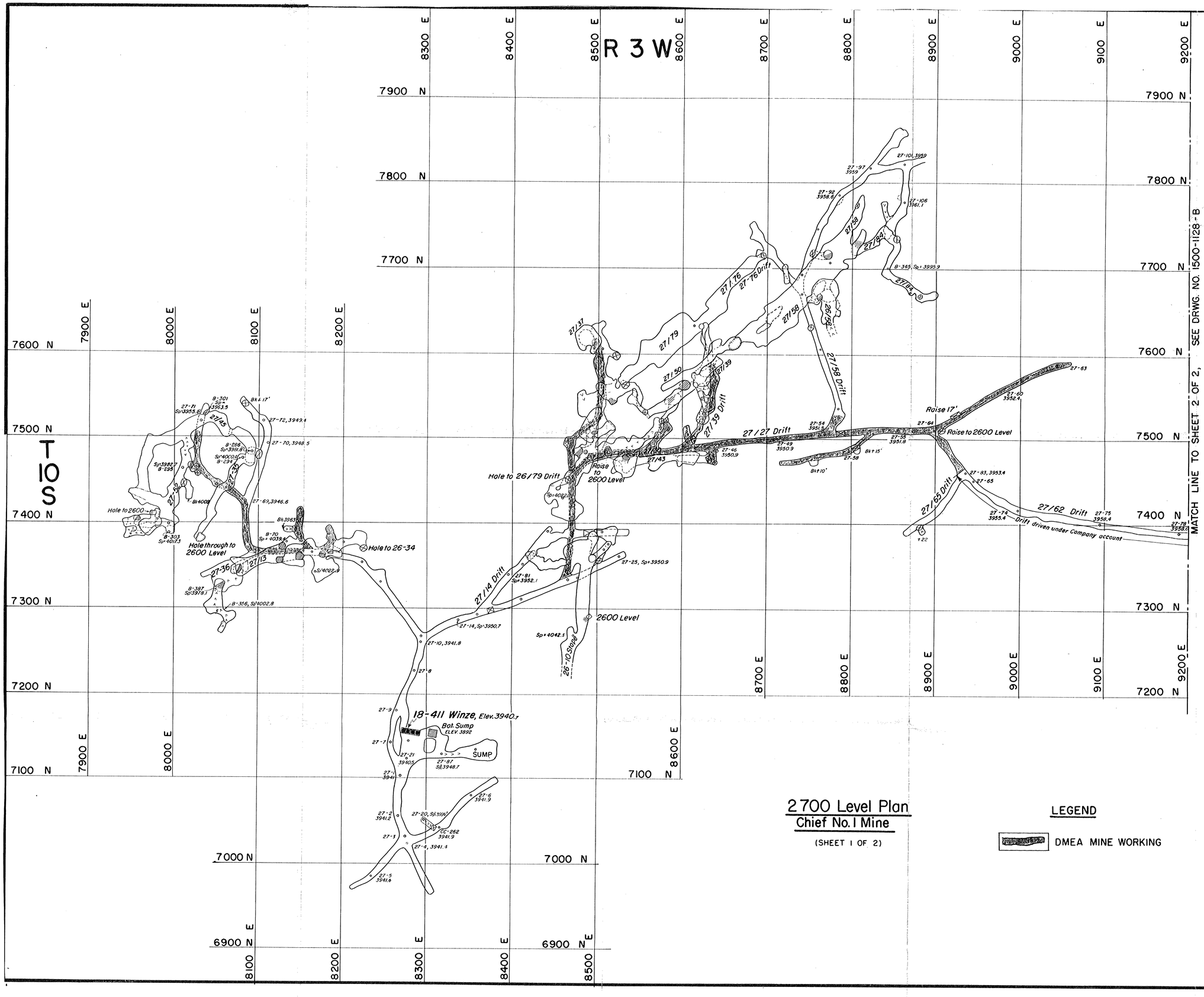
Fig. 4 DMEA Docket No. 1 & 1A

Section thru Underground Mine Workings of MAMMOTH, GRAND CENTRAL, VICTORIA, EAGLE, BLUE BELL, & CHIEF CONSOLIDATED ZONES

CHIEF CONSOLIDATED MINING COMPANY

EUREKA, JUAB COUNTY, UTAH

ENGINEER: W. E. Young	DATE: MAR 2, 1957
TRACED: MAR. 1957; BY: A.P.T.S.	1500 - 1142 - B
CHECKED:	



NOTE

DATA TRACED FROM COMPANY MAP.

SCALE OF FEET

0 50 100 150

2700 Level Plan
Chief No. 1 Mine

(SHEET 1 OF 2)

LEGEND

DMEA MINE WORKING

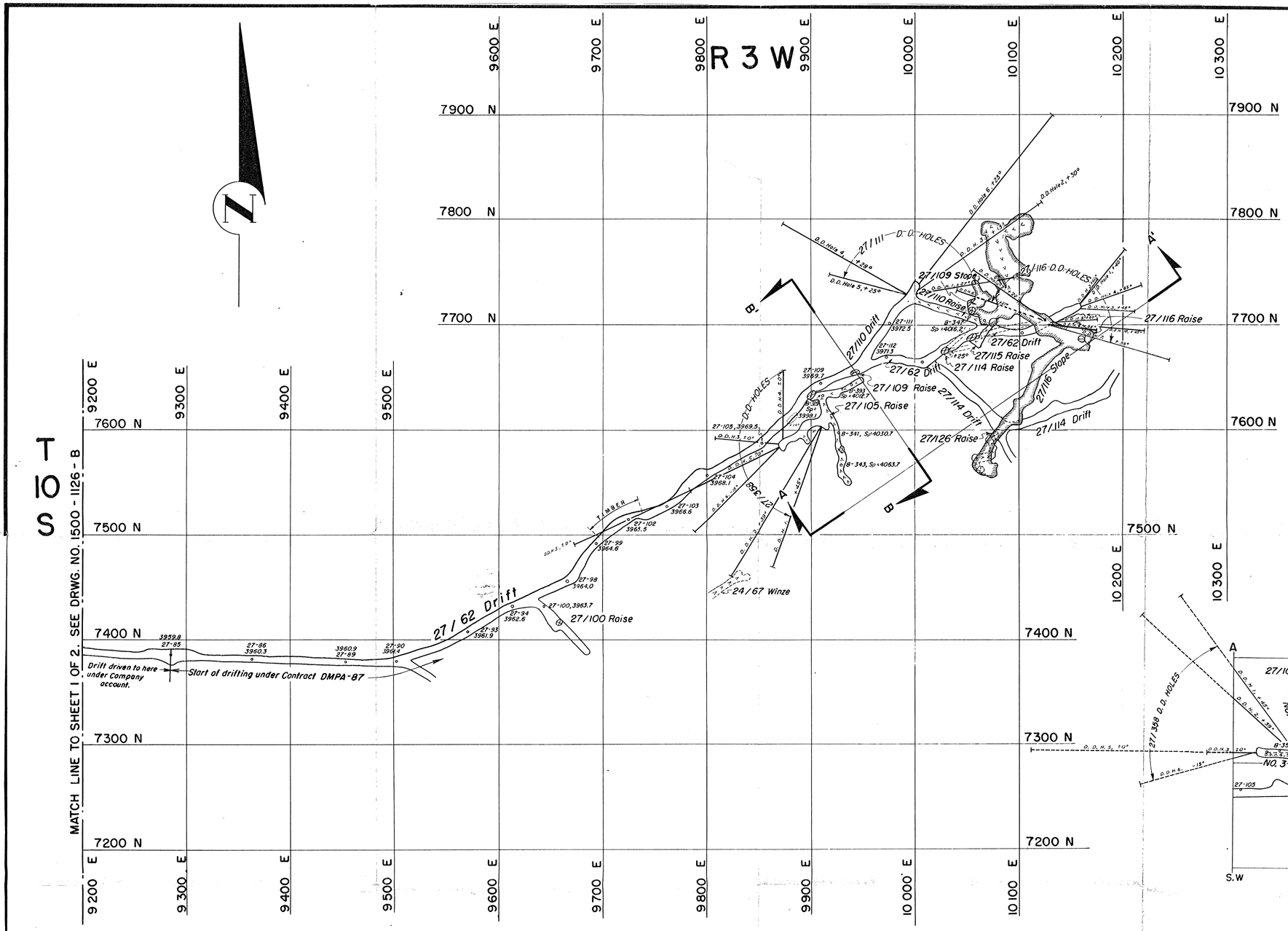
U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

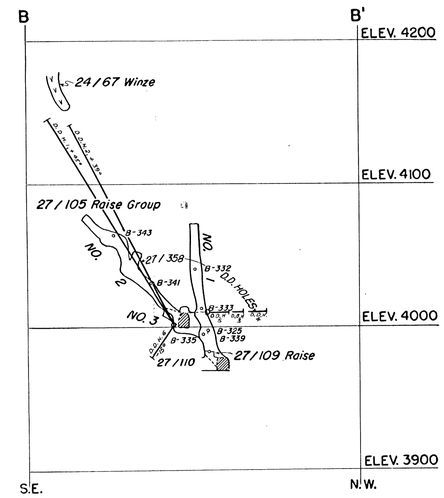
Fig. 5 DMEA Docket No. 1 & 1A

Mine Workings Plan of 2700-Foot Level
PROJECT 2, EXHIBIT A (1)
(SHEET 1 OF 2)

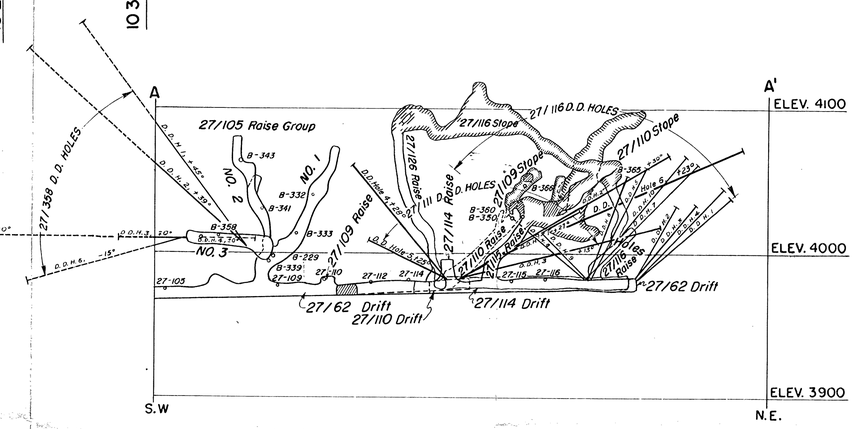
CHIEF CONSOLIDATED MNG. CO.
JUAB COUNTY, UTAH

ENGINEER: W. E. YOUNG	DATE: MAR. 3, 1957
TRACED: MAR. 1957; BY: A.P.T.S.	1500 - 1126 - B
CHECKED:	





SECTION B-B'



SECTION A-A'

2700 Level Plan

Chief No. 1 Mine

(SHEET 2 OF 2)

0 50 100 150
SCALE OF FEET

NOTE

DATA TRACED FROM COMPANY MAPS.
FOLLOWING ADDITIONS MADE OF:
1ST. PERIODIC PROGRESS, AUG., 1953 - APR., 1954;
2ND. PERIODIC PROGRESS, APR., 1954 - JULY 1, 1954;
3RD. PERIODIC PROGRESS, JULY, 1954 - OCT. 1, 1954

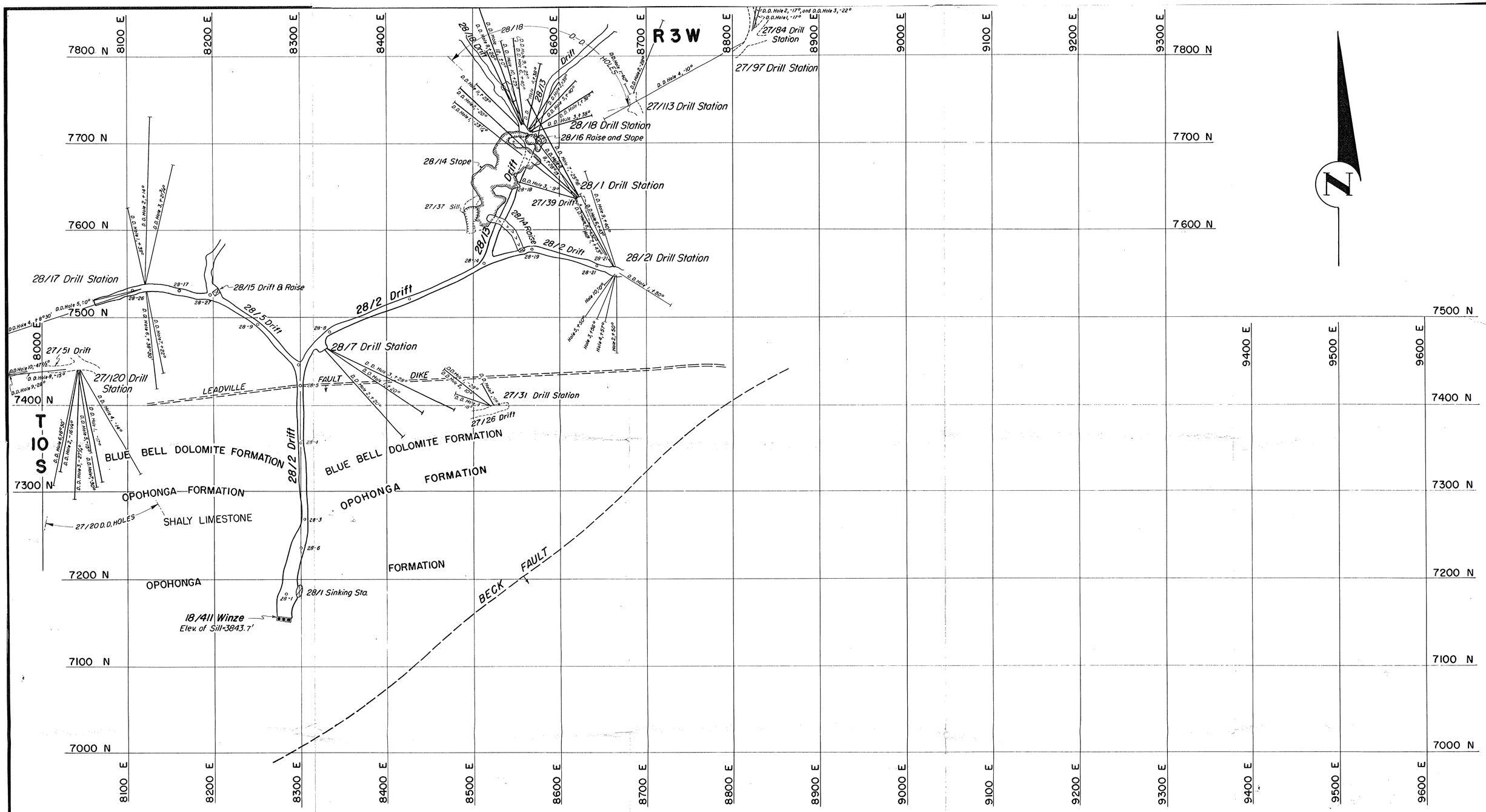
U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Fig. 5a DMEA Docket No. 1 & 1A

Mine Workings Plan & Sections of 2700-Ft. Level
PROJECT 2, EXHIBIT A (1)
(SHEET 2 OF 2)

CHIEF CONSOLIDATED MNG. CO.
JUAB COUNTY, UTAH

ENGINEER: W. E. YOUNG	DATE: MAR. 4, 1957
TRACED: MAR., 1957; BY: A.P.T.S.	1500 - 1127 - B
CHECKED:	



2800 LEVEL PLAN

ELEV. 3843.2

NOTE

DATA TRACED FROM COMPANY MAPS.

0 50 100 150 200
SCALE OF FEET

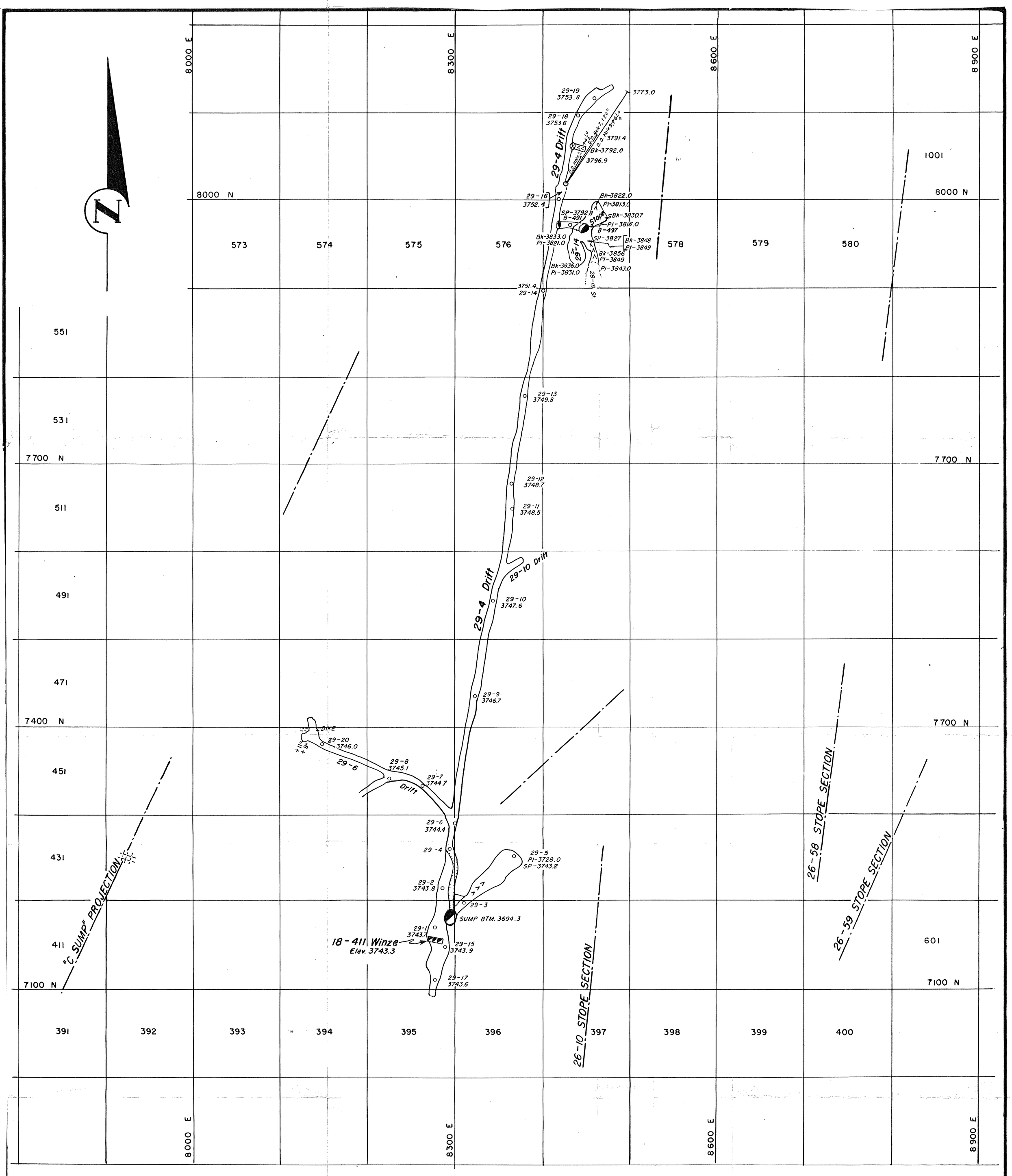
ADDITIONS MADE ON AUG. 24, 1954, OF:
1ST. PERIODIC PROGRESS, AUG., 1953 - APR., 1954;
2ND. PERIODIC PROGRESS, APR., 1954 - JULY 1, 1954.
3RD. PERIODIC PROGRESS, JULY, 1954 - OCT. 1, 1954

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Fig. 6 DMEA Docket No. 1 & 1A

Mine Workings Plan of 2800 - Foot Level
PROJECT 1, EXHIBIT B,
CHIEF CONSOLIDATED MNG. CO.
JUAB COUNTY, UTAH

ENGINEER: W. E. YOUNG	DATE: MAR. 5, 1957
TRACED: MAR., 1957; BY: A.P.T.S.	1500 - 1129 - B
CHECKED:	



PLAN OF UNDERGROUND WORKINGS

NOTE

DATA TRACED FROM COMPANY MAP.

0 50 100 150 200

SCALE OF FEET

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Fig. 7 DMEA Docket No. 1 & 1A

Working Plan of 2900 Level

CHIEF CONSOLIDATED MINING COMPANY
CHIEF NO. 1 MINE

EUREKA, JUAB COUNTY, UTAH

ENGINEER: *W. E. YOUNG*	DATE: MAR. 6, 1957
TRACED: MAR, 1957; BY: A.P.T.S.	1500-1150-B
CHECKED:	