DEPT[illegible] MINERALS EXPLORATION ADMINISTR[illegible]
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

The New Jersey Zinc Company
Mineral, Virginia
and
160 Front Street
New York 38, New York

pertaining to Exploration Project Contract No. Idm-E1101, DMEA No. 4874, including Amendment No. 1, for the period of July 26, 1957, to November 3, 1957, inclusive, covering a project for the exploration of zinc, lead, and copper on property, known as the Bandurant Area located in Buckingham County, Virginia.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team reports and correspondence, and a determination of the reasonableness and propriety of the costs.

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

(a) the Monthly Reports were supported by documentary proof of that portion ($6,464.30) of the costs which covered work performed at unit rates under independent contract;
(b) the balance ($1,550.02) of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of work actually performed; and
(c) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible further disallowances thereunder.

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

Total cost as billed by Operator		$8,072.02
Exceptions (schedule attached):		
Prior to this review	$19.20	
Herewith	51.00	70.20
Net acceptable cost claimed		8,001.82
Acceptable cost not claimed, to partially offset exceptions		12.50
Total accepted cost		$8,014.32

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the Operator by the Government in the amount of Four thousand seven and 16/100 Dollars is 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.

Amount payable to Operator	$4,007.16
Amount reimbursed	3,985.91
Balance due Operator	$ 21.25

E. D. Talbert

February 4, 1958 — E. D. Talbert, Auditor

Exceptions prior to this review:

Aggregate of 96 feet of diamond drilling (76' NX, 19' NX, and 1' NXWL), allowable at $2.70/ft., claimed by Operator as churn drilling at $2.90/ft. Difference disallowed, 96 ft. @ $0.20..... $19.20

Exceptions during this review:

Assays of 17 samples for gold and silver claimed by Operator, whereas contract provides for assays for zinc, lead, and copper only. Disallowed, 17 assays @ $3.00..... 51.00

Additional acceptable cost, not claimed:

50 wooden core boxes claimed by Operator at $2.25/each, whereas a fixed unit cost of $2.50/each is provided by the contract. Additional allowance for difference, 50 ea. @ $0.25..... 12.50

Mr. Robert A. Laurence
Executive Officer
DMEA Field Team, Region V
Room 13, Post Office Building
Knoxville 2, Tennessee

Re: Docket No. DMEA-4674
(Zinc, Lead, Copper)
The New Jersey Zinc Company
Bandurant Area
Buckingham County, Virginia
Contract No. Idm-E1103

Dear Mr. Laurence:

Enclosed are the original and three copies of a Report of Review in lieu of a final audit of the referenced project.

If you concur with the facts stated in this Report of Review, the original and one copy should be released to the regional finance officer, one copy should be forwarded to the Operator, and one copy should be retained in your files. If for any reason you do not concur, please return the original and three copies to this Division with your comments.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
February 4, 1958

Copy to: Docket
Admr. Reading File
Helen R. Miller
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 13 POST OFFICE BLDG
KNOXVILLE 2, TENN.

DMEA
RECEIVED FEB 3 1958

DATE	INITIALS	CODE
2/3	C	220
		800

January 31, 1958

Memorandum

To: Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington, D. C.

From: Field Team, DMEA, Region V, Knoxville, Tennessee

Subject: DMEA-4674, Contract Idm-E1103 (Zinc-lead-copper)
The New Jersey Zinc Company, New York, N. Y.
Bondurant area, Buckingham County, Virginia

In reply to your letter of January 21, 1958 on the subject project:

1) Our reply to the Operating Committee's letter of January 16, 1958 requesting clarification of overburden footage was transmitted on January 24, 1958.

2) Review of data from our field examiners' records shows that more than 50 core boxes were used, thus confirming the Operator's claim for the maximum of 50 boxes permitted by the contract.

3) In connection with the number of samples assayed, our review of available data also substantiates assays for only 17 samples and no payment should be made for claims in excess of this number.

V. J. Lynch
Acting Executive Officer

Helmuth Wedow, Jr.
Helmuth Wedow, Jr.
Geologist
Geological Survey

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

WASHINGTON 25, D.C.

EXTRA COPY
RECEIVED
DATE
CODE

January 24, 1958

Memorandum

To: Operating Committee, DMEA - Washington, D. C.

From: DMEA Field Team, Region V - Knoxville, Tennessee

Subject: DMEA-4674, Idm-E1103 (Zinc-lead-copper)
n The New Jersey Zinc Company, Bondurant area,
Buckingham County, Virginia

In reply to your letter of January 16, 1958 all data on overburden versus diamond drilling on the subject project available to the Field Team has been reviewed. The matter has been discussed with the Operator's representatives in Mineral and Austinville. The results of the review and discussions follow:

1) The major discrepancy in the totals of overburden thickness resulted from the mistaken belief of the Operator's district geologist at Mineral that the NX or BX diamond drilling in soft rock, in order to set casing, constituted overburden drilling.

2) The thickness of overburden shown in the Operator's logs submitted in the monthly reports and also appended to the final report agrees with the thickness of overburden invoiced by the drilling contractor in 5 of the 7 holes drilled. In Holes 75-B and 76-B, the Operator logged an additional 3 and 18 feet of overburden, respectively. These additional footages are purely the result of geologic interpretation of material recovered by the diamond drilling--that is, poor core recovery in the soft, less cohesive saprolite as opposed to better core recovery in the weathered, but still firm, zone of bedrock overlying completely unweathered fresh rock. The additional 21 feet of overburden, thus logged, when added to the 340 feet invoiced by the drilling contractor gives the total of 361 feet of overburden shown by the Operator's logs. We feel, therefore, that

it is unnecessary for the geologically interpreted thickness of overburden to jibe with thickness reported as cut by the drilling contractor.

3) The difference of 1 foot in the BX drilling in Hole 72-B--that is, 80-81 feet in the driller's invoice and 80-82 feet in the Operator's summary cannot be resolved, and it is believed to be a clerical error. Suffice it to say that the resolution of this difference is not pertinent to payments to be made by the Government. (see below)

4) It is recommended by the Field Team, after consultation with the Operator's field representatives, that the accepted figure for total overburden drilling be 340 feet. Thus, costs should be computed at $2.90 per foot for 340 feet of overburden drilling and at $2.70 per foot for 2,029 feet BXWL diamond drilling--for a total of 2,369 feet for the project.

5) It is further recommended by the Field Team that in future, similar contracts an allowance be made for small amounts of NX and/or BX diamond drilling to set the necessary casing for efficient drilling and thus make a more equitable division of costs between the Operator and the Government.

V. J. Lynch, Acting
Executive Officer, DMEA
Region V

Helmuth Wedow, Jr. Geologist
Geological Survey

HW/zm
cc
Lynch
Burmeister
Files

Mr. Robert A. Laurence
Executive Officer
DMEA Field Team, Region V
Room 13, Post Office Building
Knoxville 2, Tennessee

JAN 21 1958

Re: Docket No. DMEA-4674
(Zinc-Lead-Copper)
The New Jersey Zinc Company
Bendurant Area
Buckingham County, Virginia
Contract No. Idm-E1103

Dear Mr. Laurence:

The review in lieu of a final audit of the referenced project, as requested by your memorandum of January 8, 1958, has been performed but release of the Report of Review is being withheld pending:

(1) Reply to the Operating Committee's letter of January 16, 1958, requesting an explanation of the differences in the aggregate overburden and core drilling footages as reported and claimed by the Operator, as indicated by the drill logs, and as invoiced by the drilling contractor and approved by the Field Team.

(2) Confirmation by you of the number of wooden core boxes used in the project work and the number of samples assayed. In connection with the assays it is noted that the documentation submitted for review supports the assaying of only 17 samples for zinc, lead, and copper, whereas, the Operator has claimed costs for 34 assays. The additional 17 assays appear to be for gold and silver. Such assays are not authorized by the contract.

The original of the final (November 1957) MF-104 and attachments, together with invoices and assay reports applicable to prior vouchers, are being returned by certified mail to Mrs. Miller with a copy of this letter.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

EDTalbert/wb
January 21, 1958

Copy to: Docket
Admr. Reading File
Helen R. Miller (w/att. cert.)
Mr. Chambers
Mr. Talbert

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION V

ELECTROTECHNICAL
EXPERIMENT STATION

P. O. BOX 217
NORRIS, TENNESSEE

REGISTERED MAIL

January 15, 1958

Memorandum

To: Jay L. Chambers, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Personal Assistant, Norris, Tennessee

Subject: Report of Review in Lieu of Final Audit - Contract Idm-E1103, Docket No. DMEA-4674

A report of review in lieu of final audit is requested on contract Idm-E1103, Docket No. DMEA-4674, The New Jersey Zinc Company, 160 Front Street, New York 38, New York.

We are enclosing the final original copy of MF-104 and MF-104A and attachments - also invoices covering previously paid vouchers on the above contract.

Helen Miller
Helen R. Miller

Attachments
/hbm
Copies to R. A. Laurence
V. J. Lynch
Norris files
Day files

OFFICIAL FILE COPY
DMEA
RECEIVE JAN 1 8 1958

DATE		CODE
1-17	C	220
		800

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 13 POST OFFICE BLDG.
WASHINGTON 25, D. C.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 17 1958
DATE | INITIALS | CODE

January 8, 1958

Memorandum

To: Jay L. Chambers, Director-Contract Administration and Audit Division, DMEA

From: DMEA Field Team, Region V - Knoxville, Tenn.

Subject: Completion of DMEA-4674, Idm-E1103(zinc-lead-copper) The New Jersey Zinc Co. Mineral, Virginia. Bondurant Area, Buckingham County, Va.

Work on the subject contract has been completed.

The following units of work have been acceptably performed as verified by our Field Examiners:

Overburden drilling----------340 ft.

Diamond drilling (size AX) 2029 ft.

An adequate final engineering and geological report has been received.

A Report of Review is requested, the original copy of the final voucher (form-Mf-104 and 104A) are enclosed.

Robert A. Laurence

Robert A. Laurence, Executive Officer
DMEA Field Team, Region V

V. J. Lynch

V. J. Lynch, Member
Bureau of Mines

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 41

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November 1957 Docket No. DMEA 4674 Contract No. 1103
Operator's Name The New Jersey Zinc Company Minerals Zinc-Lead-Copper
Address 160 Front Street, New York 38, NY
Contract Amount, $ 8,370.00 Government Participation: 50% Amount, $ 4,185.00

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:						
Core Drilling	--	5,219.10	5,219.10		5478.30	5478.30
~~xxxxxxx~~Overburden	--	1,264.40	1,264.40		986.00	986.00
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Core boxes	--	112.50	112.50			
(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						
Incidental Allowance	--	1,374.02	1,374.02		1374.02	1374.02
Analyses	$1.00	21.00	102.00	30.00	21.00	51.00
(8) Contingencies (specify):						
TOTALS	$1.00	7,991.02	8,072.02	30.00	7971.82	8001.82

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

Date November 20, 1957 *Payee The New Jersey Zinc Company

Per [signature] Title Superintendent

*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:

$ 15.00

Signature Helen R. Meier
(Authorized Certifying Officer)

Date FEB 12 1958 Vou. No. 128

(See other side)

21.25

(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. E 1103 in accordance with the terms of the contract.

Signature W. L. Burmeister Title Mining Engr. Date 11/26/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date FEB 10 1958

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.

MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED FEB 17 1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1957 Docket No. DMEA 4674 Contract No. 1103
Operator's Name The New Jersey Zinc Company Minerals Zinc-Lead-Copper
Address 160 Front Street, New York 38, NY

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core BXWL(AX)	feet	--	--	5,219.10	1933	-	2040	2.70
Over ~~overburden~~	feet	--	--	1,264.40	436		360	2.90
Auger								
Stripping								
~~Trenching~~ Analyses	1	$1.00	27	102.00	34		100	3.00
~~Testpits~~ Core boxes	1	--	--	112.50	50		50	2.50
Roads and Trails								
ncidental Allowance	feet	--	--	1,374.02	2369		2400	0.58
TOTAL DISTRIBUTED COSTS		$1.00		8,072.02				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$1.00		8,072.02				

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.

REMARKS: The only cost this month is 27 analyses.

Date November 20, 1957 Operator The New Jersey Zinc Co.

Per W. L. Albers Title Superintendent
W. L. Albers

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)

W. L. Burmeister 11/26/57

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.

GPO 872894

THE NEW JERSEY ZINC COMPANY

(ESTABLISHED 1848)

CABLE ADDRESS
JERSEZNC

160 FRONT STREET

NEW YORK 38, N.Y.

November 20,1957

PLEASE ADDRESS REPLY TO

P. O. Box 67
Mineral, Virginia

Mr. H. L. Burmeister
U. S. Bureau of Mines
College Park, Maryland

Re: Monthly Report, November, 1957
DMEA 4674 (Zinc-lead-copper)
Bondurant Area
Buckingham County, Virginia
Contract No. Idm-E 1103

Dear Sir:

Attached is the November report on our DMEA contract for the Bondurant area. The only cost to be reported this month is 27 analyses, for which the assay sheets are enclosed. Also enclosed are the driller's invoices for holes 73-B through 78-B, which were previously reported on forms MF 104 and 104A.

Very truly yours,

W. L. Albers,
Superintendent

CIN EZW
CLHamilton/mmk
in quintuplicate

THE NEW JERSEY ZINC COMPANY

160 FRONT STREET

NEW YORK 38, N.Y.

October 31, 1957

EXTRA COPY
DMEA
RECEIVED NOV 15 1957

DATE	INITIALS	CODE
		800

PLEASE ADDRESS REPLY TO
P. O. Box 67
Mineral, Va.

Mr. Robert A. Laurence
Regional Executive Officer
Defense Minerals Exploration Administration
Room 13, Post Office Building
Knoxville 2, Tennessee

Subject: Final Report
Docket DMEA 4674, Contract Idm-E-1103
Bondurant Area, Buckingham County,
Virginia

Dear Mr. Laurence:

We anticipate that the final report covering work in the Bondurant area will be delayed past the end of this month since we have not yet received the driller's vouchers on all of the holes. All drilling was completed by the end of September and was reported on in the monthly report for September.

Yours sincerely,

W. L. Albers,
Superintendent

E. L. Weinberg/jjf
in quintuplicate

RECEIVED
NOV 6 - 1957
U. S. Geological Survey
Colorado Plateau
Tucson, Arizona

FORM MF-10 (Rev. April 1952)

RECEIVED DEC 12 1957 D.M.E.A.

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAY ON VOUCHER & SCHEDULE OF PAYMENTS K- 29

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1957 Docket No. DMEA 4674 Contract No. 1103

Operator's Name The New Jersey Zinc Company Minerals Zinc-lead-copper

Address 160 Front Street, New York 38, N.Y.

Contract Amount, $8,370.00 Government Participation: 50 % Amount, $4,185.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts:						
Core Drilling BXWL(AX)	2718.90	2500.20	5219.10	2910.60	2567.70	5478.30
Overburden	678.60	585.80	1264.40	472.70	513.30	986.00
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Core boxes	-	112.50	112.50	—	112.50	112.50
(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						
Incidental Allowance	719.78	654.24	~~1274.02~~	719.78	654.24	1374.02
Analyses	21.00	-	21.00			21.00
(8) Contingencies (specify):						
				4124.08	3847.74	7971.82
TOTALS	4138.28	3852.74	7991.02	~~4138.28~~	~~3852.74~~	~~7991.02~~

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

Date 10/3/57 *Payee The New Jersey Zinc Company

Per [signature] Title Superintendent

*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:

$ 2062.04 ~~2069.14~~

Signature Helen R. Muller (Authorized Certifying Officer)

Date DEC 10 1957 Vou. No. 94

(See other side)

2069.14

(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. E 1103 in accordance with the terms of the contract.

Signature W. K. Burmeister Title Mining Engr. Date 11/26/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date NOV 29 1957

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.

Form MR-101A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED DEC 12 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1957 Docket No. DMEA 4674 Contract No. 1103

Operator's Name The New Jersey Zinc Company Minerals Zinc-lead-copper

Address 160 Front Street, New York 38, N.Y.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes			1078		2029			
Drilling: Core AXL (...)	Foot	2718.00	~~1007~~	5219.10	~~1933~~	-	2040	2.70
Overburden Churn	Foot	670.60	~~234~~	1264.40	~~436~~		360	2.00
Auger			163		340			
Stripping								
Trenching Analyses	1	21.00	7	21.00	7	-	100	3.00
Test Pits Core boxes	1	-	-	112.50	50	-	50	2.50
Roads and Trails								
Incidental Allowance	Foot	219.78	1241	1374.02	2369	-	2400	0.58
TOTAL DISTRIBUTED COSTS		4138.28		7991.02				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4138.28		7991.02				

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 10/3/57 Operator The New Jersey Zinc Co.

Per [signature] Title Superintendent

REMARKS: Includes all of DMA 75-B, 76-B, 77-B, and 78-B

Some analyses and most of the contractors vouchers for the drilling not received by date of report.

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)

W. A. Burmeister 11/26/57

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.

GPO 872894

BONDURANT AREA - NARRATIVE REPORT

SEPTEMBER 1957

During the month of September 1957 a total of 1196 feet was drilled. Drilling on the Bondurant, thus far, can be summarized as follows:

Hole No.	Overburden[x]	BXWL(AX)	Feet in Sept.	Feet to date
72-B	0-82(82')	82-446(364')	—	446'
73-B	0-50(50')	50-314(264')	—	314'
74-B	0-70(70')	70-368(298')	—	368'
75-B	0-50(50')	50-300(250')	5'OB-250'AX	300'
76-B	0-40(40')	40-330(290')	330'	330'
77-B	0-53(53')	53-319(266')	319'	319'
78-B	0-91(91')	91-292(201')	292'	292'
Footage this Month	~~189'~~ 234' [xx]	1007'	1196'	
Total footage	436'	1933'		2369'

[x] includes NX and BX footage necessary to set casing.
[xx] If remainder of overburden in hole 75-B is included, even though not drilled this month, the figure becomes 234'.

Holes 75, 76, 77 and 78-B are shown on maps AXV-573, 576, 577 and 578 respectively, which are attached hereto. Formation boundaries on the sections correspond to those used in the attached logs. Abbreviations conform to a standardized list in use at the Mineral office and can also be correlated with the names used on the logs.

The three marker beds "A", "B" and "C", mentioned in the previous report, were penetrated by all the holes and continued to aid in stratigraphic interpretations. The relative projections of the mineralized zone and markers "B" and "C", shown in plan on maps 573, 576, 577 and 578, are generally parallel and indicate stratigraphic control of ore deposition.

Traces of zinc, lead and copper were penetrated between th "B" and "C" markers in all four holes drilled this month. One hole, 78-B, included a high grade zone from 244½ to 246 which was estimated at 7% zinc, 5% lead. Nine feet penetrated in hole 75 assayed 3.01% zinc, 1.23% lead, and 0.06% copper. Other footages sent for assay but not yet returned include 262-271 in 76-B, 269-282½ in 77-B and 228-247 in 78-B.

In general, the grade of the mineralized zone appears to be submarginal, but runs highest near the north and on both sides of the dolerite dike.

DDH 75-B

Started: August 31, 1957
Bottomed: Sept. 6, 1957
Location: 212 feet N65°E of 73-B
Coordinates: 416,332.51N 1,985,197.47E
Bearing: N45° W @ collar, N53° W @ 200'
Inclination: -45° @ collar, -42° @ 200'
Elevation at collar: 345'

0-48	Overburden
48-171	Amphibole-carbonate-biotite-chlorite-quartz gneiss. 130-133 Estimated 6% pyrite.
171-185½	"A" Marker-Carbonaceous biotite-chlorite-quartz schist.
185½-224½	Garnet-biotite-chlorite-quartz schist. "B" Marker-Carbonaceous biotite-chlorite quartz schist @ 199-212. 201-212 Estimated 1% pyrite, 1% pyrrhotite.
224½-290	Sericite-quartz schist and biotite-sericite-quartz schist and gneiss. 237-249 Estimated trace zinc, lead, and copper. 249-253 Assay-4.19% Zn, 1.73% Pb, 0.07%Cu, 2.80%Fe, 4.38% S. ✓ 253-258 Assay-2.07% Zn, 0.82% Pb, 0.06%Cu, 3.92%Fe, 4.62% S. ✓
290-300	"C" Marker-Carbonaceous biotite-chlorite-quartz schist.
300'	Bottom

DDH 76-B

Started: Sept. 10, 1957
Bottomed: Sept. 16, 1957
Location: 200 feet N44°E of 75-B
Coordinates: 416,475.37N 1,985,336.98E
Bearing: N42° W @ collar, N49½°W @ 200'
Inclination: -46°@ collar, -42°@ 200'
Elevation @ collar: 361'

0-38 Overburden

38-192 Amphibole-carbonate-biotite-chlorite-quartz gneiss, chlorite biotite-quartz gneiss, and carbonate quartzite.
<u>151-157</u> Estimated 1½% pyrite.
<u>174-177</u> Estimated 1% pyrite.

192-216 "A" Marker-Carbonaceous biotite-chlorite-quartz schist.

216-250 Garnet-chlorite-quartz schist "B" Marker-Carbonaceous biotite-chlorite-quartz schist @ 228-241.

250-330 Sericite-quartz schist and chlorite-biotite-sericite-quartz schist and gneiss. "C" Marker-Carbonaceous biotite-chlorite-quartz schist @ 297-317.
<u>256-266</u> Estimated trace of zinc, lead, and copper.
<u>266-271</u> Estimated 2% zinc and lead, trace copper.
269½-4" Estimated 5% zinc, 2% lead.

330 Bottom

DDH 77-B

Started: Sept. 18, 1957
Bottomed: Sept. 25, 1957
Location: 204 feet N45°E of 76-B
Coordinates: 416,621.09N 1,935,476.954
Bearing: N40° W @ collar, N44½° W @ 200'
Inclination: -45° @ collar, -46° @ 200'
Elevation at collar: 359'

0-33	Overburden
33-209	Dolerite-Serpentine-pyroxene-feldspar dike.
209-216	"A" Marker-Carbonaceous chlorite-quartz schist.
216-253½	Garnet-chlorite-quartz schist "B" Marker @ 231-241½.
253½-309½	Biotite-sericite-quartz schist and sericite-quartz schist 257-282½ Estimated 1% zinc, trace lead and copper including an estimated 3% zinc, trace lead and copper @ 269-273.
309½-319	"C" Marker-Carbonaceous chlorite- quartz gneiss.
319	Bottom

DDH 78-B

Started: Sept. 26, 1957
Bottomed: Sept. 30, 1957
Location: 370 feet N41°E of 77-B.
Coordinates: 416,915.84N
1,985,697.75E
Bearing: N47° W @ collar,
N56° W @ 200'
Inclination: -45°@ collar,
-42°@ 200'
Elevation at collar; 378'

0-65	Overburden
65-169	Amphibole-biotite-chlorite-quartz gneiss.
169-186½	"A" Marker-Carbonaceous chlorite-quartz schist.
186½-220	Garnet-sericite-chlorite-quartz schist "B" Marker @ 210-221.
220-292	Sericite-quartz schist and biotite-sericite-quartz schist and gneiss. "C" Marker @ 271-287 228-247 Estimated 1% zinc, ¾% lead, trace copper including an estimated 1½% zinc, 2% lead @ 232-236 and an estimated 2% zinc, 1½% lead, trace copper @ 240-247.
292	Bottom

Form MF-104 (Rev. April 1952)

RECEIVED DEC 12 1957 D.M.E.A.

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 29

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER (Amended)

Month of July & August, 1957 Docket No. DMEA 4674 Contract No. 1103

Operator's Name The New Jersey Zinc Company Minerals Zinc-lead-copper

Address 160 Front Street, New York 38, N.Y.

Contract Amount, $8,370.00 Government Participation: 50 % Amount, $4,185.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Core Drilling BXL (A.A.)	2500.20	0	2500.20	2567.70		2567.70
Bulldozing Over Burden	585.80	0	585.80	573.30		573.30
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Core boxes	112.50	0	112.50	112.50		112.50
(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						
Incidental Allowance	654.24	0	654.24	654.24		654.24
(8) Contingencies (specify):						
				3847.74		3847.74
TOTALS	3852.74	0	3852.74	~~3852.74~~	–	~~3852.74~~

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

Date 9/16/57 *Payee The New Jersey Zinc Company

Per [signature] Title Superintendent

*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:

$ 1923.87

Signature Helen R. Miller (Authorized Certifying Officer)

Date DEC 10 1957 Vou. No. 94

(See other side)

1st

1926.37

(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. E 1103 in accordance with the terms of the contract.

Signature N. A. Baumeister Title Mining Engr. Date 11/26/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date NOV 29 1957

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.

Form ME-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED DEC 12 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT (Amended)

Month of July 1957 Docket No. DMEA 4674 Contract No. 1103
Operator's Name The New Jersey Zinc Company Minerals Zinc-lead-copper
Address 160 Front Street, New York 38, N.Y.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes			951		951			
Drilling: Core DDH (NX)	Foot	2500.20	~~926~~	2500.20	~~926~~	-	2040	2.70
Overburden Churn	Foot	585.80	~~292~~	585.80	~~292~~		300	2.90
Auger			177		177			
Stripping								
Trenching Analyses	1				0		100	0.50
Test Pits Core boxes	1	112.50	50	112.50	50	-	50	2.50
Roads and Trails								
Incidental Allowance	Geo	654.24	1123	654.24	1123		2400	0.50
Total Distributed Costs		3852.74	-	3852.74				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		3852.74		3852.74				

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 9/16/57 Operator The New Jersey Zinc Co.

Per [signature] Title Superintendent

Remarks: Includes all of July 1957, 736, and 746.

Vouchers for above items not available by date of report.

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)

H. L. Burmeister 11/26/57

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.

GPO 872894

WALTON & WOOD, INC.

Merchants

Building Supplies --- Farm Implements

Dealer for Dodge and Plymouth Cars and Trucks

Terms: Cash

Phone Dial Mineral 2241

Pendletons, Va., 8-1-1957

M New Jersey Zinc Co

Delivery Service

20	50 Case Boxes	22	$112.50

Certified True Copy

THE NEW JERSEY ZINC COMPANY

W. Walton Jr.

Geologist

BONDURANT AREA-NARRATIVE REPORT
JULY AND AUGUST 1957

As reported in our letter of August 14, 1957, drilling was begun on the Bondurant area on July 26, 1957. From that date thru August 31, 1957 a total of 1173 feet was drilled, distributed as follows:

Hole No	Overburden*	BXWL(AX)	Total
72 B	0-82(82')	82-446(364')	~~466'~~ 446'
73 B	0-50(50')	50-314(264')	314
74 B	0-70(70')	70-368(298')	368
75 B	0-45(45')	incomplete	45
Total footage	247'	926'	1173'

*includes NX and BX footage necessary to set casing

Holes 72, 73 and 74 are shown on maps AXV-567,569 and 572 attached. Formation boundaries on the sections correspond to those used in the attached logs. Abbreviations conform to a standardized list in use at the Mineral office and can also be correlated with the names used on the attached logs.

Stratigraphic control was achieved thru recognition of three marker beds, "A", "B" and "C". Each one of these is a thin, black, carbonaceous schist separating formations of different composition.

Mineralization appears to be stratigraphically controlled and traces of zinc and lead up to an estimated 1% were penetrated in all three holes between the "B" and "C" markers.

DDH 72-B

Location: 400 feet south-east of center of gechemical anomaly.
Coordinates: 415,959,98N
1,984,994.06E
Bearing: N39½°W @ collar, -45°;
and N36° W @ 200', -43°;
Inclination: N41° W @ 400' -38½°;
Elevation at collar: 393'

0-80'	Overburden
80-92'	Chlorite-carbonate-sericite-quartz schist. Estimated 3% sulfides, mostly pyrrhotite with some pyrite disseminated through matrix
92-244'	Biotite-chlorite-carbonate-quartz-amphibole gneiss.
244-265½	Carbonate-biotite-sericite-quarts gneiss
265½-279	Carbonate-chlorite-amphibole-quartz gneiss.
279-290	"A" marker-carbonaceous-carbonate-chlorite-quartz schist.
290-327	Garnet-chlorite-quartz schist 285-286 Estimated 3% pyrite 327-330 Estimated 3% pyrite with pyrrhotite "B" marker
327-339½	
339½-446	Carbonate-sericite-quartz gneiss 357-380 Estimated traces of zinc and lead. 379½-380 Estimated 1% zinc; Zinc contained in red and honey-colored sphalerite 437-439-"C" marker
446	Bottom
Evaluation:	Non-productive

DDH 73-B

Location: 280 feet N3°E of 72-B
Coordinates: 416,241.69N
1,985,006.71E
Bearing: N59° W @ collar,
N43°W @ 200'
Elevation at collar: 356'
Inclination: -45° @ collar,
-40° @ 200'

0-37	Overburden
37-98½	Biotite-chlorite-quartz gneiss and amphibole-biotite-chlorite-quartz gneiss, with carbonate. 62½-63½ Estimated 12% pyrite
98½-113	"A" marker-carbonaceous chlorite-quartz gneiss.
113-152	Garnet biotite-chlorite-quartz schist and gneiss. 142½-152-"B" marker
152-282	Sericite-quartz schist and chlorite-biotite-sericite-quartz schist and gneiss. 169-197 Estimated 1% zinc, traces lead zinc in red and honey colored sphalerite 254-260 "C" marker.
282-314	Biotite-chlorite-quartz gneiss
314	Bottom

DDH 74-B

Location: 247 feet S89° W of DDH 72-B
Coordinates: 415,959,02N
1,984,745,97E
Bearing: N57° W @ collar,
N47° W @ 200'
Elevation at collar: 394'
Inclination: -45° @ collar,
-42½° @ 200'

0-60	Overburden
60-112	Biotite-sericite-quartz gneiss and amphibole-biotite-chlorite-quartz gneiss. Estimated 2% pyrite.
131-171	Garnet-biotite-chlorite-quartz schist ("B" marker 158-171)
171-305	Sericite-quartz schist and chlorite-biotite-sericite-quartz schist and gneiss. ("C" marker 282-285½) 193-208 Estimated traces of zinc and lead; zinc contained in honey-colored sphalerite.
305-368	Sericite-biotite-chlorite-quartz schist
368	Bottom

THE NEW JERSEY ZINC COMPANY

160 FRONT STREET

NEW YORK 38, N.Y.
September 16, 1957

PLEASE ADDRESS REPLY TO
P. O. Box 67
Mineral, Virginia

Mr. Robert A. Laurence
Regional Executive Officer
Defense Minerals Exploration Administration
Room 13, Post Office Building
Knoxville 2, Tennessee

Subject: Monthly Reports
Docket DMEA 4674, Contract 1103
Bondurant Area, Buckingham
County, Virginia

Dear Mr. Laurence:

Your letter of September 11, 1957 has been received and its contents noted. According to your request we shall only voucher completed holes hereafter although we shall include, in the narrative, all footage drilled. We are forwarding, herewith, corrected vouchers for July and August which omit the 45 feet in hole 75-B. You may either substitute these in place of the vouchers already submitted or discard them if it appears too late for such a substitution. Please notify us if you choose to use the substitute vouchers since we will then include all of hole 75-B in the report for September.

Our contractor bills us for each hole on its completion and not monthly as you mention. Because of rather circuitous routing of the vouchers we do not receive them for a month or two after the hole completion. We will forward them as soon as possible after receipt.

If we understand your last comment correctly, in the future all five copies of our reports should be sent directly to Mr. H.L. Burmeister in College Park, Maryland, who will in turn forward copies to you.

Very truly yours,

W. L. Albers,
Superintendent

E.L.W.
E. L. Weinberg/jjf
In quintuplicate

RECEIVED
SEP 19 1957
Contract Division
Knoxville, Tenn.

X 1086 150M

COPY

Austinville, Va.
August 14, 1957

Regional Executive Officer
Defense Minerals Exploration Administration
Room 13, Post Office Building
Knoxville 2, Tennessee

Subject: Monthly Report
Docket DMEA #4674, Contract #1103
Bondurant Area, Buckingham County, Va.

Dear Sir:

The drilling on the Bondurant Project was begun on July 26, 1957. The first hole, 72-B, was at a depth of 234 feet at the end of the month. This hole is incomplete.

It is our understanding that a report should be submitted after a hole is completed and we have been billed for the same, and inasmuch as 72-B is incomplete no report is being forwarded.

Very truly yours,

W. L. Albers/gm

W. L. Albers,
Superintendent

WHB

WHoratioBrown/mjf
In quintuplicate

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DMEA
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DATE	INITIALS	CODE
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22	Com	100
		800

Mr. S. S. Goodwin
Vice President
The New Jersey Zinc Company
160 Front Street
New York 38, New York

Re: Docket No. DMEA-4674 (Zinc-Lead-Copper)
The New Jersey Zinc Company
Bondurant Area
Buckingham County, Virginia
Contract No. Idm-E1103

Dear Mr. Goodwin:

Reference is made to your completed exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government 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 project. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve records for the period indicated.

Your interest in the Defense Minerals Exploration Administration exploration program and participation therein are fully appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

WPKlugescheid/er 7/14/58
Copy to: Docket
Admr R. File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region V (2)
Chron
Mr. Chambers, DMEA

JAN 24 1958

Mr. Robert A. Laurence
Executive Officer
DMEA Field Team, Region V
Room 13, Post Office Building
Knoxville 2, Tennessee

Re: Docket No. DMEA-4674 (Zinc-Lead-Copper)
The New Jersey Zinc Company
Bandurent Area
Buckingham County, Virginia
Contract No. Idm-E1101
and
Docket No. DMEA-4746 (Copper)
Appalachian Sulphides, Inc.
Elizabeth Mine
Orange County, Vermont
Contract No. Idm-E1100

Dear Mr. Laurence:

Your memorandum of January 20, 1958, requests clarification of the meaning of the second paragraph of Article 6 (a) of contract form MF-200 (Revised June 1954). Your request is occasioned by the two, apparently to you, conflicting decisions on the referenced contracts as rendered by this Committee and the Contract Administration and Audit Division, respectively.

Actually there is no conflict. This Committee's letter of November 14, 1957, in reference to Docket DMEA-4674, pertains to the specifications of the work, as set forth in the "Description of the Work" portion of Exhibit "A", to be performed in accordance with Article 3 of the contract. The Division's letter of January 6, 1958, in reference to Docket DMEA-4746, deals with the "Estimated Costs of the Project" portion of Exhibit "A", which costs are defined and limited by Article 6 of the contract.

The work description under Contract Idm-E1103, Docket DMEA-4674, provided that "A fence of 6 holes shall be drilled ****." This was a definite specification. There was no authority, without amendment of the contract, for the Government to contribute to the costs of a seventh hole even though no maximum cost under Article 6 was exceeded.

On the other hand, the work description under Contract Idm-E1100, Docket DMEA-4746, contained no specifications as to the number of hours of drilling delays, because such were not items of work but

costs incurred in connection with the performance of the drilling work. The 64 hours of delays, as estimated in the costs portion of Exhibit "A", were specified in neither Article 6 nor Exhibit "A" as a maximum, but the unit costs of the delays were maximums under Article 6.

Reference to Section III, pages 8-21 and the appendix following page 21, of the manual "Audit Procedure for Exploration Work under DMEA Exploration Contracts" may be of further assistance in clarification of this matter. Also, it is understood that a DMEA auditor will be visiting your office in the near future. He undoubtedly can help in resolving any additional questions you may have.

Sincerely yours,

Chairman, Operating Committee

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

EDTalbert/wb
January 23, 1958

Copy to: Docket (2)
Admr. Reading File
Operating Committee
Mr. Bishop, USBM
Mr. McMahon, USBM
Mr. Killingsgaard, USGS
Mr. Chambers
Helen R. Miller

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 25 P.O. BLDG.
KNOXVILLE 2, TENN.

WASHINGTON 25, D.C.

EXTRA COPY
DMEA
RECEIVED JAN 22 1958

DATE		CODE
		800

arg rel to 100, 110, 225

January 20, 1958

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V - Knoxville, Tennessee

Subject: Designation of "Maximums" in Contracts.

We need some clarification of the meaning of the second paragraph of Article 6 (a) of the long form contract, MF-200 (Revised June 1954). We are not sure what is meant by " to the extent specified" because of two apparently conflicting decisions.

In your letter of November 14, 1957 relative to DMEA-4674, Idm-E1103, you pointed out that "a fence of six holes" designates a maximum because it was not "a fence of approximately six holes." However, in a letter dated January 6, 1958, Mr. Talbert, referring to DMEA-4746, Idm-E1100, states that "neither Article 6 of the contract nor Exhibit 'A' provide that the estimate of 64 hours for drilling delays is a maximum." However, the wording in Exhibit 'A' is simply "Drilling delays, 64 hours @ $6.00/hr.", therefore we considered this to be a maximum and disallowed the excess over 64 even though the excess is considered reasonable and necessary. We do not find the word "approximately" used in connection with this item.

Please advise just what is necessary to interpret an item under actual costs as a maximum, and what wording implies that an item is not a maximum.

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch, Member
Bureau of Mines

RAL/am
Lynch
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EXPLORATION PROJECT CONTRACT
THE NEW JERSEY ZINC COMPANY
DOCKET NO. DMEA-4674

AMENDMENT NO. 1

It is agreed this 13th day of November, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and The New Jersey Zinc Company, that Exploration Project Contract No. Idm-E1103 (Docket No. DMEA-4674), dated June 27, 1957, is amended, effective June 27, 1957, as follows:

In Exhibit "A", under Description of the Work, the first sentence of the second paragraph is revised to read as follows:

"A fence of seven holes shall be drilled, spaced at not less than 200-foot intervals."

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the fixed unit cost of any item of work, or the amount of any item designated as a maximum.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O Whittemore
Administrator, Defense Minerals
Exploration Administration

THE NEW JERSEY ZINC COMPANY

By N Boardman

Title VICE PRESIDENT

DMEA Form 14

Contract No. Idm-E 1103

Docket No. 4674

DEPARTMENT OF THE INTERIOR

Additional release

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
June 27, 1957	V	Virginia	Zinc-Lead-Copper

Name and Address of Operator: The New Jersey Zinc Co.
160 Front Street
New York 38, New York

	Reserve	Obligation
Prior Amount	0	4,007.16
Increase	0	0
Decrease	0	6.25
Revised Amount	0	4,000.91

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date delivered to Bureau of Mines, Washington 8/8/58

22845

DMEA Form 14

Contract No. Idm-E 1103

Docket No. 4674

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
June 27, 1957	V	Virgnia	Zinc-Lead-Copper

Name and Address of Operator: The New Jersey Zinc Co.
160 Front Street
New York 38, New York

	Reserve	Obligation
Prior Amount	0	4,185.00
Increase	0	0
Decrease	0	177.84
Revised Amount	0	4,007.16

Remarks:

ALLEN S. DAKAN

(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division

(Title)

Date delivered to Bureau of Mines, Washington 4/15/58

22845

DMEA Form 14

Contract No. Idm-E 1103

Docket No. 4674

DEPARTMENT OF THE INTERIOR

Executed contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
June 27, 1957	V	Virginia	Zinc-Lead-Copper

Name and Address of Operator: The New Jersey Zinc Co.
160 Front Street
New York 38, New York

	Reserve	Obligation
Prior Amount	$4,185.00	0
Increase	0	$4,185.00
Decrease	4,185.00	0
Revised Amount	0	4,185.00

Remarks:

ALLEN S. DAKAN

(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division

(Title)

Date Delivered to Bureau of Mines, Washington 7/12/57

16416

Audit Copy

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DMEA
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DATE	INITIALS	CODE
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MF-200
(Revised June 1954)

Docket No. DMEA 4674

Commodity Zinc-Lead-Copper

Contract No. Idm-E 1103

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 27 JUN 1957 day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] The New Jersey Zinc Company, a New Jersey Corporation, whose mailing address is 160 Front Street, New York 38, New York, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF–200), the attached Exhibit "A," Annex I, and Annex II, and two maps.

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

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Virginia, County of Buckingham, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee and optionee of [5] See Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] ....recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: interests of landowners

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

of the land (lessor, seller, optionor, etc.), are attached, as follows: Consents to Lien and Subordination Agreements of owners of land are waived.

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Zinc, lead, copper The work to be performed is described in Exhibit "A." The Operator on or before 30 days after date of/contract shall commence the work, and on or before 6 months after date of/contract (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work [redacted] " See Annex II.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $8,370.00 The Government shall contribute 50 percent of the allowable costs as they are incurred in a total sum not in excess of $4,185.00 : *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; [redacted] See Annex II.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums. See Annex II

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 6. See Annex II.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

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

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

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

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

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) 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.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ~~ten~~ 30 years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

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

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

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

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

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

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

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

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

ARTICLE 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 13. *Changes and added provisions.*—
See Annex II.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O O Mittendorf

Administrator, Defense Minerals Exploration Administration

THE NEW JERSEY ZINC COMPANY
(Operator)

By S S Goodwin

Title VICE PRESIDENT

I, Walter R. Anyan, certify that I am the secretary of the corporation named as Operator herein; that S. S. Goodwin who signed this contract on behalf of the Operator, was then Vice President 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.

Walter R. Anyan

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

[illegible] SHORT CONTRACT
[illegible] COAL CONTRACT
[illegible]

[illegible] I

The land referred to in Article I of the contract consists of approximately [illegible] acres in Buckingham County, Virginia, about 8 miles southwest of Dillwyn, Virginia, as outlined in blue color, on the plat [illegible] hereto and marked "[illegible] Tract, Tract No. [illegible]." The land is described in the [illegible] deed, copies of which are contained in Volume No. [illegible], and the land description thereto, which are incorporated herein by reference, and also incorporated herein by reference.

[illegible]

1. Advance Payment. Under A. Coleman and J. L. Coleman, and the Bell Creek Coal Company, dated September 20, 1957, for a period of [illegible] years, is extended for another period of [illegible] years, ending [illegible], [illegible] acres.

[illegible]

A lease agreement between R. L. Burgess, Sr., and Margaret B. Burgess, joined and wife, and the Bell Creek Coal Company, dated August 1, 1957, for one year and thereafter for [illegible] periods of [illegible] August 1, 1958, is extended for all purposes for [illegible]. The minimum annual payment for the exclusive right during these extended periods, or [illegible] in advance, to prepay for [illegible] tonnage.

1. The [illegible] tract, containing approximately [illegible] acres, more or less, [illegible] acres.

2. Tract located on the Rockport Branch, containing [illegible] acres, more or less.

3. A parcel of land containing [illegible] acres, more or less, located on the Bailey Branch.

SPECIAL AGREEMENT CONCERNING LAND

1. In the event the Operator or any subsidiary thereof at any time during the period expiring ten years from the date of this contract acquires any interest, title, or equity, in any lands contiguous to the premises described in this contract, it is agreed that such contiguous lands shall thereupon become subject to the provisions of this contract, and the parties hereto shall promptly execute amendments to this contract listing such contiguous lands as lands included in this contract.

2. It is further agreed that the Operator may, at any time before the expiration of sixty days following the conclusion or termination of exploration work performed pursuant to the terms of this contract, request the Government to delete from this contract such of the land described in the land agreements listed in this Annex I under A. and B. above or in any amendments thereof, as has no known value for mineral production. The Government will promptly prepare amendments removing the specified land from the contract, which amendments shall provide that the Operator:

(a) certifies the lands have no known value for mineral production;

(b) has, prior to the execution of the respective amendment, surrendered or otherwise disposed of all its interest, title, and equity in such land, and any minerals produced therefrom, including any option, lease, or permit thereto, without any consideration whatsoever, including future compensation, for such surrender or disposition, other than relief from the cost of maintaining such interest;

(c) agrees that no benefit from such land or any production of minerals therefrom will accrue to the Operator or to any of its subsidiaries, directly or indirectly, during the period expiring thirty years from the date of this contract; and

(d) agrees that if the Operator or any subsidiary thereof acquires any interest, title, or equity in such land or any minerals produced therefrom, or derives any benefit therefrom, before the expiration of thirty years from the date of this contract, the land with respect to which such interest, title, or equity is acquired, and any minerals produced therefrom, shall be deemed subject to this contract and any certification from the date that the Operator or any subsidiary thereof acquired such interest, title, or equity, or any benefit therefrom, until the expiration of thirty years from the date of this contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

EXPLORATION PROJECT CONTRACT
THE NEW JERSEY ZINC COMPANY
DOCKET No. DACA-4574

ANNEX II

(Article 13 changes and added provisions)

1. In Article 3, the words following the reference to Article 10 are deleted, and the following words are substituted: "shall have completed the work."

2. In Article 6(a), that part of the last sentence in the first paragraph beginning after the semicolon is deleted.

3. Categories (2) through (7) of Article 6(a) are deleted.

4. In Article 6(c), the words "Article 9" are change to "Article 8."

5. In Article 8(b), the words "ten years" are changed to "thirty years."

6. The following clause is added to Article 8(c): Provided, however, That so long as the Operator operates smelting facilities as an integrated part of its business, the settlement made by the Operator's smelter to its mine or mill on the ore or concentrates subject to the Government's royalty shall be, for the purpose of calculating the royalty payable to the Government under this contract, on the same settlement basis that the said smelter makes to its independent suppliers under the schedule most favorable to any independent supplier, or should gross income from mining operations for percentage depletion purposes in Federal income tax determination show a greater value for ore or concentrate sales than that value which would result from applying the smelter schedule most favorable to an independent supplier, the greater value will be used as the basis for calculating royalty payable to the Government.

7. In addition to the costs of work estimated in Exhibit "A" by categories of actual costs, the costs of work requirements specified in Exhibit "A" as "Fixed Unit Costs" are allowable costs of the project. The Government will contribute to the fixed unit costs as work units are performed. A "Fixed Unit Cost" is an agreed price for each unit of work to be performed regardless of costs incurred by the Operator. Costs set forth in Exhibit "A" include all allowable costs of the work to be performed under the contract.

8. Notwithstanding any other provision of the contract, the allowable unit cost per foot of a drilling item in the average unit cost per foot computed on the basis of all the actual unit costs of such drilling items incurred by the Contractor; Provided, that the Government will not contribute to any portion of an average unit cost of a drilling item that exceeds the estimated unit cost of such item set forth in the contract.

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EXPLORATION PROJECT CONTRACT
THE NEW JERSEY ZINC COMPANY
DOCKET NO. DMEA-4674

EXHIBIT "A"

Description of the Work

The purpose of the project is to explore for ores of zinc, lead, and copper by diamond drilling (and such churn drilling of overburden as may be required). Base metal potential is indicated by several geochemical anomalies of zinc along the strike of the beds. It is desired to test the largest of these areas, which extends 1,000 feet along the strike and 600 feet across the strike of the beds.

A fence of 6 holes shall be drilled, spaced at not less than 200-foot intervals. The inclination of the holes shall be approximately 45° and the direction shall be at right angles approximately to the strike of the foliation of the rocks. The locations of the holes are tentatively shown on the attached map entitled "The New Jersey Zinc Company, File No. AXV-542-D-8", but the actual locations, directions, inclinations, and depths of all holes are subject to prior Government approval.

Drilling shall not be done at locations closer than 200 feet from an outer boundary of the land.

It is estimated that the holes will average 400 feet in depth, and not more than 2,400 feet of drilling shall be performed.

All diamond drilling shall be done with AX size, or larger, coring bits, except when it is necessary to use an EX size bit in order to complete a hole. Drill holes shall be reamed and cased or cemented and redrilled as necessary.

All drill holes shall be logged and all drill core shall be made available to the Government for examination. All significantly mineralized core shall be split and one half thereof shall be properly sampled and assayed for zinc, lead, and copper. The remaining half of all significantly mineralized core samples shall be furnished to the Government upon request.

All assays shall be reported monthly to the Government, together with drill logs and proper plan maps and sections, showing the progress of the work and sample locations.

All drilling and sample preparation shall be properly supervised by competent engineers and geologists.

Estimated Costs of the Project

Actual Costs

Category (1) Independent Contracts

Overburden drilling to 100-foot depth, approximately 360 feet @ $2.90/ft.	$1,044.00	
Diamond drilling to 500-foot depth, approximately 2,040 feet @ $2.70/ft. for AX size bit	5,508.00	$6,552.00

Diamond drilling with EX size bit is allowable @ $2.60/ft.

The above rates include charges for cementing and redrilling, water supply, changing of locations, reaming and casing, and any other charges which may be incurred by the drilling contractor

Neither the cost nor the value of casing left in drill holes at the option of the Operator will be accepted as a charge to the contract.

Categories (2) through (7) None

Fixed Unit Costs (See Annex II of the contract)

Incidental allowance 1/ for each foot of drilling completed, 2,400 feet @ $0.58	$1,392.00	
Core boxes - 50 @ $2.50 each (wooden)	125.00	
Sample analyses - 100 @ $3.00/each sample	300.00	1,817.00
Estimated Total Cost of the Project (rounded to)		$8,370.00
Government Participation @ 50%		$4,185.00

1/ Includes all costs that might otherwise be allowable costs of the project under Categories (1) through (7) of Article 6(a), except as otherwise scheduled in Exhibit "A".

DMEA Form 14

Contract No. Idm-E 1103

Docket No. 4674

Approved [redacted] contract

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
June 27, 1957	V	Virginia	Zinc-Lead-Copper

Name and Address of Operator: The New Jersey Zinc Co.
160 Front Street
New York 38, New York

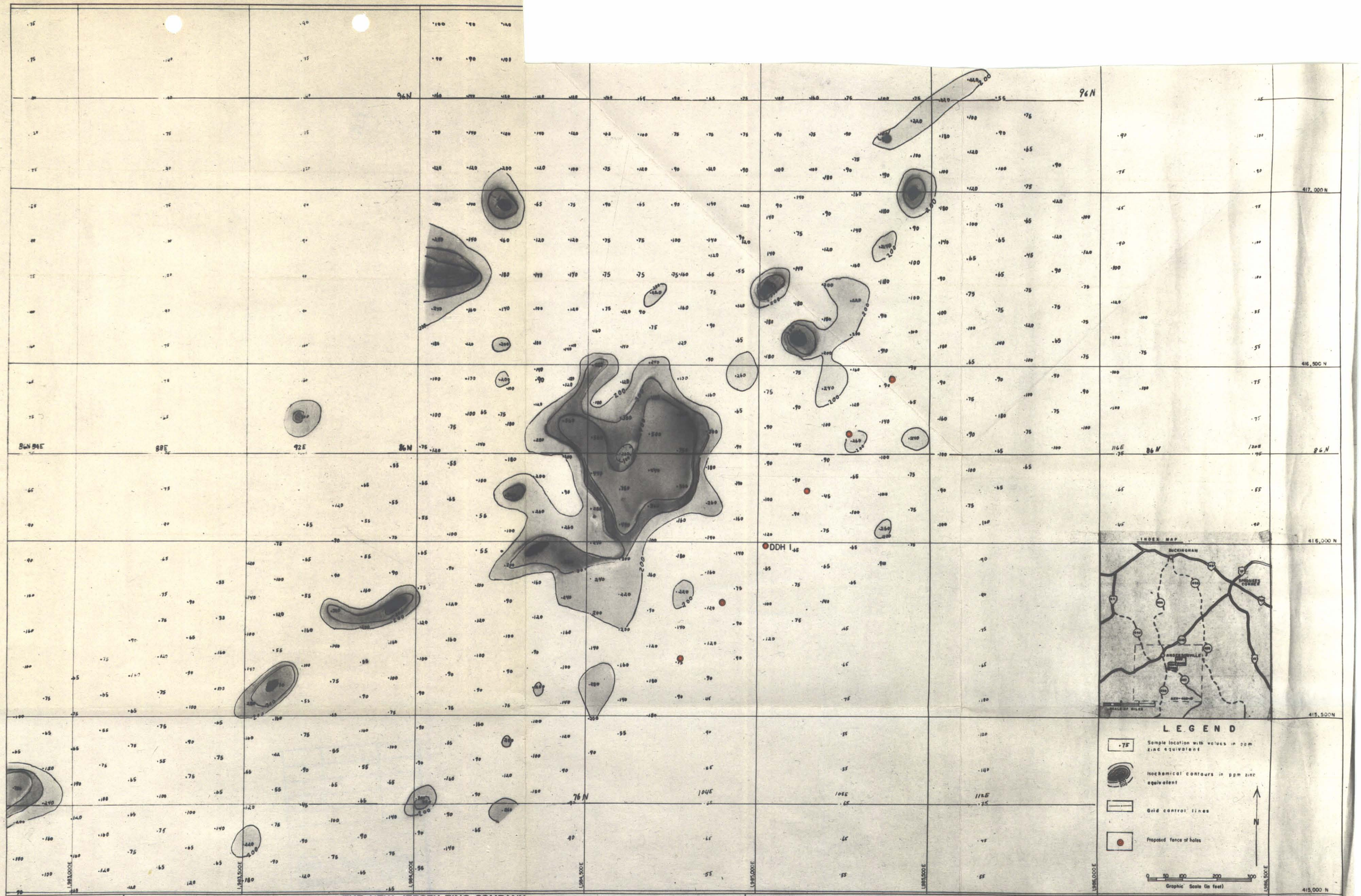
	Reserve	Obligation
Prior Amount	0	0
Increase	$4,185.00	0
Decrease	0	0
Revised Amount	$4,185.00	0

Remarks:

Allen S. Dakan, Chief
(Name)
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 6/27/57

16416



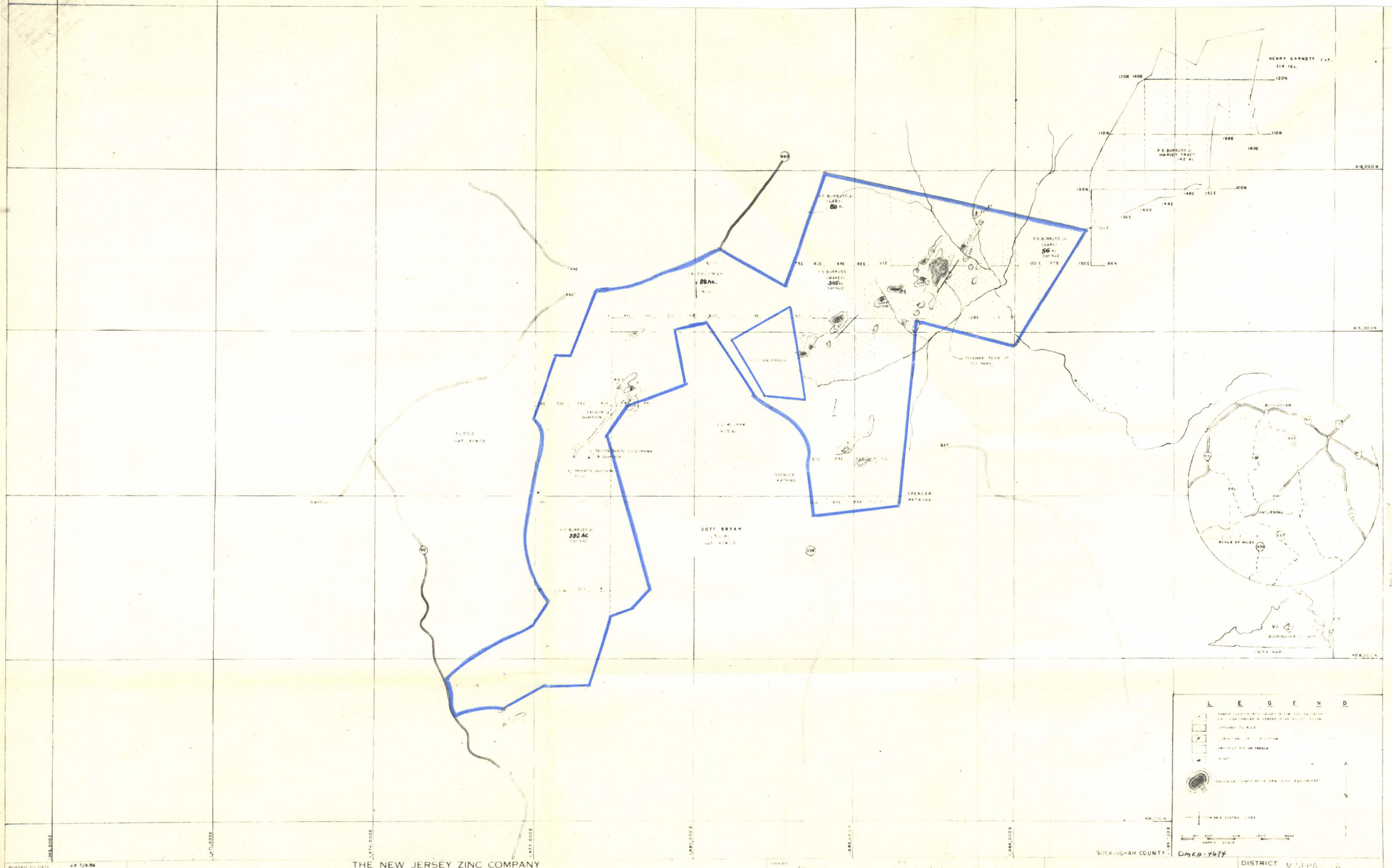
POSTED TO DATE

THE NEW JERSEY ZINC COMPANY

DRAWN N.A.K. DATE 4/57
TRACED F.I.L. SCALE 1"=100'

Northeast Burrus Property (Maxey-Gary)
Buckingham County, Virginia
GEOCHEMISTRY

DISTRICT Mineral, Va.
FILE NO. AXV-542-D-B


HENRY GARNETT Est.
114 Ac.
R.S. BURRUSS Jr.
(HARVEY TRACT)
142 Ac.
R.S. BURRUSS Jr.
(GARY)
80 Ac.
R.S. BURRUSS Jr.
(GARY)
56 Ac.
R.S. BURRUSS
(MAXEY)
305 Ac.
A.J. COLEMAN
88 Ac.
R.S. BURRUSS Jr.
382 Ac.
DOTT BRYAN
SPENCER WATKINS
FLOOD
Proposed Fence of Drill Holes
BUCKINGHAM
ANDERSONVILLE
SCALE OF MILES
VA.
BUCKINGHAM COUNTY
INDEX MAP
L E G E N D
BUCKINGHAM COUNTY
OMER-4674
THE NEW JERSEY ZINC COMPANY
DISTRICT MINERALS
FILE NO. AXV-402 D-B
POSTED TO DATE
J.H. 7/9/86