Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY
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RECEIVED OCT 2 1963
DATE | INITIALS | CODE
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September 27, 1963

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: IDMEA-3066 (Tungsten)
Contract Idm-E621
Timco, Inc.
(Last Chance Claims)
Tooele County, Utah
FINAL INSPECTION OF CERTIFIED CONTRACT

A Report of Royalty Review dated January 4, 1962 shows that as of December 26, 1961, no royalty was due on production from the subject property. Also, that the Operator's address was unknown. Later information concerning the Operator and the property follows:

1. The State of Nevada revoked the Operator's charter the first Monday of March 1956.

2. The Operator's lease with the Star Dust Mines, Inc., the lessor, was cancelled for "non-performance" in 1960.

3. Information furnished on Forms MME 63 by officers of the Star Dust Mines, Inc. indicated that there was no production from the property from December 26, 1961 to May 6, 1963.

4. Mr. Fred A. Cook, President of the Star Dust Mines, Inc., died in 1962. His wife, Marvell Cook, 283 East South Temple, Salt Lake City, Utah, has since been the corporation's manager. She recently told an OME representative, that the property has been idle since May 6, 1963, and that no change is anticipated

in the status of the property to October 5, 1963, the termination date of the subject contract.

5. An employee of the U.S.B.M. who is well informed about the property, recently reported, that there has been no production from the property since 1954, and that no production from the property in the near future is expectable.

It is recommended that the contract's accounts be closed as of October 5, 1963.

Original signed by

High M. Connors

TMR

JOHN KOONTZ
SECRETARY OF STATE

Selfridge

E 621

RECEIVED
DATE

STATE OF NEVADA
DEPARTMENT OF STATE

JOHN W. WOODBURN
DEPUTY

CARSON CITY, NEVADA

February 9, 19

To: United States Department of the Interior

Re: TIRCO, INC. incorporated May 26, 1953

Replying to your recent inquiry re. the above corporation, you are informed that its charter was revoked (or, if a State other than Nevada is concerned, its corporate name above, its right to do business in Nevada was forfeited) at the time and for the reason set forth in one of the two following paragraphs which is checked:

( ) The first Monday of March, 192 , for failure to pay the annual license tax then assessed against corporations; or

( ) The first Monday of March, 19 , for failure to file an annual list of officers, directors, designation of resident agent and his acceptance thereof, and to pay the filing fee and penalty thereon.

In either case, you are informed that the charter, or the right to do business in Nevada, as the case may be, has not been reinstated since revocation or forfeiture, for which the law authorizing same makes provision. If you wish to reinstate the company, we shall be glad to advise you as to the total delinquent fees and penalties which must be paid before reinstatement can be allowed, and the procedure to accomplish such reinstatement.

You are further informed that corporations are not required to file in this office any papers, statements or reports, other than their articles of incorporation and any amendments thereof, notice of change of location of principal office and of the agent in charge thereof, and the annual list of officers, etc., above referred to. Hence, we are unable to inform anyone as to the physical or financial operations of any corporation; its property, assets, or liabilities; its stock issues; or the value of its shares, etc. Furthermore, we are never informed as to the registrar or transfer agent of its stock.

By reason of the status of the company, as indicated above, we have no information with respect to the current officers, directors, or resident agent of the corporation.

Very truly yours,

John Koontz

Secretary of State.

rj

Building 20 - Federal Center
Denver 25, Colorado

January 26, 1962

Mr. Fred A. Cook, President
Star Dust Mines, Inc.
285 E. South Temple
Salt Lake City, Utah

OME
DEPARTMENT OF THE INTERIOR

Re: BMA-3066 (Rayston)
Contract IDm-1621
Timco, Inc.
(Last Chance Claims)
Tooele County, Utah

Dear Mr. Cook:

Will you please advise if the lease to Timco, Inc. on the Last Chance and Apache Chief claims is still in effect.

Your early reply will be appreciated.

Yours very truly,

Hugh M. Connors
Acting Field Officer, OME
Region III

Cancelled for non Performance 1960
J A Cook

Building 20 - Federal Center
Denver 25, Colorado

January 26, 1962

Mr. Fred A. Cook, President
Star Dust Mines, Inc.
283 E. South Temple
Salt Lake City, Utah

OME
DEPARTMENT OF THE INTERIOR

Re: DEKA-3066 (Kanyton)
Contract Ida-1621
Tinco, Inc.
(Last Chance Claims)
Tooele County, Utah

Dear Mr. Cook:

Will you please advise if the loan to Tinco, Inc. on the Last Chance and Apache Chief claims is still in effect.

Your early reply will be appreciated.

Yours very truly,

Hugh N. Connors
Acting Field Officer, OME
Region III

Cancelled for non performance 1960
J A Cook

Building 20 - Federal Center
Denver 25, Colorado

January 26, 1962

EXTR
O. M. E
RECEIVE
800

Mr. Fred A. Cook, President
Star Dust Mines, Inc.
283 E. South Temple
Salt Lake City, Utah

Re: DMEA-3066 (Tungsten)
Contract Idm-E621
Timco, Inc.
(Last Chance Claims)
Tooele County, Utah

Dear Mr. Cook:

Will you please advise if the lease to Timco, Inc. on the Last Chance and Apache Chief claims is still in effect.

Your early reply will be appreciated.

Yours very truly,

Original signed by

Hugh M. Cumsors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Idm E621
Chron

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E621, Docket DMEA-3066 (tungsten), dated October 5, 1955, with

Timco, Incorporated
536 Atlas Building
Salt Lake City, Utah

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Last Chance Nos. 1 and 2 and Apache Chief claims located in Tooele County, Utah, during the period December 1, 1954, through December 26, 1961.

A certification of discovery or development was issued on March 14, 1955, and, in accordance with Article 6 and Annex I of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated June 28, 1954, indicated accepted costs under the exploration contract amounting to $1,825.00 with the Government's contribution on a 75 percent basis being $1,368.75.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review, which found the sales subject to the Government's royalty through November 30, 1954, to be $288.95. The royalty account as of November 30, 1954, was:

Total Royalty Payable	$14.44
Total Royalty Paid	-0-
Balance of Royalty Due	$14.44

As of December 26, 1961, the royalty account of this project was found to be:

Total Royalty Payable	$14.44
Total Royalty Paid	14.44
Balance of Royalty Due	$ -0-

January 4, 1962

E. D. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

The exploration project contract states that, as of the date thereof, the Operator was the lessee of the Last Chance Nos. 1 and 2 claims and the Apache Chief claim. An Owner's Consent to Lien executed on September 2, 1953, by Star Dust Mines, Inc., presently of 283 East South Temple, Salt Lake City, Utah, refers to the exploration project contract as being with "Haydn A. Schettler and/or TIMCO, INC." Submitted with the application for exploration aid, as evidence of control of the property, was a 15-year lease and option to purchase agreement between Star Dust Mines, Inc., and Haydn A. Schettler. The agreement included a provision for a down payment against the purchase price by "common stock in a company to be formed by lessee".

The exploration work was performed during December 1953. No production occurred during the exploration work; however, for a limited period during the latter part of 1954, the property was operated by sub-lessees. Sales of the production during this period of operation are covered by a prior Report of Royalty Review. The royalty indicated therein as due the Government was paid during April 1955. The property has not been operated since 1954.

This contract contains the so-called "abandonment" provision. Also, the Owner's Consent to Lien secures payment of the Government's royalty only to the extent "provided for under the terms of said exploration project contract".

The Operator is no longer located at the address shown on the face of this Report of Royalty Review. Its present address is unknown.

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

(1) The property under the contract has been inactive since 1954 and the Operator's present address is unknown;
(2) All production since the date of the contract has been accounted for and proper royalty thereon paid; and
(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

MME Form 22
Dec. 60

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name and Address

Timco, Inc.

see below

Contract No.	Docket No.
Idm E621	DMEA 3066 (Tungsten)

Prepared by (Signature) Original signed by T. M. Romslo — Date December 26, 1961

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.
			Inactive.
	X		Abandoned.
			Date of last production if not operating. Nov. 1954

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

Mr. Fred A. Cooke, President, Star Dust Mines (lessor), 283 E. South Temple, Salt Lake City, Utah, reported Aug. 3, 1961 that the property has been inactive since operations for a limited period during 1954. No information on hand as to the Operator's present address and whether its lease is still in effect.

84861-60

Ultra

OFFICIAL FILE COPY
O. M. F.
RECEIVED JAN 29 1962
DATE

8.02

Building 20 - Federal Center
Denver 25, Colorado

January 26, 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: DMRA-3066 (Tungsten)
Contract Idm E621
Tinso, Incorporated
(Last Chance Nos. 1 and 2 and Apache Chief Claims)
Tooele County, Utah

Attached is the original Report of Royalty Review on the subject property dated January 4, 1962 covering the period December 1, 1954, through December 26, 1961.

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 E621
Chron

JAN 1 8 1962

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-3066 (Tungsten)
Timco, Incorporated
Last Chance Nos. 1 and 2 and Apache Chief Claims
Tooele County, Utah
Contract Ide-E621

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 1-17-62

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

DEC 20 1961

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-5066 (Tungsten)
Timco, Inc.
Last Chance Claims
Tooele County, Utah
Contract Idm-8621

This Division is preparing a Report of Royalty Review on the subject contract. Accordingly, your submission of an original and one copy of MME Form 22, Check Sheet of Examining Engineer, will be appreciated.

It appears that this property has been inactive since operation by lessees (or sub-lessees?) for a limited period during 1954. Your confirmation or correction by appropriate statement under item 8 of MME Form 22 will be appreciated.

Advice also would be appreciated, if your records include such information, as to the Operator's present address and whether its lease is still in effect.

EDTalbert/ama 12-20-61

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

EXTRA COPY O. M. E RECEIVED FEB 15 1960		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

Mr. Fred Cook, President
Star Dust Mines, Inc.
Dugway, Tooele County, Utah

Re: Docket No. DMEA 3066 (Tungsten)
Contract No. Idm-2661
Timco, Inc.
(Last Chance claims)
Tooele County, Utah

Dear Mr. Cook:

The enclosed questionnaire was forwarded as addressed, but was returned by the Post Office Department for reason of "Addressee Unknown".

Since we are unable to locate the Operator under the referenced contract, the matter is referred to you as owner of the land subordinated under the contract. Please supply the requested information by completing one copy of the questionnaire and return it promptly to this office in the enclosed self-addressed envelope.

Very truly yours,

Original signed by

J. W. Townsend
Executive Officer, OME
Field Team, Region III

JWT:ltm

cc: Chan. Op. Comm.
Reg. Corres.
Chron.

For Certificate of Deposit No. 95, dated April 19, 1955, giving royalty repayment of $14.44, see E-4.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF FIRST ROYALTY REVIEW

I have reviewed all copies of settlement sheets on file with the Executive Officer, DMEA Field Team, Region III, applicable to the sales of tungsten concentrates for the period October 5, 1953 to November 30, 1954 by

Timco, Incorporated
536 Atlas Building
Salt Lake City, Utah

produced from property referred to as Last Chance claims located in Tooele County, Utah, under the terms of Contract Idm-E621, Docket No. DMEA-3066.

My review included a tabulation and recomputation of all tungsten concentrate settlement sheets, a summary of which is attached, and made a part of this report. It also included a conference with the Supervising Engineer, Salt Lake City, Utah, Bureau of Mines officer, who is thoroughly familiar with the project.

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

(1) The Supervising Engineer is of the opinion that all ore produced for the period October 5, 1953 to November 30, 1954, for which settlement sheets have been received has been accounted for properly.

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

The review established the total net sales of tungsten concentrates under the contract for the period to be $288.95. Royalty on these sales is due the United States Government at the rate of 5%. To date no royalty payments have been received and the total royalty in the amount of $14.44 is due and payable.

Dated February 9, 1955

T. H. Brading, Auditor

SUMMARY OF CONCENTRATE SETTLEMENT SHEETS
Timco, Incorporated
Contract Idm-E621 Docket DMEA-3066

Purchaser C. W. Jones			TOTAL
Date	9-29-54	11-30-54	
Lot No.	5	7	
Pounds Concentrate	176.5	111	287.5
Tons Concentrate	.08825	.0555	.14375
Assay WO_3	39.09	35.39	37.656
Units	3.449	1.9641	5.4131
Price Unit	$56.74	$57.155	$ 56.89
Gross Payment	$195.70	$112.25	$ 307.95
Deductions			
Sampling	$2.50	$2.50	$ 5.00
Assaying	$7.00	$7.00	$ 14.00
Total Allowable Deductions	$9.50	$9.50	$ 19.00
Net Payment	$186.20	$102.75	$ 288.95
Net Value per Ton	$2,109.92	$1,851.35	$2,010.09
Royalty Percentage	5	5	5
Royalties Due	$9.31	$5.14	$ 14.44
Royalties Paid	--	--	--
Royalties Due	$9.31	$5.14	$ 14.44

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

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

FEB 16 1955

Re: Royalty Reports of Review
Idm-E568, DMFA-2898
F. F. Hintze

and

Idm-E621, DMFA-3066
Timco, Incorporated

Dear Mr. Brading:

Receipt is acknowledged of the copies of your Royalty Reports of Review covering the above-cited Exploration Project Contracts.

The Reports are acceptable and normal distribution may be effected.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Chief
Contract Administration
and Audit Division

WBorovies/wb
February 16, 1955

Copy to: Docket (2)
Admr. Reading File
Mr. Chambers

REPORT
OF REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Timco, Inc.
536 Atlas Building
Salt Lake City, Utah

pertaining to Exploration Project Contract No. Idm-E621, Docket No. DMEA 3066, including Amendment Nos. 1 and 2, for the month of December 1953, covering a project for the exploration of Tungsten on property known as Star Dust Mines, located in Tooele County, Utah, about 2 miles northwest of Gold Hill.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, conference with the Executive Officer or the Field Team in charge of the project, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reasons:

The contract provides for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor:		$1825.00
Exceptions:		
By DMEA Finance Officer	None	
Herewith	None	None
Total Accepted Cost		$1825.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of One Thousand Three Hundred Sixty-eight and 75/100ths Dollars

- $1368.75 -

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

Date: June 28, 1954

Donald T. Finch

Donald T. Finch, Auditor

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

OCT 28 1954

224 New Customhouse
Denver 2, Colorado

October 15, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 3066 (Tungsten), Contract Idm-E621, Timco, Inc., Tooele County, Utah - FINAL PAYMENT

Reference is made to our memorandum of January 18, 1954, whereby we transmitted the final Form MF-104 Operator's Monthly Progress Report and Voucher for the month of December 1953 and instructed you to withhold the amount of $200.00 from reimbursement to the operator pending receipt of the operator's final report and release of a Report of Review of contract expenditures by the Contract Administration and Audit Division.

The operator's final report was received in this office October 14, 1954, therefore we now recommend that final payment to the operator be made on the following basis which is in conformance with the Report of Review by the Contract Administration and Audit Division dated June 28, 1954:

Basis for final payment

Total accepted cost.....	$1,825.00
Government participation at 75%.....	1,368.75
Total prior payments.....	1,168.75
Balance due the operator.....	$ 200.00

W. H. King

JWT:jp
cc Subject
Chron
SRWilson
Sec. to Op. Comm. (2)
JWTownsend

Paid 200.00
Randel R. Cooper
Authorized Certifying Officer
10/22/54
DMA-55-28

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

Department of the Interior
Defense Minerals Administration
RECEIVED
OCT 28 1954

224 New Customhouse
Denver 2, Colorado

October 26, 1954

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 3066 (Tungsten), Contract Idm-E621, Timco, Inc., Tooele County, Utah. Final Payment.

Enclosed are two copies of a memorandum to Mr. T. A. Christensen, dated October 15, 1954, relative to final payment under the terms of the subject contract.

Final payment to the Operator in the amount of $200.00 has now been made in conformance with the Report of Review by the Contract Administration and Audit Division, dated June 28, 1954.

W. H. King

W. H. King

Enclosures

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1953 Docket No. DMEA 3066 Contract No. Idm-E621
Operator's Name Timco Incorporated Minerals TUNGSTEN
Address 536 Atlas Bldg. Salt Lake City, Utah.
Contract Amount, $ 2,250.00 Government Participation: 75 % Amount, $ 1,687.50

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) ~~Indefinite~~ Short Form Contracts:						
Drilling						
Bulldozing	1,725.00	None	1,725.00			
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						
Bulldozer Drayage	100.00	None	100.00			
(8) Contingencies (specify):						
TOTALS	1,825.00	None	1,825.00	1825.00	- -	1825.00

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

Date Dec. 28, 53 Payee TIMCO INCORPORATED.

Per [signature] Title Secretary

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

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

(Instructions on reverse)

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

$ 1168 75

Signature [signature]
(Authorized Certifying Officer)

Date 1/25/54 Voucher No. 54-75
(See other side)

$200 is being withheld pending release of Final Report of Review by Contract Administration and Audit Division and receipt of the Operator's Final Report

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E621 in accordance with the terms of the contract.

Signature M. H. Howes Title Mining Engineer Date Jan. 11, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R. D. B.

Signature W. S. Kerr Title Executive Officer Date JAN 18 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1953 Docket No. DMEA 3066 Contract No. Idm-E621
Operator's Name TINCO INCORPORATED. Minerals Tungsten
Address 536 Atlas Bldg. 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	hours	$ 1725.	115	1725.00	115	15.00	133 1/3	2,000.00
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1,725.00	115	1725.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
Drayage		100.		100.00				100.00
TOTAL COSTS		1,825.00	115	1825.00				2,100.00

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

Date Dec. 23, 1953 Operator TINCO INCORPORATED

Per [signature] Title Secretary

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION IV

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 4 1954

Administrative Audit Difference Statement

Date: Jan 25, 1954
Payee's Reference: Progress Report
December, 1953

Timco, Inc.,
536 Atlas Building,
Salt Lake City, Utah
Idr-1621

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

75% of..... Amount Claimed $ 1368.75

Difference $ 200.00

Amount Approved $ 1168.75

The reason for the difference was due to:

$200 is being withheld from payment due operator pending release of Final Report of Review by Contract Administration and Audit Division and Receipt of Operator's Final Report.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-IV-B & F Form No. 4
4-15-52 D

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 4 1954

224 New Customhouse
Denver 2, Colorado

January 18, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 3066 (Tungsten), Contract Idm-E621, Timco, Inc., Tooele County, Utah. - Operator's Monthly Progress Report for the period December 1953.

Enclosed are the original and four copies of Form MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

An amendment is being prepared to allow stripping to the west of the westermost adit.

An amount of $200.00 is to be withheld from the payment due the Operator pending release of the final Report of Review by the Contract Administration and Audit Division and receipt of the Operator's Final Report.

Date of Report	December 28, 1953.
Date Received in Field Office	January 6, 1954.
Date Received in Region Office	January 15, 1954.

W H King
W. H. King

Enclosures

RDB:cwm

cc: Contract
Secretary to the Oper. Comm. (2)
SRWilson
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

January 13, 1954

Memorandum

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

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: Docket No. DMEA-3066 (Tungsten), Contract Idm-E621, Timco, Inc., Tooele County, Utah. MF-104 forms for December 1953.

The attached copies of MF-104 forms list expenditures made under the subject contract during December 1953. The project was started and completed during December, but assaying allowed by contract has not been reported, thus an additional MF-104 form report will be prepared at a later date. The project work was inspected by M. H. Howes December 18, 1953 and work verified by observation and measurement.

The short-form contract and amendments thereto allow a total of 133-1/3 hours of bulldozer stripping at $15.00 per hour. In addition, the contract permits a total of $100.00 for drayage of the bulldozer. The operator has reported a total of 115 hours of bulldozer operation at $15.00 per hour and $100.00 for drayage.

The bulldozer stripping disclosed a mineralized tactite zone along the quartz monzonite-limestone contact. The most favorable area is near the west end of the Last Chance No. 1 claim.

Expenditures and work shown on the MF-104 forms are in conformance with the contract. Recommendation is made that the operator be reimbursed in the manner shown in the inspecting engineer's progress report.

The MF-104 forms were received from the operator January 6, 1954.

Stephen R. Wilson

Stephen R. Wilson

Enclosures

S. R. Wilson January 12, 1954

M. H. Howes

Docket No. DMEA-3066 (Tungsten), Contract Idm-4621, Timco, Inc., Tooele County, Utah. Progress report for December 1953.

The property was inspected December 4, 1954, in the company of F. L. Maxwell, after notification was received that the company was ready to start the project. The property was again inspected December 18, 1954, when the bulldozer stripping had been completed. It is verified that approximately 2,000 feet of stripping has been accomplished in 115 hours, as reported on form MF-104A.

Bulldozer stripping along the quartz-monzonite-limestone contact, in the vicinity of the westernmost adit, encountered a bed of tactite which extends both easterly and westerly. Strong mineralization was discovered to the west, and tactite from 1 foot to 6 feet thick was uncovered for a distance of approximately 500 feet in that direction. Assays of four samples are as follows:

Sample	Description and location	Percent WO_3	Percent Mo
T-1	Tactite 5' thick, 10' long; 500' NW adit	0.07	<0.01
T-2	Tactite 5' thick, 20' long; 200' NW adit	.32	<.01
T-3	Tactite 5' thick, 10' long; 50' NW adit	.35	<.01
T-4	Tactite 5' thick, 15' long; directly above adit	.19	<.01

About 1,500 feet of stripping exposed approximately 700 feet of tactite and several spots of minor scheelite mineralization to the east and south of the adit. The limestone capping, for a distance of about 300 feet to the east of the adit, is too thick and tough to bulldoze.

The operator's narrative report is considered to be adequate.

Payment is approved for $1,368.75, which is 75 percent of the allowable cost of $1,825.00.

M H Howes
M. H. Howes
SRW

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
FEB 4 1954

January 8, 1954

[illegible] 1953 [illegible], [illegible]
[illegible] Contract No. Idm-1021 [illegible]
[illegible] 9066

On December 4, 1953 a D-8 Caterpillar bulldozer under contract from Gibbons and Reed, Salt Lake City, which arrived on the property and during the period December 4 to December 19, 1953 the bulldozer completed 115 hours of work, on the claims indicated on the attached sketch.

An exposure of a strong scheelite vein varying in thickness was exposed on the west end of the Last Chance No. 1 Claim. This vein varied in thickness from about 1 foot to approx. 6 feet thick and was laying under the limestone capping all along the strike of the vein.

In the center of the vein the limestone capping was so thick that the dozer was unable to move the capping therefore the dozer was again used along the east contact of the same vein and approx 700 feet of contacts were exposed on the east end of the claim. The thickness of the vein was not as great as at the west end of the claim and varied from about 6 inches to about 2 feet wide.

The dozer was then moved to the Last Chance No. 2 claim where some high grade sch elite or stels had been previously found however after making a determined effort to uncover the mother lode of the high grade float only a few pieces not in position were located and the work was stopped.

The dozer was then moved to the Apache Chief and an area as indicated on the attached sketch was bulldozed, however again only a small amount of scheelite was located but it was not in its original position therefore any accurate conclusions at this time cannot be arrived at.

Mr. Fred Cook, owner of the above claims, feels that several thousand tons of commercial ore has been exposed on the Last Chance No. 1 Claim and after a through study has been made of the various exposures can be made more accurate estimates and grade of ore can be arrived at

TIMES INDEXED

OCT 31 1963

Timco, Inc.
c/o Mr. Max Vell Cook, Manager
283 East So. Temple
Salt Lake City, Utah

Re: DMEA-3066 (Tungsten)
Timco, Inc.
Last Chance Claims
Tooele County, Utah
Contract Idm-E621

Gentlemen:

Thank you for returning the completed Form 63's mailed to you on October 15, 1963.

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated March 14, 1955, all minerals mined or produced from October 5, 1953, to October 5, 1963, were subject to the Government's royalty as set forth in said contract.

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

Sincerely yours,

George Fumich, Jr.

Director

FMurphy/mm
10/30/63

cc: Director's Reading File
Region III w/cy of Form 63 dated 10/15
CA&A Division
Docket
Code 500
Star Dust Mines, Inc., 283 East So. Temple, Salt Lake City, Utah

GOVERNMENT COPY

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

[illegible]

To: [illegible], Inc.
[illegible] Atlas Building
Salt Lake City, Utah

Pursuant to the provisions of Exploration Project Contract No. [illegible], dated October 5, 1953, as amended (Docket No. [illegible]), hereinafter called the "Contract," between you and the United States of America, hereinafter called the "Government," to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that a discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is specifically described as follows:

Scheelite, 10 pars schwalive-bearing, has been formed in the Ibapah Limestone at its contact with irregular bodies of quartz monzonite. Results obtained from the bulldozer stripping completed under the exploration project have indicated three zones that contain appreciable quantities of scheelite.

THE UNITED STATES OF AMERICA

Dated: March 14, 1955

By [signature]
Administrator, Defense Minerals Exploration Administration

cc: Docket
FT, Reg. 3-Denver
Finance Officer
Irving Gumbel, EPS, GSA
Fred Cook, Ibapah, Utah
Code 400-Mr. Martin
Code 800-Mr. Chambers
Code 110-Mr. Johnson
Adm. Read. File

cc: Oper. Committee
J. H. Hedges, USBM
R. Holliday, USBM
T. Kiilsgaard, USGS

FARutledge/ls
3/7/55

400

MAR 15 1955

Timco, Inc.
536 Atlas Building
Salt Lake City, Utah

Re: Docket No. DMEA 3066 - Tungsten
Last Chance #1 claim, et al.
Tooele County, Utah
Contract No. Idm-E621

Gentlemen:

Transmitted herewith is a certification of discovery or development issued under the subject contract which was executed October 5, 1953.

By the terms of the exploration project contract and of the certification, all production from the lands described in the referenced contract from the date of the exploration project contract is subject to the Government's percentage royalty as set forth in the contract until the sum of $1,368.75 is paid or until October 5, 1963, whichever occurs first.

Payments should be made to Mr. W. M. Traver, Executive Officer, DMEA Field Team, Region III, 224 New Custom House, Denver 2, Colorado. Checks should be payable to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward check direct to the Executive Officer. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the tungsten products sold, the name of the purchaser, and the price and charges certified to be correct by the purchaser.

You are requested to notify Mr. Traver of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for any extended period, please notify Mr. Traver at 6-month intervals that no production has been made, when that is the case.

Sincerely yours,

C. O. Mittendorf
Administrator

cc: Docket
Code 400-Mr. Martin
Code 800-Mr. Chambers
Code 110-Mr. Johnson
Adm. Read. File
Oper. Committee

Enclosure

cc: R. Holliday, USBM
J. H. Hedges, USBM
T. Kiilsgaard, USGS

cc: Mr. Fred Cook, Ibapah, Utah

FT, Reg. 3 - Denver, Colo.

FARutledge/ls
3/7/55

MAR 1 5 1955

Mr. Fred Cook, President
Star Dust Mines, Inc.
Ibapah, Tooele County, Utah

Re: Docket No. DMEA 3066-Tungsten
Timco, Inc.
Last Chance #1 claim, et al.
Tooele County, Utah
Contract No. Idm-8621

Dear Mr. Cook:

Transmitted herewith for your information is a copy of the certification of discovery or development issued as a result of the exploration program under the above-referenced contract. The property as set forth in the contract was leased to Haydn A. Schettler, president of Timco, Inc., by a certain indenture dated April 24, 1953, by Fred Cook, president, Star Dust Mines, Inc., and is the same property referred to in the "Owner's Consent to Lien" executed September 2, 1953.

Also enclosed is a copy of our letter to Timco, Inc.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures

cc: Docket
Code 400 Mr. Martin
Code 800-Mr. Chambers
Code 110-Mr. Johnson
Adm. Read. File
Oper. Committee
J. H. Hedges, USBM
R. Holliday, USBM
T. Kiilsgaard, USGS
FT, Reg. 3 - Denver, Colo.

FARutledge/ls
3/7/55

MAR 1 5 1955

Mr. W. M. Traver, Executive Officer
DMEA Field Team, Region III
224 New Custom House
Denver 2, Colorado

Re: Docket No. DMEA 3066-Tungsten
Timco, Inc.
Last Chance #1 claim, et al.
Tooele County, Utah
Contract No. Idm-E621

Dear Mr.Traver:

Transmitted herewith are copies of a certification of discovery or development on Contract No. Idm-E621 on the Last Chance #1, Last Chance #2, and Apache Chief claims, Tooele County, Utah. Also enclosed are copies of letters to Timco, Inc., lessee, and to Mr. Fred Cook, president of Star Dust Mines, Inc., lessor.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

APPROVED:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

cc: Docket
FT, Reg. 3 - Denver
Code 400-Mr. Martin
Code 800-Mr. Chambers
Code 110-Mr. Johnson
Adm. Read. File
Oper. Committee
J. H. Hedges, USBM
R. Holliday, USBM
T. Kiilsgaard, USGS

TARutledge/ls
3/7/55

400

MAR 1 5 1955

Mr. W. M. Traver, Executive Officer
DMEA Field Team, Region III
224 New Custom House
Denver 2, Colorado

Re: Docket No. DMEA 3065-Tungsten
Timco, Inc.
Last Chance #1 claim, et al.
Tooele County, Utah
Contract No. Idm-2621

Dear Mr.Traver:

Transmitted herewith are copies of a certification of discovery or development on Contract No. Idm-2621 on the Last Chance #1, Last Chance #2, and Apache Chief claims, Tooele County, Utah. Also enclosed are copies of letters to Timco, Inc., lessee, and to Mr. Fred Cook, president of Star Dust Mines, Inc., lessor.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

APPROVED:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

cc: Docket
FT, Reg. 3 - Denver
Code 400-Mr. Martin
Code 800-Mr. Chambers
Code 110-Mr. Johnson
Adm. Read. File
Oper. Committee
J. H. Hedges, USBM
R. Holliday, USBM
T. Kiilsgaard, USGS

FARutledge/ls
3/7/55

cc: Docket
Code 400 - Mr. Martin
Code 800 - Mr. Chambers
Code 110 - Mr. Johnson
Adm. Reading File
Operating Committee
Field Team, Reg. 3 - Denver
Robt. Holliday, USBM
J. H. Hedges, USBM
T. Killsgaard, USGS

FARutledge/ls
3/7/55

MAR 1 5 1955

Mr. Irving Gumbel, Acting Director
Materials Division, Emergency Procurement Service
General Services Administration
Washington 25, D. C.

Re: Docket No. DMEA 3066 - Tungsten
Timco, Inc.
Last Chance #1 claim, et al.
Tooele County, Utah
Contract No. Idm-E621

Dear Mr. Gumbel:

Enclosed is a copy of a certification of discovery or development issued under the subject contract.

Contract No. Idm-E621, executed October 5, 1953, authorized the expenditure of up to $2,250.00 for the exploration of tungsten deposits on the Last Chance #1, Last Chance #2 (amended), and Apache Chief (amended) unpatented mining claims in the Clifton Mining District, Tooele County, Utah. The Government's share of this amount at 75 percent was $1,687.50. The exploration project was completed December 18, 1953, at an actual cost of $1,825.00, of which the Government's share at 75 percent was $1,368.75.

The exploration program was designed to investigate, by stripping, the tactite that had been formed in the Ochre Mountain limestone at its contact with irregular bodies of quartz monzonite. Results obtained from the stripping completed have indicated three zones along the contact that contain appreciable quantities of scheelite.

The exploration work done under the referenced contract was efficiently carried out. Approximately 2,000 feet of stripping was accomplished in 115 hours of bulldozing.

The bulldozer stripping has furnished sufficient data to estimate ore reserves as follows:

Operator - - - 4,000 tons @ 0.515% WO_3
Field Team - - 1,520 tons @ 0.2 - 0.4% WO_3

Approximately 300 pounds of tungsten concentrates not included in the above estimates of reserves have been shipped since the subject contract was executed.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

No. 2

AMENDMENT OF CONTRACT: No. Idm-E621

Contract Docket No. DMEA 3066, dated October 5, 1953, between the United States of America and Timco Incorporated is hereby amended as follows, effective as of the date of said contract:

> Referring to "EXHIBIT A" attached to Exploration Project Contract Form MF-200(A)(February 1952), caption "Description of the Work", delete the first sentence of beginning with the words "Expose by bulldozing" and in lieu thereof substitute the following sentence:
>
> "Expose by bulldozing the tactite on the quartz-monzonite-limestone contact for a distance of approximately 1500 feet easterly and approximately 500 feet westerly from the westernmost adit."

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum."

Dated: FEB 5 1954

TIMCO INCORPORATED

By L. D. Gardner
L. D. Gardner, Vice President

UNITED STATES OF AMERICA

By W. H. King
W. H. King, Executive Officer
DMEA Field Team, Region IV

Seal

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

January 13, 1954

Memorandum

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

From: Chief, Minerals Development Branch, Mining Division
Region IV

Subject: Docket No. DMEA-3006 (Tungsten), Contract Idm-1621,
Timco, Inc., Tooele County, Utah.

Enclosed are six copies of a memorandum prepared by M. H. Howes concerning the location of bulldozer stripping allowed by the subject contract.

During the progress of the work the intensity of scheelite mineralization in a westerly direction from the westernmost adit on the Last Chance No. 1 claim, indicated the desirability of conducting part of the stripping in this direction. Wording of the contract may be construed as meaning that all stripping is to be conducted in an easterly direction from the westernmost adit.

It is recommended that the stripping to the west of the adit be allowed under terms of the contract.

Stephen R. Wilson
Stephen R. Wilson

Enclosures

S. A. Wilson January 11, 1954

M. H. Howes

Docket No. DMEA-3066 (Tungsten), Contract Idm-262, Timco, Inc., Tooele County, Utah. Memorandum report of recommendation for approval of part of project.

In the description of the work the contract states: "Expose by bulldozing the tactite on the quartz-monzonite-limestone contact from the westernmost adit to the end of the contact 1,000 feet to the east." As stripping of the tactite in the vicinity of the westernmost adit progressed, strong, mineralized tactite was exposed leading to the west of the adit. It appeared desirable to follow this strong mineral showing westerly, even though the contract specifies that the work shall be done to the east. About 500 feet of stripping to the west of the adit has exposed the best mineralization encountered in the entire project. In addition to the above described 500 feet of work, approximately 1,500 feet of stripping was done to the east of the adit, which exposed a thinner tactite bed and weaker mineralization. It is, therefore, recommended that the 500 feet of stripping to the west of the adit be approved under the terms of the contract.

M H Howes
M. H. Howes

FRW

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 24 1953

No. 1

AMENDMENT OF CONTRACT: No. Idm-E621

Contract Docket No. DMEA 3066, dated October 5, 1953, between the United States of America and Timco, Inc. is hereby amended as follows, effective as of the date of said contract:

> Referring to EXHIBIT "A" attached to Exploration Project Contract Form MF-200(A) (February 1952), caption "Description of the Work" in the sentence "The bulldozer used is to be an International TD-14 or equivalent thereof" change the words "International TD-14" to read "Caterpillar 8".
>
> Further referring to said EXHIBIT "A", caption "Estimated Costs of the Project" in the sentence starting with "1/ 160 hours bulldozing at $12.50 per hour" change the figures "160" to read "133-1/3" and change the rate figures "12.50" to read "15.00".

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated DEC 24 1953

TIMCO, INC.

By F. A. Magnell
Secretary

(Seal)

UNITED STATES OF AMERICA

By W. H. King
W. H. King
Executive Officer, DMEA
Field Team, Region IV

COPY

TIMCO, INC.
536 Atlas Building
Salt Lake City, Utah

December 2, 1953

J. W. Townsend, Ex. Officer, DMEA
U. S. Dept. of the Interior
224 New Customhouse
Denver 2, Colorado

Dear Mr. Townsend:

Re: Docket DMEA 3066
Contract I&n-E621

Reference is made to your letter of November 17, 1953 enclosing the original and five copies of Amendment No. 1 to subject contract which was prepared in conformance with our letter of October 26, 1953 to effect a change in the bulldozer size and use thereof.

After a further study of the effectiveness of a Caterpillar #4, it was determined inadvisable to use a Caterpillar 4.

Mr. S. R. Wilson, U. S. Bureau of Mines, 1600 E. 1st So., Salt Lake City, Utah was consulted regarding the feasability of using the largest size Caterpillar i.e., an 8 in lieu of a 4 to obtain maximum exploration of the Last Chance No. 1 claim also the Last Chance No. 2 and the Apache Chief claims. Of course Timco Incorporated will pay for any exploration done on the Last Chance No. 2 claim, and the Apache Chief which are adjacent to the Last Chance No. 1.

Mr. Wilson felt that an amendment to subject contract would be agreeable with your agency substituting a Caterpillar 8 for the International T. D. 14, therefore a Caterpillar 8 bulldozer was dispatched to the property on December 1st, and is now standing by ready to go to work as soon as a Bureau of Mines Engineer arrives on the property which is scheduled for December 4th.

In view of the above developments it is desired that amendment No. 1 be re-written as follows:

AMENDMENT OF CONTRACT: No. Idm-E621

Contract Docket No. DMEA 3066, dated October 5, 1953, between the United States of America and Timco Incorporated is hereby amended as follows, effective as of the date of said contract:

Referring to "Exhibit A" attached to Exploration Project Contract Form IF-200(A) (February 1952) caption "Description of the work" in the sentence "The bulldozer used is to be an International TD-11 or equivalent thereof" change the words "International TD-11" to read "Caterpillar 8".

Further referring to said EXHIBIT A, caption "Estimated Costs of the Project" in the sentence starting with "1/ 160 hours bulldozing at $12.50 per hour," change the figures "160" to read "133 1/3" and change the rate figures "12.50 to read $15.00.

We are returning herewith the proposed amendment No. 1 to our contract unsigned and respectfully request a new amendment be drawn in accordance with the above requested changes and returned to Timco Incorporated for necessary processing.

Very truly yours,

/s/ C. . . chettler

C. . . chettler, President
TIMCO, INCORPORATED

Enclosures - 1

1 Unsigned AMENDMENT OF CONTRACT

No. Idm-621

No. 1

AMENDMENT OF CONTRACT: No. Idm-7621

Contract Docket No. DMEA 3066, dated October 5, 1953, between the United States of America and Timco Incorporated is hereby amended as follows, effective as of the date of said Contract:

> Referring to "EXHIBIT A" attached to Exploration Project Contract Form MF-200(A) (February 1952) caption "Description of the work" in the sentence "The bulldozer used is to be an International TD-14 or equivalent thereof" change the words "International TD-14" to read "Caterpillar 4".
>
> Further referring to said EXHIBIT A, caption "Estimated Costs of the Project" in the sentence starting with "1/ 160 hours bulldozing at $12.50 per hour," change the figures "160" to read "200" and change the rate figures "12.50" to read $10.00".

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum."

Dated_____

TIMCO INCORPORATED

By_____

(SEAL)

UNITED STATES OF AMERICA

By_____
W. E. King, Executive Officer
DMEA Field Team, Region IV

C
O
P
Y

TIMCO, INC.
536 Atlas Building
Salt Lake City, Utah

October 26, 1953

Mr. W. H. King, Executive Officer
U. S. Department of the Interior
224 New Customhouse
Denver 2, Colorado.

Dear Mr. King:

Exploration Project Contract
No. Idm-621, Docket No. EMEA-3066.

Timco Inc. is ready to commence the exploration project described above.

We have already completed considerable bulldozing work with both an International TD-14 and a Caterpillar 4, and our experience indicates that the Caterpillar 4 bulldozer is far superior to the International TD-14 for this type of work.

In view of the above experience it is requested that subject contract be amended as follows:

Under "Exhibit A Description of Work" as written "The bulldozer used is to be an International TD-14 or equivalent thereof."

substitute the following sentence:

The bulldozer used is to be a Caterpillar 4 or equivalent thereof.

Under "Exhibit A Estimated Costs of the Project" as written

1/ "160 hours bulldozing at $12.50 per hour, including supervision, operator, repairs and any and all other costs incurred in completing the bulldozer work----------$2,000.00."

substitute the following paragraph:

Estimated Cost of the Project

1/ 200 hours bulldozing at $10.00 per hour, including supervision, operator, repairs and any and all other costs incurred in completing the bulldozer work----------$2,000.00

All other terms and conditions of the Exploration Project Contract to remain the same and in full force.

Mr. J. K. Wheeler, partner of Wheeler Kershaw Co., Caterpillar Distributors, Salt Lake City, Utah advises that the rental for a Caterpillar 4 bulldozer in the Gold Hill, Utah area is $10.00 per hour including the operator, fuel, etc.

Request that you advise the results of this amendment request as soon as possible in order that we can immmediately commence this exploration project.

Very truly yours,

(signed) C. A. Schettler by H.A.S.

President

Docket No. DMEA - 3066

Commodity Tungsten

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 602

Date of Contract ~~or Amendment~~ Oct. 5, 1953

Name and Address of Operator:
Tinco Incorporated
536 Atlas Building
Salt Lake City, Utah

Amount of Government participation _____ $ 1,687.50

Percent of Government participation 75 %

Region: IV State: Utah

Note: Please reimburse @ $18.75; Advice Contract Administration and Audit Division

E. R. Talbot
(Name)
for W. L. Chambers
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington.

7/8/54

54458

Docke[illegible]o. DMEA 3066

Commodity Tungsten

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 621

Date of Contract ~~or Amendment~~: October 5, 1953

Name and Address of Operator:

Timco Incorporated
536 Atlas Building
Salt Lake City, Utah

Amount of Government participation $ 1,687.50

Percent of Government participation 75 %

Region: IV State: Utah

Jay L. Chambers
(Name)

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

Date Delivered to Bureau of Mines, Washington. 10/6/53

13908

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

Docket No. DMEA 3066

COMMODITY Tungsten

OCT 1 5 1953

Imd-E621

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 5th day of October, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Timco Incorporated, a Nevada corporation
536 Atlas Building
Salt Lake City, Utah

hereinafter called the "Operator," as follows: and as set forth in Annex I attached hereto and made a part hereof.

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Utah, County of Tooele, described as follows:[3] Unpatented mining claims:

CLAIM	RECORDED	BOOK	PAGE
Last Chance #1	Tooele County Recorder's Office	3-A	221-222
Last Chance #2, amended	Tooele County Recorder's Office	3-A	518
Apache Chief, amended	Tooele County Recorder's Office	3-A	222-223

the Operator represents and undertakes:[4]

~~(a) That the Operator has the following titles, rights, or interests in each of the said claims, as set forth in the Owner's Consent to Lien attached:~~

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within 60 (Sixty) days from the date of this contract shall commence work on a project of exploration for[5] Tungsten

in or upon the described land; and shall bring the project to completion within a period of three months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay seventy-five (75) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $1,687.50, which is 75 percent of $2,250.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) *Compliance with requirements.*—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

ARTICLE 6. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows: See Annex I, substituted for that part of 6(a)preceding the colon.

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales, or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be the gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided*, that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Tenco Inc.
Tenco (Operator)

By W. H. King
W. H. King, Executive Officer
DMEA Field Team, Region IV

By L. D. Gardner
Vice Pres.

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

F. L. Maxwell

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

Department of the Interior
Division of Mineral Resources
Received
Oct. 1 0 1953

ANNEX I

The following provisions are in lieu of all of paragraph (a) of Article 6 which precedes the colon:

If the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after a sufficient, complete, final report and final account referred to in the contract has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development. The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2, as follows: (1) Regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of UTAH, County of TOOELE, described as follows:1/

CLAIM	RECORDED	BOOK	PAGE
Last Chance #1	Tooele County Recorder's Office	3-A	221-222
Last Chance #2 (Amended)	Tooele County Recorder's Office	3-A	518
Apache Chief (Amended)	Tooele County Recorder's Office	3-A	222-223

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Haydn A. Schettler and/or TIMCO, INC.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions

Dated this 2nd day of Sept, 1953.

Star Mesa Mines, Inc. [Seal]
By Fred Cook Pres. [Seal]
[Seal]

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

2/ Insert the name of the Operator as it will appear in the exploration project contract.

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

RELEVANT CONTRACT PROVISIONS

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

DMEA 3066

EXHIBIT A

Description of the Work

Expose by bulldozing the tactite on the quartz-monzonite-limestone contact from the westernmost adit to the end of the contact 1000 feet to the east. Expose the contact along the north side of the dike by bulldozing approximately 8000 square feet of the thin cap of limestone between the main quartz-monzonite intrusive to the north and the dike to the south. The areas to be stripped are outlined on Figure 2 which is attached and made a part of Exhibit A. The bulldozer used is to be an International TD-14 or equivalent thereof. A maximum of 50 samples will be taken in the exposed mineralized areas.

Estimated Costs of the Project

1/ 160 hours bulldozing at $12.50 per hour, including supervision, operator, repairs and any and all other costs incurred in completing the bulldozer work ----------	$ 2,000.00
Bulldozer Drayage ----------	100.00
Assaying 50 samples at $3.00 per sample. A copy of the assay results [and billing from assayer] must accompany each claim for reimbursement from the Operator----------	150.00
Total Estimated Cost	$ 2,250.00
Government participation at 75%	$ 1,687.50

1/ The entire work constitutes the unit of work.

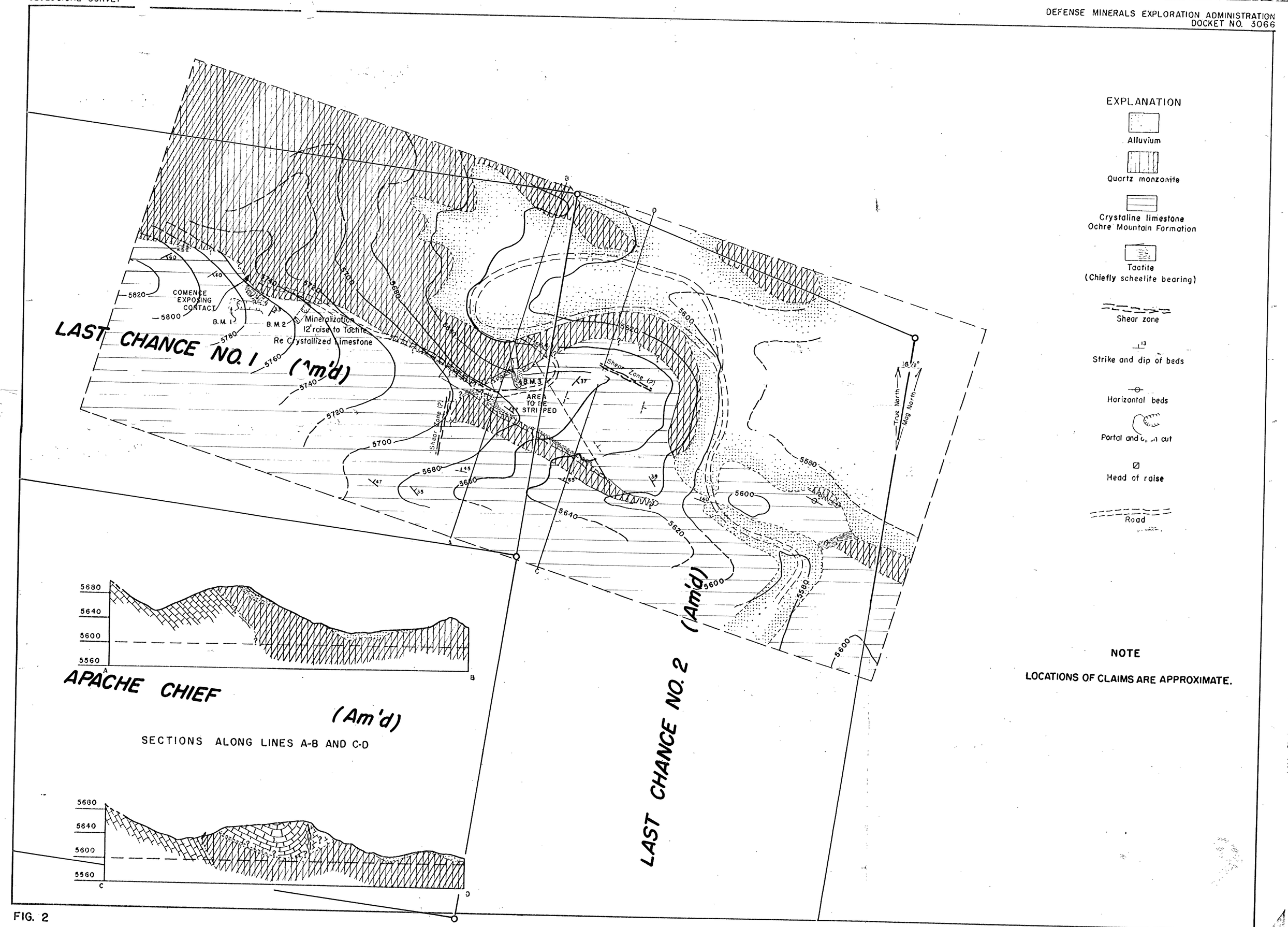

FIG. 2

GEOLOGIC MAP OF SCHEELITE DEPOSITS ON THE LAST CHANCE CLAIMS, STAR DUST MINING COMPANY
GOLD HILL MINING DISTRICT, TOOELE COUNTY, UTAH

0 100 200 300 ft.
Scale
Contour interval 20 ft.

Mapped by S. W. Hobbs and S. E. Clabaugh
U.S. Geological Survey, December, 1942
Additional Geology by D. C. Laub
June 19, 1953