OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E371, Docket DMEA-1303X (lead-zinc), dated December 3, 1952, with

Yuma Metals, Inc.
c/o Luke Walker
Ventura Hotel
Ventura, California

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Red Cloud Mine located in Yuma County, Arizona, during the period June 11, 1959, through May 28, 1962.

In accordance with Amendment No. 3 and Annex I of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated April 21, 1955, indicated accepted costs under the exploration contract amounting to $38,578.97 with the Government's contribution on a 50 percent basis being $19,289.48.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through June 10, 1959. The royalty account as of June 10, 1959, was:

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

As of May 28, 1962, the royalty account of this project was found to be:

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

E. D. Talbert

E. D. Talbert, OME Auditor

July 2, 1962

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract, as amended, provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the Red Cloud patented mining claim located in secs. 2 and 11, T. 4 S., R. 23 W., Gila and Salt River Meridian. At the time this contract was executed the Operator was the owner of this claim in the Silver Mining District by virtue of purchase in 1950.

Exploration work under the contract ceased during May 1954. No ore was produced during the exploration work. Subsequent examinations of the property and inquiries addressed to the Operator have disclosed no evidence of production since cessation of the exploration work. A May 23, 1962, response by the Operator to a MME Form 63 inquiry indicates neither production nor change in property status.

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

(1) The files contain no evidence of production from the property under the contract during the period covered by this review; and

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

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY
O. M. E
RECEIVED JUL 9

800

July 6, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA-1303X (Lead-Zinc)
Yuma Metals, Inc.
(Red Cloud Mine)
Yuma County, Arizona
Contract Idm-E371

Attached is the original Report of Royalty Review on the subject property dated July 2, 1962 covering the period June 11, 1959, through May 28, 1962.

Original signed by

Hugh M. Connors

Attachments
HMC/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. Idm-E371
Chron

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMRA-1303X (Lead-Zinc)
Yuma Metals, Inc.
Red Cloud Mine
Yuma County, Arizona
Contract Idm-5371

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

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

(b) One copy for your files.

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

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

Enclosures

EDTalbert/ama 7-2-62

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

OFFICIAL FILE COPY O. M. E. RECEIVED FEB 15 1960		
DATE	INITIALS	CODE
		800
	1303	

Building 20 - Federal Center
Denver 25, Colorado
February 11, 1960

County Clerk and Recorder
Yuma County
Yuma, Arizona

Re: Docket No. IMA 1301X (Lead-Zinc)
Contract No. Idm-8371
Yuma Metals, Inc.
(Red Cloud mine)
Yuma County, Arizona

Dear Sir:

Attempts by this office to reach the referenced Operator by mail to obtain information regarding the current status of the property have been fruitless.

We will appreciate receiving any information you can give us regarding the name and address of the present owner of the Red Cloud Claim which is recorded in Book 44 of Deeds, Page 331 in your office.

Very truly yours,

Original signed by

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

JWT:ltm

cc: Chmn. Op. Comm.
Roy. Corres.
Chron.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, OME Field Team, Region III, Denver, Colorado pertaining to Contract Ida-2371, Docket No. DMEA 1303X, dated December 3, 1952, with

Yuma Metals, Inc.
Yuma, Arizona

for the purpose of determining the amount of royalties due the U. S. Government on the sales of Lead-Zinc, from property referred to as Red Cloud Mine, located in Yuma County, Arizona, during the period December 3, 1952 to June 10, 1959.

Pseudo Certification was effected by Amendment No. 3 to the contract and accordingly royalty is payable on all production from the land described in Article 2 of the contract for a maximum period of 11 years from the date of the contract. A Report of Review in lieu of final cost audit indicated accepted costs under the exploration contract amounting to $38,578.97, with the Government's contribution on a 50 percent basis being $19,289.48.

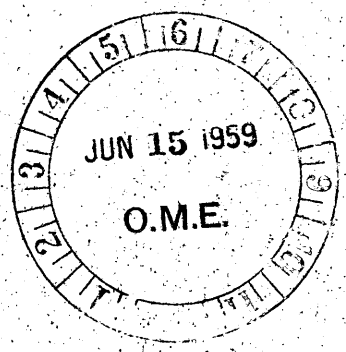
No royalty has been paid to the Government to date in connection with this contract.

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

(a) According to the Field Team's Semi-Annual Report of certified project for the period July 1, 1954 to December 31, 1954, operation ceased about May 11, 1954; no ore has been shipped since December 3, 1952, (the date of the exploration contract). Subsequent semi-annual reports of Field Team during period January 1, 1955 to December 31, 1958, indicate the property inactive and no operations or ore shipments are anticipated in 1959.

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

June 10,1959



Donald T. Finch
Donald T. Finch
OME Auditor

JUN 16 [illegible]

Memorandum

To: Mr. Donald T. Finch, OME Auditor

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

Subject: Docket No. DMEA-1303 (Lead-Zinc)
Yuma Metals, Inc.
Contract No. Idm-E371

Your Report of Royalty Review on the subject contract is acceptable for regional distribution after correcting the "10 years" in the third line of the second paragraph to "11 years". This correction has been made on the Washington copies.

EDTalbert/ama
June 15, 1959

Copy to: Docket
Director's Reading File
Code 800

REPORT
OF REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

Minerals Administration
RECEIVED
MAY 3 1 1955

I have reviewed the Monthly Reports of:

Yuma Metals, Inc.
Yuma, Arizona

pertaining to Exploration Project Contract No. Idm-8371, Docket No. DMEA-1303X, including Amendments Nos. 1, 2, and 3, for the months of December, 1952, to May, 1954, inclusive, and subsequent property settlement dated April 20, 1955, covering a project for the exploration of Lead - Zinc on property known as Red Cloud Mine, located in Yuma County, Arizona.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer, DMEA Field Team, 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 administrative costs to the Government of an audit would be excessive in relation to the amount of possible disallowances thereunder;
(b) the Monthly Reports were supported by documentary proof of the costs incurred under the contract provisions for contribution by the Government on the basis of actual costs incurred; and
(c) a major portion ($24,510.00) of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total Cost as billed by Contractor	$38,728.97
Less: Proceeds from property disposition	150.00
Net Cost as claimed by Contractor	$38,578.97
Exceptions	-0-
Total Accepted Cost	$38,578.97

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the Contractor by the Government in the amount of Nineteen thousand two hundred eighty-nine and 48/100 Dollars

$19,289.48

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

T. H. Brading, Auditor

April 21, 1955

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

MAY 24 1955

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

AIR MAIL

Re: Contract No. Idm-E371
Docket No. DMEA-1303X
Yuma Metals, Inc.

Dear Mr. Brading:

Enclosed are the original and eight copies of a revised Report of Review in lieu of final audit covering the referenced Exploration Project Contract.

Please sign and distribute in the usual manner, including three copies to this Division, in lieu of the corrected copies submitted by your letter of May 19, 1955.

Revision has been necessary since the major portion ($24,510.00) of the costs were actually under "agreed unit costs" provisions of the contract rather than under independent contracts as indicated in your prior submissions.

Sincerely yours,

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
May 24, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

224 New Customhouse
Denver 2, Colorado

May 19, 1955

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Contract No. Idm-E371
Docket No. DMEA-1303X
Yuma Metals, Inc.

Dear Mr. Chambers:

Attached are three corrected copies of Report of Review covering subject contract.

With reference to your comment regarding Yuma Metals being furnished with a copy of this Report of Review, please be advised that no copy was forwarded to the Operator. This is in line with instructions from your office, the most recent of which is on page 73 of Audit Procedure For Exploration Work Under DMEA Exploration Contracts.

Sincerely yours,

T. H. Brading

T. H. Brading, Auditor

Enc.

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

MAY 18 1955

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

Re: Contract No. Idm-F371
Docket No. DMFA-1303X
Yuma Metals, Inc.

Dear Mr. Brading:

Reference again is made to your Report of Review on the above-cited project, ~~any~~ and my letter of May 11, 1955, accepting your Report of Review.

My acceptance of your Report of Review was in error.

The total accepted cost found by you was $37,578.97. This should be $38,578.97. A $1,000 error was made in the deduction of proceeds from property disposition, unless the proceeds from property disposition was $1,150, instead of $150.00.

If the Yuma Metals has been furnished a copy of your Report, please tell me how you propose to correct same, and whether you will issue a new Report of Review.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
May 18, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

MAY 11 1955

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

Re: Contract No. Idm-E371
Docket No. DMEA-1303X
Yuma Metals, Inc.

Dear Mr. Brading:

Reference is made to your letter of April 28, 1955, in regard to the footages and reported costs for drilling under the subject contract.

The information as submitted answers my question satisfactorily. The Report of Review is accepted and may be distributed in the usual manner.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBorovies/wb
May 11, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

noted

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

RECEIVED
MAY 2 - 1955

224 New Customhouse
Denver 2, Colorado

April 28, 1955

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration A dministration
Department of the Interior
Washington 25, D. C.

Re: Contract No. Idm-E371
Docket No. DMEA 1303X
Yuma Metals, Inc.

Dear Mr. Chambers:

In accordance with instructions in yours of April 27, 1955, the following tabulation of footages and reported costs for contract drilling under subject contract is submitted:

	REPORTED	
	FOOTAGE	COST
December, 1952 to April, 1953	535	$ 5,350.00
May, 1953	431	4,310.00
June, 1953	280	2,800.00
November, 1953	331	3,310.00
December, 1953 to March, 1954	504	5,040.00
April and May, 1954	650	6,500.00
	2,731	$27,310.00
Deduct:		
June Footage and Costs Disallowed	280	2,800.00
TOTALS:	2,451	$24,510.00

The Executive Officer advised me that corrected final copy of April and May, 1954 is being forwarded to the Secretary of the Operating Committee today.

If I can be of further service please call on me.

Sincerely yours

T H Brading

T. H. Brading, DMEA Auditor

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

APR 27 1955

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

Re: Contract No. Idm-E371
Docket DMEA-1303X
Yuma Metals, Inc.

Dear Mr. Brading:

Reference is made to your Report of Review under date of April 21, 1955, of the above-cited project.

I am requesting that you review all the vouchers submitted by the Operator, especially for the item of drilling. I am unable to get the footages reported on these vouchers and the cost therefor to agree with the final figure shown on the vouchers for the months of April and May 1954. Doubtless there is information in the Finance Office explaining why the drilling footages as reported on the vouchers do not total the amount given on the final voucher, but that information apparently was not submitted with the vouchers sent to this office.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
April 27, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

224 New Customhouse
Denver 2, Colorado

December 6, 1954

Mr. Lloyd C. White, Manager
Yuma Metals, Inc.
1005 Oxford Street
Berkeley 7, California

Re: Docket DMEA 1303 (Lead-Zinc)
Contract Idm-E371
Yuma Metals, Inc., Red Cloud Mine
Yuma County, Arizona

Dear Mr. White:

Reference is made to the letter dated December 3, 1954 from the Administrator, DMEA, relative to exploration work under the referenced contract.

By the terms of the exploration project contract under which you are operating, the Government acquires an interest in property purchased for use on the project which is ....paid for or purchased with funds contributed jointly by the operator and the Government.... Such property includes any individual items of equipment and facilities, buildings, or other fixtures costing more than $50.00 each. It also includes materials and supplies considered in groups or categories (such as pipe, explosives, rails, drill steel), if the original cost of the remaining unexpended portion of any such category of materials or supplies exceeded $50.00. As to any facility, building, fixture, or piece of equipment, and as to any such group or category of materials or supplies the original cost of which or the unexpended portion of which did not exceed $50.00, the Government does not assert any claim or interest under the terms of the contract.

The effect of the contract provisions is to make you the agent of the Government for the disposition of its interest in such property. Therefore it is your responsibility to make the best possible disposition of the property for the benefit of the Government. Every reasonable effort must be made to realize its full value. Such reasonable efforts might include: (1) Advertising in newspapers, periodicals, and posting notices in public places; (2) canvassing users of and dealers in such property; and (3) negotiating with the original vendor for the repurchase of the property.

Should you wish to retain the property, or in effect sell it to yourself, you may do this only after first having made every reasonable effort to procure a price higher than you yourself are willing to pay; or you may buy the Government's equity by paying for it either on the basis of the original cost or at a price higher than the highest bid obtainable from two independent bidders. In bidding on the property for yourself you should give consideration to the fact that the property in place is worth considerably more to you than if dismantled and disposed of elsewhere.

The undersigned is authorized to approve of and to join in the sale of such property for the joint account of the operator and the Government. You are requested to advise this office in advance of the proposed disposition of any such property so that we may advise you if the Government will approve thereof and join in the transaction. Please supply this office with the original and five copies of your liquidation proposal and all documents and other material relative to the property disposition.

The Government will withhold from your final voucher or vouchers such sums as it deems necessary to cover its equity in property, until you have rendered your final report and final account, and the final auditing and settlement of the contract has been made.

Very truly yours,

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

JWT:jp
cc Subject
Chron
Storms
Faick
Koschmann
Chairman, Op. Comm. (3)
Townsend

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

RECEIVED
JUN 15 1955

224 New Customhouse
Denver 2, Colorado

May 20, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-1303X (Lead-Zinc), Contract Idm-8371, Yuma Metals, Inc., Yuma County, Arizona - FINAL PAYMENT

Enclosed are five sets of data relative to liquidation of the jointly owned property acquired under the contract. Further reference is made to our memorandum of August 2, 1954, whereby we forwarded to you the Operator's Monthly Progress Report and Voucher for the months of April and May, 1954, and instructed you to withhold the amount of $1,500.00 from reimbursement to the Operator pending liquidation of the Government's interest in the property acquired under the contract.

The Operator has rendered his final report and has complied with all requirements under the contract relative to closing his account. Therefore, we now recommend that final payment be made on the following basis which is in conformance with the Report of Review by the Contract Administration and Audit Division, dated April 21, 1955, which was released to this office, in revised form, May 19, 1955.

Basis for Final Payment

Total accepted cost	$38,578.97
Government participation at 50%	19,289.48
Total prior payments	17,864.48
Balance due the Operator	$ 1,425.00

Reconciliation with Amount Withheld from Reimbursement to the Operator

Amount withheld	$ 1,500.00
Less Government's interest and property disposition	75.00
Balance due the Operator	$ 1,425.00

Pay 1425.00
Randel R. Cooper
Randel R. Cooper
Authorized Certifying Officer
5-26-55 DMA-55-95

W. M. TRAVER,

W. M. Traver

Enclosures
JWT:PW
cc: Contract Sec.Op.Comm. (2) Chron Storms Townsend

RECEIVED

JUN 15 1955

224 New Customhouse
Denver 2, Colorado

April 21, 1955

Mr. D. L. McDaniel, President
Yuma Metals, Inc.
17,300 S. W. Old River Road
Oswego, Oregon

Re: Docket DMEA 1303 (Lead-Zinc)
Contract Idm-8371
Yuma Metals, Inc.
Red Cloud Mine
Yuma, County, Arizona

Dear Mr. McDaniel:

Consistent with authority delegated to this office under Order No. 2684 from the Office of the Secretary, Department of the Interior, the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, does hereby accept your bid and proposal dated April 15, 1955, in the amount of $150.00 in the liquidation of the jointly owned property and unexpended portion of materials and supplies acquired under Contract Idm-8371.

The sum of $75.00, reflecting the Government's interest in the transaction, will be deducted from monies deferred from reimbursement to you pending final settlement of the account.

Final payment to you under the terms of the contract will be processed upon receipt of your final engineering and geological report in conformance with Article 7(b) of Exploration Project Contract form MF-200 on which Contract Idm-8371 is prepared, and upon release to this office of a Report of Review of contract expenditures by the Contract Administration and Audit Division.

Very truly yours,

W. M. TRAVER,

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

JWT:bh
cc - Subject
Chron.
Townsend
Grading
MF-104(5)

Yuma Metals, Inc.

LLOYD C. WHITE, GEN. MGR.

YUMA, ARIZONA

April 15, 1955

N. E. King
Executive Officer, D.M.E.A.
Field Team, Region IV
U.S. Bureau of Mines
Denver, Colo.

RECEIVED
JUN 1 3 1955

Dear Sir,

Enclosed find two bids for the material and residue of the joint property under our D.M.E.A. contract number Ic-5371. We elect to leave the project intact and pay $150.00 for the lot to the joint account of the government and ourselves.
Please send any further instructions to close this project. As the first portion of this contract was audited at the time of filing and the last was on a footage basis, it seems to me this should close the account.
Our reason for delay in filing these bids is that I could not get the bids until I made a recent trip to Yuma for just that express purpose.
Please address any correspondence to me at 17800 S.W. Old River Road
Oswego, Oregon.

Yours truly,

N. T. McDaniel Pres.

Yuma, Arizona
March 21, 1955

Yuma Metals Inc.
Yuma, Arizona

RECEIVED
JUN 15 1955

Gentlemen:

I have inspected the materials offered for sale by your firm located at the "Red Cloud Mine."

The road is in very poor condition and I believe would require four-wheel drive cars to reach the lot. However, as I am taking on a small scale at "Gentle Jane", I might make a bid of one hundred forty five dollars ($145.00) for full lot of materials on the attached list.

Very truly yours,

Seymour Wall
Box 17
Winterhaven
Cal

TERRITORIAL GARAGE
833 - 2nd Ave.
Yuma, Ariz. Ph._____

RECEIVED
JUN 15 1955

To. Yuma Metals Inc.

Gentlemen,

I respectfully submit my firm Bid for the lot of Equipment and Material located at your property at the Red Cloud Mine.

For the full lot included in the attached list I offer $105.00. I understand this bid is for the lot "As is" "where is".

H O Emmitt
835 - 2nd Ave.
Yuma Ariz.

Yuma Metals, Inc.

LLOYD C. WHITE, GEN. MGR.

D. L. McDANIEL, PRES.
OTTO MOTEJL, VICE PRES.
CHAIRMAN OF BOARD
LUKE WALKER
SECY. & TREAS.

YUMA, ARIZONA

RECEIVED
JUN 15 1966

LOCATED AT [illegible] MILE [illegible] , ARIZONA

AS IS [illegible] HERE I

WE REQUEST A BITTER BID FOR THE PURCHASE OF THE FOLLOWING MATERIALS:

SMALL LOT OF MISCELLANEOUS [illegible]

1 CABLE AND BUCKET

1LOT MISC 4" O.D. --- this pipe is welded together and is in a vertical and inclined shaft to the 500 foot level

1 3000 GAL. WATER TANK

1BUILDING 16 X 24 APPROXIMATELY (2 X 4 and shiplap const.)

1 BUTANE GAS RANGE (SMALL SIZE)
1 BUTANE GAS 20 GAL. HOT WATER HEATER

1BUTANE GAS REFRIGERATOR

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

RECEIVED
JUN 15 1955

224 New Customhouse
Denver 2, Colorado

June 13, 1955

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 1303X (Lead-Zinc), Contract Idm-E371, Yuma Metals, Inc., Yuma County, Arizona

Enclosed are two copies of a memorandum to T. A. Christensen, dated May 20, 1955, relative to final payment under the terms of the subject contract.

W. M. Traver

W. M. Traver

Enclosures

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April & May, 1954 Docket No. DMEA 1303X Contract No. Idm-E371
Operator's Name Yuma Metals, Inc. Minerals Lead & Zinc
Address 798 Hope St., Santa Barbara, Calif.
Contract Amount, $ 75,000 Government Participation: 50 % Amount, $ 37,500

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Diamond	6,500.00	18,010.00	24,510.00			
Bulldozing						
Crosscutting						
~~Drifting~~ New Bldgs.		823.00	823.00			
Moving Bldgs.		560.00	560.00			
(2) Labor and Supervision:						
Labor		3,083.75	3,083.75			
Supervision		900.00	900.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		640.22	640.22			
~~Explosives~~ Cable & bucket		190.00	190.00			
Pipe		396.62	396.62			
Track		195.00	195.00			
Fuel & grease		269.71	269.71			
Small tools		204.62	204.62			
Various		327.21	327.21			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		900.00	900.00			
(5) Initial Rehabilitation and Repairs		3,971.04	3,971.04			
(6) New Bldgs., Improvements, etc.		887.71	887.71			
(7) Miscellaneous:						
Repairs to Equipment		135.18	135.18			
Sampling and Analysis						
Payroll Taxes		64.66	64.66			
Liability Insurance		217.56	217.56			
(8) Contingencies (specify):						
Labor		326.59	326.59			
Supplies		126.10	126.10			
TOTALS	6,500.00	32,228.97	38,728.97			

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

Date June 1, 1954 *Payee Yuma Metals, Inc.

Per Lloyd C. White Title Manager

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

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

(Instructions on reverse)

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

$

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(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. 1 DMEA 371 in accordance with the terms of the contract.

Signature Williams R. Hardwick WRH Title Mining Engineer Date 3/14/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

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 MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 2 - 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April & May 1954 Docket No. DMEA 1303 X Contract No. Idm-B371

Operator's Name Yuma Metals, Inc. Minerals Lead & Zinc

Address 798 Hope St., Santa Barbara, Calif.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Ft.	6,500.00	650	24,510.00	2,451	10	6,000	910.00
Churn								
Auger								
~~Stripping~~ New Bldgs.				823.00				
~~Trenching~~ Moving Bldgs.				560.00				
Test Pits								
Roads and Trails								
Underr. Rehab.				7,977.22				
TOTAL DISTRIBUTED COSTS		6,500.00	650	33,870.22				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				3,971.04				
New Buildings, Improvements, etc.				887.71				
TOTAL COSTS		6,500.00		38,728.97				75,000

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 June 1, 1954 Operator Yuma Metals, Inc.

Per Lloyd C. White Title Manager

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

REMARKS:

(Instructions on reverse)

(For Government use only)

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

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

MAY 2 - 1955

224 New Customhouse
Denver 2, Colorado

April 28, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA 1303X (Lead-Zinc), Contract Idm-E371, Yuma Metals, Inc., Red Cloud Lead-Zinc Mine, Yuma County, Arizona

Enclosed for your records are two copies of corrected Forms MF-104 and MF-104A for the period April and May 1954.

W. M. Traver

W. M. Traver

Enclosures

Form 104 (Rev.) (1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April & May, 1954 Docket No. DMEA Contract No. Idm-E 337 11

Operator's Name Yuma Metals, Inc. Minerals Lead & Zinc

Address 798 Hope St., Santa Barbara, Calif.

Contract Amount, $ 75,000.00 Government Participation: 50 % Amount, $ 37,500.00

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:						
Drilling Diamond	6500.00	~~14,700.00~~ 18,610.00	~~21,200.00~~ 24,710.00			
Bulldozing						
Crosscutting						
~~Drifting~~ New Bldgs.		823.00	823.00			
~~Moving~~ "		560.00	560.00			
(2) Labor and Supervision:						
Labor		3,083.75	3,083.75			
Supervision		900.00	900.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		640.22	640.22			
Explosives Cable & bucket		190.00	190.00			
Pipe		396.62	396.62			
Track		195.00	195.00			
		269.71	269.71			
		204.62	204.62			
(4) Operating Equipment: Various		327.21	327.21			
Rental						
Purchase						
Depreciation		900.00	900.00			
(5) Initial Rehabilitation and Repairs		3,971.04	3,971.04			
(6) New Bldgs., Improvements, etc.		887.71	887.71			
(7) Miscellaneous:						
Repairs to Equipment		135.10	135.10			
Sampling and Analysis						
Payroll Taxes		64.66	64.66			
Liability Insurance		217.56	217.56			
(8) Contingencies (specify):						
Labor		326.99	326.99			
Supplies		126.10	126.10			
		~~32,228.97~~	~~38,728.97~~			
TOTALS	~~6500.00~~	~~26,910.97~~	~~35,410.97~~	6500.00	32,228.97	38,728.97

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

Date June 1, 1954 *Payee Yuma Metals, Inc.

Per Lloyd C. White Title Manager

*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.

Minerals Management

→ 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)

AUG 25 1954

* Mill adjustment

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: 33,228.96 38,728.96

$ 1750.00

Signature Randel R. Cooper (Authorized Certifying Officer)

Date 8-12-54 Vou. No. DMA-55-12

(See other side)

(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. day E 371 in accordance with the terms of the contract.

Signature William R. Hardwick Title Mining Engineer Date 7/27/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. H. King Title Executive Officer Date AUG 2 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form DMF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

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

Month of April & May 1954 Docket No. DMEA 1303-X Contract No. Idm-E 371
Operator's Name Yuma Metals, Inc. Minerals Lead & Zinc
Address 790 Hope St., Santa Barbara, California

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				24,610.00	2451			
Drilling: Core	Ft.	6,500.00	650	~~21,200.00~~	~~2120~~	10	6000	10.00
Churn								
Auger								
Stripping New Bldgs.				623.00				
Trenching Moving "				560.00				
Test Pits								
Roads and Trails								
Undergr. Rehab.				7,977.22				
Total Distributed Costs		6,500.00	650	3 867 30,560.22 33,870.22				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				3,971.94				
New Buildings, Improvements, etc.				11,807.71				
				38,928.97				
Total Costs		6,500.00		~~50,448.97~~				75,000.00

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

Date June 1 Operator Yuma Metals, Inc.

Per Floyd C. White Title Manager

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

Remarks:

(Instructions on reverse)

(For Government use only)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 25 1954

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 83-38475

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

Administrative Audit Difference Statement

Date: August 12, 1954
Payee's
Reference: April and May 1954

Yuma Metals, Inc.
Yuma, Ariz.

Gentlemen:

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

Amount Claimed	$ ~~6,500.00~~
~~Difference~~	$ ~~3,250.00~~
* Withheld Amount Approved	$ 1,500.00 ~~3,750.00~~

The reason for the difference was due to:

*

$1,500.00 withheld from payment pending liquidation of the Government's interest in the property acquired under the contract.

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

August 2, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 1303X (Lead-Zinc), Contract Idm-E371, Yuma Metals, Inc., Yuma County, Arizona. Operator's Monthly Progress Report for the months of April and May 1954.

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

Work has been completed as authorized by the contract at an agreed unit cost. Therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report except as follows:

Please withhold the amount of $1,500.00 from reimbursement to the Operator pending liquidation of the Government's interest in property acquired under the contract. Please so advise the Operator.

Remarks:

Date of Operator's Report	June 1, 1954.
Date report originally received in Bureau of Mines Branch Office	June 7, 1954.
Date corrected report received in Bureau of Mines Branch Office	July 12, 1954.
Date Report received in Regional Office	July 30, 1954.

18 days

W. H. King

W. H. King

Enclosures

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

July 27, 1954

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : April-May 1954 Progress Report, Contract Bm-8371, Bracket BMA-130XK, Yuma Metals, Inc., Red Cloud Lead-Zinc Mine, Yuma County, Ariz.

Enclosed in quintuplicate are

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report with log of hole No. 7 and 2 maps;
(3) Forms MF-104 and MF-104A.

Also enclosed are 3 extra copies of our engineer's report.

All work is in accordance with the terms of the contract. However, the operator has asked for a recess and there is some doubt in my mind whether or not the project ever will be reactivated. As the Government's equity in equipment and buildings purchased under the contract amounts to approximately $2,000, I recommend that this amount be withheld until the contract either is reactivated or terminated, and the remainder be paid to the operator.

Walter R. Storms

Walter R. Storms

CC W. H. King (7)
BMA-130XK
DF

WRStorms:frj

July 27, 1954

Memorandum

To : Walter R. Stearns, Chief, Mining Methods Br., Mining Div., Region IV, Tucson, Ariz.

From : William R. Hardwick, Mining Engineer, Tucson, Ariz.

Subject : Progress Report, Period April 1, 1954 to May 11, 1954, Docket DMA-1303K, Contract Idm-8371, Yuma Metals, Inc. Red Cloud Lead-Zinc Mine, Yuma County, Ariz.

On April 6, 1954 D. L. McDaniels, President of Yuma Metals, Inc., telephoned W. H. King, Executive Officer, DMA Field Team, Region IV, and requested authority to drill an additional prospect sample hole. Authority was granted and diamond drill hole No. 7 was drilled.

The Red Cloud mine was visited on May 10-11, 1954 by the writer. Luke Walker and D. L. McDaniels were at the mine. On May 11 drill hole No. 7 had reached a depth of 630 feet and Luke Walker and D. L. McDaniels decided to stop the hole. I was in agreement with this decision.

When I arrived at the Red Cloud mine on May 10 the drill hole had reached a depth of 640 feet and the last four feet were of typical Red Cloud vein material. Walker and McDaniels had decided that the hole would be stopped at the end of that day's operation prior to my arrival. However, when vein material was exposed in the bottom they decided to drill an additional shift and on May 11, 1954, an additional 10 feet were drilled. The final depth of the hole was 650 feet.

The last 30 feet of the drill hole I have logged as follows:

CC W. H. King (Org. & 7)
DMA-1303K
RF

WRHardwick:frj

Footage	Description
600 - 625	Granite
625 - 630	Vein material - fine grained quartz, barite, and calcite. Cavities and vugs filled with limonite and hematite. Bladed barite crystals and banding quite prominent.
630 - 635	Medium grained crystalline rock, dark and light minerals about equal, probably Diorite.
635 - 640	Vein - see description above.
640 - 641	Breccia (diorite).
641 - 643	Dark diorite, medium grained.
643 - 650	Vein, banding prominent.

There was no question in my mind that the material cut in the bottom of this drill hole was a part of the Red Cloud vein. The material in the vein at the bottom of Hole No. 7 was identical with that in the drifts above the 500-foot level except that no ore minerals were visible. The operator has stated that samples from No. 7 drill hole intervals 625 to 630 feet, 630 to 635 feet, 635 to 640 feet, and 640 to 650 feet showed a trace of gold, approximately one half ounce of silver, and no lead and zinc.

A summary of the results from prospect drill holes authorized by the exploration contract follows:

Hole No.	Total Depth	Cut Vein	Approximate assay: Percent Lead	Percent Zinc	Ounces/ton Gold	Ounces/ton Silver
1	144	75- 86	1.08	2.15	-	7.45
2	158	112-119	0.22	2.25	-	0.80
3	308	283-286	0.0	5.72	-	0.80
4	276	244-250	0.0	1.75	-	0.12
5	315	No	-	-	-	-
5A	300	Not identified		-	-	-
7	650	640-650	-	-	Tr	0.30

The depths in the above table indicate slope distance below the 500 level which is just above the water level. The vertical depth of Number 7 hole is 485 feet below the collar on the 500 level, or approximately 985 feet below the surface. The metal content of the vein above the 500-ft. level has been estimated to be about 6 percent lead, 9 percent zinc, and 10 ounces of silver, all as oxidized minerals. There a noticeable decrease in metal content is indicated at water level. Furthermore, the assays from the exploration drilling indicate that the values will decrease still further with depth.

This contract proposed to do some preparatory work and then explore by diamond drilling below the 500 level of the Red Cloud mine for sulfide ore. No sulfide ore has been found and the oxide ore has decreased in metal content with depth below the water level. Although the vein continues downward the indications are that no ore will be discovered by more drilling.

During April and May 1954, the operator completed diamond drill hole number 7 and on June 7, 1954 Luke Walker delivered the forms MF-104 and MF-104A for this work to the Tucson office of the U. S. Bureau of Mines. The supporting narrative report and the log, plan, and sections of drill hole No. 7 were not correct and were returned to Walker at that time for correction. Corrected papers were received in the Tucson office on July 12, 1954 from Lloyd C. White.

The operator claims reimbursement for 650 feet of prospect diamond drill hole. The contract provides for participation in the costs of this work to the amount of 50 percent of an agreed estimated cost of $10.00 per foot or $6,500.00 for the total cost. This is $3,250.00 for the Government's part. As the contract now stands, the progress of the contract is shown by the following:

	Preliminary Work	Diamond Drilling	Total Authorized
Total completed	$14,218.97	$24,510.00	$38,728.97
Government's part	7,109.48	12,255.00	19,364.48
Paid to operator	7,109.48	6,485.00	13,594.48
Due operator	-	$5,770.00	$5,770.00

The sum of $5,770.00 represents the sum of the amount due the operator for the Government's part of the cost of work shown on a voucher presented on April 14, 1954 and for the Government's part of the cost of the work shown on the attached voucher.

This contract was a long-form contract that provides for a Government equity in the items of equipment and supplies remaining when the contract is completed. The book value of these items is $4,185.21 and the Government's part of this equity is $2,092.61. Yuma Metals, Inc. has requested and received a recess to prepare plans for additional work. It is believed that the work that has been completed has proven that no sulfide ore body can be expected in this mine. While the operator may request additional work, it is probable that denial of its request will be recommended and that no more work will be completed under this contract. Therefore, it is recommended that a reasonable amount be withheld to assure a final report, a fair settlement of the Government's $2,092.61 equity in equipment and supplies, and any adjustments that may be due the Government as a result of the final audit. The operator can be paid any remaining part of the $5,770.00 at this time. It should be noted that the operator has not included 331 feet of drill hole and the costs thereof in his totals on this last voucher.

William R. Hardwick

William R. Hardwick, Mining Engineer
Mining Methods Branch
Mining Branch, Region 10

SUPPLEMENT TO OPERATOR'S NARRATIVE REPORT

Months of April and May 1954

Exploration Project Contract

IDM - E 371

Yuma Metals, Inc. - Red Cloud Mine

Progress Report for April and May 1954

Diamond drill hole No. 7 was authorized by the Denver office of the Bureau of Mines on April 6, 1954 and was located by the writer on April 7 in diamond drill Station No. 2 on the bottom level of the Red Cloud Mine. The course of the hole is North 10 degrees West and the inclination is minus 48 degrees from the horizontal. The hole is shown in plan and Section on the two accompanying sketches dated May 24 and 30 by Lloyd C. White. The Boyles Bros. Drilling Co. of Salt Lake City started drilling the hole on April 8 and the hole was stopped at 650 foot depth in May.

After plotting hole No. 7 and checking the position of the vein as developed in hole No. 3 from Station No. 1, I am skeptical whether hole No. 7 penetrated the Red Cloud vein. In my projection, No. 7 hole passed over the vein and would not have reached it before a 750 to 850 foot depth, where I hoped it would reach sulphide ore.

There is a fault mapped on the surface of Hershey's Geological Map out in the area under discussion and this may be having some influence on the vein.

A summary of the footage drilled to date is as follows:

By Metler Drilling Co. - 1953

No. 1 Hole	144 feet	Crossed vein
No. 2 Hole	158 feet	Crossed vein
No. 3 Hole	388 feet	Crossed vein
No. 4 Hole	276 feet	Crossed vein
No. 5 Hole	280 feet	Penetrated vein. Hole lost.
No. 6 Hole	335 feet	Hole lost.

By Boyles Bros. Drilling Co. 1954

No. 6A Hole	500 feet	Trace Calcite 430'-435'
No. 7 Hole	650 feet	(Vein?)
TOTAL	2731	

The original contract was for 6000 feet of drilling, as this was thought to be the minimum amount to prove or disprove our objective. To date less than one half of the contract has been completed.

The problem was, and is to trace the Red Cloud vein downward to the Sulphide zone and develop ore shoots along the vein. The first five holes found the vein but not commercial or sulphide ore.

Personally I did not expect the sulphide zone until a depth of 600 to 700 feet below drill station No. 2 was reached. Hole No. 7 appeared to be about the only underground location where this could be accomplished. I am sorry this hole could not have been extended 300 or 400 feet further or at least until the foot wall monzonite was penetrated. Really we have prospected only a very small section of the Red Cloud vein and our uncompleted problem is before us.

It is unfortunate that the long hanging wall cross cut on the bottom level had not been driven at right angles to the vein from the bottom of the incline shaft. This would have enabled us to prospect thoroughly 1000 foot north-south section of the vein.

Rather than drive another long hanging wall cross cut (at this time) from the face of the 502 north drift (at no expense to the Bureau) in order to get another more favorable drilling station, I am proposing the following program:

1st. Discontinue underground drilling at this time but drill a surface well rig vertical hole with casing in the arroyo near the surface fault somewhere beyond (in plan) where drill hole No. 7 bottomed. This would be cheaper than underground drilling and should reach the vein in the sulphide zone and penetrate the foot wall monzonite. After completion the hole should be equipped with a deep well pump to (a) supply water for a proposed mill and (b) to lower the water level on the bottom level of the mine so that the inclined shaft may be sunk on the vein.

In 1926 the Primas Co. started to sink this shaft but were driven out by water after a few rounds on account of inadequate equipment and power. Subsequently in 1941 Penn Metals pumped the sump dry while supplying water for their oxide mill. There was ample water for the 100 ton flotation plant but 250 gpm would hold the water down.

2nd. While No. 1 above is underway, drill a series of vertical surface diamond drill holes at 200 to 300 foot intervals Southward along the vein and toward the Papago claims. This would be the best method of developing additional oxidized ore tonnage. The State Geologist, Mr. E. D. Wilson, will endorse this No. 2 recommendation.

YUMA METALS, INC.

By Lloyd C. White

Lloyd C. White

YUMA METALS, INC.

Red Cloud Mine

May 1954

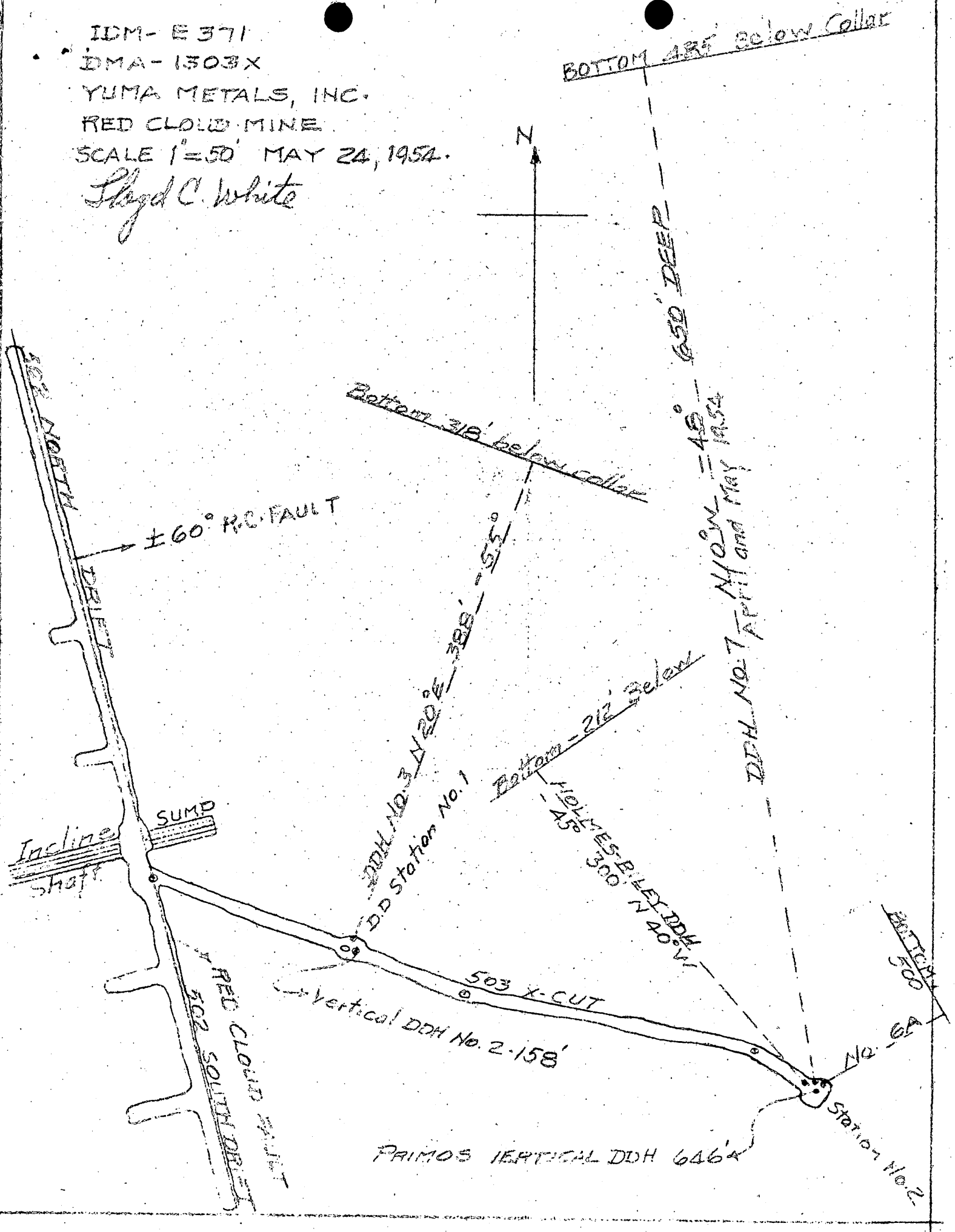
Yuma, Arizona

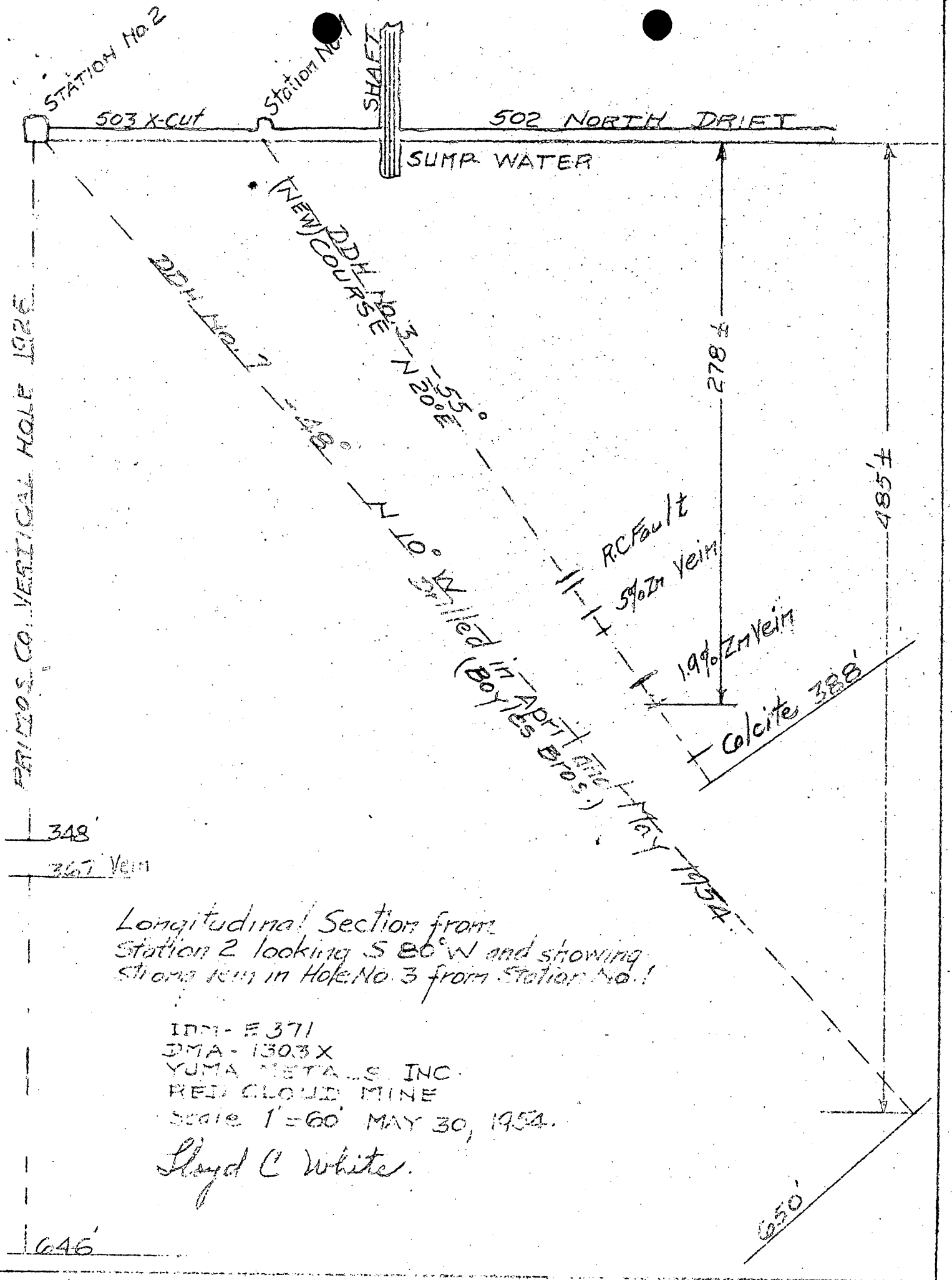
Log on Diamond Drill Hole No. 7 - bottom level Red Cloud Mine, Station 2 at end of 503 X-cut. Course of hole N 10° W. Inclination - 48° from horizontal. Hole started April 8, 1954 and completed in early May at 650 foot depth.

Hole drilled by Boyles Bros. Drilling Co., Salt Lake City.

Location of Core	Core Recovery	Description
0 - 385'		White tuff
385' - 395'		Decomposed granite
395' - 400'		Sludge only - red tuff
400' - 415'		Core red tuff
415' - 500'		Bands of grey fine granite and coarse glassy granite
500' - 543'		Mostly decomposed coarse black and white granite
543' - 545'	-- 0' - 10"	Granite and tuff
545' - 550'	-- 1' - 0"	Light colored granite
550 - 555'	-- 0' - 10"	" " "
555 - 565'	-- 1' - 3"	" " "
565 - 570'	-- 1' - 0"	Greenish gray fine grained dilse rock
570 - 575'	-- 1' - 6"	" " " " " "
575 - 580'	-- 1' - 6"	Fine grained greenish rock-seams carbonate
580 - 585'	-- 2" - 6"	" " " " " "
585' -590'	-- 2' - 10"	Fine grained greenish silicious rock
590' -595'	-- 1' - 0"	" " " " "
595' -600'	-- 1" -2"	" " " " "
600' -605'	-- 1' - 2"	Greenish gray granite
605' -610'	-- 0' -6"	" " silicious rock
610' -615'	-- 0' -6"	Broken altered tuff
614' -618'	-- 0' -6"	Greenish silicious - fine grained rock
618' -621'	--1' -6"	Silicious reddish tuff
621' -625'	-- 1' -9"	Tuff with quartz carbonate
625' -630	-- 2' -0"	Fine grained greenish rock, seams carbonate
630' -635'	-- 1' -6"	Dark solicious rock, much biotite

IDM- E 371
DMA- 1503X
YUMA METALS, INC.
RED CLOUD MINE
SCALE 1"=50' MAY 24, 1954.
Lloyd C. White





Longitudinal Section from Station 2 looking S 80° W and showing stringers in Hole No. 3 from Station No. 1

IDM - E 371
DMA - 1303 X
YUMA METALS INC.
RED CLOUD MINE
Scale 1" = 60' MAY 30, 1954.

Lloyd C White.

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Dec. 1953 March, 195 4 Docket No. DMEA 1303X Contract No. Idm-E337 71
Operator's Name Yuma Metals, Inc.
Minerals Lead & zinc
Address 708 Hope Ave. Santa Barbara, Calif.
Contract Amount, $75,000. Government Participation 50 % Amount, $37,500.00

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:						
Drilling Diamond	5,040.00	9,660.00	14,700.00			
Bulldozing						
Crosscutting						
Drifting						
xxxxx New Bldgs		823.00	823.00			
Moving "		560.00	560.00			
(2) Labor and Supervision:						
Labor		3,083.75	3,083.75			
Supervision		900.00	900.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		640.22	640.22			
Explosives xxxxxxxCable & Bucket		190.00	190.00			
Pipe		396.62	396.62			
Track		195.00	195.00			
Fuel & Crease		269.71	269.71			
Small tools		204.62	204.62			
(4) Operating Equipment: Various		327.21	327.21			
Rental						
Purchase						
Depreciation		900.00	900.00			
(5) Initial Rehabilitation and Repairs		3,971.04	3,971.04			
(6) New Bldgs., Improvements, etc.		887.71	887.71			
(7) Miscellaneous:						
Repairs to Equipment		135.18	135.18			
Sampling and Analysis						
Payroll Taxes		64.66	64.66			
Liability Insurance		217.56	217.56			
(8) Contingencies (specify):						
Labor		326.59	326.59			
Supplies		126.10	126.10			
TOTALS	5,040.00	23,878.97	28,918.97	5040.00	32,241.04	37,281.04
					* 2,800.00	2,800.00
					** 2,252.07	2,252.07
					27,188.97	32,228.97
					$2520.00	

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

Date April 6, '54 *Payee Yuma Metals, Inc.

Per Floyd C. White Title Manager

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

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

(Instructions on reverse)

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

Signature Randell R. Cooper
(Authorized Certifying Officer)

Date 8-12-54 Vou. No. DMA-55-12
(See other side)

AUG 25 1954

* No pay made for June 1953
** Disallowed on report for Jan - Apr. 1953

(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. dmu F 337 in accordance with the terms of the contract.

Signature William R. Hardwick Title Mining Engineer Date 4/14/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W H Kung Title Executive Officer Date AUG 2 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Dec. 1953 March 1954 Docket No. DMEA 1303 X Contract No. Idm-E371

Operator's Name Yuma Metals, Inc. Minerals Lead & zinc

Address 798 Hope Ave. Santa Barbara, Calif.

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	Ft.	5,040.00	504	14,700.00	1470 14,70	10	6000	10.00
Churn								
Auger								
Stripping New Bldgs				823.00				
Trenching Moving Bldgs				560.00				
Test Pits								
Roads and Trails								
Underpr. Rehab.				7,977.22				
Total Distributed Costs		5,040.00	504	24,060.22				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				3,971.04				
New Buildings, Improvements, etc.				887.71				
Total Costs		5,040.00		28,918.97				75,000.00

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

Date April 9, '54 Operator Yuma Metals, Inc.

Per Lloyd C. White Title Manager

Remarks:

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

(Instructions on reverse)

(For Government use only)

Received
APR 25 1954

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 83-38475

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

224 New Customhouse
Denver 2, Colorado

August 2, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 1303X (Lead-Zinc), Contract Idm-E371, Yuma Metals, Inc., Yuma County, Arizona. Operator's Monthly Progress Report for the month of March 1954.

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

Work has been completed as authorized by the contract at an agreed unit cost. Therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Drill Hole No. 7 referred to in the Engineer's report has been completed and Form MF-104 in claim for the costs thereof is on file in this office.

Date of Operator's Report	April 9, 1954.
Date Report received in Bureau of Mines Office	April 12, 1954.
Date Report received in Regional Office	April 16, 1954.

The report was deferred from processing pending completion of Drill Hole No. 7 and receipt of Operator's Form MF-104 pertaining thereto.

W H King
W. H. King

Enclosures

JWT:cwm

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

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

ect Office

April 14, 1954

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : March 1954 Progress Report, DMEA Contract Idm-E337, Docket DMA-1303K, Yuma Metals, Inc., Red Cloud Lead-Zinc Mine, Yuma County, Ariz.

Enclosed in quintuplicate are

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report with drill logs and 2 maps;
(3) Forms MF-104 and MF-104A.

Also enclosed are 2 extra copies of our engineers report.

All work is in accordance with the terms of the contract. However, the project was recessed from early in December 1953 until in March 1954 without proper authority. A letter was sent from this office to Mr. D. L. McDaniel, president of Yuma Metals, Inc., on February 17, suggesting that he ask for a recess for the time that no work was done. No direct answer was received from McDaniel but he told W. R. Hardwick of the Bureau of Mines, when Hardwick visited the property early in March, that inasmuch as the Executive Officer of the DMEA Field Team of Region IV had approved the new drilling contract for Hole No. 6A, he could see no need for a recess.

If the DMEA Field Team approves the recess from December 1953 until March 1954, then I recommend that the Government's share of the March expenditures be paid <u>after</u> Hole 7 has been completed. The Government's equity in equipment and property at Yuma Metals is approximately $2,092. If hole No. 7 is drilled 500 feet, then the March account may be settled. Lloyd C. White, manager of Yuma Metals, Inc., recently stated while in Tucson, that if Hole No. 7 is a "dud", then no further work would be planned.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-1303K
DF

WRStorms:frj

April 14, 1954

Memorandum

To : Walter R. Storms, Chief, Mining Methods Br., Mining Div., Region IV, Tucson, Ariz.

From : William R. Hardwick, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for period December 1953 to March 1954, Decket DMA 1303K, Contract Idm-E337, Yuma Metals Inc., Red Cloud Lead-Zinc Mine, Yuma County, Ariz.

The Red Cloud mine was visited by John N. Faick, geologist, U. S. Geological Survey, and the undersigned engineer on April 5, 1954. D. L. McDaniel, Lloyd C. White, and Luke Walker of Yuma Metals were present.

After considerable discussion it was decided that an additional drill hole should be drilled and a separate report has been submitted recommending that drill hole number 7 be drilled.

The core from drill hole No. 6A was examined and logged. Hole No. 6A was drilled by Boyles Bros. to secure the information that was anticipated from hole No. 6 which was lost at 335 feet by Metler Drilling Co. The core recovery by Metler was very poor but Boyles Brothers made an excellent core recovery. No core was cut that could be identified as the Red Cloud vein, either by Hole No.6 or No. 6A. No ore was discovered during the month.

Yuma Metals Inc. has presented a Form MF-104 together with Form MF-104A, Log of D.D. Hole No. 6, Log of D.D. Hole 6A, Narrative Report, and plan and section maps, all signed by Lloyd C. White, manager. Yuma Metals, Inc. claims payment of the Government's agreed part of the cost for 500 feet drilled in Diamond Drill Hole No. 6A, (from 0 - 500 feet) and 4 feet drilled in Diamond Drill Hole No. 6 (from 331 feet to 335 feet).

CC W. H. King (Orig. & 6)
DMA-1303K
DF

WRHardwick:frj

This drilling was in accordance with the terms of the contract which provides for Government participation in the costs to the extent of 50 percent of an agreed estimated cost of $10.00 per foot of drill hole. The total cost of the 504 feet of drill hole was $5,040.00 and the Government's agreed part is $2,520.00. The operator is drilling an additional hole (No. 7) and it is believed that the Government's interest will be sufficiently protected with respect to property interest and final report by the amount due the operator on this new hole. However, it is recommended that the operator be paid 50 percent of the amount claimed on the voucher for the period December 1953 to March 1954, or $2,520.00, only after hole No. 7 is completed.

William R Hardwick

William R. Hardwick, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

~~SUPPLEMENT TO~~ OPERATOR'S NARRATIVE REPORT

Months of December, 1953 and
March, 1954.

Exploration Project Contract
IDM-E 371
Yuma Metals, Inc. - Red Cloud Mine
Progress Report for December 1953 and March, 1954

Diamond Drill Hole No. 6.

This hole was lost in early December after advancing only 4 feet for the month. The total depth of the hole was only 335 feet and accomplished nothing. A detailed history of results are shown on the accompanying log of the hole. After the Mettler Drilling Co's failure on this hole they moved out and left us without a driller.

It took Yuma Metals, Inc., over two months to line up another contractor during which time a winter recess was asked for and granted.

Diamond Drill Hole No. 6A.

This hole was authorized by the Bureau in January, 1954, with the suggestion that the hole be pointed North 60 degrees East and drilled less than 10 degrees from the vertical. These instructions were carried out and Boyles Bros. Drilling Co. of Salt Lake City, started drilling on March 5, 1954 and completed a 500 foot hole on March 31, 1954.

The log of this hole is enclosed with this report. No vein was found and none could be expected in view of the log on The Primas Co. vertical hole, which I am told did not show a distinct

vein, although some silver values were present in the theoretically projection of the vein downward.

Yuma Metals, Inc.
Floyd C. White
By: Floyd C. White

YUMA METALS, INC.

RED CLOUD MINE

Yuma, Arizona
April 5, 1954

Log on Diamond Drill Hole No. 6. Bottom level Red Cloud Mine. Station No. 2 at end of 503 x-cut. Course of hole N 60°E. Inclination 8° from vertical.

Hole was drilled by Mettler Drilling Co. of Tucson. They drilled 331 feet in November, 1953 and 4 feet in December, 1953 when they lost the hole at a depth of 335 feet.

Location	Core Recovered	Description
0' - 40'	8' - 0" (Big Core)	Cream colored rhyolite tuff
40' - 46'	1' - 4" (Small core)	Cream colored rhyolite tuff
46' - 53'	1' - 2"	Cream colored rhyolite tuff
53' - 63'	1' - 0"	Cream colored rhyolite tuff
63' - 73'	2' - 6"	Cream colored rhyolite tuff
73' - 88'	1' - 6"	Cream colored rhyolite tuff
88' - 93'	4' - 0"	Cream colored rhyolite tuff
93' - 103'	3' - 6"	Cream colored rhyolite tuff
103' - 106'	1' - 4"	Cream colored rhyolite tuff
106' - 113'	2' - 0"	Cream colored rhyolite tuff
113' - 123'	2' - 0"	Cream colored rhyolite tuff
123' - 133'	2' - 0"	Cream colored rhyolite tuff
133' - 143'	1' - 10"	Cream colored rhyolite tuff
143' - 153'	1' - 8"	Cream colored rhyolite tuff
153' - 163'	1' - 6"	Cream colored rhyolite tuff
163' - 173'	1' - 0"	Cream colored rhyolite tuff
173' - 183'	4' - 0"	Cream colored rhyolite tuff
183' - 193'	2' - 7"	Cream colored rhyolite tuff
193' - 200'	0' - 6"	Granolitic
200' - 202'	0' - 3"	Small pebbles-corn grain size
202' - 207'	0' - 6"	Granitic pebbles
207' - 212'	0' - 6"	Granitic pebbles
212' - 217'	1' - 6"	Granitic pebbles
217' - 222'	0' - 10"	Granitic pebbles
222' - 227'	0' - 4"	Granitic pebbles
227' - 232'	0' - 4"	Granitic pebbles
232' - 234'	0' - 2"	Granitic pebbles
234' - 239'	0' - 6"	Granitic pebbles
239' - 242'	0' - 8"	Hard Monzonite

Location	Core Recovered	Description
242' - 252'	No core	
252' - 262'	No core	
262' - 267'	0' - 6"	Monzonite
267' - 277'	1' - 0"	Monzonite
277' - 282'	0' - 6"	Monzonite
282' - 287'	0' - 3"	Monzonite
287' - 301'	2' - 0"	Monzonite
301' - 311'	1' - 0"	Monzonite
311' - 321'	0' - 6"	Monzonite
321' - 326'	1' - 0"	Monzonite
326' - 335'	No core	

Bottom
Lost Hole - Lost drill rods, bit and casing.

Mettler Drilling Co. moved out from Red Cloud in early December, 1953, having failed to produce.

YUMA METALS, INC.

RED CLOUD MINE

Yuma, Arizona
April 5, 1954

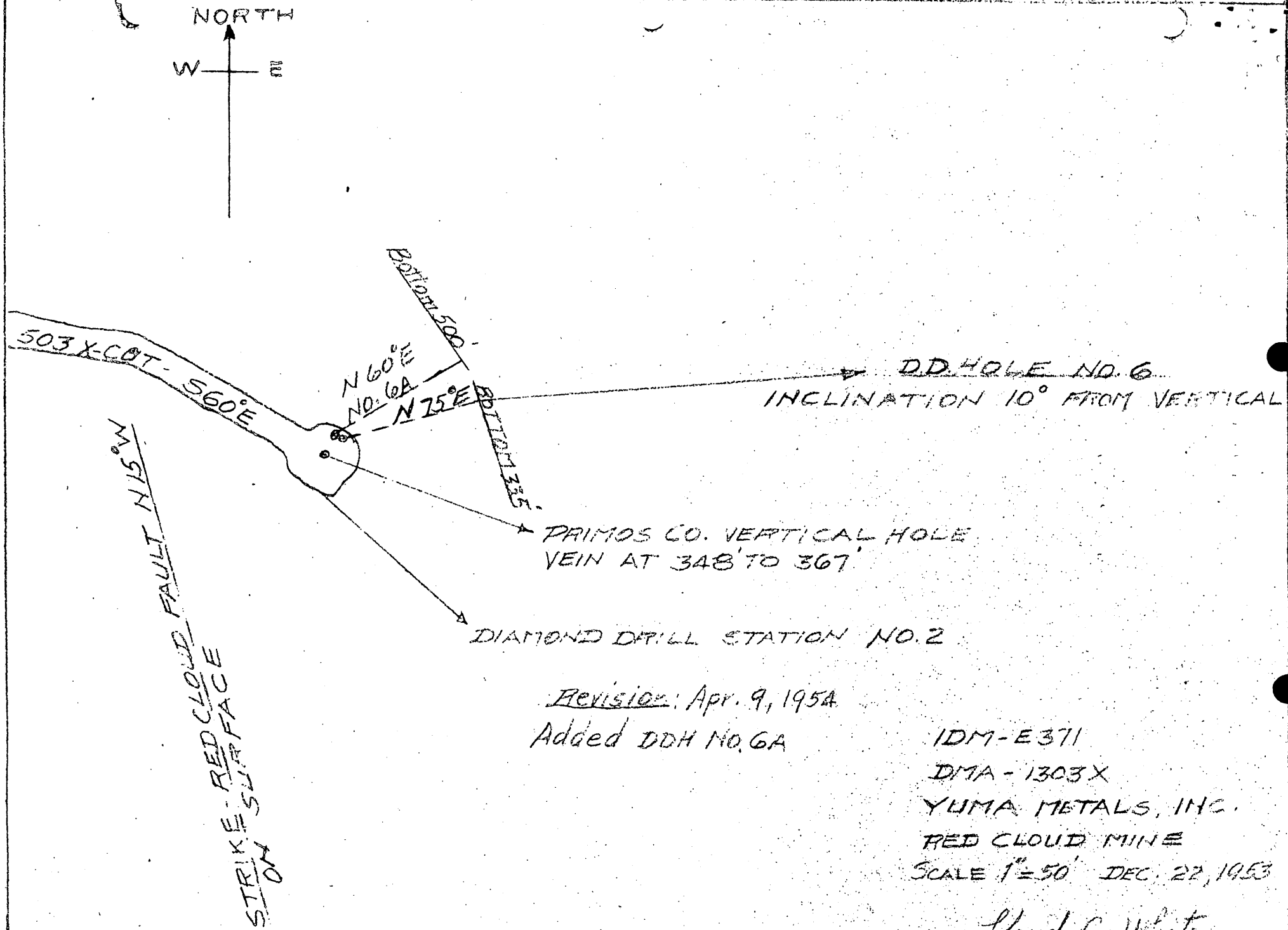
Log on Diamond Drill Hole No. 6A - Bottom level Red Cloud Mine. Station No. 2 at end of 503 X-cut. Course of hole N 60°E. Inclination - 8° from vertical. Hole started March 5, 1954, and completed on March 31, 1954 at 500 foot depth.

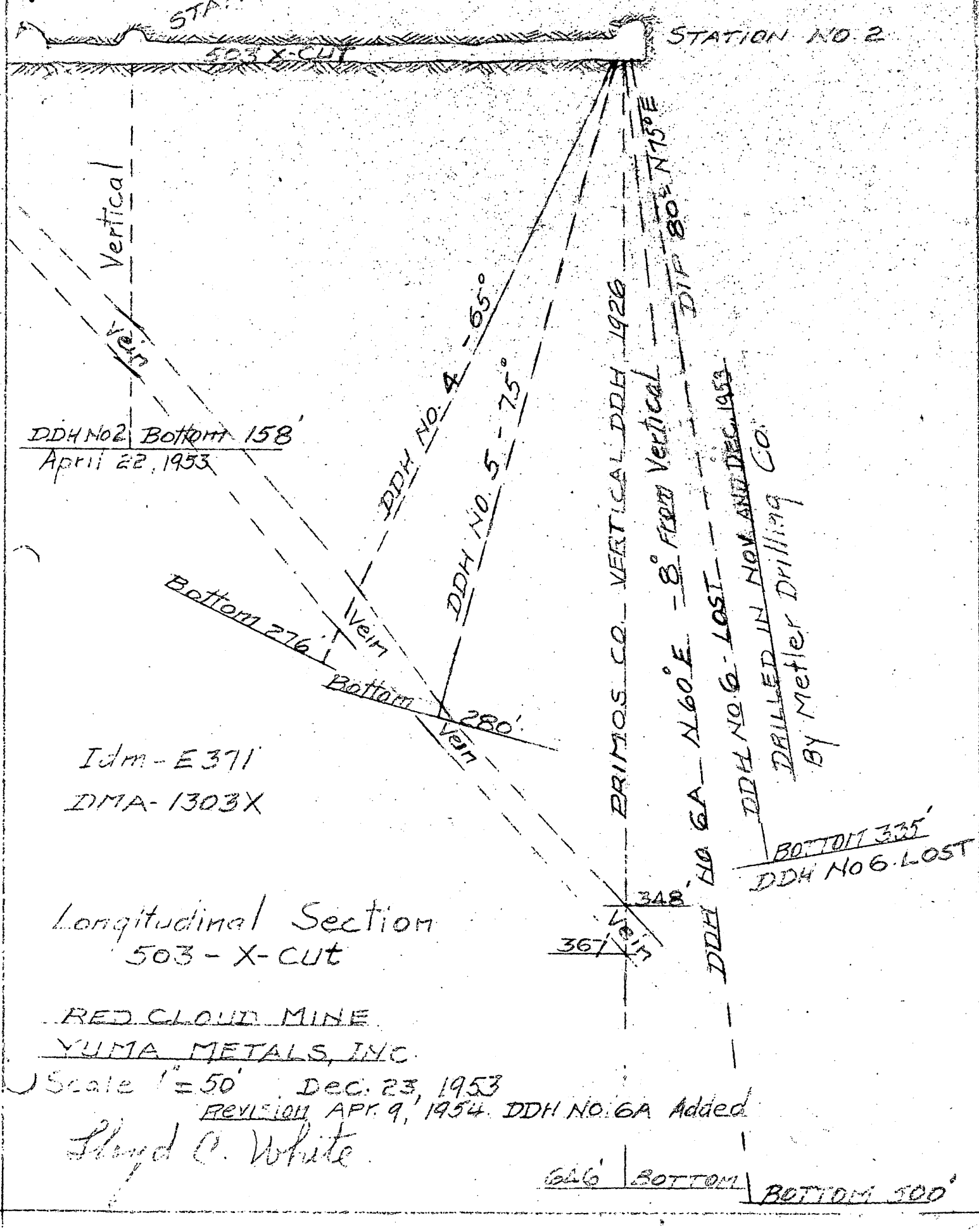
Hole drilled by Boyles Bros. Drilling Co. Salt Lake City. They did not start saving core until 328 foot depth because Metler Drilling Co. in Hole No. 6 (which they lost) had penetrated the same area to this depth.

Location	Core Recovered	Description
328' - 336'	0' - 9"	Reddish to greenish stuff
336' - 341'	1' - 0"	Reddish to greenish stuff
341' - 346'	2' - 6"	Reddish to greenish stuff
346' - 351'	1' - 6"	Reddish to greenish stuff
351' - 361'	3' - 0"	Reedish to greenish stuff
361' - 366'	2' - 0"	Greenish Dike
366' - 371'	2' - 6"	Siliceous tuff
371' - 376'	4' - 0"	Siliceous tuff
376' - 381'	4' - 0"	Siliceous tuff
381' - 391'	4' - 0"	Greenish to reddish siliceous tuff
391' - 396'	3' - 6"	Mixed red. Biotite present
396' - 406'	5' - 6"	Mixed red and green siliceous tuff
406' - 409'	1' - 6"	Mixed red and green siliceous tuff
409' - 413'	2' - 0"	Mixed red and green plus white rock
413' - 416'	1' - 8"	Mixed dark tuff plus some white rock (Barite)
416' - 419'	2' - 6"	Siliceous dark rock
419' - 424'	2' - 6"	Siliceous dark rock
424' - 428'	2' - 0"	Siliceous dark rock
428' - 430'	1' - 0"	Siliceous dark rock
430' - 435'	4' - 6"	Greenish dark-Siliceous-trace calcite
435' - 441'	3' - 6"	Greenish siliceous plus white rock (Barite)?
441' - 446'	2' - 6"	Probably schist plus white siliceous
446' - 451'	1' - 3"	Probably barite plus white siliceous

Location	Core Recovered	Description
451' - 461'	2' - 6"	Whitish and greenish siliceous rock
461' - 462'	0' - 4"	Dark schist
462' - 466'	1' - 0"	Dark schist and tuff
466' - 471'	0' - 8"	Dark siliceous with quartz
471' - 476'	3' - 8"	Greenish to whitish siliceous rock
476' - 481'	3' - 0"	Greenish to whitish siliceous rock
481' - 486'	3' - 0"	Greenish siliceous rock - very hard
486' - 491'	1' - 3"	Whitish siliceous rock
491' - 493'	0' - 6"	Whitish siliceous rock
493' - 496'	1' - 0"	Whitish to reddish siliceous rock
496' - 500'	1' - 0"	Whitish to greenish siliceous rock

Bottom - March 31, 1954.


NORTH
W
E
Bottom 500'
503 X-CUT - S60°E
N 60°E
No. 6A
N 75°E
BOTTOM 325'
DD HOLE NO. 6
INCLINATION 10° FROM VERTICAL
PRIMOS CO. VERTICAL HOLE
VEIN AT 348' TO 367'
DIAMOND DRILL STATION NO. 2
STRIKE - RED CLOUD FAULT N15°W
DIP - SURFACE
Revision: Apr. 9, 1954
Added DDH No. 6A
IDM-E371
DMA-1303X
YUMA METALS, INC.
RED CLOUD MINE
SCALE 1" = 50' DEC. 22, 1953
Floyd C. White


STATION NO. 1
STATION NO. 2
503 X-CUT
Vertical
Vein
DDH No2 Bottom 158'
April 22, 1953
DDH No. 4 - 65°
DDH No. 5 - 75°
DIP 80° N75°E
PRIMOS CO. VERTICAL DDH 1926
DDH No 6A N60°E -8° from Vertical
DDH No 6 - LOST
DRILLED IN NOV AND DEC 1953
By Metler Drilling Co.
Bottom 276'
Vein
Bottom 280'
Vein
Idm - E371
DMA - 1303X
BOTTOM 335'
DDH No 6 - LOST
348'
367'
Vein
DDH No 6A
646' BOTTOM
BOTTOM 500'
Longitudinal Section
503 - X-cut
RED CLOUD MINE
YUMA METALS, INC.
Scale 1" = 50'
Dec. 23, 1953
Revision Apr. 9, 1954. DDH No. 6A Added
Lloyd O. White

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November 1953 Docket No. DMEA Contract No. Idm - E 371
Operator's Name Yuma Metals, Inc. Minerals Lead & Zinc
Address 798 Hope Ave., Santa Barbara, Calif.
Contract Amount, $75,000.00 Government Participation: 50 % Amount, $37,500.00

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:						
Drilling Diamond	3310.00	12460.00	15770.00			
Bulldozing						
Crosscutting						
Drifting New Blags.		823.63	823.63			
Moving Buildings		560.00	560.00			
(2) Labor and Supervision:						
Labor		3083.75	3083.75			
Supervision		900.00	900.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		640.22	640.22			
Cable & Bucket		190.00	190.00			
Explosives		390.62	390.62			
Pipe		195.00	195.00			
Track		303.45	303.45			
Fuel & Grease		220.15	220.15			
Small Tools		337.65	337.65			
Various						
(4) Operating Equipment:						
Rental						
Purchase		900.00	900.00			
Depreciation		5194.79	5194.79			
(5) Initial Rehabilitation and Repairs		995.96	995.96			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		634.17	634.17			
Sampling and Analysis		64.66	64.66			
Payroll Taxes		217.56	217.56			
Liability Insurance						
(8) Contingencies (specify):						
Labor		326.59	326.59			
Supplies		406.84	406.84			
TOTALS	3310.00	29441.04	32241.04	3310.00	29,931.04	32,241.04
				*	- 2,800.00	- 2,800.00
					2,252.07	- 2,252.07
				3310.00	23,878.97	27,188.97
					$ 1655.00	

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Dec. 10, 1953 Payee Yuma Metals, Inc.
Per Luke Walker Title Secretary

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

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

(Instructions on reverse)

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

Signature
(Authorized Certifying Officer)
Date 4/1/54 Vou. 54-101
(See other side)

* No payment made in June.
(*) Disallowed on report for January thru April, 1953.

(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. Am F 371 in accordance with the terms of the contract.

Signature William R. Hardwick, Jr. Title Mining Engineer Date 1/4/54

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

Signature J. L. F. Shaw for W. H. KING Title Executive Officer Date MAR 31 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Nov 1953 Docket No. DMEA

Contract No. DMR-R 372

Operator's Name Yuma Metals, Inc.

Minerals Lead & Zinc

Address 795 No. e Ave., Santa Barbara, Calif.

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	Foot	3310.00	331	15770.00	1577	10.00	0000	10.00
Churn								
Auger								
Stripping Non Dlgs.	Job			823.03				
Trenching Loader	"			900.00				
Test Pits								
Roads and Trails Bldgs. Remo.				6600.00				
TOTAL DISTRIBUTED COSTS		3310.00		26093.29				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				5194.79				
New Buildings, Improvements, etc.				953.93				
TOTAL COSTS		3310.00		32241.00				75,000.00

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

Date Dec. 10, 1953 Operator Yuma Metals, Inc.

Per Luke Walker Title Secretary

REMARKS: For instructions (see back of this form)

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

224 New Customhouse
Denver 2, Colorado

March 31, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 1303X, Contract Idm-E371, (Lead-Zinc), Yuma Metals, Inc., Red Cloud Lead-Zinc Mine, Yuma County, Arizona - Operator's Monthly Progress Report for the period November 1953

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

Work has been accomplished as authorized in the contract and payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deductions: None

Remarks:

Date of Report.....December 10, 1953
Date Received in Field Office...January 4, 1954
Date Received in Region Office..January 6, 1954

Held in Region Office pending resumption of work to protect the Government's equities in jointly-owned equipment. Released on March 31, 1954, upon authorization from the Field Office (copy of the telegram included).

John F. Shaw
John F. Shaw
For W. H. King

Enclosures

RDB:jp
cc Contract
Chron
WRStorms
Sec. to Oper. Comm. (2)

1-1027
(April 1946)

UNITED STATES
DEPARTMENT OF THE INTERIOR

AGENCY .....

COPY

TELETYPE

Originator:
Ext.: ..... Room: .....

Appro.:
Date:
Time:
No.:
To: W H KING BOM DN

TUCSON ARIZ 3-31-54 834A

Subject:

INTEL CONTRACT IDA-F371, DOCKET DEA-1303X, YUMA METALS HOLE SIX WAS SAID TO BE FOUR HUNDRED FORTY ONE FEET DEEP MARCH 29 SO RECOMMEND PAYMENT OF NOVEMBER ACCOUNT. DMEA EXAMINERS WILL VISIT MINE TOMORROW AND PROBABLY REPORT RECOMMENDATIONS REGARDING NEW HOLE NEXT WEEK.

WALTER F STONES TUCSON ARIZ

Authorized:

Sign original message and transmit to Room ..... in duplicate

U. S. GOVERNMENT PRINTING OFFICE 16—50915-1

January 4, 1954

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : November 1953 Progress Report, Contract Idm-2371, Docket DMA-1303K, Yuma Metals, Inc., Red Cloud Lead-Zinc Mine, Yuma County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

(3) Forms MF-104 and MF-104A.

Also enclosed are 2 extra copies of our engineer's report.

Work completed to date has been in accordance with terms of the contract. However, Diamond Drill Hole No. 6 was lost at 335 feet. Another hole with similar bearing and dip will be drilled either by the company or by a new drill contractor if the company obtains permission from the DMA Field Team. No payment should be made for lost Hole No. 6 until the new hole has been drilled. That is, the November account should not be settled until the company drills the substitute hole.

The company is complaining because the May and June accounts have not been settled. The May account consisted of 431 feet of diamond drilling in Holes 3 and 4 for a total of $4,310.00. The June account consisted of 280 feet of diamond drilling in Hole 5 for a total of $2,800.00. However, as Hole 5 was not drilled as specified, it was disallowed.

The January 12 to May 1, 1953 Progress Report indicates that the Government's equity is approximately $2,082.61. The Government's share of the May account is one-half of $4,310.00, or $2,155.00. Therefore, it is recommended that no payment be made to the company until the substitute for Hole 6 is completed, because if the company cannot secure the services of a reliable diamond drill contractor, it might decide to cease operations under the contract.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-1303K
DF
WRStorms:frj

January 5, 1953

Memorandum

To : Walter R. Storms, Chief, Mining Methods Br., Mining Div., Region IV, Tucson, Ariz.

From : William R. Hardwick, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for November 1953, Docket DMA-1303X, Contract IDm-8371, Yuma Metals, Inc., Red Cloud Lead-Zinc Mine, Yuma County, Ariz.

The Red Cloud mine was visited by T. M. Romslo and the undersigned on December 17, 1953. The core that was recovered from Diamond Drill Hole No. 6 was examined, and as reported in an interim report, dated December 22, 1953, the circumstances surrounding the loss of the hole were investigated. The Operator has presented Forms MF-104 and MF-104A, claiming payment for 331 feet of drilling which it claims was completed in November 1953. The depth of the hole was 335 feet when the compressor failed, resulting in the loss of the hole. It is believed that the loss of the hole was unavoidable.

The Operator has expressed its intention of drilling a new hole to replace Drill Hole No. 6. It is recommended, that after the operator has completed a new hole to accomplish the objective of drill hole No. 6, it be paid for the footage which has been lost.

Frank Metler of Metler Drilling Company visited the Bureau of Mines Tucson office on December 23, 1953, at which time he stated that he and Yuma Metals were unable to reach an agreement and that he did not intend to do any additional drilling for that company. Yuma Metals, Inc., has indicated that it will employ a new drilling company or will complete the work itself. Yuma Metals, Inc., was advised that any new contract for drilling must be approved by the Government.

The Operator has called attention to money withheld on its voucher presented for work in May and June of 1953. In regard to the payment of this money, the picture has not changed. T. M. Romslo recommended that reimbursement to the Operator be withheld until claims for additional work are approved or the contract has been finalized. No additional work has been approved.

It is recommended that no further payment be made to Yuma Metals, Inc., until operations have been resumed, and a new Hole No. 6 has been drilled.

William R. Hardwick
William R. Hardwick, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

cc: M. H. King (Orig. & 6)
DMA-1303X
DF
WRHardwick:frj

Y[illegible], [illegible]. Narrative Report for November 1953

[illegible] 1303 X Contract No. I[illegible]-2 371

[illegible] L. Storms, Chief
Mining Methods Branch
Mining Division, Region IV
Tucson, Arizona

We were on job Monday Nov. 2nd, however, over-hauling light plant and other pump and etc. including re-drilling and replacing to a air liner. We started cementing in collar pipe Nov. 10th.

Nov. 11th 44' of [illegible] casing was set.

Nov. 13th hit a contact at 74'.

Nov. 14th Cemented.

Nov. 1[illegible] drilled cement but was still losing water; so recemented.

Nov. 16th drilled out 25' of cement, then bottomed at 172 feet.

Next few days drilling went along good.

Nov. 1[illegible] hit another contact, some little gram to be against cuff; [illegible] considerable over-drilling.

Nov. [illegible] at 1[illegible]' of 4X casing.

Nov. 21st Hit cave 205' to 210', Cemented.

Nov. 22nd Cement wasn't set.

Nov. 23rd Drilled cement out.

Nov. 24th Hit [illegible] at 235', [illegible] water and c ved. Cemented.

Nov. 25th Drilled cement and drilling on to 267'.

Nov. 27th Drilled to 281', [illegible] but [illegible] losing water.

Nov. 30th Drilled to 331', losing some water and hole caving some. Cementing necessary.

This seems to be the worst ground we have yet encountered but far from impossible to drill.

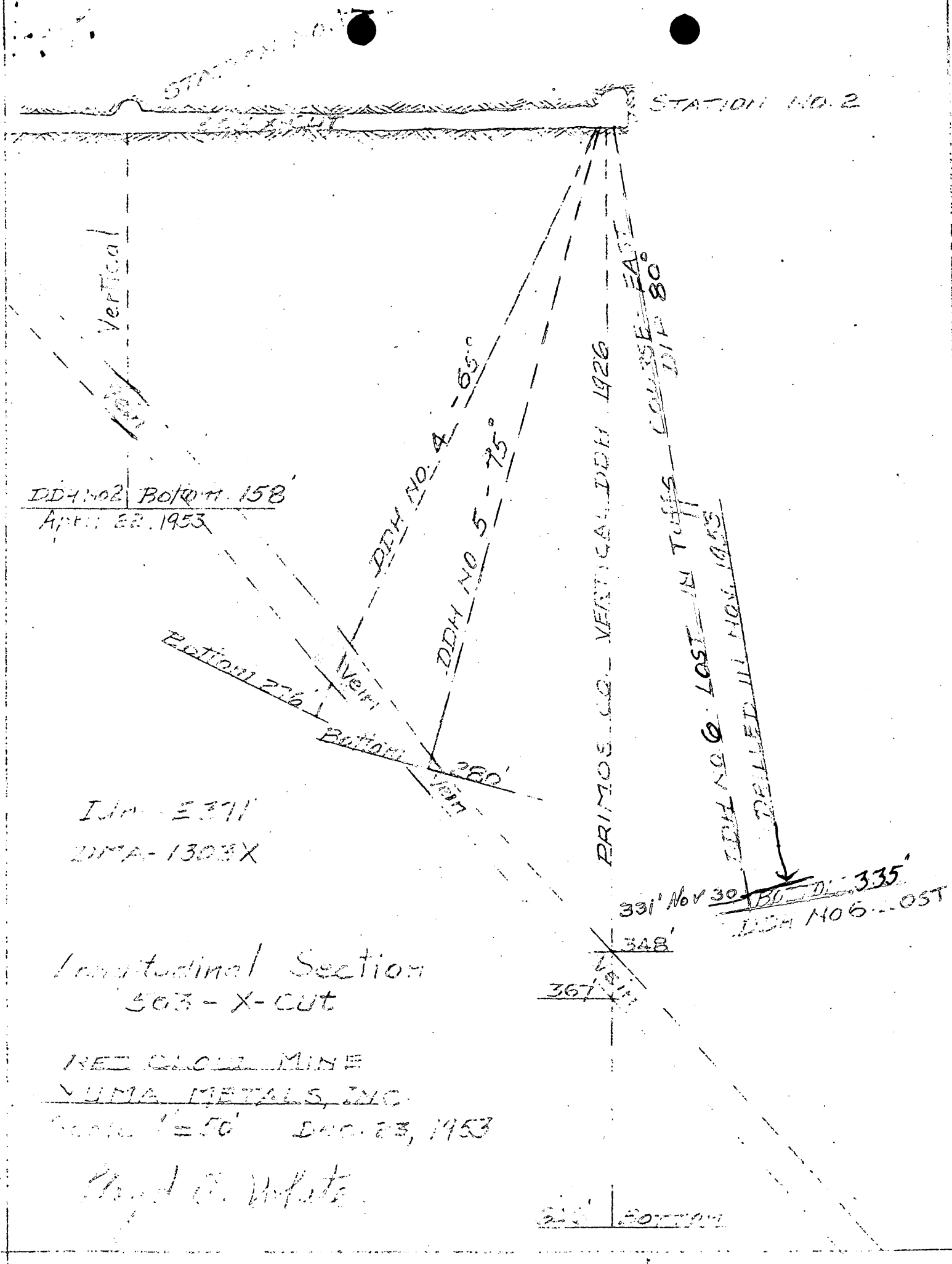
Only the diamond drilling is reported on Forms 104 and 104A.

Respectfully submitted,

Yoke Mining Co.,

Luke Walker

Luke Walker, Sec'y


STATION NO. 2
Vertical
DDH NO. 4 - 65°
DDH NO. 5 - 75°
PRIMOS CO. VERTICAL DDH 1926
COURSE EAST
DIP 80°
DDH NO. 6 LOST IN TUFFS
DRILLED IN NOV. 1955
DDH NO 2 Bottom 158'
April 22, 1953
Bottom 276'
Vein
Bottom
280'
Vein
I.D.H. E 371'
DMA-1303X
331' Nov 30 150 D. 335'
DDH NO 6 LOST
348'
367'
Vein
Bottom
Longitudinal Section
503 - X-Cut
RED CLOUD MINE
YUMA METALS, INC.
Scale 1" = 50' Dec. 23, 1953

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 195 3 Docket No. DMEA 1303X Contract No. 185 054-371
Operator's Name Yuma Metals, Inc. Minerals Lead & Zinc
Address 708 Hope Ave., Santa Barbara, Calif.
Contract Amount, $ 75,000.00 Government Participation: 50% Amount, $ 37,500.00

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:						
Drilling Diamond	2800.00	9660.00	12460.00			
Bulldozing						
Crosscutting						
Drilling New Dl ^ge.		823.63	823.63			
Moving Buildings		560.00	560.00			
(2) Labor and Supervision:						
Labor		3083.75	3083.75			
Supervision		900.00	900.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		640.22	640.22			
Explosives Cable Bucket		190.00	190.00			
Pipe		396.62	396.62			
Track		195.00	195.00			
Fuel & Grease		303.45	303.45			
Small Tools		220.15	220.15			
Various		337.65	337.65			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		900.00	900.00			
(5) Initial Rehabilitation and Repairs		5194.79	5194.79			
(6) New Bldgs., Improvements, etc.		995.96	995.96			
(7) Miscellaneous:						
Repairs to Equipment		634.17	634.17			
Sampling and Analysis						
Payroll Taxes		64.66	64.66			
Liability Insurance		217.56	217.56			
(8) Contingencies (specify):						
Labor		326.59	326.59			
Supplies		486.84	486.84			
	2800.00	26131.04	28931.04			
TOTALS	2800.00	22258.04	25058.04			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date July 10, 1953 Payee Yuma Metals, Inc.
Per Luke Wacker Title Secretary

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

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

(Instructions on reverse)

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

$

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E371 in accordance with the terms of the contract.

Signature M M Pomeroy WM Title Mining Engineer Date July 24, 1953

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

Signature W. H. King Title Executive Officer Date DEC 17 1953

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.

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1953 Docket No. DMEA [illegible] Contract No. [illegible]-2 371
Operator's Name Yuma Metals, Inc. Minerals Lead & Zinc
Address 708 Hope Ave., Santa Barbara, Calif.

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	Feet	2200.00	220	[illegible]	1340	10.00	6000	10.00
Churn								
Auger								
~~Stripping~~ Raw Dig.	Job			[illegible]				
~~Trenching~~ Hauling	"			[illegible]				
Test Pits								
Roads and Trails								
Unknown. Debris.				[illegible]				
TOTAL DISTRIBUTED COSTS		[illegible]		[illegible]				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				[illegible]				
New Buildings, Improvements, etc.				[illegible]				
TOTAL COSTS		[illegible]		[illegible]				75,000.00

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

Date July 10, 1953 Operator Yuma Metals, Inc.
Per Luke Walker Title Secretary

REMARKS: Per Instructions (see back of this form)

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

No Payment Made

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

Administrative Audit Difference Statement

RECEIVED
JAN 6 1954

Date: December 31, 1953
Payee's
Reference: No Payment Made

Jan. 1953

[illegible] Inc.,
Tuba, Arizona
[illegible]

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

Amount Claimed $ [illegible]

Difference $ [illegible]

Amount Approved $ 0.0 No Payment

The reason for the difference was due to:

Work was not accomplished as authorized under contract and as approved by dispatching engineer, therefore no payment is to be made on this claim.

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

No Payment Made

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

224 New Customhouse
Denver 2, Colorado

December 17, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 1303X, Contract Idm-E371 (Lead-Zinc), Yuma Metals, Inc., Red Cloud Lead-Zinc Mine, Yuma County, Arizona - Operator's Monthly Progress Report for the period June 1953.

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

Work has not been accomplished as authorized in the contract and as approved by the inspecting engineer; therefore Diamond Drill Hole No. 5 is disallowed in its entirety and no payment is to be made for its claim on this June 1953 monthly report.

Remarks:

Date of Report	July 10, 1953.
Date Received in Field Office	July 13, 1953.
Date Received in Region Office	July 27, 1953.

Processing held up pending resumption of work. — why?

W. H. King

Enclosures

RDB:cwm

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

MINING DIVISION
REGION IV

July 24, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : June 1953 Progress Report, contract Idm-&371, Docket DMA-1303X, Yuma Metals, Inc., Red Cloud Lead-Zinc Mine, Yuma County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report with supplemental report on core drilling, drill log of hole 5 and 2 maps;
(3) Forms MF-104 and MF-104A.

Also enclosed are two extra copies of our engineer's report.

According to T. M. Romslo and W. R. Hardwick, Bureau of Mines engineers, they told Yuma Metals, Inc. to drill hole 5 at 85 degrees in an easterly direction as explained in Romslo's attached report. Actually the hole was drilled at 75 degrees in a southwesterly direction (see operator's attached maps). As no water return was obtained below 245 feet and the hole is said to have been drilled to 280 feet, no sludge samples were taken below 245. Core recovery also is said to have been very poor. White's log of the hole shows only 2 feet of core recovered below 265 feet (1 foot from 265 to 270, and 1 foot from 270 to 275 feet, with none below 275). Whether the hole actually hit the vein or not is uncertain. bad —

It is our opinion that as the weather near Yuma was getting very hot, the driller put down 280 feet of hole as fast as he could, then quit. Fractured ground evidently was hit at 245 feet where return water was lost. However, instead of cementing, the driller continued to drill with no water return until he stuck his bit at 280 feet.

CC W. H. King (6)
DMA-1303 X
DF

WRStorms:frj

The location of Hole No. 5 should have been approved by the DMEA representative in writing. However, as Hole No. 5 actually was drilled at 75 degrees, instead of 85 degrees, as it is very near Hole No. 4, and as very little core and no sludge were obtained near the vein zone, I recommend that the operator not be reimbursed for work done in June.

Walter R. Storms

Walter R. Storms

MINING DIVISION
REGION IV

July 24, 1953

Memorandum

To : Walter R. Storms, Chief, Mining Methods Br., Mining Div., Region IV, Tucson, Ariz.

From : T. M. Romslo, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for June 1953, Yuma Metals, Inc., Yuma County, Ariz., Docket DMA-1303A, Contract Idm-8371.

The project was visited on June 16. Otto Montejl, a representative of the corporation, accompanied me during an inspection of the drill station and drill-hole cores. Duplicate drill sludges, obtained in accordance with the contract, were taken to Tucson and stored in the Bureau's core house.

The inspection showed that operations had ceased, and drilling equipment had been removed from the property, and that the only person at the mine was a watchman.

The drilling for June was confined to hole 5 that was reportedly bottomed at 280 feet. The inspection of core showed core recovery was poor and that the last core obtained was about 1 foot in the interval 270 to 275 feet. This core contained some vein calcite and assayed 2.54 percent zinc. No sulfide minerals were noted in the core.

A tabulation of all drilling to date follows:

Hole No.	Footage
1	144.0
2	158.0
3	338.0
4	276.0
5	280.0
Total	1,246.0

cc: W. L. King (Orig. & 2)
DMA-1303A
DF

TMRomslo:frj

CONTRACT, FORMS MF-104 AND MF-104A, AND OPERATOR'S NARRATIVE REPORT

The following is indicated from the inspection of the project and a review of subject data:

1. Hole No. 5 (see Operator's attached maps) was not drilled as approved during a conference at Tucson May 29. Present at the conference were: Luke Walker, L. C. White, and D. S. McDaniel, all representatives of the corporation, and W. R. Hardwick, mining engineer, Bureau of Mines, Tucson, and the writer. The decision as to location and design of hole 5 was made by Messrs. White, Hardwick and the writer.

Mr. White first proposed that hole 5 be drilled vertically from station 2. I would not go for this because such a hole would be expected to encounter the vein at a vertical depth of only about 100 feet below the oxidized vein encountered in hole 4. Hole 4 was in oxidized vein material at a depth of 270 feet according to Mr. White. I pointed out that a hole drilled easterly at minus 85 degrees would give a satisfactory vein intersection at a horizon more favorable to sulfide mineralization. Messrs. Walker, White, Hardwick and the writer mutually agreed that hole 5 should be drilled to duplicate proposed hole No. 6. I am sure Messrs. White and Walker could not have believed that hole 5 should be drilled in a westerly direction. This because: (1) It was mutually agreed that the hole should be directed to intersect the vein at a greater depth than would have been attained by a vertical hole; and (2) It was agreed that the depth of the approved hole might be as much as 1,000 feet. We discussed the possibility of drilling to that depth with the available equipment. Both Walker and White agreed that that depth was attainable.

2. It is my recommendation that the Operator's claim be denied, because the hole was not drilled as approved. I would disapprove the claim even though others should decide that the hole, as drilled, was justified. This disapproval would be based on the following information supplied by the operator:

a. The hole was drilled from 245 feet to its bottom without water return even though core recovery was very poor, so no sludge was obtained.

b. The hole was abandoned before the vein had been completely cut.

3. The Operator's Narrative Report includes a log of hole 5, a plan map, and a vertical section through drill holes with assays. It is considered adequate. The Report alsodescribes additional work that the corporation wishes to carry out.

T M Komslo

T. M. Komslo, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

YUMA [illegible], INC. Narrative Report for ~~the~~ JUNE 1953

DMEA 1303 X Contract No. I.C.M.-B 371

July 20 1953

[illegible] Storms, Chief
Mining Methods Branch
Mining Division, Region IV
Tucson, Arizona.

During June nothing but diamond drilling was done, which was detailed in Mr. White's report "Supplement to Operator's Narrative Report" for June, which was mailed to you on July 11th, 1953. Also, in this Report he covered all the drilling in this report under heading of "General".

The weather turned very hot the latter part of June, so much so our employees gave us notice they were all quitting and that they would not work in the heat with the facilities we had to offer.

Mr. Romsle just told me on long distance phone he was recommending that we be not paid for DD Hole #5; that he wanted it drilled 85° away from the vein.

I immediately called bot McDaniels and Mr. White who were with me in your office in Tucson when this matter was discussed. They both, and I, understood Mr. Romsle, as wanting this hole drilled 85° toward the vein. Mr. White wanted to drill it vertically.

You can see from the Map this #5 hole hits the vein rather close to #4 hole. However, it proved the Primos DD hole, which gave information as to where the vein was hit by the Primos hole. So, therefore, this hole has been very valuable in our project.

Another thing you can see from the Map that if it had been drilled 85° in the opposite direction it would have been a very big bite to undertake in this treacherous ground.

And with the possibility of not completing the hole it would have been, I think, bad judgment. As it now stands, #5 hole is the much shorter hole and we actually located the vein and I think we accomplished as much as the deeper hole, with much less expense.

The chances of completing the 85° hole away from the vein, with the equipment we have, would have indeed been doubtful.

Taking everything into consideration I think up to date we have been quite fortunate and have accomplished what we started out to do. This is especially true being the ground is so bad to drill in.

Am sorry Mr. Romsle saw fit to recommend non-payment of this #5 hole, considering the valuable information we obtained from it.

In reality we received enough information in a 280 foot hole so we can positively locate the vein from the Primos BD hole log, which not only saved money but puts us in a position so the next drill hole can be spaced as Mr. White has outlined and recommended.

In other words, even if it was a mistake to drill it in that direction, since its completion, it has proven its worth and certainly was more economical. And it also proved that the Homes-DD hole did not reach the vein.

From the above I certainly think we are entitled to be paid for this #5 hole and hope it will be paid without too much more discussion or delay. If payment is held up would suggest that a U. S. Geologist and Mr. White get together and work out t e value of this #5 hole.

Respectfully submitted,

YUMA METALS, INC.,

Luke Walker

Luke Walker

SUPPLEMENT TO OPERATOR'S NARRATIVE REPORT

Month of June, 1953

Exploration Project Contract
IDM-E 371
Yuma Metals, Inc. - Red Cloud Mine
Progress Report for June, 1953

Hole No. 2

This inclined hole was drilled from Station No. 2 at the end of the 303 crosscut. It was started at an inclination of 85 degrees but the drill apparently slipped as the measurement on the completed hole indicated minus 75 degree slope. The hole was started on June 2 and was lost on June 12 in the vein at 280 foot depth. This represents the total footage drilled during June. Drilling water was lost at 245 feet hence no sludges thereafter. The core recovery was also very poor. However the hole entered the vein in its expected position but it did not cross the vein because the hole caved and the driller lost his bit and 85 feet of rods.

General

We have now drilled five holes and found the Red Cloud vein in each. The total distance drilled is as follows:

No. 1	144 feet
No. 2	158 "
No. 3	388 "
No. 4	276 "
No. 5	280 "
Total	1246 "

These holes are plotted in plan and section on new Yuma Metals, Inc. drawings Nos. 1 and 2 dated June, 1953, by Lloyd C. White. In addition there is shown on Drawing No. 2 the bottoms of the Holmes-Riley hole and the Primos Co. hole No. 2, neither of which reached the vein according to our newly developed information as indicated by our holes Nos. 4 and 5.

Also there is now developed a new angle on Primos Co. vertical hole No. 1 from No. 2 drill station. I have recorded on drawing No. 2 what really happened. Mr. McGinnis was expecting sulphide ore in this hole at 700 or 800 foot depth and did not recognize the Red Cloud vein which was cut in an apparently weak section at 348 foot depth. He did however report quartz and pyrites with silver in the section I have designated as vein. This section lines up so perfectly with our recent findings that it is undoubtedly the Red Cloud vein.

On this basis we have now traced the Red Cloud vein to 367 feet below the bottom level and the vein is now shown to extend downward over 1000 feet on the slope distance from the present surface.

This showing justifies our continuing the tracing of the Red Cloud vein downward to the sulphide zone. We have accordingly indicated on Drawings Nos. 1 and 2, (above referred to) of how this will, in our opinion, best be accomplished. From existing drill station No. 2 proposed hole No. 6 should reach the vein at approximately 500 feet below the station. If this hole is successful then we would extend the 503 crosscut 250 feet easterly and drill hole No. 7 and perhaps No. 8 from proposed station No. 3. Also from this station (depending on results) we would probably want to fan out holes Nos. 9 and 10 to get some north and some south extent on the vein.

The above program will require our making some changes at the mine and to do this we are asking for a recess during the hot summer months on our Exploration Project Contract IDM-E 371.

(1) Among other changes we will contract for heavier diamond drilling equipment and arrange for casing the holes so as to obtain reliable sludge samples.

(2) We will clean out the half filled 500 foot level and develop both upward and downward the oxidized ore shoots recently sampled and shown on drawing No. 1.

Under separate cover we are mailing you seven prints each of Drawings Nos. 1 and 2.

Yours truly,

YUMA METALS, INC.

By Lloyd C. White

Lloyd C. White

YUMA METALS, INC.

RED CLOUD MINE

Yuma, Arizona
June 13, 1953

Log on Diamond Drill Hold No 5. - Bottom level Red Cloud Mine. Station No. 2 at End of 503 Cross-cut. Course of hole South 60 degrees West. Inclination minus 75 degrees. Hole started June 2, 1953. Hole lost on June 12, 1953 at 280 feet in vein.

Location	Core Recovered	Description
0-5	0'9"	White rhyolite tuff
5-15	1'3"	" " "
15-23	1'3"	" " "
23-28	2'8"	" " "
28-38	1'8"	" " "
38-48	4'0"	" " "
48-56	3'6"	" " "
56-60	2'10"	" " "
60-68	3'4"	" " "
68-78	1'6"	" " "
78-80	0'3"	" " "
80-96	1'0"	" " "
96-108	1'3"	Crumbly " "
108-115	0'6"	Decomposed" "
115-124	No core	
124-125	0'9"	Mixed tuff, granite, quarts, calcite
125-130	0'2"	" "
130-134	0'2"	Red tuff
134-143	0'2"	Greenish rock - granitic, biotite
143-153	1'0"	Granitic pebbles
153-158	1'6"	Greenish colored dike - tuff
148-163	0'10"	" " silicious rock
163-168	0'6"	Greenish colored silicious rock
168-173	No core	
173-179	0'3"	Granitic - Monzonite
179-183	0'2"	Greenish pebbles - silicious
183-184	0'1"	" " "
184-198	3'0"	" diorite - Monzonite
198-208	0'6"	Monzonite
208-209	0'2"	" sands - decomposed
209-220	0'4"	" pebbles
220-225	1'3"	" and redish silicious tuff
225-231	3'0"	Red tuff and mixed tuff
231-233	0'6"	Monzonite
233-238	0'6"	Mixed red and white tuff
238-243	1'0"	Greenish diorite
243-248	0'2"	Pebbles, Monzonite and diorite
248-253	0'2"	Small pebbles - greenish rock
253-263	2'6"	Greenish rock
263-265	1'0"	" "
265-270	1'0"	Pebbles - vein
270-275	1'0"	Green dike - zinc - calcite
275-280	Bit and core barrel lost and 85 ft. of rods. - Bottom June 12, 1953	

Form MF-104 (Rev.)
(April 195[illegible])

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May 195 3 Docket No. DMEA 1[illegible] Contract No. [illegible] - [illegible]71
Operator's Name Yuma Metals, Inc. Minerals [illegible] Inc
Address 735 Yucca Ave., Santa Barbara, Calif.
Contract Amount, $ 75,000.00 Government Participation: 50 % Amount, $ 37,500.00

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 Contractors: Short Form: Diamond	4310.00	5350.00	9660.00			
Drilling						
Bulldozing						
Crosscutting						
Drifting [illegible] Inc.		823.63	823.63			
Movin Buildings		560.00	560.00			
(2) Labor and Supervision:						
Labor		3053.75	3053.75			
Supervision		900.00	900.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		640.22	640.22			
Explosives [illegible]		100.00	100.00			
Pipe		336.62	336.62			
Track		195.00	195.00			
Fuel Grease		303.45	303.45			
Small Tools		220.15	220.15			
Various		387.65	387.65			
(4) Operating Equipment:						
Rental						
Purchase		900.00	[illegible]			
Depreciation		5104.70	5104.70			
(5) Initial Rehabilitation and Repairs		995.36	[illegible]			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		634.17	634.17			
Sampling and Analysis						
Payroll Taxes		64.66	64.66			
Liability Insurance		217.56	217.56			
(8) Contingencies (specify): Labor		306.59	306.59			
Supplies		436.84	436.84			
	4310.00	21821.04	26131.04	4310.00	21821.04	26131.04
TOTALS	~~4310.00~~	21721.04	26031.04	*	- 2252.07	- 2252.07
				4310.00	19,568.97	23,878.97

I certify that the above bill is correct and just and that payment therefor has not been received.
Date July 10, 1953 Payee Yuma Metals, Inc.
Per Luke Walker Title Secretary

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

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

(Instructions on reverse)

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

$ 2155.00

Signature [illegible]
(Authorized Certifying Officer)

Date 12/18/53 Vou. DMA 54-63
(See other side)

*Previous Disallowances

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E371 in accordance with the terms of the contract.

Signature D M Ramolo Title Mining Engineer Date July 23, 1953

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

Signature W S Kung Title Executive Officer Date DEC 17 1953

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 MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 195 3 Docket No. DMEA 1303X Contract No. [illegible] 371
Operator's Name Yuma Metals, Inc. Minerals Lead & Zinc
Address 738 Hope Ave., Santa Barbara, Calif.

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	Feet	4310.00	431	9660.00	966	10.00	6000	10.00
Churn								
Auger								
~~Stripping~~ New Bldg.	Job			923.63				
~~Trenching~~ Moving	"			560.00				
Test Pits								
Roads and Trails								
Undergr. Rehab.				8806.66				
TOTAL DISTRIBUTED COSTS		4310.00		19940.29				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				1126.[illegible]				
New Buildings, Improvements, etc.				995.[illegible]				
TOTAL COSTS		4310.00		22121.[illegible]				75,000.00

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

Date July 10, 1953 Operator Yuma Metals, Inc.
Per Luke Walker Title Secretary

REMARKS: per instructions (see back of this form)

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

December 17, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 1303X, Contract Idm-E371 (Lead-Zinc), Yuma Metals, Inc., Red Cloud Lead-Zinc Mine, Yuma County, Arizona - Operator's Monthly Progress Report for the period May 1953.

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

Work has been accomplished as authorized in the contract and payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Diamond drilling is provided for in this contract on a unit-cost basis; therefore documentation is not required.

Remarks:

Date of Report	July 10, 1953.
Date Received in Field Office	July 22, 1953.
Date Received in Region Office	July 27, 1953.

W H King
W. H. King

Enclosures

RDB:cwm

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

MINING DIVISION
REGION IV

July 23, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : May 1953 Progress Report, Contract Idm-6371, Docket DMA-1303X, Yuma Metals, Inc., Red Cloud Lead-Zinc Mine, Yuma County, Ariz.

The Forms MF-104 and MF-104A, and the Supplement on Diamond Drilling were received on July 13. The Narrative Report was received on July 22.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;
(2) Operator's Narrative report with supplement and logs on diamond drilling;
(3) Forms MF-104 and MF-104A.

Also enclosed are two extra copies of our engineer's report.

To the best of my knowledge and belief all work is in accordance with the terms of the contract. However, as explained by R. A. Romslo in his report, the Government's share of the costs should not be paid until the June report is received and checked. Evidently one hole drilled in June may not be in the location approved by the DMA representative, so the June totals may not be sufficient to cover the Government's equity in equipment, etc.

Walter R. Storms

Walter R. Storms

cc W. H. King (5)
DMA-1303X
DF

WRStorms:frj

MINING DIVISION
REGION IV

July 23, 1953

Memorandum

To : Walter R. Storms, Chief, Mining Methods Br., Mining Div., Region IV, Tucson, Ariz.

From : T. M. Romslo, Mining Engineer, Tucson, Arizona

Subject : Progress Report for May 1953, Yuma Metals, Inc., Yuma County, Ariz., Docket DMA-1303X, Contract Idm-8371.

The project was visited on June 16, 1953 to check progress for May and to determine if the work performed was in accordance with the contract.

Otto Mantejl, a representative of the corporation, accompanied me during an inspection of diamond-drill core and the drilling site. Drill sludges were obtained for storage in the Bureau's core house at Tucson. The inspection showed operations had been recessed and that a watchman was the only person on the property. The drilling equipment had been removed by the contractor, Metler Bros., Superior, Ariz. The inspection indicated that drilling for May was as follows:

Hole No.	Interval	Footage	Status
3	233 - 388	155.0	Completed
4	0 - 276	276.0	Completed
	Total for May	431.0	
	Previous total	535.0	
	Total to June 1	966.0	

Core recovery was low in both holes. Hole 3 penetrated a vein material (calcite) from 285 to 296 feet. Hole 4 penetrated vein material from 244 to 258 feet. No sulfide minerals were observed in the core. Assays of samples from all holes drilled will be reported next month.

The inspection also showed that hole 5, put down in June, had not been drilled as approved.

CC W. H. King (Orig. & 6)
DMA-1303X
DF

TMRomslo:frj

CONTRACT, FORMS MF-104 AND MF-104A, AND OPERATOR'S NARRATIVE REPORT

The following is indicated by the inspection of the project and a review of subject data:

1. The work performed and for which claim is made is in conformance with the contract and is as reported on Form MF-104A.

2. It is recommended that reimbursement to the Operator be withheld until the Operator's and my report for work performed in June has been analyzed.

In event the claim for June is denied, funds sufficient to defray possible costs to the Government in liquidating the project should be withheld from the claim for May. However, if the June claim is approved, it appears that full reimbursement can be made for work performed in May and payment for June can be withheld until either claims for additional work are approved, or the contract has been finalized.

3. The Operator's Narrative Report, with a supplemental report on drilling, is considered adequate. It includes a log of drill-hole No. 4. A plan map, a vertical section through drill holes, and assays will accompany next month's report.

F. M. Romslo, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

YUMA METALS, INC. Narrative Report for MAY 1953

DMEA 1303 X Contract No. I.D.M.-E 3 71

W. R. Storms, Chief
Mining Methods Branch
Mining Division, Region IV
Tucson, Arizona.

July 20-1953.

During May nothing but diamond drilling was done under the above contract, which is detailed in Mr. Whit's report "Supplement to Operator's Narrative Report" for May, which was mailed you July 11, 1953.

We have a very good driller and only through his experience and carefulness have we been able to obtain the information we have.

Everything ran very smoothly throughout the month, and we are quite satisfied with everything connected with the project.

Respectfully submitted,

YUMA METALS, INC.

Luke Walker

Luke Walker

P.S As requested your letter 15th inst Original mailed May 20th 1953 ?

SUPPLEMENT TO OPERATOR'S NARRATIVE REPORT

Month of May, 1953

Exploration Project Contract
IDM-E 371
Yuma Metals, Inc. - Red Cloud Mine
Progress Report for May, 1953

Hole No. 3

Inclined diamond drill No. 3 reported as having reached a depth of 233 feet in the May 1, 1953, Supplement to Operator's Narrative Report was extended to a 388 foot depth where the hole curved before it had reached the drill footwall monzonite. No sludges were recovered after the 320 foot mark was reached because the formation was so broken up that the drilling water was lost. The core recovery in this hole was very poor. After the Red Cloud fault was passed there was a long section containing both silver and zinc. This is an instructive hole and shows the existence of the main fissure over 200 feet north of the drill station. The broken character of the formation also shows the influence of a fault showing on the surface.

A section of this hole is shown on the insert sketch on Yuma Metals, Inc. Drawing No. 2, June, 1953, by the writer. A limited number of assays are shown in the table on the same drawing. The log on this hole accompanied Operator's Narrative Report of May 1, 1953.

Hole No. 4

This hole was started from diamond drill station No. 2 at the end of the 503 cross cut on May 14, and completed on May 25 at a depth of 286 feet. The log on this hole accompanies this report. The vein was entered at 244 foot depth and passed thru at 258 feet. Drilling

water was lost at 225 foot depth. So there were no sludge samples in the vein. Sludge sample 205-210' before the vein was reached showed small values in silver, lead and zinc.

In my opinion this represents an impregnation of the wall rocks from the vein solutions. In any event this hole found the vein in its expected position.

The above two holes are located in both plan and section on Yuma Metals, Inc. new 26" x 30" Drawings Nos. 1 and 2 under date of June, 1953, by Lloyd C. White.

General

During May Hole No. 3 was extended 155 feet as noted above and Hole No. 4 was drilled to 276 feet making a total of 431 feet drilled for the month.

On account of the broken up nature of the structure as the vein is approached the core recovery has been poor and for the same reason the loss of drilling water has prevented sludge recovery with their check on vein values. In other words it is a difficult vein to diamond drill.

However the main Red Cloud fissure is being traced downward and this is the object of the drilling campaign. The four holes to date have each encountered the vein.

Yuma Metals, Inc.
By Lloyd C. White

Lloyd C. White.

YUMA METALS, INC.

RED CLOUD MINE

Yuma, Arizona
June 1, 1953

Log on Diamond Drill Hole No. 4 - Bottom level, Red Cloud Mine. Station No. 2 at end of 503 Cross-cut. Course of hole, South 75 degrees West. Inclination minus 70 degrees. Hole started May 14, 1953. Hole completed May 26, 1953. Depth - 276 ft.

Location	Core Recovered	Description
0- 10	4"	(Big Core) Redish & grayish tuff
10- 15	2'6"	Cream Rhyolite tuff
15- 20	2'6"	" " "
20- 22	9"	" " "
22- 27	4'	" " "
27- 32	3'	" " "
32- 37	1"6"	" " "
37- 42	5'	" " "
42- 47	3'9"	" " "
47- 52	4'6"	(Big Core 1 1/8) Cream Rhyolite tuff
52- 57	0'9"	Cream colored Rhyolite tuff
57- 62	2'8"	" " " "
62- 67	3'9"	" " " "
67- 72	3'6"	" " (greenish tinge) Rhyolite tuff
72- 73	4"	Broken tuff - Redish
73- 77	6"	Cream colored Rhyolite tuff
77- 82	1'3"	" " " "
82- 87	2'	" " " "
87- 92	1'6"	" " " "
92- 97	2'	" " " "
97-102	No core	
102-107	No core	
10 7-111	0'6"	Manzonite pebbles
111-115	3"	" "
115-120	3"	" "
120-125	4"	" "
125-130	9"	" "
130-135	9"	" "
135-140	6"	" "
140-143	4"	" "
143-148	0'6"	Red Basal tuff
	0'4"	" " "
148-153	0'4"	Slate colored Dike rock
	0'4"	" " " "
153-158	3"	Manzonite pebbles
158-163	1'6"	Red tuff - pebbles

Location	Core Recovered	Description
163-168	1'3"	Grayish to Greenish Dike Rock
168-170	5"	" " " " "
170-175	1'3"	" " " " "
	0'7"	Redish tuff - small pebbles
175-178	5"	" " and greenish tuff
178-183	3"	Greenish Dike Rock
183-188	1'6"	Monzonite(Decomposed)
188-193	No core	
193-198	3"	Monzonite(Decomposed)
198-202	3"	Monzonite(Dedomposed) & red tuff
202-207	1'0"	Red basal tuff - some Calcite
207-212	2'0"	Whitish to greenish
212-217	1'3"	Mixed tuff
217-219	1'6"	dia base? hard rock
219-224	3'	Mixed tuffs - Hard rock
224-226	0'9"	Silicious tuff - Hard
226-231	2'	Dia base - ?
231-235	3'4"	Hard - Mixed tuff
235-240	2'3"	" " "
240-245	2'6"	" " " Start Vein at 244'
245-250	3'6"	Vein Calcite
250-251	6"	Vein Calcite present
251-256	3'	" " "
256-258	2'	Vein end @ 258'
258-276	50%	Diorite

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of 1/1 - 6/1, 1953 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible], Inc. Minerals [illegible]
Address [illegible] Ave., Santa Barbara, Calif.
Contract Amount, $[illegible] Government Participation: [illegible] % Amount, $[illegible]

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:						
Drilling	[illegible]		[illegible]			
Bulldozing						
Crosscutting						
Drifting	[illegible]		[illegible]	823.00		823.00
[illegible]	[illegible]		[illegible]			
(2) Labor and Supervision:						
Labor	[illegible]		[illegible]			
Supervision	900.00		900.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	[illegible]		[illegible]			
Explosives	[illegible]		[illegible]			
Pipe	[illegible]		[illegible]			
Track	195.00		195.00			
[illegible]	[illegible]		[illegible]	269.71		269.71
[illegible]	[illegible]		[illegible]	204.62		204.62
Various	[illegible]		[illegible]	327.21		327.21
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	[illegible]		[illegible]			
(5) Initial Rehabilitation and Repairs	[illegible]		[illegible]	3,971.04		3,971.04
(6) New Bldgs., Improvements, etc.	[illegible]		[illegible]	887.71		887.71
(7) Miscellaneous:						
Repairs to Equipment	[illegible]		[illegible]	135.18		135.18
Sampling and Analysis	64.00		64.00			
Payroll Taxes	[illegible]		[illegible]			
Liability Insurance						
(8) Contingencies (specify):						
[illegible]	[illegible]		[illegible]			
[illegible]	[illegible]		[illegible]	126.10		126.10
TOTALS	[illegible]		[illegible]	19568.97		19,568.97

I certify that the above bill is correct and just and that payment therefor has not been received. [illegible] 10, 1953 [illegible], Inc.
Date *Payee
Per Luke Walker Title Secretary

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

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

LUKE WALKER
723 HOPE AVE. • PH. 21530
SANTA BARBARA, CALIF.

(Instructions on reverse)

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

$9784.48

Signature [illegible]
(Authorized Certifying Officer)

Date 8/10/53 Vou. No. DMEA 54-15
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E371 in accordance with the terms of the contract.

Signature T M Ramolo WRH Title Mining Engineer Date July 16, 1953

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

Signature W. H. King Title Executive Officer Date JUL 30 1953

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.

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of 1/12-6/1 1953 Docket No. DMEA 1503X Contract No. Idm - 1571

Operator's Name Yuma Metals, Inc. Minerals Lead & Zinc

Address 796 Hope Ave., Santa Barbara, Calif.

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	Feet	5350.00	535	5350.00	535	10.00	6000	10.00
Churn								
Auger								
~~Sampling~~ New Building	Job	827.63		827.63				
Trenching Moving	"	560.00		560.00				
Test Pits								
Roads and Trails								
Underg. Rehab.		8896.66		8896.66				
TOTAL DISTRIBUTED COSTS		15630.29		15630.29				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		5194.79		5194.79				
New Buildings, Improvements, etc.		995.96		995.96				
TOTAL COSTS		21821.04		21821.04				

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.

1819.59

Date July 10, 1953 Operator Yuma Metals, Inc.

Per Luke Walker Title Secretary

LUKE WALKER
796 HOPE AVE. • PH. 21530
SANTA BARBARA, CALIF.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

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 83-38475

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

Administrative Audit Difference Statement

Date: August 10, 1953
Payee's
Reference: Progress
Report - Jan. 12 to May, 1953

Yuma Metals, Inc.
Yuma, Arizona
I-IA-2-371

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

Amount Claimed $ 21,821.04

Difference $ 2,252.07

Amount Approved $ 19,568.97

The reason for the difference was due to:

Initial Rehab. & Repairs		
Supply & service charge not under contract	$ 75.53	
Excess of allowable maximum	1,148.22	$1,223.75
Repairs to Equipment (Not allowable under contract)		
Arizona Machine & Welding	$204.24	
Jungwald Electric	89.25	
" "	126.50	
" "	79.00	498.99
Contingencies, Supplies (Not allowable under contract)		360.74
New Buildings & Improvements (Not allowable under contract)		108.25
Fuel & Grease (personal car) " " " "		33.74
Small Tools (Hard Hats) " " " "		15.53
Various Supplies (Stationery etc.) (Not allowable under cont)		10.44
New Buildings (exceeds allowable maximum)		.63
		$2,252.07

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

July 30, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 1303X, Contract Idm-E371 (Lead-Zinc), Yuma Metals, Inc., Red Cloud Lead-Zinc Mine, Yuma County, Arizona. Operator's Monthly Progress Report for the period January 12, 1953 to May 1, 1953.

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period, including a full distribution sheet to date prepared by the inspecting engineer.

Work has been accomplished as authorized in the contract and payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deductions:

New Buildings	$ 0.63
Fuel and Grease	33.74
Small Tools	15.53
Various Supplies	10.44
Initial Rehab. and Repairs	1223.75
New Buildings and Improvements	108.25
Repairs to Equipment	498.99
Contingencies - Supplies	360.74
Total Disallowances -	$2252.07

An amendment is being prepared by the Washington Office allowing:

(1) Construction of washroom building	$823.00
(2) Move buildings and house trailers from old campsite and install at mine	$560.00

Claim for these charges has been made in this report. Payment for same is to be made as this amendment has already been signed by C. O. Mittenderf with an effective date of May 14, 1953.

Remarks:

Date of Report	July 10, 1953.
Date Received in Field Office	July 13, 1953.
Date Received in Region Office	July 24, 1953.
Date Processed for Payment	July 27, 1953.

Considerable delay due to necessity of having Operator revise reports as to distribution of charges.

W. H. King

W. H. King

Enclosures

RDB:cwm

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

MINING DIVISION
REGION IV

July 17, 1953

Memorandum

To : W. H. King, Chief, Mining Div., Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : January 12 - May 1, 1953 Progress Report, Contract Idm-8371, Docket DMA-1303X, Yuma Metals, Inc., Red Cloud Lead-Zinc Mine, Yuma County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with drill hole logs and maps;

(3) Forms MF-104 and MF-104A, original with documentation;

(4) Cost distribution sheet, abstract of same, and recommended disallowances.

Also enclosed are two extra copies of our engineer's report.

To the best of my knowledge and belief all work is in accordance with the terms of the contract. However, I recommend that no payment be made to the operator until the costs have been checked thoroughly by a DMEA auditor.

The operator's May and June reports have been held up until adequate narrative reports have been received from the company.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-1303X
DF

WRStorms:frj

MINING DIVISION
REGION IV

July 16, 1953

Memorandum

To : W. R. Storms, Chief, Mining Methods Br., Mining Div., Region IV, Tucson, Ariz.

From : T. M. Romslo, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for Jan. 12 to May 1, 1953, Yuma Metals, Inc., Yuma County, Ariz., Docket DMA-1303X, Contract Idm-2371.

The project was visited on March 9, April 9, and May 14, 1953, to check progress and to determine if the work accomplished was in conformance with the contract. Luke Walker, Secretary of the Corporation, and Otto Mentejl, also of the company, accompanied me on each occasion during an inspection of surface workings. Walker and Mentejl alternated as truck driver and project supervisor. An underground inspection trip was made with Mentejl on April 9. On May 14, logs, cores, and drill sites were inspected with Lloyd G. White, supervisor of drilling operations.

Work completed, under the contract, consisted of the following:

1. The road from the old camp to the Red Cloud mine was repaired in places, before houses, trailers, and equipment were transported to the project. Minor repairs on the road continued throughout the period of this report and will probably be continued for the life of the project. Mexicans have done most of the work, consisting of leveling with pick and shovel, at 75 cents an hour.

2. The building, trailers, and equipment were transported from the old camp to the mine under an independent contract.

3. Two of the three old buildings were repaired for use as a cook shack and storage building. The other building was found unsuitable for office, change-room, and bunk house. It was replaced by a new 9 by 15-foot wood-frame building.

4. Water Tank- installed.

CC W. H. King (Orig. & 6)
DMRA-1303X
DF

TMRomslo:frj

5. Cook-house - equipped with stove, refrigerator, water-heater and other necessary materials and supplies.

6. Vertical shaft - headframe and collar of shaft were repaired. Hoist, cable, and bucket installed. Compressed air and water pipe lines installed in the vertical shaft to the 290-foot level and thence to the 500 level via the inclined shaft.

7. Inclined shaft - collar supported and covered with new timber, new or repaired ladder installed with new platforms at about 20-foot intervals. Skidway for hoisting bucket from 290 to 500-foot level repaired.

8. Crosscut to drilling sites - caved section cleaned out to drill site. No. 1 drill site was drilled, blasted, mucked out and timbered.

In addition to the above work the operator installed, reportedly at no expense to the Government, a Diesel-electric generator, two 550-gallon fuel storage tanks, a tank on trailer for domestic water, a shed for the hoist, and many other smaller items.

9. Diamond drilling was started after completion of the above work and to May 1, the following holes had been drilled:

Hole No.	Interval	Footage	Status
1	0 - 144	144.0	Complete
2	0 - 158	158.0	"
3	0 - 233	233.0	In progress
	Total	535.0	

Holes 1 and 2 encountered the Red Cloud vein at 70 to 85 feet, and 100 to 115 feet, respectively, as indicated by the presence of calcite and minor amounts of zinc-oxide minerals. Hole 3, completed on May 11, encountered what appears to be the Red Cloud vein zone at 268 to 273 feet. The vein zone contained no visible zinc minerals. Calcite-bearing zones, favorable to ore mineralization in the district, were penetrated at 293 to 296 feet and at 327 to 342 feet. The zones contained traces of zinc oxide minerals. Pyrite, in minor amounts, was encountered at 198 to 203 feet and 228 to 233 feet. Core recovery was very poor but sludge recovery was reported as adequate. No returns have been received to date on samples sent to Smith-Emery Co., Los Angeles, for assay.

CONTRACT, FORMS MF-104 and 104A, AND OPERATOR'S NARRATIVE REPORT

The Operator's report was received on May 22. It was found unacceptable because of numerous errors in payrolls and invoices, improper distribution of charges, and an incomplete narrative report. Mr. Luke Walker, the Operator, was notified that a revised report was in order. He and Mr. Lloyd C. White, engineer in charge of diamond drilling on the project, came to Tucson on May 27 and submitted the revised report on May 29. The writer and W. R. Hardwick, mining engineer, Bureau of Mines, Tucson, assisted the operator in the preparation of this report. At Denver, on June 3, it was found necessary to revise the record showing distribution of costs. This record, prepared in an acceptable form and showing the proper distribution of charges, was returned to Tucson on June 19. It was checked before being sent to the operator on June 29 for his approval. The approved record with corrected Forms MF-104 and 104A were received at Tucson on July 13.

An analysis of subject data follows:

Diamond drilling

The 535 feet of drilling, in 3 holes, has been charged for at the established rate of $10.00 a foot. I approved the drilling of these holes at sites designated by the contract. Hole 1 was drilled at an inclination less than indicated by the contract. The hole, as drilled, resulted in the obtaining of the desired information at a reduced cost to both the operator and the Government. In accordance with the contract, duplicate sludge samples were furnished to the Government. The samples have been stored in the Bureau's corehouse at Tucson.

Independent contracts

New Building - The charge of $823.13 has been adjusted on the distribution sheet to the maximum allowable $823.00.

Moving Buildings - The allowable $560.00 has been charged.

Other charges of Form MF-104

These charges are supported by accompanying documents. They include 36 items, indicated by red foot notes, that I recommend for denial on the basis of reasons shown on a form attached to the Distribution Sheet. Attention is called to the hourly wages paid to 3 men. The rate of pay appears to be excessive but has been allowed for the following reasons. One of the men, Walter Duncan, was employed as mechanic. He installed all equipment and pipe-lines and kept all these items in operating condition. During inspections of the project I gained the opinion that Mr. Dunan is a good mechanic and that his

rate of pay was justified by his ability, the operating conditions (remoteness and living condition of the project), and the payment of comparable wages at Yuma. The higher than average rate of pay for the other 2 men, Ed Metler and Henry Kertum, was also justified. These men worked about a week as miners and timbermen on the preparation of drill site No. 1. The working place was hot and gassy, until ventilation was installed. It probably would have been impossible to hire other men for this work at a lower rate of pay.

Abstract of Distribution Sheet

This accompanying sheet shows the Allowable Costs after the recommended deductions for supply and service charges and deductions for charges in excess of allowable maximum costs. On this basis, it appears that the total allowable cost of this report, $19,568.97, can be accepted as correct pending an audit report.

Reimbursement of Operator's share of Allowable Costs

Schedules of items in which the Government has an equity were prepared in order to determine if full reimbursement should be made for the allowable costs. A summary of the schedules indicates the Government's equity to be 1/2 of $4,185.21 or $2,092.61 before deductions for depletion and salvage.

The Schedules and Summary of Schedules, together with an inventory record, is a part of this report. These should be helpful if revision of the data is found necessary.

It is probable that the salvage value would not exceed $1,046.31. On this basis, full reimbursement on the allowable costs appears to be in order. This is because the Operator's share of the cost of approved work, up to recess of the project, is apparently sufficient to cover the Government's indicated equity of $1,046.31. Approved work completed during May consisted of diamond drilling on additional 155 feet in hole 3 and completion of hole 4 at a depth of 276 feet. The Operator's share in the cost of this drilling will be 1/2 of 431 feet at $10.00 a foot, or $2,155.00. The claim for 280 feet of drilling to complete hole 5 during June will be disallowed because the hole was not drilled as approved.

Operator's Narrative Report

The report and its supplement on diamond drilling, together with map and logs of holes 1, 2, and 3, is considered adequate. The Operator's attention has been called to a possible error in the bearing of 503 crosscut.

T. M. Remalo, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

U. S. BUREAU OF MINES
MINING DIVISION
MAY 22 1953
TUCSON, ARIZONA

May 20, 1953

W. R. Storm
Chief Mining Methods Branch
U. S. Bureau of Mines
Division Region IV
P. O. Box 4097, University Sta.
Tucson, Arizona

Re: DMPA No. 12033
Contract IDA- 1371

Dear Sir:

Enclosed find five copies of Forms 104 and 104A, three logs of Nos. 1, 2, and 3 diamond drill holes, three maps of these holes and narrative report. Also, enclosed certified pay rolls and invoices.

Also, copy of our distribution sheet showing to what account each invoice and labor is charged, and breakdown sheet showing how the different items in contract is divided as to items 2, 5, 6 on Form 104. This will give certifying office in detail the knowledge that the various allowable maximums have not been exceeded.

This report covers from Jan. 12th to May 1st, 1953.

Have made this report as instructed by Mr. [illegible] and hope it is satisfactory.

Would please ask this report be processed as soon as possible, as we are in dire need of the money. As you know we have as yet had no money from Government on their portion of the contract.

This will be very much appreciated by

YUMA [illegible]

By _____

Enc.
Exa

NARRATIVE REPORT

D M E A 1303 X CONTRACT No. IDM -E 371

W. R. Storm,
Chief Mining Methods Branch
U.S. Bureau of Mines
Division Region IV
P.O.Box 4097, University Sta.
Tucson, Arizona

U. S. BUREAU OF MINES
MAY 22 1953
TUCSON, ARIZONA

Dear Sir:

Rehabilitation work was not completed April 12th, 1953 (as allowed in contract). However, no charges from that date have been made. The total cost up to April 12, 1953 was larger than contract provided for. We have only used enough of the cost to equal maximums as allowed in contract. However, if any of charges made are disallowed, we will substitute costs not listed in this report.

We have now completed the rehabilitation work (not completed Apr. 12th, 1953) at our own cost, not charging any part thereof to the Government.

The Preparatory work completed is as follows:

1. Road has been repaired so can move equipment, supplies, water, etc. over it.

2. Buildings and trailers have been moved to selected camp site at mine.

3. Building moved were all right for use as far as they would do. They were small, one being 9'x15'; the other 10'x14'. The 9x15 was extended six ft. to make room for small cook house. The 9x15 was used for warehouse. The new building is used for office, change room, shower room, and a dark room for using ultra violet light on cores and also have two bunks in this building. Old buildings were too small and couldn't possibly have been used for these purposes.

4. All supplies and equipment have been moved and installed at mine, including hoist, compressor, air and water lines.

5. The inclined shaft for workmen to go to and from diamond drill site is repaired (not good but better than the money allowed would do.

6. The vertical shaft is repaired so materials and supplies can be taken to and from drill site, and again not good but sufficient to get by.

7. Air and water lines are complete to both drill rooms.

8. The new drill room is complete and timbered and old drill room cleaned out and usable.

9. Hoist and bucket is installed.

10. Head frame is repaired.

11. Water tank is installed and water piped to cook house and to both drill stations.

12. Both shaft collars have been repaired or made now.

13. Cross cut has been cleaned out and timbered.

All work required under contract is completed.

In addition to above but not charged under The DMEA contract, we have installed a diesel generator, two 550 gal. storage tanks for fuel, have 350 gal. water tank on trailer for hauling water, and many smaller items.

The unusual difficulties encountered:

1. Air was bad and very hot, so much so that couldn't get men to work on 500 ft. level. This was an unforseen expense to install and maintain fan and blower air line. This expense was much less on account of having the generator installed because fan could be placed at 290 level. We have charged this expence under No.8 (contengencies) for reason it was an unforseen cost.

2. At time (Jan 12, 1953) we started preparatory work, common labor, Yuma area could earn $22.00 to $30.00 per day working in lettuce and mechanics were unavailable at any price. We, therefore, inported two men from Portland, Oregon (we paid transportation) and use Mexicans for balance of work.

3. Our equipment and supplies were very limited, trquiring many, many trips to Yuma.

4. We were not allowed enough money to do the job.

Diamond drilling started April 16, 1953 and has progressed satisfactorily since. Core recovery not the best but very good considering the material encountered. Maps and logs being submitted by Mr. White.

Yours truly,

Yuma Metals, Inc.

by Luke Walker

[illegible]

[illegible] 1, 1953

[illegible]
DDH-E 271

[illegible], Inc. [illegible] Cloud [illegible]

[illegible] 1953

DDH No. 1

Diamond drilling was started on April 16, 1953 at station No. 1 in the 1952 Crosscut of the [illegible] Cloud Mine. This inclined hole encountered the vein approximately in its expected position - about 50 feet vertically below the crosscut. About 15 feet of vein material consisting of [illegible] with some zinc oxide was passed through. The core recovery in the vein was poor but the sludge recovery was good. Duplicate samples of vein sludge have been sent to Smithsonry Company, [illegible] for assay. The results are not available yet. The hole was bottomed at 244 feet depth in [illegible]. After the main section of vein had been passed there contained only small amounts of calcite and zinc oxide.

DDH No. 2

Vertical hole No. 2 from the same station encountered the vein at about 127 feet depth below the station - and passed through about 15 feet of vein containing quartz, calcite and zinc oxide. The core recovery in the vein was low but the sludge recovery was adequate. Duplicate sludges have been sent to Los Angeles

for assay. This hole was terminated at 158 feet depth in barren rock.

Hole No. 3

Inclined hole No. 3 - drilled on a northerly course from Station No. 1 was advanced to a depth of 273 feet at the end of April. The vein had not been penetrated at this depth. The core recovery in this distance was very low.

Location sketches with sections of the three holes are enclosed together with logs of the holes.

Duplicate sludge samples on holes Nos. 1, 2 and 3 were taken from the mine to Tucson by Mr. T. . Corsiglia on May 14.

Conclusions

The information developed to date has been in line with what was expected. We are tracing the [illegible] fault vein downwards a step at a time.

[illegible], Inc.

By: Lloyd C. White

YUMA METALS, INC.
RED CLOUD MINE

Yuma, Arizona
May 18, 1953

Log on Diamond Drill Hole No. 3. Bottom Level Red Cloud Mine.
Station No. 1 in 503 - Cross-cut. Course of Hole, North.
Inclination - 55 degrees. Started April 25, 1953.
Completed May 11, 1953. Depth 388 ft.

Core Location	Length of Core Recovered	Description of Core
0- 8'	1'	Granitic pebbles
8- 13	1'	" "
13 - 18	3"	" "
18 - 23	6"	" " 2" greenish basic rock
23 - 28	4"	Granite xtx
28 - 33	9"	"
33 - 38	3"	Granite pebbles
38 - 43	Zero	Mud
43 - 48	"	"
48 - 53	1"	Granite
53 - 56	2"	Granite & greenish Siliceous rock
56 - 60	2"	Granite
60 - 65	6"	"
65 - 70	4"	"
70 - 75	4"	"
75 - 80	6"	"
80 - 85	Zero	Mud
85 - 91	3"	Granite pebbles
91 - 95	3"	Granite (changed to small core)
95 -100	3"	Granite, mostly small pebbles
100 -105	3"	" " " "
105 -110	3"	" " " "
110 -115	6"	" " " "
115 -120	6"	" " " "
120 -125	1"	Granite
125 -130	4"	"
130 -131	1"	"
131 -134	3"	Granite pebbles & sand
134 -138	3"	Mud & reddish sand
138 -143	3"	Granite
143 -148	2"	"
148 -153	5"	Granite & greenish sand
153 -158	1"	Granite - core very hard
158 -163	2"	Granite pebbles & sand
163 -168	2"	" " " "
168 -173	3"	" " " "
173 -178	2"	Hard granite core
178 -183	3"	Hard granite plus pink tuff
183 -188	2"	" "
188 -193	4"	" "
193 -198	3"	Hard Granite plus greenish siliceous rock
198 -203	3"	Iron pyrites in sludge
203 -208	5"	Granodiorite
208 -211	1' 6"	Reddish tuff, granite, greenish rock

May 18, 1953

Log of Diamond Drill Hole No. 3 continued.

Core Location	Length of Core Recovered		Description of Core
211-216	3"		Hard Granite
216-221	3"		" "
221-223	4"		Granite - red Tuff Sludge
223-228	1"		Pinkish tuff - greenish siliceous rock
228-233	7"		Mostlygranite- iron pyrites visible
233-238	4"		Granite & pinkish tuff
238-243	6"		Granite & reddish tuff
243-248	6"		Pinkish tuff
248-253	1'-6"		Reddish & pinkish tuff
253-256	9"		Reddish tuff- granitic tuff
256-259	5"		" " - greenish rock
259-263	2"		" "
263-266	9"		Granitic rock
266-268	3"		Light colored tuff
268-273	6"		Reddish tuff plus granitic rock /fault
273-277	5"		Granitic rock- red mud- possibly P.C.
277-278	2"		Tuff & sand
278-280	10"		Tuff & granitic rock
280-285	6"		Reddish tuff
285-288	3"		Pinkish tuff
288-291	8"		Reddish to white tuff
291-293	6"		" " " "
293-296	1'3"		Mixed tuff, some calcite
296-301	3'-	(	Mostly grayish siliceous rock
301-306	2'-	Dike (	" " " "
306-311	8"		Greenish siliceous rock
311-316	8"		" " "
316-319	1'		" " "
319-322	1'-6"		" " "
322-327	1'-2"		Lost water & siliceous rock
327-332	2'		Some Calcite - mixed tuff
332-337	9"		Various colors tuff - calcite
337-342	2'-6"		Tuff- quartz - calcite- Vein - Vugs
342-347	6"		Siliceous - greenish
347-352	3'-3"		Greenish to reddish - Vugs
352-354	6"		Greenish siliceous rock
354-359	4"		Greenish to whitish rock
359-364	2"		" " " "
364-369	6"		" " " "
369-379	2'-6"		Greenish to whitish siliceous rock
379-388	2'-6"		" " " " "

YUMA METALS, INC.
RED CLOUD MINE

Yuma, Arizona
May 18, 1953

Log on Diamond Drill Hole No. 2. Bottom Level, Red Cloud Mine.
Station No. 1 in 503 - Cross cut. Course of Hole- Vertical.
Started April 19, 1953. Completed April 25, 1953. Depth 158 ft.

Core Location	Length of Core Recovered	Description of Core
0'-10'	6"	Granite - Monzonite
10 -15	7"	" "
15 -20	1'-2"	" "
20- 25	9"	" "
25- 30	3"	" "
30- 35	7"	" "
35- 40	9"	" "
40- 45	2"	" "
45- 50	1'-	" "
50- 55	Zero	Pink mud
55- 60	9"	Granite - Monzonite
60- 64	4"	" "
64- 69	3"	" "
69- 74	9"	" "
74- 79'3"	11"	" "
79'3"-84'9"	6"	" decomposed - Powdery core
84'9"-89'9"	Zero	No core
89'9"-92'6"	1'-10"	Mixed tuff, quartz grains, diorite
92'6"-95'	1'-2"	" " , more reddish, grano diorite
95-100	2'	Reddish tuff, granodiorite fragments
100-102'6"	1'-3"	Granite again plus mixed tuff
102'6"-105	1'-4"	Red Cloud Fault, some calcite, 1'2" Red tuff fragments
105-110	3'	more calcite, some zinc, whitish rock
110-112'6"	Zero	No core - mud
112'6"-115	1'8"	Light colored core with calcite very little zinc Vugs - Quartz crystals - Broken Vein
115- 117'6"	-8"	Ditto
117'6"-119'	-6"	"
119-124	2'-9"	"
124-127	3'-3"	124' plus next 2' as above. Then siliceous rock.
127-132	9"	Broken tuff with Vugs, no calcite or zinc.
132-137	4'	Greenish to white siliceous rock.
137-141	3'-3"	Mixture greenish to white rock, some Vugs.
141-142	6"	Chalcedony
142-147	4'	" greenish & reddish. Diabase
147-152	1'-[illegible]"	Siliceous. ~~Diabase~~.
152-157	1'	"
157-158	1"	"

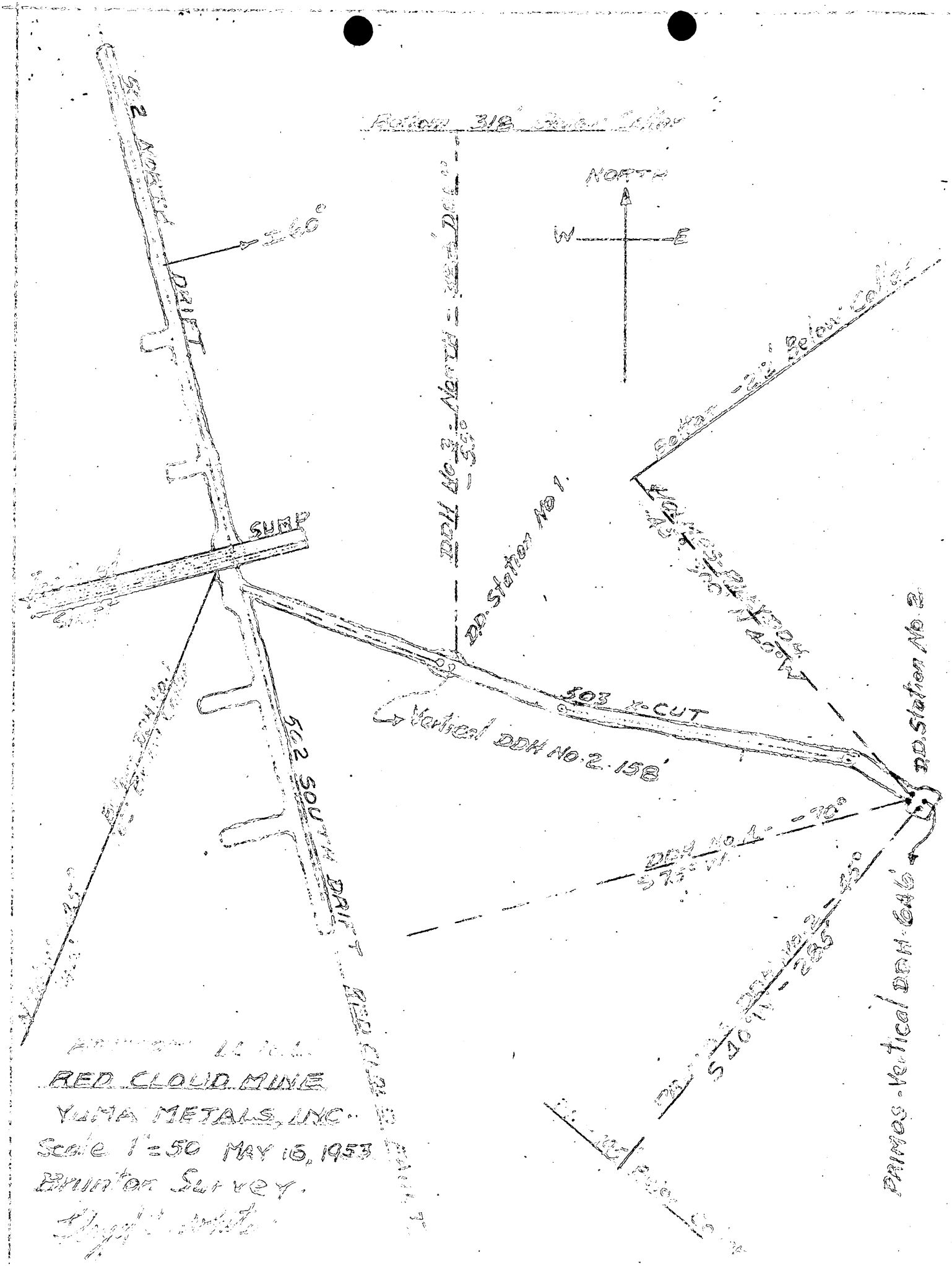
YUMA METALS, INC.

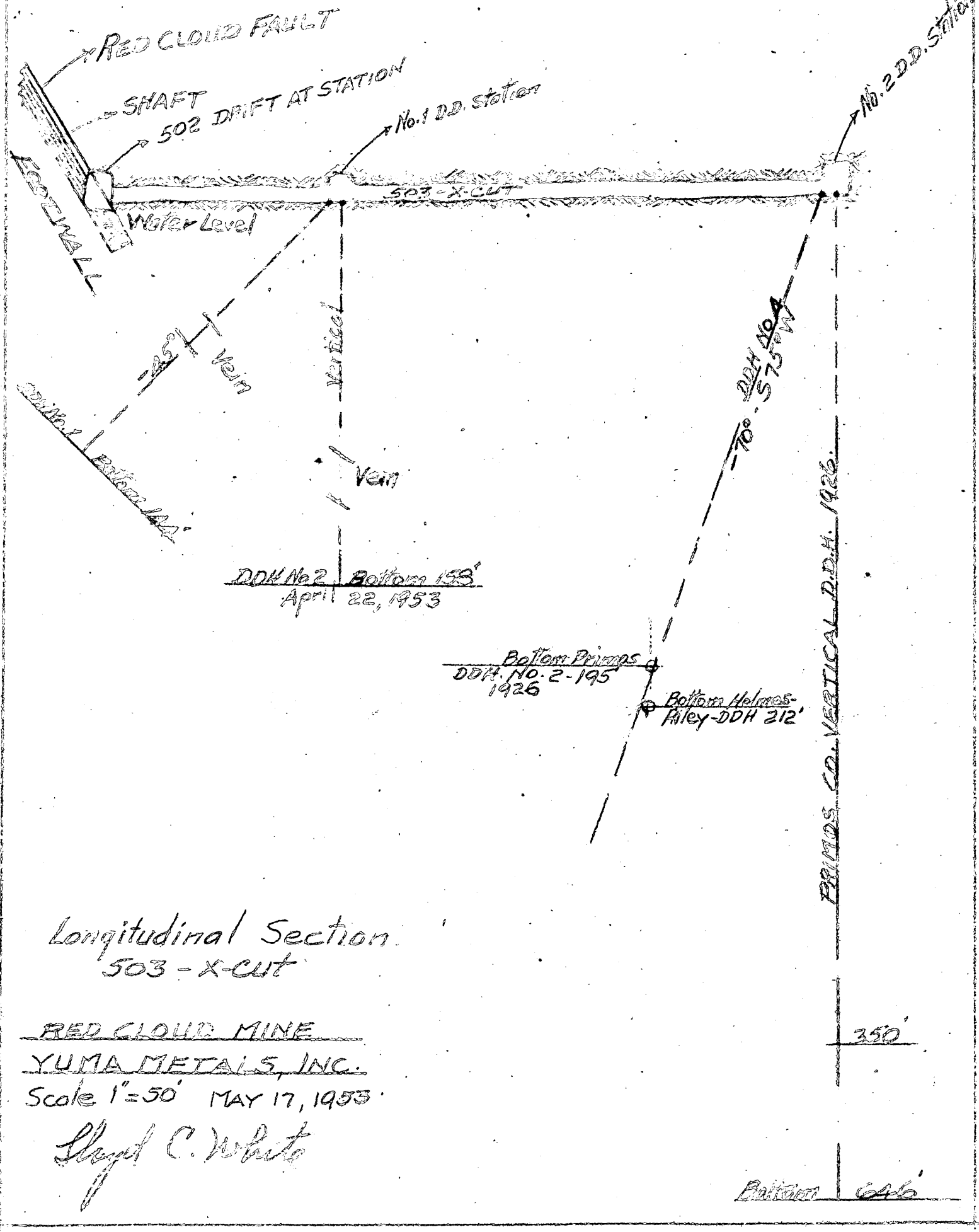
RED CLOUD MINE

Yuma, Arizona
May 18, 1953

Log on Diamond Drill Hole No. 1. Bottom Level Red Cloud Mine Station No. 1 in 503- Cross-cut. Course of Hole, North 75 degrees West. Inclination -45 degrees. Started April 16, 1953. Completed April 22, 1953. Depth 144 ft.

Core Location	Length of Core Recovered	Description of Core
0 - 7 ft.	a few pebbles	Mixed tuff & granitic
7-11 ft.	1'-6"	Mixed granodiorite - tuff
11-15 "	2'-	Greenish siliceous core & granodiorite
15-18 "	2'-	" " " " /tuff
18-23	3'-6"	" " " " plus red
23-28	1'-	Granodiorite- This section much broken up
28-32	-6"	" " " " " "
32-38	1'-	" " " " " "
38-41	-6"	" " " " " "
41-45	-8"	" " " " " "
45-50	-10"	" " " " " "
50-55	-3"	" " " " " "
55-60	-3"	" " " " " "
60-65	2'-	" and reddish tuff
65-68	2'-	" " " "
68-70	2'-	"
70-75	1'-	" , some calcite, reddish tuff
75-77'6"	-9"	Calcite, some zinc. Vein.
77'6"-80'	-6"	Calcite, zinc. Vein
80- 82'6"	Mud	Vein.
82'6"-85	1'-6"	Calcite, zinc. , Vein.
85- 87'6"	xx-2"	Greenish siliceous rock
87'6"-90'	2'-	" " "
90-92'6"	2'-	2" Calcite- ditto as above
92'6"-95'	2'	Greenish siliceous rock
95-100	4'	Various shades of hard siliceous rock
100-105	4'	Siliceous rock, traces of zinc & calcite
105-110	3'-10"	" " " " " " "
110-112	1'	" , " ,greenish to brown
112-117	1'6"	Siliceous-some calcite & zinc
117-122	3'-6"	" , greenish to brown rock
122-127	2'-6"	" " " " "
127-132	4'	" , some calcite
132-137	4'-6"	" , greenish to brown rock
137-142	3'	" " " granitic
142-144	-6"	" " "

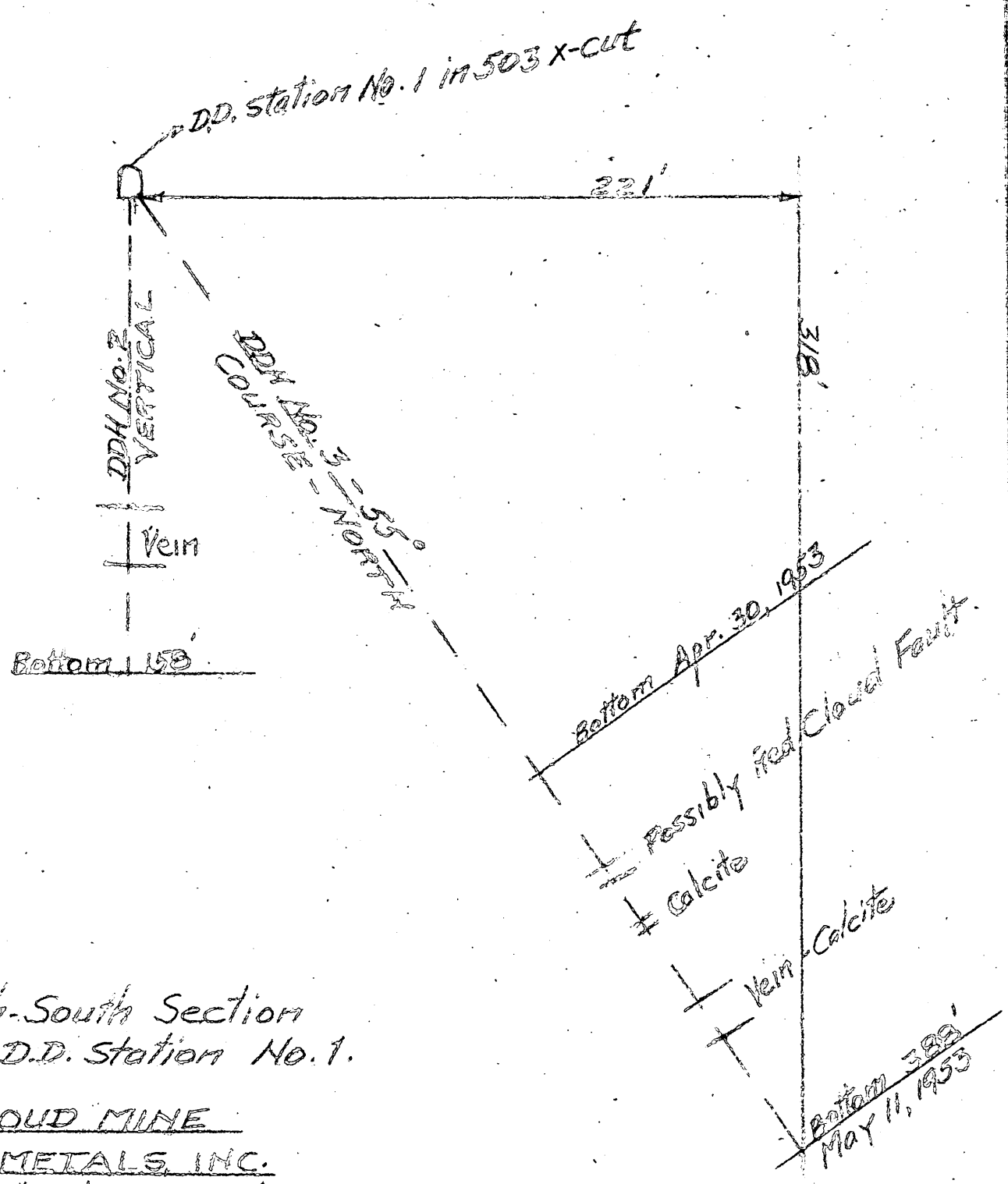

NORTH
W
E
SUMP
DRIFT
DDH No. 3
DD. Station No 1.
503 X-CUT
Vertical DDH No. 2. 158'
DD. Station No 2
DDH No 1
Primos - Vertical DDH - 646'
RED CLOUD MINE
YUMA METALS, INC.
Scale 1" = 50
MAY 16, 1953
Brunton Survey.



Longitudinal Section
503 - X-Cut

RED CLOUD MINE
YUMA METALS, INC.
Scale 1" = 50' MAY 17, 1955

Lloyd C. Hulett



North-South Section
Thru D.D. Station No. 1.

RED CLOUD MINE
YUMA METALS, INC.
Scale 1" = 50' MAY 19, 1953

Floyd C. White

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

JUL 17 1953

Yuma Metals, Inc.
798 Hope Avenue
Santa Barbara, California

Attention: Mr. Luke Walker, Secretary

Re: Contract Idm-E371
Docket No. DMEA-1303X
Yuma, Arizona

Gentlemen:

Reference is made to your letter of July 10, 1953, in regard to contract cited above.

Inquiry was made by teletype to the Regional Office in Denver, Colorado, concerning payments on your billings. A copy of this teletype is attached for your information.

It is noted that you sent the Forms MF-104 to the Branch Office at Tucson, Arizona. I suggest that you write the letter to Mr. W. H. King, Executive Officer Region IV, 224 New Customhouse Building, Denver 2, Colorado, asking him to expedite payment on the MF-104 in part or in whole when the invoices are received, provided such payment can possibly be made. I believe that if you followed the latest instructions in preparing your MF-104, that your reimbursement will be expedited.

Sincerely yours,

FRANK E. JOHNSON

ACTING Administrator

JLChambers/wb
July 17, 1953

Copy to: Docket
Admr. Reading File
Mr. Griswold
Mr. Chambers
Mr. King

7/15/53

C
O
P
Y

C O MITTENDORF

REURTEL JULY 15, YUMA METALS, INC., DOCKET 1303. X CONTRACT IDM-E371, MF-104 REPORTS HAVE NOT BEEN RECEIVED IN THIS OFFICE. LATEST ADVICE INDICATES THAT OPERATOR INTENDS TO OR HAS SUSPENDED OPERATIONS X

W H KING

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

JUL 15 1953
D. M. E. A.

J. L. Chambers
3461 4542

14X3923.970 Working Fund, DMEA
July 15, 1953

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

Secretary of Yuma Metals, Inc., Contract Idm-E371, Docket 1303X complains that no payments have been made to date on this contract. Latest MF-104 rebilling contractor's claim sent to your office July 10. Please wire if voucher or at least a part of it can be paid immediately, and if not, what action should be taken either by the company or this office to enable payment.

C. O. Mittendorf

Administrator

cc: Docket
Admr. Reading File
Bu Mines Audit
Mr. Chambers
Mr. Griswold

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

800

MAR 23 1953

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

Re: DMEA Docket 1303X
Contract Ida-8371
Yuma Metals, Inc.
Yuma County, Arizona
(Lead-Zinc)

Dear Mr. King:

Reference is made to your memorandum of March 6, 1953 re instructions for reporting expenditures on Forms MF-104 and MF-104A for above-cited contract.

In regard to Form MF-104, it is believed the following explanations will solve your problem:

a. Under (2) of MF-104, Labor and Supervision, report on labor and supervision chargeable to underground rehabilitation, repairs, etc. Do not include labor and supervision used for item (5) Initial Rehabilitation and Repairs or for item (6) New Buildings, Improvements, etc.

b. Under (3) of MF-104, Operating Materials and Supplies, report only such items as are used for underground rehabilitation. Do not report materials and supplies used for items (5) and (6).

c. Under (4) of MF-104, Operating Equipment, report only for equipment used for underground rehabilitation. Do not report equipment cost expended for items (5) and (6).

d. Under (5) of MF-104, Rehabilitation and Repairs, report all labor, supervision, cook, equipment, materials and supplies used for this division of the project.

e. Under (6) of MF-104, New Buildings, Improvements, etc., report all labor, supervision, cook, equipment, materials, etc., used for this division of the project.

The Operator will have to support each MF-104 with schedules showing total labor and supervision (Item A-2 of contract) and equipment (Item A-4 of contract) distributed among items 2, 4, 5, and 6 of

the MF-104, so that the certifying officer will be able to approve payments according to the contract with the knowledge that the various "allowable maximums" have not been exceeded.

We wish to call your attention to the fact that each designated item under divisions (5) and (6) of Exhibit "A" is a maximum by terms of paragraphs 5 and 6 of Article 6(a) of the contract form, and will require a separate schedule to enable the certifying officer to control expenditures by each such item.

On MF-104A Drilling costs will be reported in the usual manner. Underground Rehabilitation will be reported on the blank line filled in, just below Roads and Trails. The non-distributable costs will be reported in the usual manner; i. e. (1) Operating Equipment Purchased, if any; (2) Aboveground Rehabilitation and Repairs; and (3) New Buildings, etc.

This type of Exhibit "A" to our contracts has been called to the attention of our staff, and it is hoped that in the future the exhibits will follow the provisions of the contract form and the Form MF-104.

If there are further questions on this contract please let us hear from you.

Sincerely yours,

C. O. Mittendorf

Administrator

JLChambers/wb
March 17, 1953

Copy to: Docket
Admr. Reading File
Administrator
Mr. Chambers
Mr. Selfridge
Mr. Griswold

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

224 New Customhouse
Denver 2, Colorado

March 6, 1953.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 12 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 1303X (Lead-Zinc), Contract Idm-E371, Yuma Metals, Inc., Yuma County, Arizona.

The operator and field engineer have made inquiry as to the interpretation of the contract relative to "allowable maximums" and the manner in which they are to be reported on Forms MF-104 and MF-104A.

This contract is similar in some ways to Contract Idm-E370, Nikas Mining Company, on which an interpretation was rendered by your letter dated March 3, 1953. However, there are phases of Contract Idm-E371 which we are unable to interpret in the same manner.

From a review of "Exhibit A," which is attached as a part of Contract Idm-E371, the following facts are assembled:

Footnote 2/ states to the effect that the "allowable maximum" cost of work under "Estimated Costs of the Project," items "(A) 5 and 6," are exclusive of the wages of the cook and truck driver, supervision, and depreciation charge for the compressor and truck, all of which are scheduled elsewhere. The work authorized under items "(A) 5 and 6" is also stated under "Description of the Work" items "(A) 1 and 2". Therefore it appears that the total allowable incurred costs of the wages of the cook and truck driver, supervision, and depreciation charge for the truck and compressor must be absorbed in the costs of the work authorized under "Description of the Work" item "(A) 3," the only other work on a cost-incurred basis to which the charge can be made.

There follows an outline of the reporting procedures which we have tentatively proposed for use.

In reporting the costs of work under said item "(A) 3," on Form MF-104, the charges for the incident labor, supervision, depreciation, timber, pipe, track, miscellaneous supplies (which includes gas,

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

oil, etc., and is to be written in as "other" in a blank space), workmen's compensation and payroll taxes, and contingencies should be recorded as provided for on Form MF-104.

In reporting the foregoing costs on Form MF-104A all charges on Form MF-104, exclusive of those under items (1), (5) and (6), should be combined and reported on the upper portion of Form MF-104A as an extra category of work written in a blank space as "Underground R.P. and D." (Underground rehabilitation,preparation and demobilization).

The costs incident to the work under item "(A) 5.", exclusive of the cook's and truck driver's wages, supervision, and truck and compressor depreciation, should be reported in the aggregate amount of all other costs after item "(5)" on Form MF-104 and after "Initial Rehabilitation and Repairs" on Form MF-104A.

The costs incident to work under item "(A) 6.", exclusive of the cook's and truck driver's wages, supervision, and depreciation charge for the truck and compressor, should be reported in the aggregate amount of all other costs after item "(6)" on Form MF-104 and after New Buildings, Improvements, etc. on Form MF-104A.

The total charge for "Labor, Supervision, Consultants" for all the preparatory work under item "(A)" cannot exceed the indicated "allowable maximum" amount, and the charge for "Supervision, accounting and engineering" cannot exceed the allowable maximum of $600.00 per month. To effect a control on these and other stipulated "allowable maximums" it will be necessary for the operator to supply, with each Form MF-104 as a part of the documentation of charges, a schedule which will show the breakdown, on a cumulative basis, of such stipulated "allowable maximums", exclusive of those that are recorded direct on Form MF-104 on a cumulative basis. A suggested form for such breakdown schedule is attached.

Please advise at your earliest convenience whether or not we are correct in our interpretation and if the manner of reporting on Forms MF-104 and 104A is acceptable.

W. H. King
W. H. King

Enclosure

Breakdown of "allowable maximum"s that
are not recorded direct on Form MF-104

Item (5)

Charge	Total Previously Reported	Total This Month	Total to Date
Labor			
Comp. Ins. & Payroll Tax			
Equip. depreciation			
Operating supplies			
Total			

Item (6)

Charge	Total Previously Reported	Total This Month	Total to Date
Labor			
Comp. Ins. & Payroll Tax			
Equip. depreciation			
Operating supplies			
Total			

Absorbed under work category "R.P.&D."

Charge	Total Previously Reported	Total This Month	Total to Date
Labor			
Comp. Ins. & Payroll Tax			
Equip. depreciation			
Operating supplies			
Total			

Summary of totals to date

Item	Labor	Comp. Ins. & Payroll Tax	Equip. Depreciation	Operating Supplies
Item (5)				
Item (6)				
R. P. and D.				
Total				

DEC 4 1963

Yuma Metals, Inc.
c/o Mr. Luke Walker
Secretary
Ventura Hotel
Ventura, California

Re: DMEA-1303 (Lead-Zinc)
Yuma Metals, Inc.
Red Cloud Mine
Yuma County, Arizona
Contract Idm-8371

Gentlemen:

By the terms of the subject Exploration Project Contract, as amended, and the provisions of Amendment No. 3, dated June 25, 1954, all minerals mined or produced from December 3, 1952, to December 3, 1963, were subject to the Government's royalty as set forth in said contract.

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

Sincerely yours,

George Dunich, Jr.

Acting Director

FMMurphy/mm
12/4/63
cc: Director's Reading File
✓CA&A Division
Region III
Docket
Code 500

DEC - 1954

Mr. Lloyd G. White, Manager
Yuma Metals, Inc.
1005 Oxford Street
Berkeley 7, California

Re: Docket No. DMA-1303 (Lead-Zinc)
Yuma Metals, Inc.
Red Cloud Mine
Yuma County, Arizona
Contract No. Idm-5371

Dear Mr. White:

The Government has given much time and serious study to your application of September 7, 1954 for a change in the exploration work under the above-cited contract.

A number of engineers and geologists have reviewed your application for an amended program, as well as the progress made under the present program, and unanimously conclude that the changes of the proposed work resulting in a significant discovery of ore that would make a substantial contribution to the National Defense are unfavorable. Consequently, I am unable to approve the new program which you presented. It also appears from your reports and reports of Government engineers that the chances of a successful discovery under the old program are very remote.

Amendment No. 3 to the contract issued under date of June 25, 1954, provided at your request that operation of the project would be recessed from May 11, 1954 to a date not later than October 11, 1954. Paragraph 4 of this amendment stipulated that if the work was not resumed on or before October 11, 1954, the project would be automatically terminated. Since the work was not started on the required date the contract was automatically terminated.

Article 12 of the contract provides that "Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining."

The Government requests that your Company dispose of any joint property, make a final accounting of the operation and submit a final report in compliance with Article 12. The Government will not be able to participate in any project costs except those necessary to comply with the requirement of Article 12 of the contract.

I sincerely regret that the results of the work done on this project were so unrewarding and that further participation by the Government is not warranted.

Sincerely yours,

C. O. Mittendorf

Administrator

WRGriswold
FEJohnson
JLChambers/er 12/1/54

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
F. E. Johnson
J. L. Chambers
Mr. Bishop, USBM
Mr. Killagnard, USGS
Region IV (2)
Chron.

EXPLORATION PROJECT CONTRACT
YUMA METALS, INC.
DOCKET NO. DMEA-1303

AMENDMENT NO. 3

It is agreed this 25th day of June, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Yuma Metals, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E371 (Docket No. DMEA-1303), dated December 3, 1952, as amended, hereinafter called the "Contract," that:

1. In Article 3 of the Contract form, the period "one year and seven months," provided by Amendment No. 2, is deleted and the period "two years and one month" is added.

2. Annex I attached hereto is substituted for Article 9 of the Contract form.

3. a. Work under the Contract shall be suspended during the period beginning May 11, 1954, and ending not later than October 11, 1954.

b. No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of the work.

c. The Operator at his own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work and any property in which the Government has an interest.

4. It is of the essence of this Contract that work be resumed before the termination of the period here fixed for suspension; and if it is not so resumed in the manner required by the Contract, the following provisions shall become effective:

a. The Contract and all obligations of the parties thereunder, except as hereinafter otherwise expressly provided, shall be and are hereby terminated.

b. The Government shall contribute to allowable costs incurred prior to May 11, 1954, and to such allowable costs incurred subsequent to October 11, 1954, as may be necessary in performing winding-up and settlement actions provided for in the Contract, including the preservation and disposal of property to the cost of which the Government has contributed and including the making and rendering of reports and accounts.

c. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the disposal of any facilities, buildings, fixtures, equipment, or other items to the cost of which the Government has contributed and including the rendering of the final report and final account.

d. The total net amount contributed by the Government shall be repayable in the form of a percentage royalty on any minerals mined or produced from the land described in Article 2 of the Contract, in the manner and amount provided in the Contract as amended by Annex I to this amendment, certification of discovery or development being hereby waived.

e. The maximum period for royalty and lien for the payment thereof provided for in the Contract is increased to eleven years.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this amendment.

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, or the amount of any item designated as "allowable maximum."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. W. Mitteudorf
Administrator, Defense Minerals Exploration Administration

YUMA METALS, INC.

By Luke Walker
Secy.

EXPLORATION PROJECT CONTRACT
YUMA METALS, INC.
DOCKET NO. DMEA-1303

ANNEX I

The following provisions are in lieu of Article 9:

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

b. 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, for a period of ten years* from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

c. Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid by the buyer to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the

* The period "eleven years" is substituted for the period "ten years."

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 raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

d. Unsold production.--If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time 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 ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) 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 ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

f. 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.

g. 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.

h. 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 mining or production operations.

i. 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.

58694

June 11, 1954

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : Request for Recess, DMEA Contract Idm-E371, Docket DMA-1303X, Yuma Metals, Inc., Yuma County, Ariz.

Enclosed are original and 4 copies (one copy lacking) of a request from Yuma Metals, Inc. for a 4 month recess, evidently from date of the request, or June 7. I have talked to John N. Faick of the Geological Survey and we believe that a recess could be granted, but we probably wouldn't recommend further work at the end of the recess period. As the contract expires on July 3, the contract termination date also will have to be extended,

Walter R. Storms

CC W. H. King (5)
J. N. Faick
DMA-1303X
DF

WRStorms:frj

Yuma Metals, Inc.
Yuma, Arizona
June 7, 1954

Mr. W. R. Storms
Regional Manager
U S Bureau of Mines
Tucant, Arizona

Dear Mr. Storms: Re: Contract IDM*E 371 Docket DMEA 1303X

We respectfully request a 4 month recess at this time to evaluate our position and to have sufficient time to get additional geological study as to the advisability of further deep diamond drilling; or possibly, in lieu of the information and knowledge we have obtained from the project, we may ask for amendment to do some drifting in the oxide zone.

We have purchased a 100 ton flotation mill, and have at the present time over 50,000 tons of good milling grade oxide ore. We respectfully request this recess to grant us the necessary time for the above mentioned geological study and for our engineer to obtain facts and figures on costs of setting up our mill, as well as the cost of milling and all phases of the economics that pertain to the idea. Also the amount of drifting and costs to develop additional ore.

I believe that due to the fact our preparatory work has all been done and that most of the installation for extending the drifts are all in place, we will be able to show a very wise and prudent plan of developing a large oxide ore body at a very reasonable cost.

In any case this recess shall grant us the necessary time to make our survey.

Yours truly,

D L McDaniel

Yuma Metals, Inc.

D. L. Mc Daniel
Box 470
Oregon City, Oregon

dlmcd elw

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 17 1953

No. 2

AMENDMENT OF CONTRACT: No. Idm--E371

Contract Docket No. DMEA-1303X, dated December 3, 1952, between the United States of America and Yuma Metals, Inc., is hereby amended as follows, effective June 30, 1953:

Referring to "Article 3. Exploration Project" of Exploration Project Contract Form MF-200 (Revised Feb. 1952), delete "one year (1)" and in lieu thereof insert "one year and seven months".

Furthermore, the project work may be recessed beginning July 1, 1953, contingent on the following conditions:

1. The operator agrees to resume operations under the terms of Contract Idm-E371 on or before November 1, 1953.

2. The operator hereby releases and agrees to save harmless the Government from all claims and demands under the terms of Contract Idm-E371 during the period operations under the contract are recessed.

3. The operator further agrees to preserve and protect the Government's interest in the work performed to date from any and all causes as a result of the recess of operations, to the best interests of the parties concerned, without cost to the DMEA project.

4. Reimbursement to the operator, under the terms of the contract, for the amount of the Government's participation in the costs of work performed during the months of May and June 1953 will be deferred until normal operations have been resumed, or until the Government's interest in property acquired under the contract has been settled.

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

Dated AUG 12 1953

YUMA METALS, INC.

By Luke Walker Sec'y

Seal

UNITED STATES OF AMERICA

Jus

By W. H. King

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

COPY

T E L E T Y P E

WASHINGTON 7-20-53 303P

W H KING, EXECUTIVE OFFICER

DMEA FIELD TEAM DN

REURTT JULY 17, DOCKET NO. DMA-1303, YUMA METALS, INC., YUMA COUNTY, ARIZONA, CONTRACT IDM-E371, WE APPROVE YOUR PREPARATION AND EXECUTION OF AMENDMENT TO RECESS WORK FROM JUNE 30, 1953 TO NOVEMBER 1, 1953, WITH A LIKE EXTENSION OF TIME FOR COMPLETION OF WORK, PROVIDED ACCEPTABLE OPERATOR-S MONTHLY MF-104S ARE SUBMITTED PRIOR TO EXECUTION OF AMENDMENT.

GEORGE C SELFRIDGE CHAIRMAN, OPERATING COMMITTEE

EF 313P

AUG 26 1953

MINING DIVISION
REGION IV

July 14, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : Contract Idm-E371, Docket DMA-1303X, Yuma Metals, Inc., Yuma County, Ariz.

In regard to your memorandum of July 7, relative to a recess of operations under Contract Idm-E371, Yuma Metals, Inc. asked for a recess as per attached letter dated June 3, this recess to extend from June 30 to October 15. At that time we knew that the current diamond drilling would be completed in June. The company proposed to ask for an amendment so it could drive another crosscut at its own expense, then do additional core drilling below the 500 level from this new location. We then told Luke Walker and also Lloyd C. White that they should ask for an amendment to do this proposed work and submit it at the same time that they asked for a recess. Nothing was heard from them until yesterday when Walker again asked for a recess, but neglected to ask for an amendment for the additional work. He also asked for an extension of the contract time until June 15, 1954 (both requests are attached).

As all drilling has been done from the present 500 level crosscut, there is no sense in giving the company a recess until November 1 unless it asks for an amendment to do the additional drilling from another set up. That is the reason that we held up the June 3 request. As you can see, the company actually asked for a recess before it ceased work in June. However, as already mentioned, a recess will do no good unless an amendment is approved for the drilling at another location. This request we have been unable to obtain.

The last paragraph of your July 7 memorandum is slightly in error. Our telegram to you of June 16 stated: "Re your two teletypes Romslo is in Yuma checking Yuma Metals contract Idm-E371.

CC W. H. King (5)
DMA-1303X
DF

WRStorms:frj

Stop. Six copies of Amendment One were turned over to Luke Walker on May 27. Walker said he would sign and mail directly to you from Yuma. We will contact him again." Upon receipt of your teletype we wired Walker as follows: "Romslo gave you six copies of amendment number one to sign on May 27 for contract Idm-E37Ø but our Denver office has not received same. If you still have amendment please airmail to Denver." Walker did not acknowledge receipt of this telegram although we mailed the confirmation copy to him at his Santa Barbara address.

Walter R. Storms

Walter R. Storms

APPLICATION FOR RECESS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 17 1953

June 3, 1953

Mr. V. R. Storrs
Chief Adm. of DMEA
c/o Bureau of Mines
Tucson, Arizona

Reference to:
Contract No. DDI-E 371
Docket No. 1303X

Dear Sir:

We respectfully request a recess on diamond drilling program, above contract, from June 30, 1953 to October 15, 1953 for the following reasons:

1. The weather will be very hot at Yuma during this recess. No provisions were made for coolers, our buildings are temporary, lightly constructed, so much so that even coolers wouldn't be very effective.

2. Our equipment and preparatory work was put in hurriedly. We would like to overhaul these items (at our expense) and be ready to do a better job October 15, 1953.

3. Diamond Driller has agreed to have larger and better diamond drill equipment on job October 15, 1953.

4. It also will give opportunity to have geological study made, using the information so far obtained.

5. This recess will make it possible for us to have efficient help available and ready October 15th. Our present employees have given us notice that they will not work during the extremely hot period.

Please mail approval to Yuma Metals, Inc., San Carlos Hotel, Yuma, Arizona, and if convenient please mail copy to Luke Walker, 798 Hope Avenue, Santa Barbara, California.

An early reply will be appreciated.

Yours truly,

YUMA METALS, INC.

BY Luke Walker
LUKE WALKER, Secretary

SECOND APPLICATION FOR RECESS

July 10, 1953

Mr. W. R. Storms
Chief Adm. of DMEA
c/o Bureau of Mines
Tucson, Arizona

Re: Contract No. IDM-E 371
Docket No. 1303X
Yuma Metals, Inc.
Yuma, Arizona

Dear Mr. Storms:

We respectfully request a recess on diamond drilling program on above contract, from June 30, 1953 to November 1, 1953 for the following reasons:

1. The weather is very hot in Yuma during this time. No provision was made for coolers, our buildings are temporary, lightly constructed, so much so that even coolers would not be effective.

2. Our equipment and preparatory work was put in hurriedly. We would like to overhaul these items (at our expense) and be ready to do a better job November 1, 1953.

3. Drilling equipment was too small. Diamond Driller has agreed to have larger and better diamond drill equipment on job October 15, 1953.

4. It also will give opportunity to have geological study made, using the information so far obtained.

5. This recess will make it possible for us to have efficient help available and ready November 1, 1953. Our old employees all quit, they will not work during the extremely hot weather.

6. As yet, we haven't received government share for any part of program.

Please mail approval to Yuma Metals, Inc., c/o Luke Walker, 798 Hope Avenue, Santa Barbara, California.

An early reply will be appreciated. This application was submitted June 3, 1953, with no reply.

Yours truly,

YUMA METALS, INC.

Luke Walker, Secretary

APPLICATION FOR EXTENSION OF TIME

TO FINISH CONTRACT

July 10, 1953

Mr. W. R. Storms
Chief Adm. of DMEA
c/o Bureau of Mines
Tucson, Arizona

Re; Contract No. IDM-E 371
Docket No. 1303X
Yuma Metals, Inc.
Yuma, Arizona

Dear Mr. Storms:

We respectfully request extension of time from December 12, 1953 to June 15, 1954 to complete our contract, for the reason that we cannot keep help in the hot months. Also we need a larger diamond drill, which we cannot obtain until November 1, 1953.

Another very important reason is that we have been unable to recdive any money due us from DMEA.

This extension will be greatly appreciated, and it will make it possible to do a much better job, which we all are interested in doing.

Thanking you for a reply as soon as possible, we are,

Yours truly,

YUMA METALS, INC.

Luke Walker,
Secretary

GOVERNMENT COPY

EXPLORATION PROJECT CONTRACT
YUMA METALS, INC.
DOCKET NO. DMEA 1303X

AMENDMENT NO. 1

It is agreed this 14th day of May, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Yuma Metals, Inc., each acting in consideration of the agreement of the other to the terms hereinafter set forth, that Exploration Project Contract Idm-E371, Docket No. DMEA-1303X, dated December 3, 1952, between the parties hereto be modified and amended as of said date, as follows:

1. On page 1 of Exhibit "A," under (A) Preparatory Work, at the end of the first sentence of Item 2, add the following: "and erect a building to provide for showers, change room, toilets, and wash rooms."

2. On page 2 of Exhibit "A," Item (1) Independent Contracts is hereby changed to read:

"Construct a washroom building 1/	$823.00*	
"Move buildings and house trailers from old campsite and install at mine 1/	560.00*	$1,383.00*

"1/ Payment due when work completed."

3. On page 3 of Exhibit "A," under Item (5) Rehabilitation and Repairs, the second item thereof and its cost of $700.00 is eliminated and the figure "$2,700.00*" is hereby changed to read "$2,000.00*."

4. On page 4 of Exhibit "A," under Item (8) Contingencies, the figure "$1,197.50*" is hereby changed to read "$514.50*."

5. 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, nor the amount of any item designated as an "allowable maximum."

Executed in sextuplicate the day and year first above written.

YUMA METALS, INC.
By Luke Walker Dec'y

THE UNITED STATES OF AMERICA
By [signature]
Administrator, Defense Minerals Exploration Administration

GOVERNMENT COPY

COPY

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

224 New Customhouse
Denver 2, Colorado

February 25, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 1303X (Lead-Zinc), Contract IDM-E371, Yuma Metals, Inc., Red Cloud Mining Claim, Yuma County, Arizona.

Enclosed are three photostat copies of an independent contract between Yuma Metals, Inc. and Boyles Bros. Drilling Company for the performance of diamond drilling under the subject contract.

Also enclosed are three copies of the Government's approval of the independent contract and other data relevant to the independent contract.

/s/ W. H. King

Enclosures

Minerals Administration
RECEIVED
1 - 1954

224 New Customhouse
Denver 2, Colorado

February 25, 1954

Mr. D. L. McDaniel, President
Yuma Metals, Inc.
P. O. Box 470
Oregon City, Oregon

Re: Docket DMEA 1303X (Lead-Zinc)
Contract IDM-E371

Dear Mr. McDaniel:

Confirming our telegram of February 23, 1954, there is enclosed the Government's approval of the independent contract between Yuma Metals, Inc. and Boyles Bros. Drilling Company for the performance of core drilling hole No. 6 to a depth of approximately 500 feet.

Also enclosed are four copies of the contract referred to above which was forwarded to this office for approval by your undated letter received in this office February 23, 1954.

Very truly yours,

W. H. KING

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

Enclosures

JWT:jp
cc Contract
Chron
TAChristensen
WRStorms
AHKoschmann
JWTownsend
COMittendorf

C
O
P
Y

SAN CARLOS HOTEL
Yuma, Arizona

W. H. King
Executive Officer, DMEA
Region 4
Denver, Colorado

Dear Mr. King:

Please find enclosed our contract for diamond drill hole No. 6 with the Boyles Bros. Drilling Co.

I respectfully request that this contract be approved by your office and wire confirmation of approval at your earliest convenience to D. L. McDaniel, Box 470, Oregon City, Oregon. Also return the enclosed contracts to the above address.

We hope to begin the drilling within a few days of formal approval of this contract.

I also feel that we will not have any further trouble and slow down.

It is further requested that since this is a parallel hole to the one that was lost that we are not required to make a sludge recovery until after we are to the depth of the hole that was lost. The sludge samples for the lost hole has been turned into the Tucson office.

Boyles Bros. felt that they could put down a larger and better hole and make us a better core recovery thru the vein if the sludge was not required thru this already loged ground. I discussed this with Mr. Storms and he advised me to make this request to your office.

Thanking you for your cooperation on this project, I am,

Sincerely yours,

Yuma Metals, Inc.
D. L. McDaniel, Pres.

C O P Y

WESTERN UNION TELEGRAM

Feb. 23, 1954

D. L. McDaniel
Box 470
Oregon City, Oregon

Reference Docket 1303X, Contract Idm-E371. Proposed independent drilling contract with Boyles Bros. Drilling Company on hole 6 approved consistent with all provisions of Article 4(b) of contract. Saving of sludge waived to comparable depth of abandoned hole 6.

W. H. King
Executive Officer, DMEA Field Team

cc: Townsend
Storms
Koschmann
Accounts
Sub
Chron

JWT:bh

APPROVAL OF INDEPENDENT CONTRACT

To: Yuma Metals Incorporated

That certain contract, or proposed contract, a copy of which you have submitted with your request for approval, dated February 17, 1954, between you and Boyles Bros. Drilling Company for the performance of the following work: Diamond core drill hole No. 6 to a depth of approximately 500 feet, which is all or a specific element of the work described in an Exploration Project Contract dated December 3, 1952, IM-6371, Docket No. [illegible] 13039, is hereby approved by the United States of America, subject to all of the terms and conditions relating to such independent contracts set forth in said Exploration Project Contract.

Dated: February 23, 1954.

THE UNITED STATES OF AMERICA

by W. H. King

W. H. King, Executive Officer
[illegible] Field Team, Region IV

Boyles Bros.
DRILLING COMPANY

DIAMOND DRILLING CONTRACTORS AND MANUFACTURERS

Phone 6-8555 1321 South Main

SALT LAKE CITY 4, UTAH

FEBRUARY 17, 1954

YUMA METALS INC.
SAN CARLOS HOTEL
YUMA, ARIZONA

GENTLEMEN:

IN RESPONSE TO YOUR REQUEST AND AFTER EXAMINATION OF THE RED CLOUD MINE WE HAVE CONCLUDED THAT WE CAN UNDERTAKE THE DRILLING OF ONE HOLE APPROXIMATELY 500 FEET IN DEPTH IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

1. RATE FOR DRILLING TO APPROXIMATELY 500' TO BE $5.00 PER LINEAR FOOT. HOLE IS TO BE COLLARED SIZE BX AND COMPLETED SIZE AX PROVIDED THE DRILLING CONDITIONS PERMIT.

   ALL REAMING FOR CASING, CEMENTING AND OTHER OPERATIONAL EXPENSE WILL BE FOR OUR ACCOUNT EXCEPT AS SET FORTH BELOW.

2. YOU ARE TO FURNISH COMPRESSED AIR AND WATER FOR DRILLING PURPOSES TO THE DRILL STATIONS AND FURNISH DRILL STATIONS OF A SIZE TO PERMIT DRILL RODS TO BE HANDLED IN 10 FOOT LENGTHS.

3. IT IS FURTHER AGREED THAT YOU WILL MAKE AVAILABLE, WITHOUT CHARGE FOR OUR USE, THE EXISTING HOUSING FACILITIES.

WORK UNDER THE FOREGOING PROPOSAL CAN BE COMMENCED WITHIN TEN DAYS AFTER RECEIPT OF NOTICE TO PROCEED.

IF YOU FIND THE FOREGOING AGREEMENT ACCEPTABLE YOUR SIGNATURE IN THE SPACE PROVIDED BELOW WILL CONSITUTE A FORMAL CONTRACT.

YOURS VERY TRULY,

R. T. GOLDSWORTHY
GENERAL MANAGER

RTG:RN

ACCEPTED: Yuma Metals Inc.
By D. I. McDaniel Pres.
DATE

Government Copy
Lead-Zinc

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

224 New Customhouse
Denver 2, Colorado

March 3, 1953

AIR MAIL

Mr. Luke Walker, Secretary
Yuma Metals, Inc.
c/o San Carlos Hotel
Yuma, Arizona

Dear Mr. White:

That certain contract, six copies of which you have submitted with your request for approval, dated February 27, 1953, between you and Metler Drilling Company, for the performance of diamond drilling from the 500 feet level of the Red Cloud mine, in an amount not to exceed 6000 feet, which is a specific element of the work described in an Exploration Project Contract dated December 3, 1952, Idm-E371, Docket No. DMEA 1303X, is hereby approved by the United States of America, subject to all of the terms and conditions relating to such independent contracts set forth in said Exploration Project Contract.

Dated: March 3, 1953

UNITED STATES OF AMERICA

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

JWT:jp

cc Sec. to Oper Committee (3)
WRStorms
AHKeschmann (2)
JWTownsend
Contract
Chron
TAChristensen

AGREEMENT

This contract made this 27th day of February, 1953 between Y uma Metals Inc. parties of the first part and Metler Drilling Co. a partnership, parties of the second part.

The party of the second part agrees to Diamond Drill for parties of the first part, not to exceed 6000 lineal feet of diamond core drilling from stations numbers one and two on the 500 foot level of the Red Cloud Mine, as shown in Y uma Metals Inc. contract with the Defense Minerals Exploration Administration, Docket Number D.M.E.A. 1303x, Contract Number Idm-E371 at the Red Cloud Mine located in Yuma County, State of Arizona.

The first Diamond Drill holes to be drilled from station number one and in the direction and inclination shown on said drawing in said contract. With approval of the Government the next drilling shall be from Diamond Drill station number two.

The location, direction, inclination and extent of work including number of holes drilled, is subject to the approval of the Government.

AX size drilling equipment to be used for all drilling except under adverse conditions when EX size may be used.

The location, direction, inclination and extent of all work, including the number of holes drilled, is subject to the approval of the Government.

Drilling to commence on the 12th of April 1953.

Second parties to work two shifts per day and six days per week when ever possible.

Second parties to carry industrial insurance, and indemnity and liability insurance up to $50,000.00.

Second parties to take proper care and save all sludges. To take proper care of cores, place same in core box and mark same each run.

Second parties to furnish all drilling equipment and labor, including sludge boxes necessary to the proper recovery of cores and sludges.

The prices per foot to be as follows for AX core.

0 to 300 feet	$3.90 per foot
300 to 600 feet	$4.10 per foot
600 to 900 feet	$4.50 per foot
900 to 1100 feet	$5.10 per foot

The prices for EX core as follows;

0 to 300 feet	$3.65 per foot
300 to 600 feet	$3.85 per foot
600 to 900 feet	$ 4.30 per foot
900 to 1100 feet	$ 4.85 per foot

Reaming at $2.00 per foot.

Cementing at $6.50 per hour.

Any casing used to be charged at actual cost.

Mobilization and demobilization to be charged at cost, not to exceed $100.00 for each.

There is to be no other charges of any kind.

Payment to be made on the first of every month for drilling completed the previous mounth.

First party to cut and establish drill stations with twelve and one half ceilings. To furnish core boxes and muslin sacks for sludge and furnish air and water to drill stations. Also to maintain ladder for men going to and from drilling.

This contract is subject to the approval of the Defense Minerals Exploration Administration.

Yuma Metals Inc
By Luke Walker Inc

Metler Drilling Co.
By Harold L. Metler

Docket No. DMEA - 1303

Commodity Lead - Zinc

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 371

Date of Contract ~~xxxxxxxxxxxx~~ Dec. 3, 1952

Name and Address of Operator:
Yuma Metals, Inc.
Yuma, Arizona

Amount of Government participation $ 37,500.00

Percent of Government participation 50 %

Region: 111 State: Arizona

Note: Please release $ 18,210.52

E. H. Talbert
(Name)
for J. L. Chambers
Chief, Contract Administration and Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington. 6/6/55

54458

Ticket No. [illegible]

Commodity [illegible]

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E [illegible]

Date of Contract or Amendment: December 3, 1952

Name and Address of Operator:

Yuma Metals, Inc.
Yuma, Arizona

Amount of Government participation $37,500.00

Percent of Government participation 50%

Region: IV State: Arizona

Note: This documents cancels the previous obligation of $16,250.00 and establishes the amount shown above.

This is not an amendment but a revised contract.

(Name)

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

Date Delivered to Bureau of Mines, Washington. December 3, 1952 13808

Docket No. 1303

Commodity Lead-Zinc

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 371

Date of Contract ~~or Amendment~~: July 18, 1952

Name and Address of Operator:
Yuma Metals, Inc.
Yuma, Arizona

Amount of Government participation $ 16,250.00

Percent of Government participation 50 %

Region: IV State: Arizona

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

(Title)

Date Delivered to Bureau of Mines, Washington. July 18, 1952 13908

MF 200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DMEA 1303X

COMMODITY Lead-Zinc

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 8 1953

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

Government's Copy
IDM-E 371

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 3rd day of December, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Yuma Metals, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Arizona, Yuma, Arizona

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Arizona, County of Yuma, described as follows:[3] The mining claim the Red Cloud (Patented) in Sections 2 & 11 T. 4 S, R 23 W, Gila and Salt River Meridian. Recorded in Book 44 of Deeds, Page 331, at Yuma, Arizona.

the Operator represents and undertakes:[4]

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

None

(*b*) ~~That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.~~
The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

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

in or upon the described land; and shall bring the project to completion within a period of one year (1) from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the 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 and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

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

(*b*) The Government's payment in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

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

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

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 50 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $37,500.00, which is 50 percent of $75,000.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

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

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

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

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

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

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

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

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator 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 at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense Minerals Exploration Administration

YUMA METALS, INC.
(Operator)

By Lloyd C. White Mgr.

I, Luke Walker, certify that I am the Secretary secretary of the corporation named as Operator herein; that Lloyd C Walker, who signed this contract on behalf of the Operator, was then Gen Manager 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.

Luke Walker

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

U. S. BUREAU OF MINES
MINING DIVISION
DEC 1 1 1952
TUCSON, ARIZONA

EXPLORATION PROJECT CONTRACT
YUMA METALS, INC.
DOCKET NO. DMEA-1303

EXHIBIT "A"

Description of the Work

The purpose of this project is to explore by diamond drilling below the 500 level of the Red Cloud Mine for the downward continuation of the Red Cloud vein below the zone of oxidation. To do this drilling, the following work shall be done:

(A) Preparatory Work

1. Repair the road for the movement of housing, equipment, supplies and water.

2. Move mine buildings and trailers to the selected camp site, repair and adapt them for use as needed. Transport supplies and equipment to camp and repair and install latter as needed for the project. Rehabilitate shaft collar and headframe and install water tank and piping for domestic use.

3. Rehabilitate the underground workings only sufficiently to permit the safe passage of workmen to and from the diamond drill site, and the transportation of supplies and equipment for rehabilitation and diamond drilling. Install air and water lines, hoists and equipment and retrieve same on completion of the work.

(B) Diamond Drilling

Diamond drilling not to exceed 6,000 feet shall be done from D. D. Stations 1 and 2 on the 500 level, as shown on the drawing attached hereto and made a part hereof and entitled "Fig. 5 - Transverse Section A - A', Red Cloud mine, showing proposed drilling - DMA 1303X". The first holes shall be drilled from D. D. Station 1, in the direction and with the inclination shown on said drawing. Based upon the results of drilling from D. D. Station 1, the Government will determine whether the drilling should be continued from D. D. Station 2.

The location, direction, inclination and extent of all work, including the number of holes drilled, is subject to the approval of the Government.

The Operator shall obtain and furnish the Government accurate sludge samples of all drilling and obtain the maximum core recovery possible under existing conditions.

Estimated Costs of the Project
(*Indicates allowable maximum)

(A) Preparatory Work
(not to exceed three months)

(1) Independent Contracts

None - but may be entered into with the approval of the Government

(2) Labor, Supervision, Consultants 1/

1 Cook, 3 months @ $350.00/mo.	$1,050.00	
1 Truck driver and utility man, 3 months @ $372.50/mo.	1,117.50	
Supervision, accounting and engineering, 3 months @ $600.00/mo.*	1,800.00*	
Clean and repair incline shaft manway	500.00	
Clean and repair shaft stations	500.00	
Install air line and hoist cable and bucket in vertical shaft	200.00	
Timber and muck-out crosscut on the 500 level and prepare diamond drill stations	800.00	$ 5,967.50*

(3) Operating Materials and Supplies

Fuel and grease	300.00
Small tools and equipment	300.00
Pipe	350.00
Mine grade lumber	500.00

1/ Wage rates shall not exceed prevailing rate in the area for similar work and operator shall comply with all provisions of law with respect thereto.

Cable and bucket for shaft	$ 200.00	
Rails, ties, spikes, etc.	300.00	
Various supplies for mine repairs	400.00	$ 2,350.00*

(4) Operating Equipment

Depreciation on equipment owned by the Operator allowed as follows:

1 Compressor @ $125.00/mo.	375.00	
1 Hoist @ $100.00/mo.	300.00	
1 Jeep @ $50.00/mo.	150.00	
1 Truck @ $50.00/mo.	150.00	
2 House trailers @ $50.00/mo.	150.00	1,125.00*

This depreciation allowance is only for the actual time each item of equipment is being used on the preparatory work.

(5) Rehabilitation and Repairs 2/

Repair road	1,000.00	
Move buildings and house trailers from old camp site and install at mine	700.00	
Repair and alter buildings	500.00	
Repair headframe and shaft collar	500.00	2,700.00*

(6) New Buildings, Improvements, Installations 2/

Water tank, toilet and plumbing for domestic use	300.00	
Supplies and equipment for cook and bunk houses	500.00	800.00*

2/ These costs include the costs of all labor and supplies except the costs of the cook, truck driver and supervision, and the cost of the compressor and truck, which are itemized separately in items (2) and (4) respectively.

U. S. [illegible]
DEC 1 1 1952
TUCSON, ARIZONA

(7) Miscellaneous

Repairs to equipment	$ 250.00	
Workmen's compensation, Employer's Liability Insurance, and payroll taxes	610.00	$ 860.00*

(8) Contingencies

Unforeseen labor and supplies	1,197.50*
Total Cost of Preparatory Work	$15,000.00*

(B) Diamond Drilling

Agreed Unit Costs for Diamond Drilling

6000 ft. of diamond drilling @ $10.00/ft.*	$60,000.00*

AX size drilling equipment will be used for all drilling except under adverse conditions when EX size equipment may be used.

The Government will contribute to the cost of this diamond drilling on the basis of the above agreed unit costs, as they accrue, for units of work actually performed, in lieu of actual costs. These unit costs include all the costs of the diamond drilling, including cementing, reaming, sampling, assaying, supervision, labor, fuel, power, equipment depreciation, camp maintenance and payroll taxes. The Operator may, with the approval of the Government, enter into independent contracts with subcontractors for the performance of this work.

Total Cost of Preparatory Work	$15,000.00*	
Total Cost of Diamond Drilling	$60,000.00*	
Total Estimated Cost of Project		$75,000.00*
Government Participation @ 50%		$37,500.00*

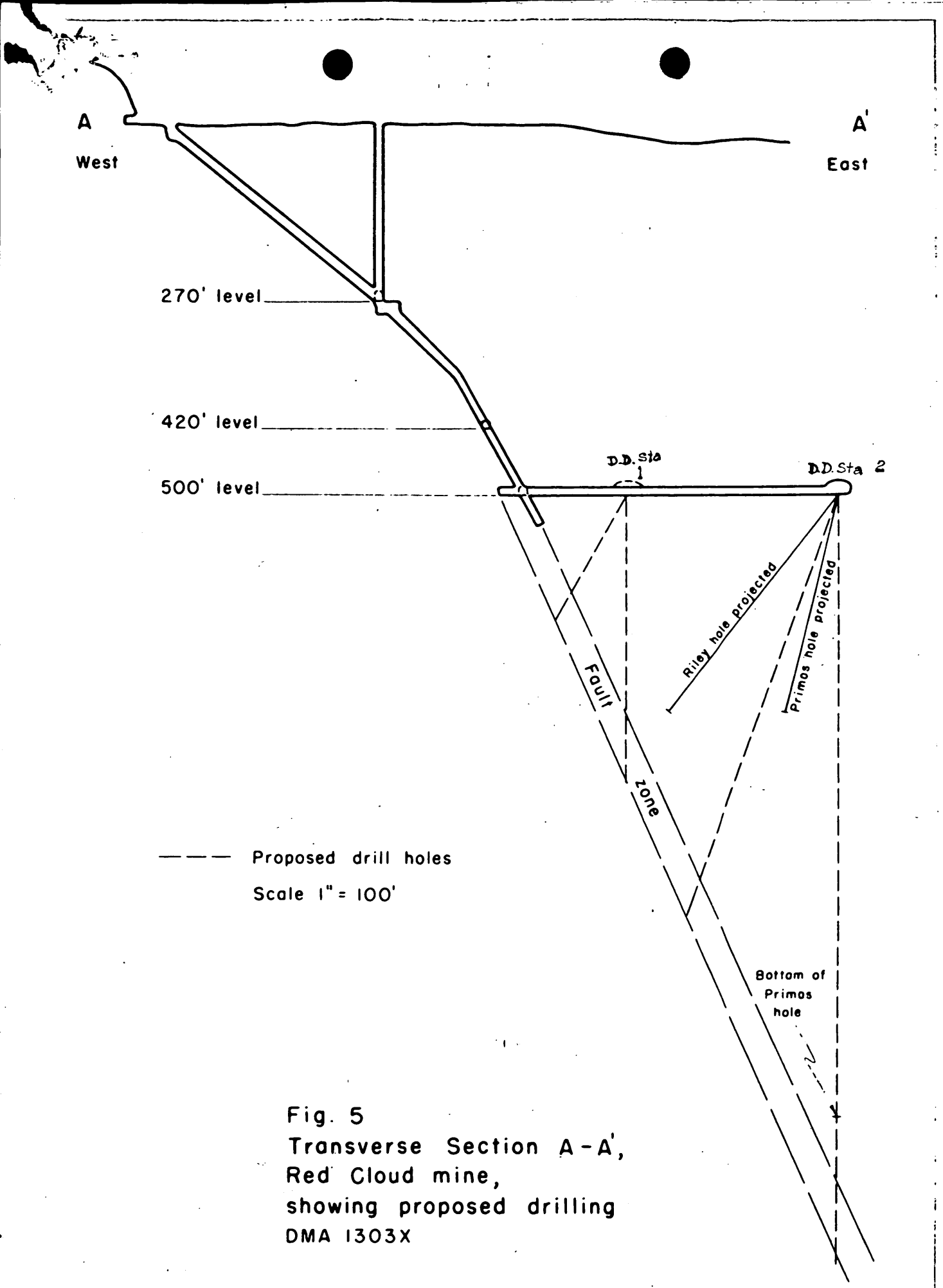
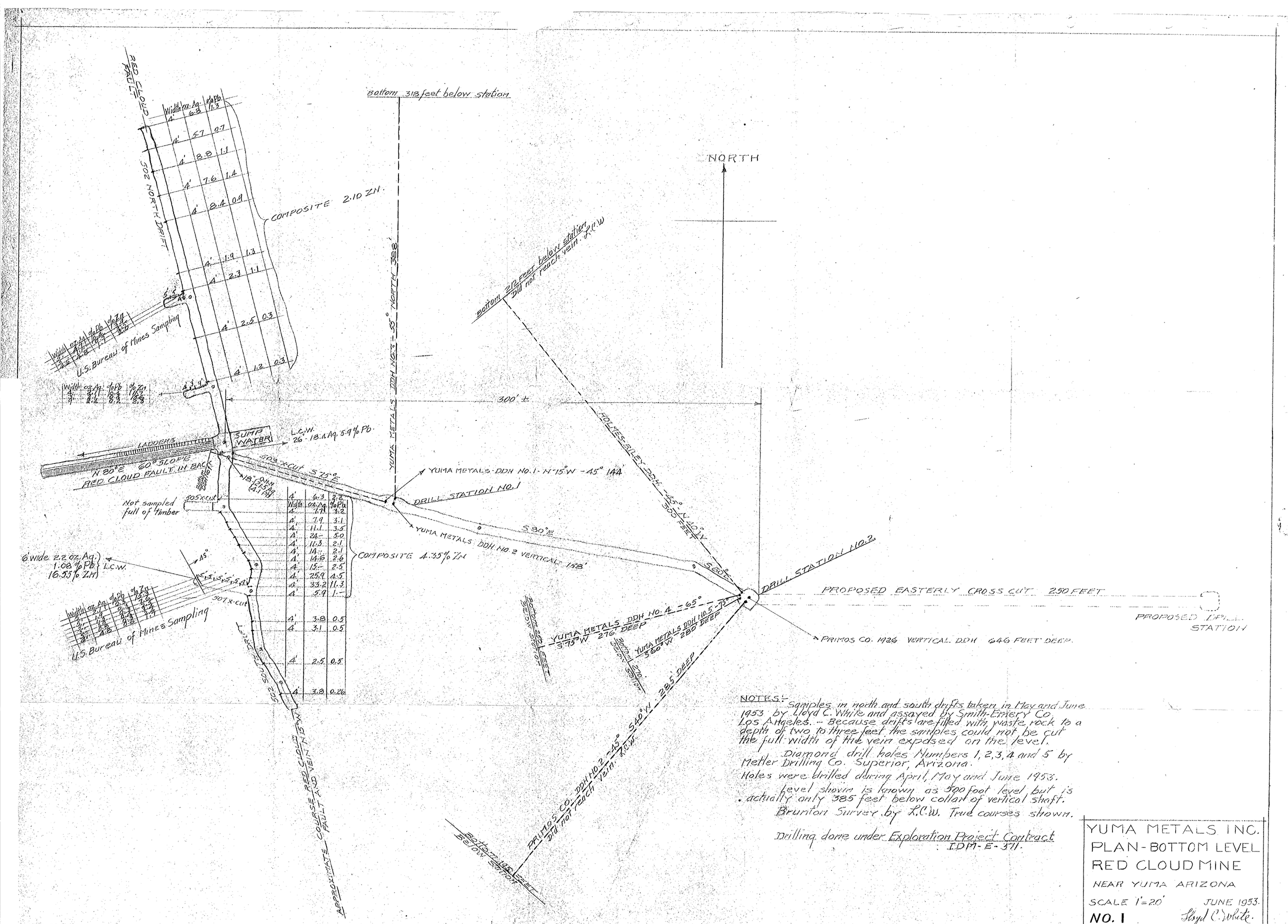


Fig. 5
Transverse Section A-A',
Red Cloud mine,
showing proposed drilling
DMA 1303X



NOTES:- Samples in north and south drifts taken in May and June 1953 by Lloyd C. White and assayed by Smith-Emery Co. Los Angeles. -- Because drifts are filled with waste rock to a depth of two to three feet the samples could not be cut the full width of the vein exposed on the level.

Diamond drill holes Numbers 1, 2, 3, 4 and 5 by Metler Drilling Co. Superior, Arizona.

Holes were drilled during April, May and June 1953.

Level shown is known as 500 foot level but is actually only 385 feet below collar of vertical shaft.

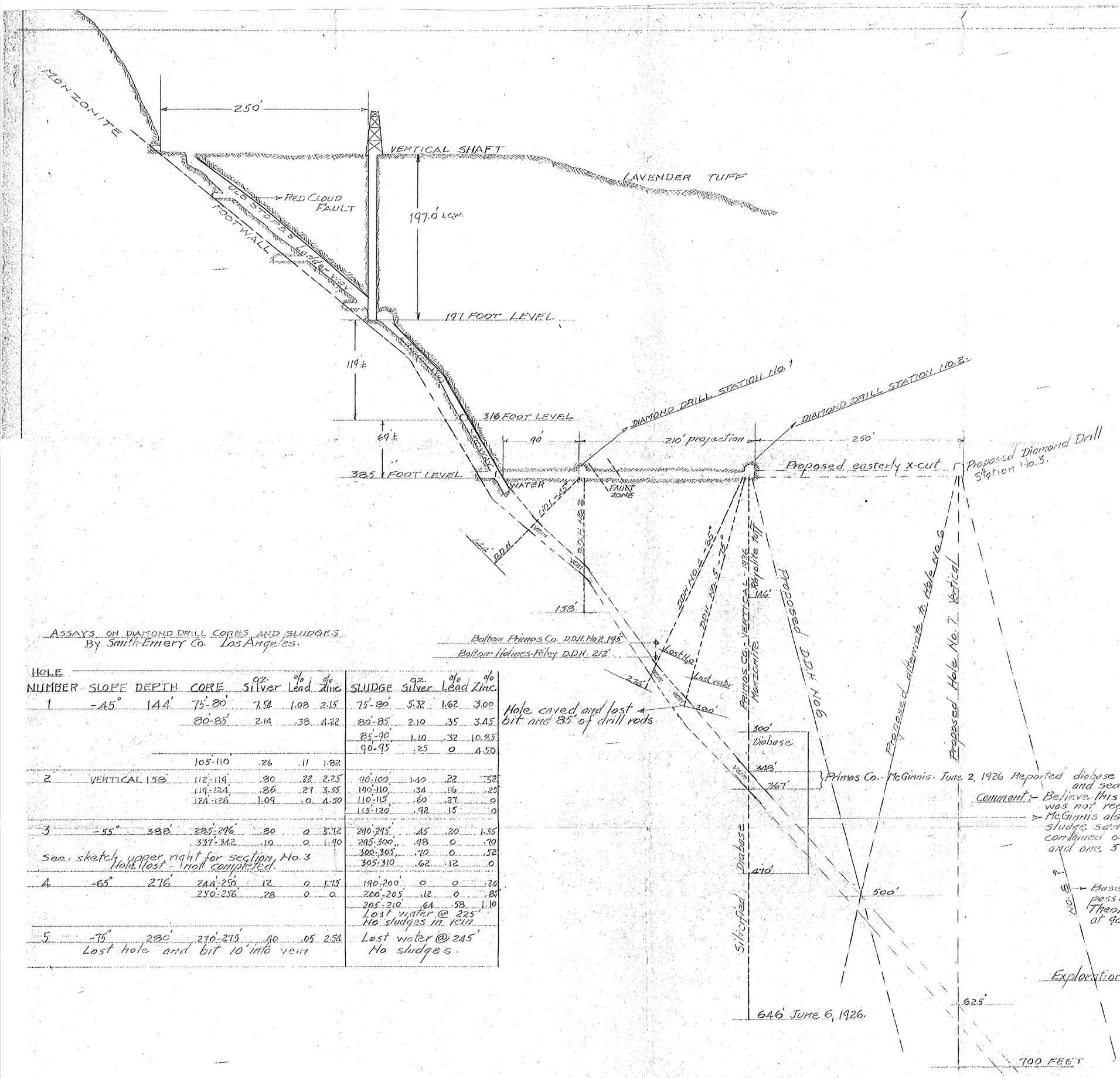
Brunton Survey by L.C.W. True courses shown.

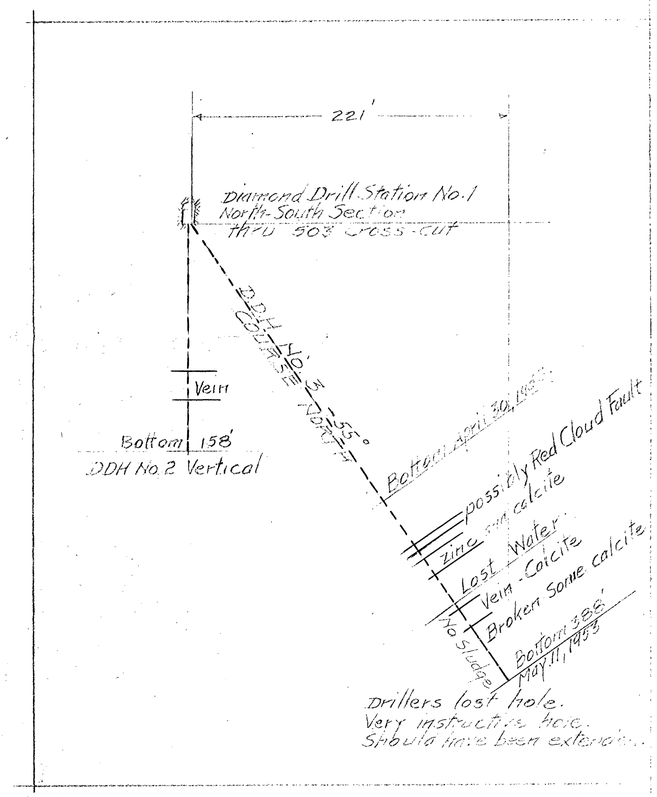
Drilling done under Exploration Project Contract IDM-E-371.

YUMA METALS INC.
PLAN-BOTTOM LEVEL
RED CLOUD MINE
NEAR YUMA ARIZONA

SCALE 1"=20' JUNE 1953.

NO. 1 Lloyd C. White.





ASSAYS ON DIAMOND DRILL CORES AND SLUDGES
By Smith-Emery Co. Los Angeles.

HOLE NUMBER	SLOPE	DEPTH	CORE	oz. Silver	% Lead	% Zinc	SLUDGE	oz. Silver	% Lead	% Zinc
1	-45°	144'	75'-80'	7.54	1.08	2.15	75'-80'	5.32	1.62	3.00
			80'-85'	2.14	.38	4.22	80'-85'	2.10	.35	3.45
							85'-90'	1.10	.32	10.85
							90-95	.25	0	4.50
			105'-110'	.26	.11	1.82				
2	VERTICAL	158'	112'-119'	.80	.22	2.25	90'-100'	1.40	.22	.52
			119'-124'	.86	.27	3.55	100'-110'	.34	.16	.25
			124'-126'	1.09	.0	4.50	110'-115'	.60	.27	.0
							115'-120	.92	.15	.0
3	-55°	388'	285'-296'	.80	0	5.72	290'-295'	.45	.20	1.35
			337'-342	.10	0	1.90	295'-300'	.98	0	.70
							300'-305'	.70	0	.52
							305'-310	.62	.12	.0
4	-65°	276'	244'-250'	.12	0	1.75	190'-200'	0	0	.20
			250'-256'	.28	0	0	200'-205'	.12	0	.85
							205'-210'	.64	.58	1.10
							Lost water @ 225' No sludges in vein			
5	-75°	280'	270'-275'	.40	.05	2.54	Lost water @ 245' No sludges.			

Lost hole and bit 10' into vein

Hole caved and lost bit and 85' of drill rods.

See sketch upper right for section No. 3
Hole lost - not completed.

Exploration Project Contract
IDM-E-371.

NOTE:- This drawing supersedes all former east-west sections by me.
L.C.W.

YUMA METALS INC.
SECTION
RED CLOUD MINE
NEAR YUMA, ARIZONA
SCALE 1" = 50'
JUNE 1953.
NO. 2
Floyd C. White.