DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Harry D. Scott - M. A. Scott -
R. D. Vinck, a partnership
P. O. Box 1005
Globe, Arizona

pertaining to Exploration Project Contract No. Idm-2502, Docket No. DMEA 2790, covering a project for exploration of Asbestos, located in Gila County, Arizona, commonly known as Indian Springs Mine, for the months of May to November, 1953.

My review included an examination of the Monthly Reports (Form AF-134), comparison of costs claimed with the contract and pertinent schedules, consultation with the Executive Officer of the Field Team in charge of the project, and a determination of the reasonableness and propriety of the costs.

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

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

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

Total cost as billed by Contractor	$13,494.70
Exceptions:	
By DMEA Finance Officer (schedule attached)	
Total Accepted Cost	$13,494.70

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Twelve-Thousand One-Hundred Forty-five and 28/100 Dollars

- $12,145.28 -

is considered valid and proper.

Dated: December 29, 1953

T. H. Brading, Auditor

SCHEDULE A

Harry D. Scott - M. A. Scott -
R. D. Vinck, a partnership
P. O. Box 1105
Globe, Arizona

Contract Idm-2502

A total of $300.00 was withheld from final (November) MF-104 pending receipt of Operator's Final Report. This has been received and approved. Therefore, $300.00 is accordingly reinstated.

T. H. Brading, Auditor

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 18 1954

224 New Customhouse
Denver 2, Colorado

January 5, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2798 (Asbestos), Contract Idm-E502, H. R. Scott, W. A. Scott and R. D. Vinck, a partnership, Gila County, Arizona. **FINAL PAYMENT**

Reference is made to our memorandum of December 14, 1953 whereby we transmitted the final Form MF-104, Operator's Monthly Progress Report and Voucher for the month of November 1953, and instructed you to withhold the amount of $300.00 from reimbursement to the Operator pending receipt of the Operator's final report and a release of the Report of Review by the Contract Administration and Audit Division.

We now recommend that final payment to the Operator be made in conformance with the Report of Review by the Contract Administration and Audit Division, dated December 29, 1953, which was released to this office December 30, 1953.

Basis for Final Payment

Total accepted cost by Report of Review	$13,494.76
Government participation at 90%	12,145.28
Total prior payments	11,845.28
Balance due Operator	$300.00

W. H. King

W. H. King

JWT:cwm

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

300.00

1/7/54 2000a 54-70

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

Defense Minerals Administration
RECEIVED
JAN 18 1954

224 New Customhouse
Denver 2, Colorado

January 14, 1954.

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-2798 (Asbestos), Contract No. Idm-E502, H. R. Scott, W. A. Scott and R. D. Vinck, a partnership, Gila County, Arizona.

Enclosed are two copies of a memorandum to Mr. T. A. Christensen dated January 5, 1954, relative to final payment under the terms of the subject contract.

Final payment to the Operator in the amount of $300.00 has now been made in conformance with the Report of Review by the Contract Administration and Audit Division, dated December 29, 1953.

W H King
W. H. King

Enclosures

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Expires 6-30-53.

RECEIVED
DEC 28 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1953 Docket No. DMEA 2798 Contract No. IIM E-502
Operator's Name Indian Springs Mine Minerals Asbestos
Address Box 1005, Globe, Arizona
Contract Amount, $ 14,736.04 Government Participation: 90% Amount, $ 12,722.40

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	1421.88	3,411.88 5121	4,833.76 934	1412.88	3512.88	4934.76
Drifting						
Incline Shaft		8,560.00	8,560.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
		12,072.88	494			
TOTALS	1,421.88	11,971.88	13,396.76	1412.88	12,072.88	13,494.76

I certify that the above bill is correct and just and that payment therefor has not been received.
Date December 3rd *Payee Indian Springs Mine
Per Harry R. Scott 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:

$ 979.69

Signature
(Authorized Certifying Officer)

Date 12/16/53 Voucher No. 54-60
(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. dm-E502 in accordance with the terms of the contract.

Signature [illegible] WRA Title Mining Engineer Date 12/8/53

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

Signature W. H. King Title Executive Officer Date DEC 14 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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 195 3 Docket No. DMEA 2798 Contract No. DMA 11-502
Operator's Name Indian springs Mine Minerals Asbestos
Address Box 1005, Globe, Arizona

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	Ft.	1,421.88	51	4,[illegible].70	177	27.88	200	27.88
Raising								
Shafts Incline	ft.			8,560.00	200	42.80	200	42.80
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1,421.88	51	13,[illegible].70			TOTAL COSTS AUTHORIZED BY CONTRACT	
Operating Equipment Purchased							14,136.04	
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

Date December 3rd Operator Indian Springs Mine

Per Henry R. Scott 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 83-38475

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1953

Administrative Audit Difference Statement

Date: December 16, 1953
Payee's Reference: Progress Report
November, 1953

Harry R. Scott, M. A. Scott,
and R. D. Vinck,
C/O Valley National Bank of Phoenix
Globe, Arizona
Idm-2302

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

90% of	Amount Claimed	$ 1,279.69
	Difference	$ 300.00
	Amount Approved	$ 979.69

The reason for the difference was due to:

$300.00 is being withheld pending receipt of Operator's Final Report and release of Report of Review of Contract expenditures by Contract Administration and Audit Division.

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1953

224 New Customhouse
Denver 2, Colorado

December 14, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2798 (Asbestos), Contract Idm-E502, Scott, Scott, and Vinck, El Capitan (Indian Springs Mine), Asbestos claims, Gila County, Arizona. Operator's Monthly Progress Report for the period November 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

An amount of $300.00 is to be withheld from the full amount due the Operator pending a decision as to whether or not this contract is to be terminated by mutual agreement and if so pending receipt of Operator's final report and release of the final Audit Report by the Contract Administration and Audit Division. It is also requested that the Operator be informed as to the reason the above amount is being withheld.

Remarks:

Date of Report	December 3, 1953.
Date Received in Field Office	December 8, 1953.
Date Received in Region Office	December 10, 1953.

W H King
W. H. King

Enclosures

RDB:cwm

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

Records Administration
RECEIVED
DEC 28 1953

MINING DIVISION
REGION IV

December 8, 1953

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-E502, Docket DMEA-2798, Scott, Scott & Vinck, El Capitan (Indian Springs mine) Asbestos claims, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report with map;

(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.

All work is in accordance with the terms of the contract. However, this probably is the operators' final progress report as they have asked that the contract be terminated, so I recommend that the customary amount be withheld until receipt of the final report, then the remainder of the Government's share be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2798
DF

WRStorms:frj

MINING DIVISION
REGION IV

December 8, 1953

Memorandum

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

F

From : Robert W. Ageton, Mining Engineer, Tucson, Ariz.

Subject : Monthly progress report, November 1953, El Capitan Asbestos Claims (Scott, Scott, & Vinck), DMKA-2798, Contract Idm-E503, Gila County, Ariz.

In accordance with your request, the subject property was visited on December 2, 1953, the writer accompanying A. F. Shride, geologist, U. S. Geological Survey. During the month of November exploration drifting amounted to 51 feet.

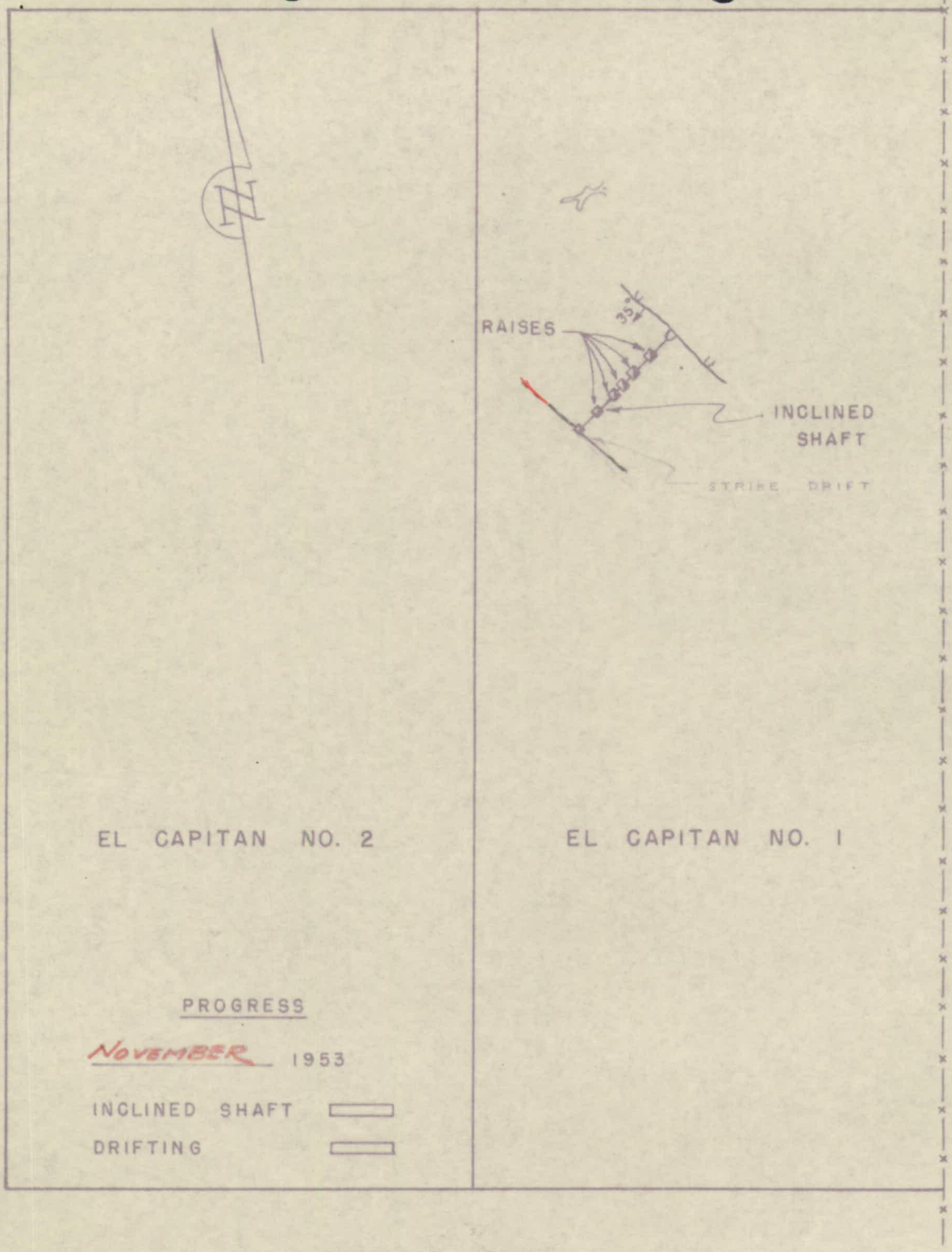
The northwesterly drift was advanced 51 feet during the month of November. Serpentine exposed at the face is weathered and contains a discontinuous band of fiber minus 1/8-inch in thickness. Further exploration drifting in this area is not justified. No exploration drifting was done in the southeasterly drift during November, but present exposures indicate that neither a better quality nor a greater quantity of fiber would be expected by further exploration drifting in this direction. The fiber exposed is sub-marginal.

The 51 feet of drifting was in accordance with the terms of the contract, and payment of the Government's share is justified. However, the operator has agreed to stop exploration under the contract and this may be the final monthly progress report. The customary procedure in such a case has been to withhold approximately $500.00 from the last payment contingent upon receipt of a final report from the operator. The partners stated that a final report would be submitted promptly and that they would appreciate full payment as quickly as possible. The work performed was completely satisfactory and the cooperation afforded the field examiners was appreciated. Therefore, it is recommended that every consideration be given the operator in order that he receive full payment soon.

Robert W. Ageton, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

CC W. H. King (Orig. & 6)
DMKA-2798
DF

RWAgeton:frj



PROPOSED WORK - - - - - -

SCALE 1" = 200'

JUNE 1953 DMEA 2798

REVISED FIGURE 2. - CLAIM MAP AND LOCATION OF PROPOSED WORK

INDIAN SPRINGS ASBESTOS PROSPECT GILA COUNTY, ARIZONA

Indian Springs Mine

Globe, Arizona

December 3rd, 1953

W. R. Storms

U. S. Bureau of Mines

P. O. Box 4097

University Station

Tucson 5, Arizona

Sir:

Enclosed you will find the monthly report for the Indian Springs Mine for the month of November. 51 ft. of drifting was done doing this month, to bring the total drifting to 177 ft. All of this months drifting was done on the west side.

Fiber in the west drift became less as progress was made, with a negative showing of fiber at the end of the drift.

By mutual agreement between the operators and your feild team it was decided to stop work as of this report. 23 feet of drift was left, but it was felt that it was not worth the effort or expense to finish the remaining footage

A final summary of the work will follow in a few days

Yours truly

Harry P Scott

INDIAN SPRINGS M.L.E.

Figure 6.
Submitted Nov. 3.

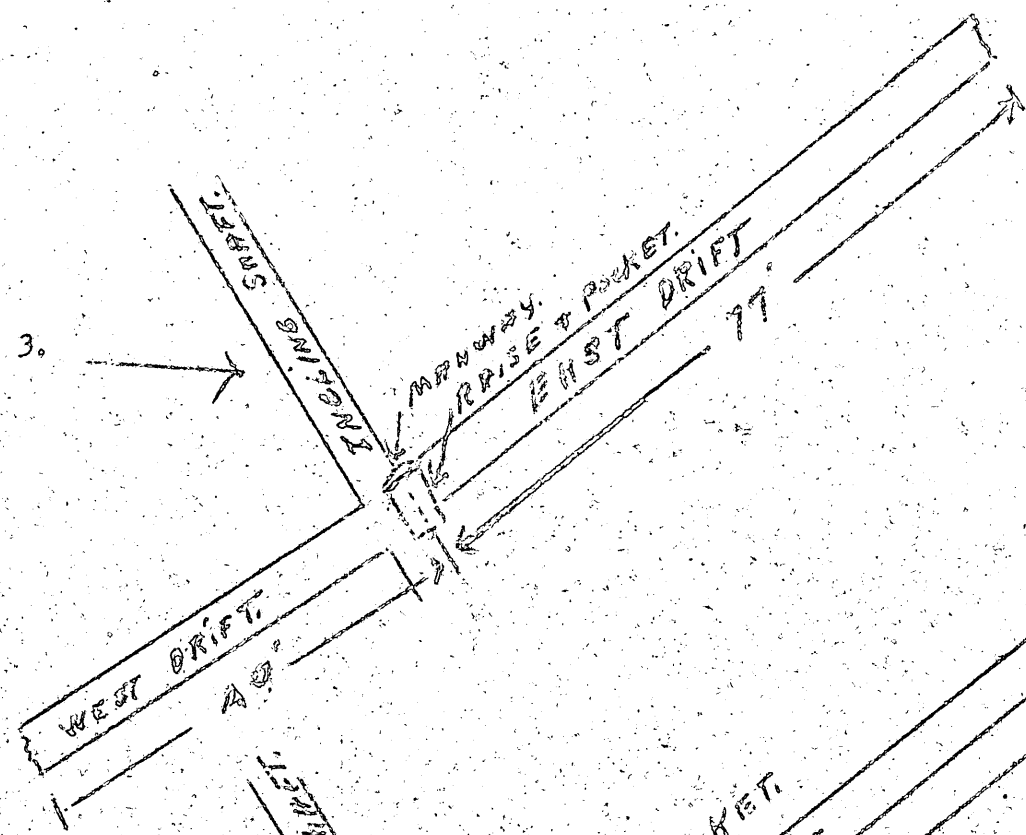
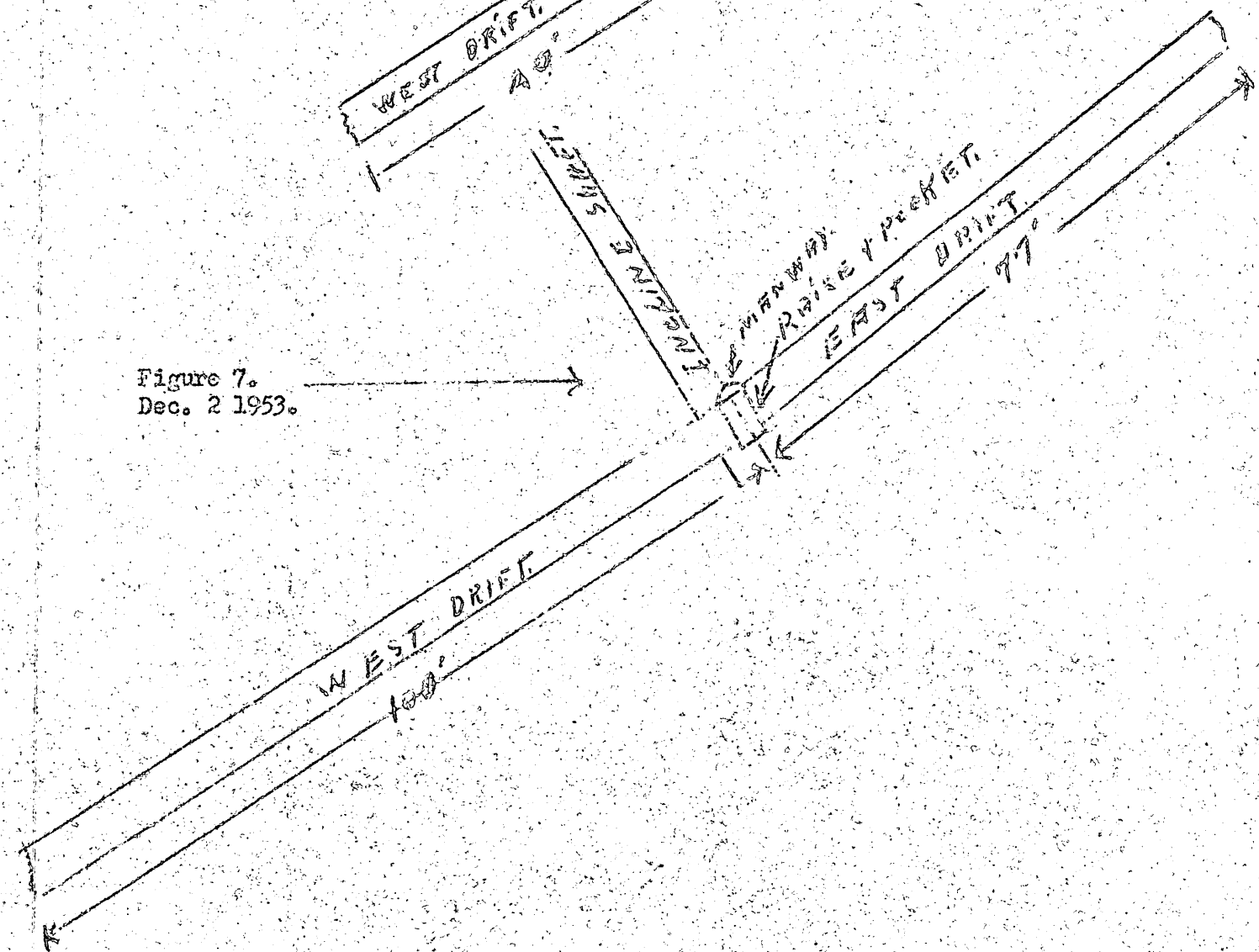


Figure 7.
Dec. 2 1953.



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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 23 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 195 3 Docket No. DMEA 2703 Contract No. IDM S- 302
Operator's Name Indian Springs Mine Minerals Asbestos
Address Box 1009, Globe, Arizona
Contract Amount, $ 14,700.00 Government Participation: 90 % Amount, $ 13,722.40

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						
Bulldozing						
Crosscutting	1505.52	2007.36	3,512.88			
Drifting						
Incline Shaft		8,560.00	8,560.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1505.52	10,567.36	12,072.88	1505.52	10,567.36	12,072.88

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

Date October 31 *Payee Indian Springs Mine

Per Harry R. Scott 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:

$1354.97

Signature
(Authorized Certifying Officer)

Date 11/13/53 Vou. No. DMA 54-47
(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. dm-E502 in accordance with the terms of the contract.

Signature Robert H. Ogden WLB Title Mining Engineer Date 11/5/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R. DB.

Signature W. H. King Title Executive Officer Date NOV 10 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.

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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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 23 1953

Month of October 1953 Docket No. DMEA 2798 Contract No. IDM-E-502
Operator's Name Indian Springs Mine Minerals Asbestos
Address Box 1005, Globe, Arizona

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	Ft.	1,~~4~~05.52 (5)	54	3,~~411~~.88 (512)	126	27.88	200	27.88
Raising								
Shafts Incline	Ft.			8,560.00	200	42.80	200	42.80
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1,~~4~~05.52 (5)	54	~~11,971.88~~ (12 072 88)				Total Costs Authorized by Contract
Operating Equipment Purchased								14,136.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								

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

Date October 31 Operator Indian Springs Mine

Per Harry R. Scott 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)

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.

Department of the Interior
Defense Minerals Administration
RECEIVED
NOV 23 1953

224 New Customhouse
Denver 2, Colorado

November 10, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2798, Contract Idm-E502 (Asbestos), Scott, Scott, and Vinck, El Capitan (Indian Springs) Asbestos Prospect, Gila County, Arizona. Operator's Monthly Progress Report for the period October 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	October 31, 1953.
Date Received in Field Office	November 5, 1953.
Date Received in Region Office	November 9, 1953.

W. H. King

W. H. King

Enclosures

RDB:cwm

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 23 1953

MINING DIVISION
REGION IV

November 6, 1953

Memorandum

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

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

Subject : October 1953 Progress Report, Contract Idm-E502, Docket DMEA-2798, Scott, Scott, & Vinck, El Capitan (Indian Springs) Asbestos Prospect, Gila County, Ariz.

Enclosed in quintuplicate are

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with 2 maps;

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

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

As all work is in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

CC W. H. King (6)
DMEA-2798
DF

WRStorms:frj

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 23 1953

MINING DIVISION
REGION IV

November 6, 1953

Memorandum

To : Walter R. Storms, Chief, Mining Methods Branch
Mining Division, Region IV, Tucson, Ariz.

From : Robert W. Ageton, Mining Engineer, Tucson, Arizona

Subject : Monthly progress report, October 1953, El Capitan Asbestos Claims (Scott, Scott, & Vinck), DMEA-2798, Contract Idm-E502, Gila County, Ariz.

In accordance with your request the subject property was visited on November 3, 1953. During the month of October exploration drifting amounted to 54 feet.

Exposed along the southeasterly drift by the October advance of 20 feet is a 6- to 8-inch serpentine zone containing a total of 1 inch of semi-harsh fiber. Cross-faulting is evident throughout the length of the drift which is directed toward a possible diabase contact.

The northwesterly drift was advanced 34 feet during the month of October. A normal fault (approximately 20 feet from the inclined shaft) offset the limestone beds 1½ feet, placing the best fiber band below drift grade. The operator then drove the drift slightly up-dip in order to follow the main fiber horizon. Three serpentine zones are exposed at the face. The bottom zone (10- to 12-inches thick) contains a total of 1 inch of semi-soft fiber. The other 2 zones contain discontinuous veinlets of fiber minus 1/8 inch in length.

Since the 54 feet of drifting was in accordance with the terms of the contract, it is recommended that the Government's share of the cost of this work be paid.

Robert W. Ageton, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

CC W. H. King (Orig. & 6)
DMEA-2798
DF

RWAgeton:frj

Indian Springs Mine
Box 1005
Globe, Arizona

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 23 1953

W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

Dear Sir:

Enclosed you will find the monthly report for the Indian Springs Mine for the month of October.

A total of 54 feet of drift was made this month, with 20 ft. of this to the east, making the drift to the east 77 feet. 34 Feet was made to the west making the drift to the west total 49 feet.

Have picked up a considable amount of fibre at about 42 ft. on the west drift. The drift to the east is still in a faulted Zone

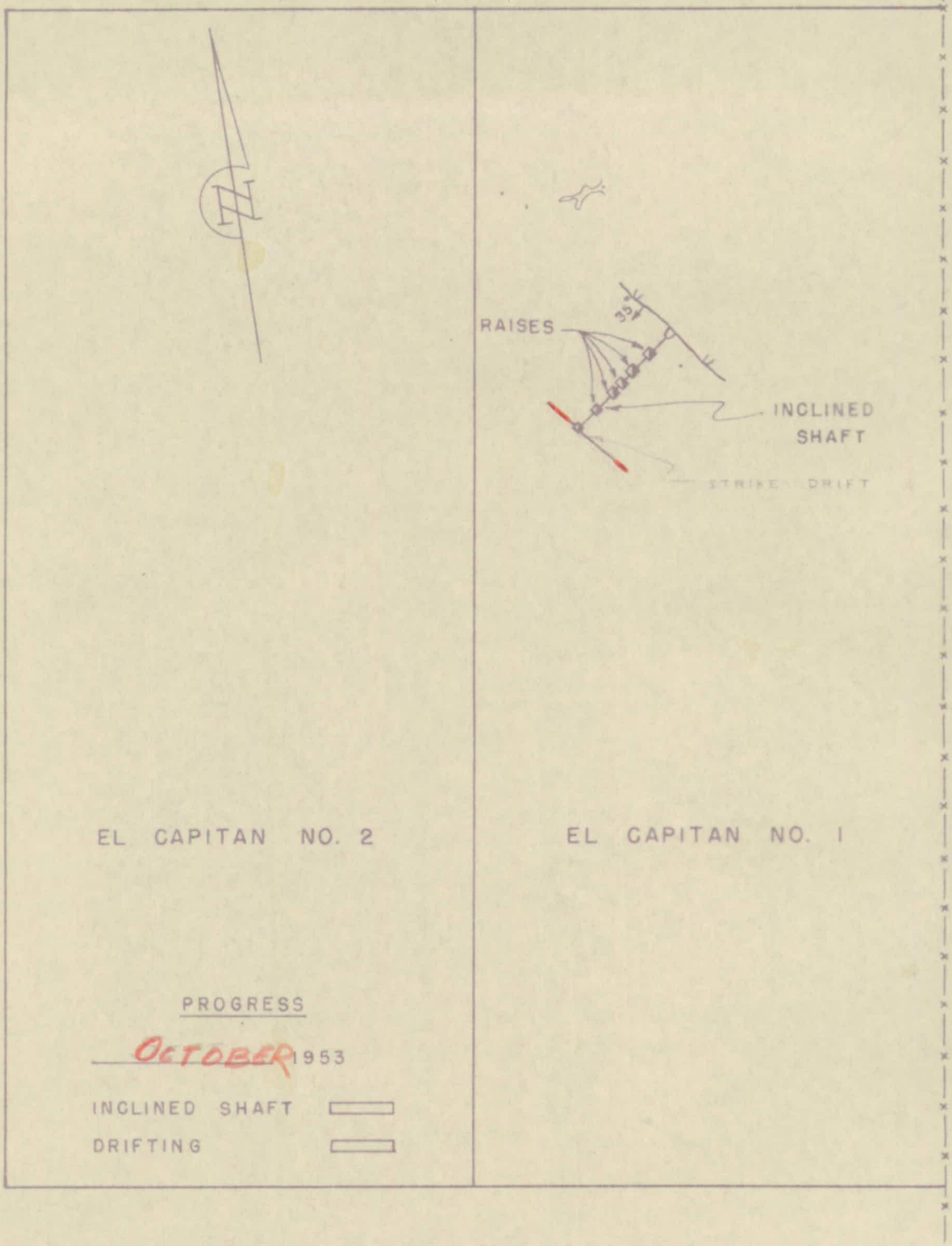
Hope all forms are in order

Yours Truly

Harry R. Scott

Harry R. Scott

Encl:
2 Sets of Forms
I Drawing



PROPOSED WORK - - - - - -

SCALE 1" = 200'

JUNE 1953 DMEA 2798

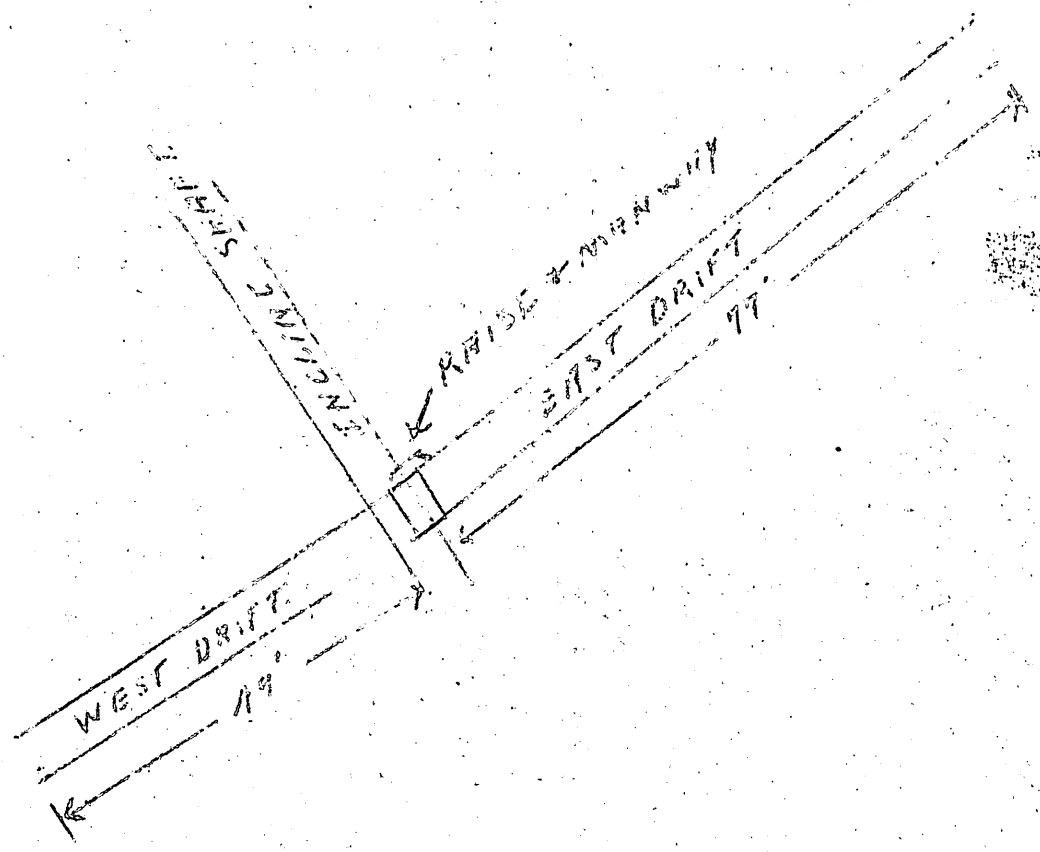
REVISED FIGURE 2. - CLAIM MAP AND LOCATION OF PROPOSED WORK

INDIAN SPRINGS ASBESTOS PROSPECT GILA COUNTY, ARIZONA

INDIAN SPRINGS MINE.
Nov. 3 .953.

Figure 6.

1" = 20'



Form MF-14 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 10-53.

RECEIVED
OCT 30 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1953 Docket No. DMEA 2798 Contract No. IDM E-502
Operator's Name Indian Springs Mine Minerals Asbestos
Address Box 1005, Globe, Arizona
Contract Amount, $14,136.00 Government Participation: 90 % Amount, $12,722.40

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	1310.36	6956.00	2006.36			
Drifting						
Incline Shaft		8560.00	8560.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1310.36	9256.00	10,566.36	1310.36	9257.00	10,567.36

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

Date ~~Sept~~ 10/5/53 *Payee Indian Springs Mine

Per Harry R. Scott 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:

$1179.32

Signature
(Authorized Certifying Officer)

Date 10/21/53 Vou. No. DMEA 54-40

(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-E502 in accordance with the terms of the contract.

Signature John H. Clifton WRH Title Mining Engineer Date 10/12/53

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

Signature John F. Shaw for W. H. King Title Executive Officer Date OCT 15 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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 30 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1953 Docket No. DMEA 2798 Contract No. IDM E-902
Operator's Name Indian Springs Mine Minerals Asbestos
Address Box 1005 Globe, Arizona

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	ft.	1310.36	47	2006.36	72	27.88	200	27.88
Raising								
Shafts Incline	Ft.			8560.00	200	42.80	200	42.80
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1300.36	47	10,566.36				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								14,136.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

Date September 5, 1953 Operator Indian Springs Mine

Per Harry P. Scott 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 83-38475

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

224 New Customhouse
Denver 2, Colorado

October 15, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2798, Contract Idm-E502 (Asbestos), Scott, Scott, and Winck, El Capitan Asbestos Claims (Indian Spring Mine), Gila County, Arizona-Operator's Monthly Progress Report, for the period September 1953

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	October 5, 1953
Date Received in Field Office	October 12, 1953
Date Received in Region Office	October 15, 1953

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

Enclosures

RDB:es

cc: Contract
Sec. to the Oper. Comm. (2)
Chron.
Storms

MINING DIVISION
REGION IV

October 12, 1953

Memorandum

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

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

Subject : September 1953 Progress Report, Scott, Scott & Vinck, El Capitan Asbestos Claims (Indian Springs Mine), Gila County, Ariz., Docket DMEA-2798, Contract Idm-E502.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with maps;

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

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

As all work is in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2798
DF

WRStorms:frj

MINING DIVISION
REGION IV

Memorandum

October 12, 1953

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

From : Robert W. Ageton, Mining Engineer, Tucson, Arizona

Subject : Monthly Progress Report, September 1953, El Capitan Asbestos Claims (Scott, Scott, & Vinck), DMEA-2798, Contract Idm-E502, Gila County, Ariz.

In accordance with your request the subject property was visited on October 5, 1953. During the month of September the southeasterly drift was advanced 47 feet for a total of 72 feet of drifting.

Exposed along the southeasterly drift by the September advance are 4 serpentine zones, the top two zones being sporadically mineralized throughout the length of the drift. At a distance of 42 feet from the raise which was driven in August, a fault zone was encountered, striking approximately S. 40° W. and dipping 65° to 70° southeast. This fault has had an effect upon the serpentinization and mineralization of the limestone beyond this zone. However, at least a part of the fault zone movement is post-mineralization, because in the zone along the drift fiber horizons are down-faulted fractions of an inch until a channel blocked by small boulders without orientation (indicative of an ancient open fissure and possible water course) is encountered, then the fiber bands are missing.

Serpentinization and mineralization from the fault zone to within a few feet of the face range from very poor to nonexistant. However, fiber is exposed in the face. The top zone has a thin fiber veinlet containing about ½ inch of fiber in a serpentine band 1 to 2 inches thick; the 2nd zone (15 inches below) has a trace of fiber in a 1-to 2-inch serpentine band; the 3rd zone (6 inches below) has several veinlets containing a total of 1/4 to 3/8 inch of fiber in a 6- to 8-inch

CC W. H. King (Orig. & 6)
DMEA-2798
DF

RWAgeton:frj

serpentine band; the 4th zone (12 to 14 inches below) contains a total of 1/2 to 3/4 inch of glassy fiber that appears to be dry and brittle. The best fiber is exposed along the drift from the raise to the fault zone, some slip fiber being within the 3rd zone in this area.

A small portable light plant and a 7½-H.P. slusher were installed during the month. The project continues to be conducted in a workman-like manner.

Since the 47 feet of drifting was according to the contract, I recommend that the Government's share of the project costs be paid.

Robert W. Ageton

Robert W. Ageton, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

MINING DIVISION
REGION IV

October 12, 1953

Memorandum

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

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

Subject : September 1953 Progress Report, Scott, Scott & Vinck, El Capitan Asbestos Claims (Indian Springs Mine), Gila County, Ariz., Docket DMEA-2798, Contract Idm-E502.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with maps;

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

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

As all work is in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2798
DF

WRStorms:frj

serpentine band; the 4th zone (12 to 14 inches below) contains a total of 1/2 to 3/4 inch of glassy fiber that appears to be dry and brittle. The best fiber is exposed along the drift from the raise to the fault zone, some slip fiber being within the 3rd zone in this area.

A small portable light plant and a 7½-H.P. slusher were installed during the month. The project continues to be conducted in a workman-like manner.

Since the 47 feet of drifting was according to the contract, I recommend that the Government's share of the project costs be paid.

Robert W. Ageton

Robert W. Ageton, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

Indian Springs Mine
Box 1005
Globe, Ari zona

W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

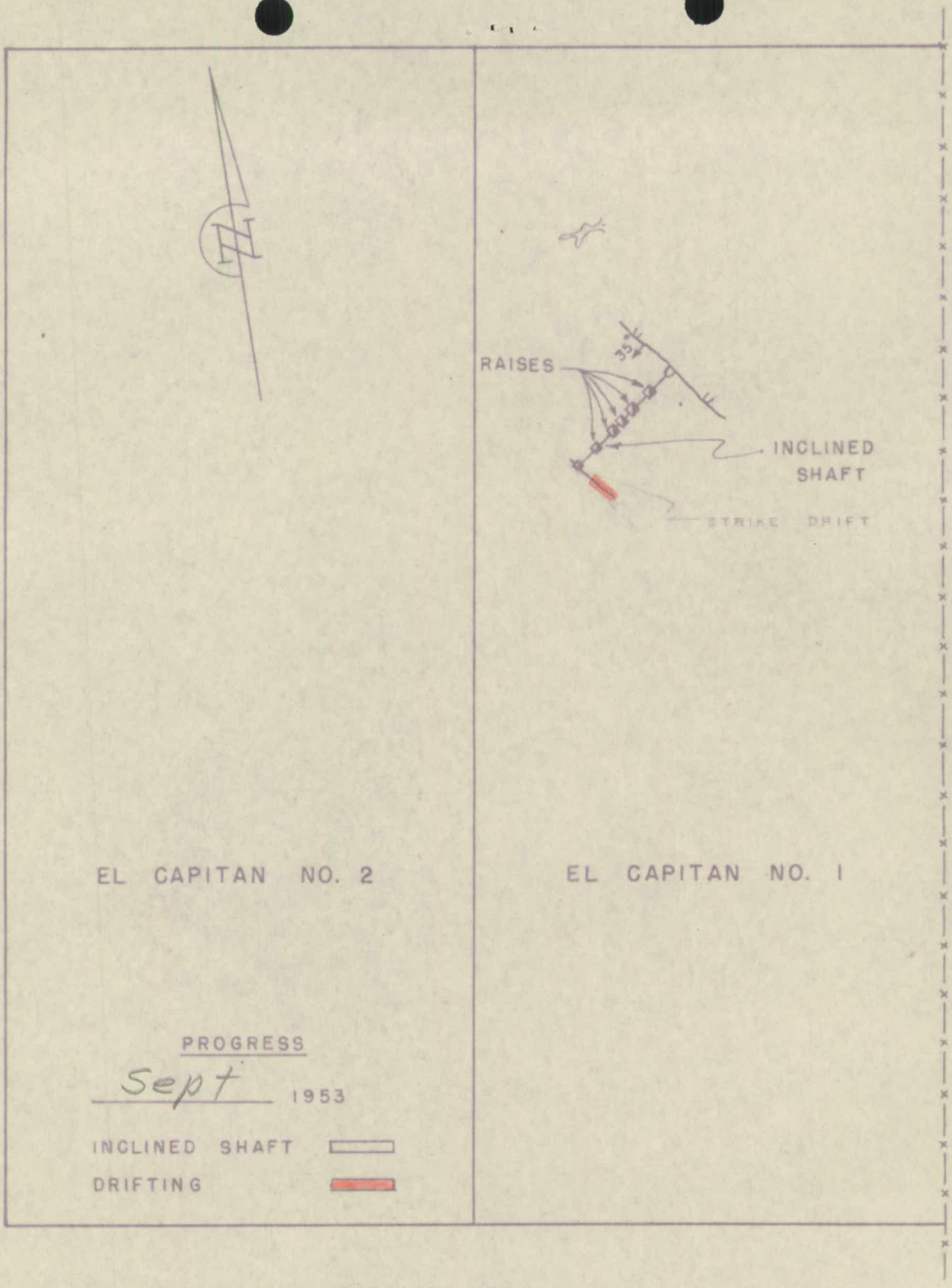
Dear Sir:

Enclosed you will fine the monthly report for September from the Indian Springs Mine. Have Completed 47 ft. of Crosscut this month for a total Of 73 ft. of the Crosscut. Encountered a fault zone at 42 ft. from the Raise and are still in it at the present time

Yours truly

Harry R. Scott

Harry R. Scott



PROPOSED WORK - - - - - -

SCALE 1" = 200'

JUNE 1953 DMEA 2798

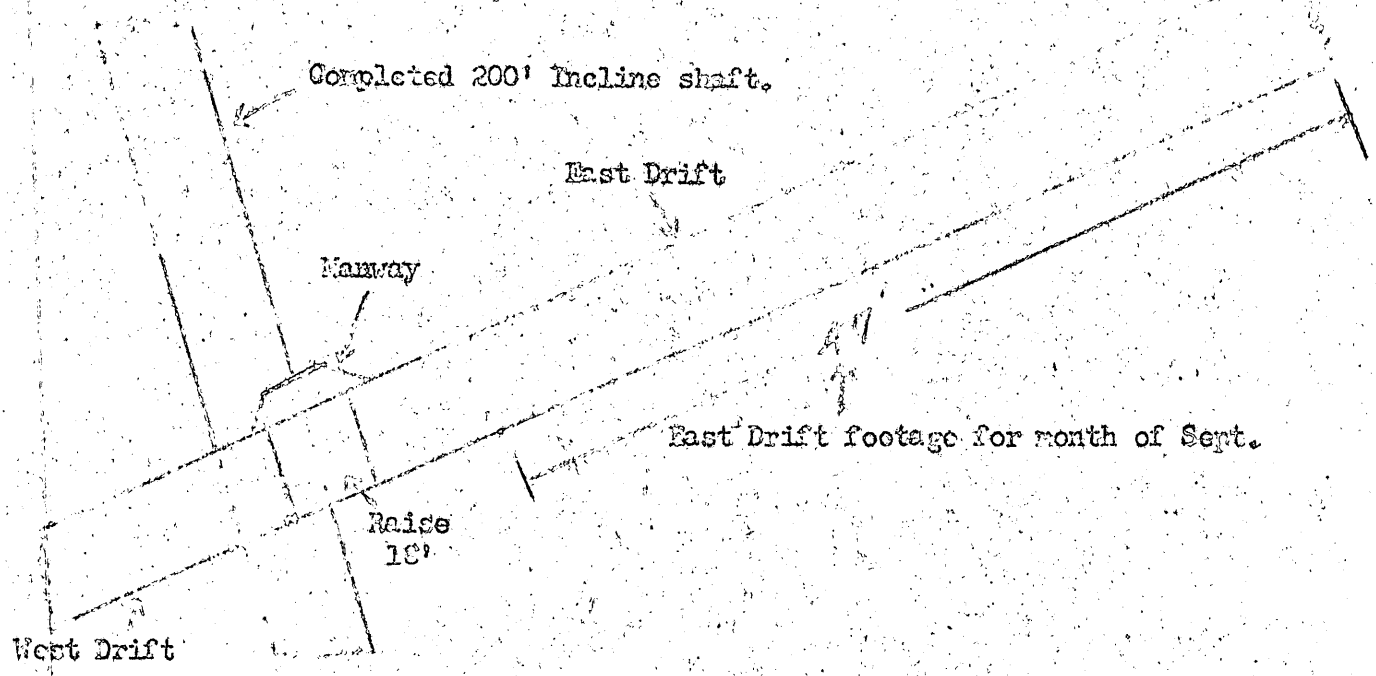
REVISED FIGURE 2. - CLAIM MAP AND LOCATION OF PROPOSED WORK

INDIAN SPRINGS ASBESTOS PROSPECT GILA COUNTY, ARIZONA

INDIAN SPRINGS MINE.

Oct. 5th.

Figure 7.



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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
SEP 28 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1953 Docket No. DMEA 2798 Contract No. IDM-E-502
Operator's Name Indian Springs Mine Minerals Asbestos
Address Box 1005, Globe, Arizona
Contract Amount, $ 14,136.00 Government Participation: 90% Amount, $ 12,722.40

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	697.00	None	697.00			
Drifting						
Incline Shaft	1198.00	7361.60	8560.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1895.40	7361.60	9257.00	1895.40	7361.60	9257.00

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

Date Sept 4 53 *Payee Indian springs mine

Per Harry P. Scott 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:

$ 1705.86

Signature
(Authorized Certifying Officer)

Date 9/28/53 Voucher DMA 54-30

(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. Idaho-E502 in accordance with the terms of the contract.

Signature [illegible] for WRS Title Mining Engineer Date 9/10/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: L.N.B.

Signature W. H. King Title Executive Officer Date SEP 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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 28 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 195 3 Docket No. DMEA 2798 Contract No. IDM E-502
Operator's Name Indian Springs Mine Minerals Asbestos
Address Box 1005 Globe, Arizona

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	Ft.	697.00	25	697.00	25	27.88	200	27.88
Raising								
Shafts Incline	Ft.	1198.40	28	8560.00	200	42.80	200	42.80
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1895.40	53	9257.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								14,136.04
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS								

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

Date Sept 4/ 53 Operator Indian Springs Mine

Per Harry R. Scott 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 83-38475

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 30 1953

224 New Customhouse
Denver 2, Colorado

September 17, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2798, Contract Idm-E502 (Asbestos), Scott and Vinck Indian Springs Mine, Gila County, Arizona. Operator's Monthly Progress Report for the period August 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	September 4, 1953.
Date Received in Field Office	September 8, 1953.
Date Received in Region Office	September 14, 1953.

W. H. King
W. H. King

Enclosures

RDB:cwm

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 28 1953

MINING DIVISION
REGION IV

September 10, 1953

Memorandum

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

From : Lincoln A. Stewart for Walter R. Storms, Chief
Mining Methods Br., Mining Div., Region IV

Subject : August 1953 Progress Report, Contract Idm-E502, Docket DMEA-2798, Scott and Vinck Indian Springs Mine, Gila 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 two extra copies of our engineer's report.

As all work has been done in accordance with the contract, I recommend that the Government's share of the cost of this project be paid.

Lincoln A. Stewart

Lincoln A. Stewart, Mining Engineer
for Walter R. Storms, Chief
Mining Methods Branch
Mining Division, Region IV

CC W. H. King (6)
DMEA-2798
DF

LAStewart:frj

MINING DIVISION
REGION IV

September 10, 1953

Memorandum

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

From : Robert W. Ageton, Mining Engineer, Tucson, Ariz.

Subject : Monthly Progress Report, August 1953, El Capitan Asbestos Claims (Scott, Scott, and Vinck), DMEA-2798, Contract Idm-E502, Gila County, Ariz.

In accordance with your request, the subject property was visited on September 4, 1953, the writer accompanying A. F. Shride, geologist, U. S. Geological Survey. A. F. Shride and the writer had previously visited the property August 18, 1953, at which time it was mutually agreed with the operator that he raise to the serpentine zones at station 1 + 92 and drift northwesterly and southwesterly from that point. The 200 feet of inclined shaft sinking authorized by the contract had been completed on August 18, 1953.

At station 1 + 92 the operator raised to the serpentine zones above the back of the inclined shaft and drove a drift southeasterly 12 feet and a drift northwesterly 13 feet. The northwesterly drift exposes 2 fiber zones previously noted in the raises and, in addition, along the back of the drift is a gouge zone with a trace of fiber. The upper zone of mineralization contains fiber veinlets having a total fiber content of minus 1/2 inch. The fiber remains soft and has good tensile strength. The lower zone contains 2 cross fiber veinlets, one with fiber 3/4 inch long and one with fiber minus 1/2 inch in length. The total fiber content of the lower zone is about 1 inch. Characteristically this zone remains semi-harsh.

The southeasterly drift exposes 2 fiber zones and gouge along the back of the drift. The upper cross fiber zone contains soft, high tensile strength fiber varying from 1/2 inch to 1 inch total fiber content. The lower zone contains a glassy cross fiber with about 1 inch total fiber content. The fiber, even though it has a glassy appearance, is classed as semi-harsh.

The operator sank 28 feet of inclined shaft and drove 25 feet of drift during the month of August. Since the work is in accordance with the terms of the contract it is recommended that the Government's share of the cost of this work be paid.

Robert W. Ageton

Robert W. Ageton, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

CC W. H. King (Orig. & 6)
DMEA-2798
DF

Indian Springs Mine
Box I005, Globe, Ariz.
September 4, I953

RECEIVED

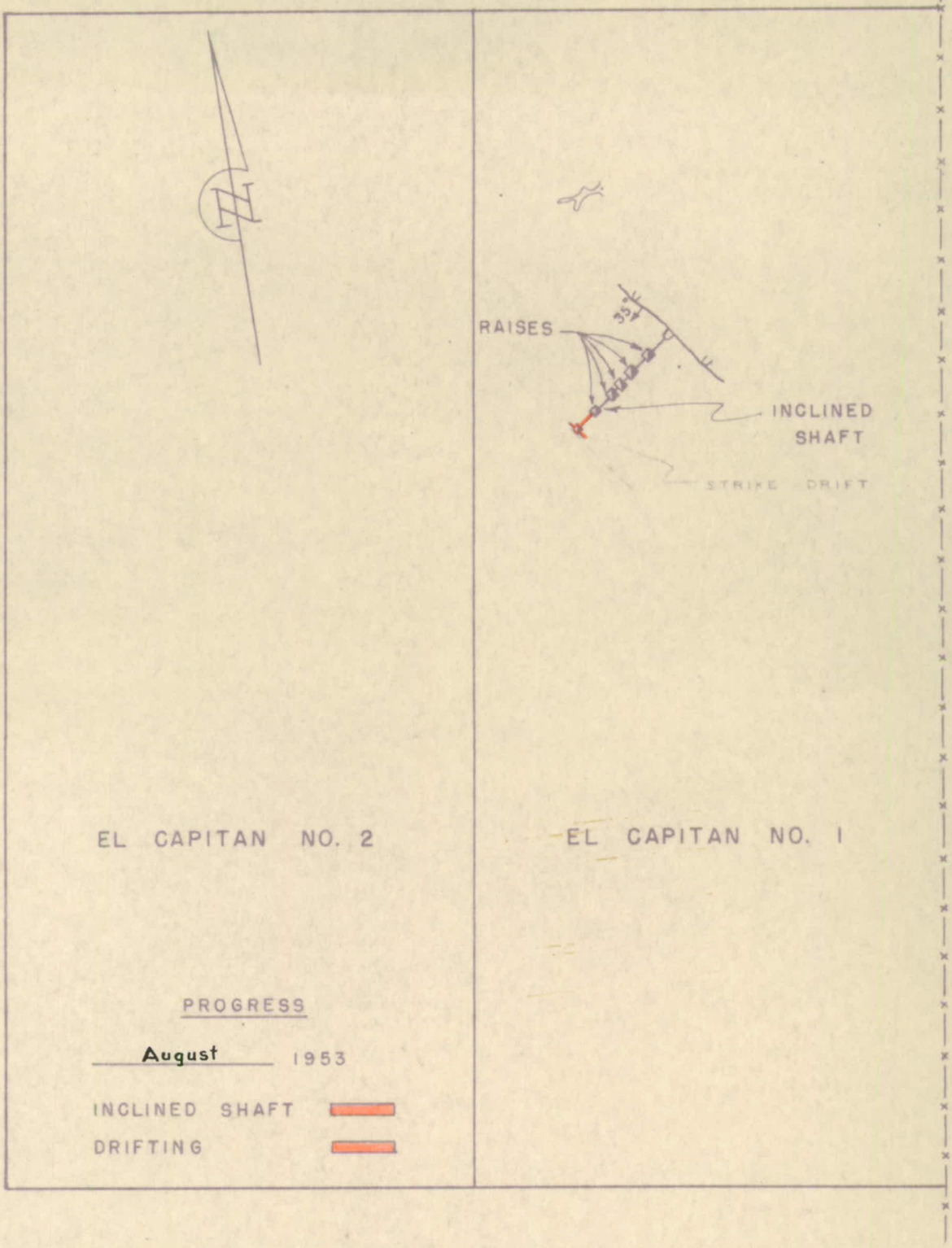
W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tusson, Arizona

Dear Sir:

Inclosed you will find the Monthly report for the Indian Springs Mine.

We finished the Incline shaft as of the I8th of this month, and cut a raise and pocket at I92 ft. and completed 25 ft. of crosscut. The crosscut runs east by west with a little better Fiber to the East

Harry R. Scott
H. R. Scott



PROPOSED WORK - - - - - -

SCALE 1" = 200'

JUNE 1953 DMEA 2798

REVISED FIGURE 2. - CLAIM MAP AND LOCATION OF PROPOSED WORK

INDIAN SPRINGS ASBESTOS PROSPECT GILA COUNTY, ARIZONA

INDIAN SPRINGS MINE.

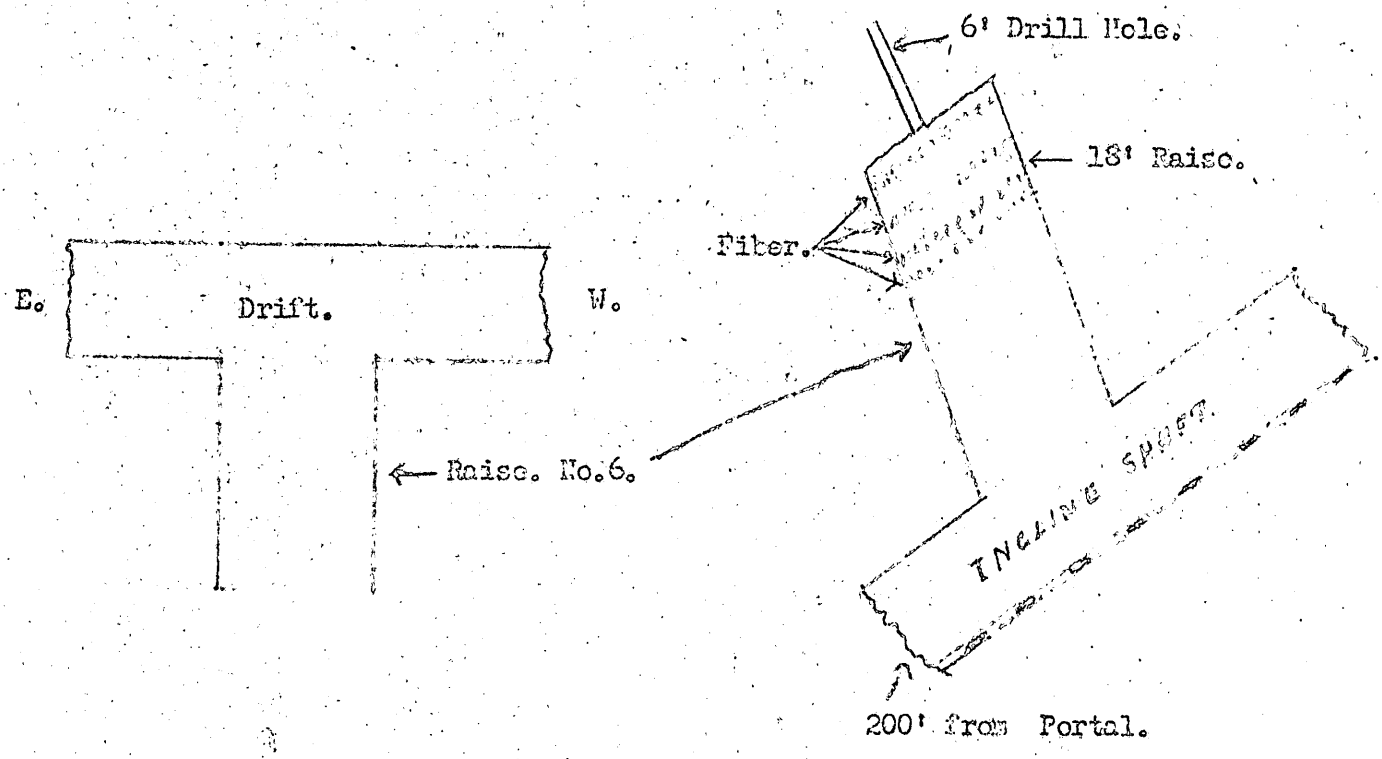


Figure 4.
Submitted Sep't. 4th.

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 July, 1953 Docket No. DMEA 2798 Contract No. IDM E-502

Operator's Name Indian Springs Mine Minerals Asbestos

Address Box 1005 Globe, Arizona

Contract Amount, $ 14,136.00 Government Participation: 90 % Amount, $ 12,722.40

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Incline Shaft	1,369.60	5,992.00	7,361.60			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1,369.60	5,992.00	7,361.60	1,369.60	5,992.00	7,361.60

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

Date July 31 *Payee Indian Springs Mine

Per Harry R. Scott 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:

$ 1232.64

Signature [illegible] (Authorized Certifying Officer)

Date 8/25/53 Vou. No. DMA 54-21

(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-E502 in accordance with the terms of the contract.

Signature Robert H. Ogden WRB Title Mining Engineer Date 8/13/53

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

Signature W. H. King Title Executive Officer Date AUG 18 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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
(Denver)

OPERATOR'S UNIT COST AND PROGRESS REPORT

SEP 8 - 1953

Month of July 1953 Docket No. DMEA 2798 Contract No. IDM E-502
Operator's Name Indian Springs Mine Minerals Asbestos
Address Box 1005 Globe Arizona

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	Ft.		None				200	27.88
Crosscutting								
Raising								
Shafts Incline	Ft.	1,369.60	32	7,361.60	172	42.80	200	42.80
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS							TOTAL COSTS AUTHORIZED BY CONTRACT	
Operating Equipment Purchased							$ 14,136.04	
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1,369.60	32	7,361.60				

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 31 Operator Indian Springs Mine

Per Henry R. Scott 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)

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 18, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2798, Contract Idm-E502 (Asbestos), Scott, Scott and Vinck, El Capitan Asbestos Claims, Gila County, Arizona. Operator's Monthly Progress Report for the period July 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	July 31, 1953.
Date Received in Field Office	About August 3, 1953.
Date Received in Region Office	August 17, 1953.
Date Checked in Region Office	August 17, 1953.

W. H. King
W. H. King

Enclosures

RDB:cwm

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

MINING DIVISION
REGION IV

August 13, 1953

Memorandum

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

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

Subject : July 1953 Progress Report, Contract Idm-K502, Docket DMEA-2798, Scott, Scott & Vinck, El Capitan Asbestos Prospect, Gila 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 two extra copies of our engineer's report.

As the 32 feet of inclined shaft sinking are in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2798
BF

WRStorms:frj

MINING DIVISION
REGION IV

August 13, 1953

Memorandum

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

From : Robt. W. Ageton, Mining Engineer, Tucson, Ariz.

Subject : Monthly Progress report, July 1953, El Capitan Asbestos Claims (Scott, Scott, and Vinck), DMEA-2798, Contract Idm-E502, Gila County, Ariz.

In accordance with your request, this property was visited on August 4, 1953. During July the operators had advanced the inclined shaft 32 feet for a total of 172 feet from the starting point. Since 28 feet of inclined shaft sinking remain to be done (200 feet is authorized by the contract, less 172 feet advanced) the operators were advised that the Tucson branch of Region IV must be notified when the authorized depth has been reached in order that examiners may determine the starting point for the drifting along the strike of the ore zone.

Raise No. 5 (160 feet from the starting point) exposes 2 ore zones immediately above the back of the inclined shaft. The upper zone is composed of many veinlets, ranging from a maximum of 3/4 inch to 1/8 inch in thickness. Parting planes are evident but the fiber zone might produce a No. 3 grade, and probably some No. 2 grade of fiber that is soft and has good tensile strength. The grade of this fiber is an improvement over previous exposures.

The lower zone exposed in the No. 5 raise is approximately 18 inches below the upper zone and exposes fiber veinlets ranging from 5/8 inch to 1/8 inch in thickness. The fiber in the lower zone is semi-harsh and contains many parting planes.

The short advance during July was due to many factors, but bad air was principally responsible. The operator required 3 to 4 days to get a round in and out until a blower was installed at the surface

CC W. H. King (Orig. & 6)
DMEA-2798
DF

RWAgeton:frj

near the collar of the shaft and a 6-inch diameter duct pipe was strung to within 25 feet of the face. At present, with the blower in operation, the operator averages 2 rounds each 3 days. An added factor contributing to the short July advance was severe rains that dampened the brake band on the small hoist, preventing efficient operation. The operator built a 3/4 shed of galvanized iron around the hoist that will suffice for for the duration of the project.

Since the 32-foot advance has been in accordance with the terms of the contract, it is recommended that the Government's share of the cost of this work be paid.

Robert W. Ageton

Robert W. Ageton, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

Indian Springs Mine
Box I005, Globe, Ariz
August 4th I953

DEPARTMENT OF THE INTERIOR
Bureau of Mines
[illegible]
[illegible]

W. R. Sterms;
U.S. Bureau of Mines
P. O. Box 4097
University Station
Tuscon, Arizona.

Dear Sir:

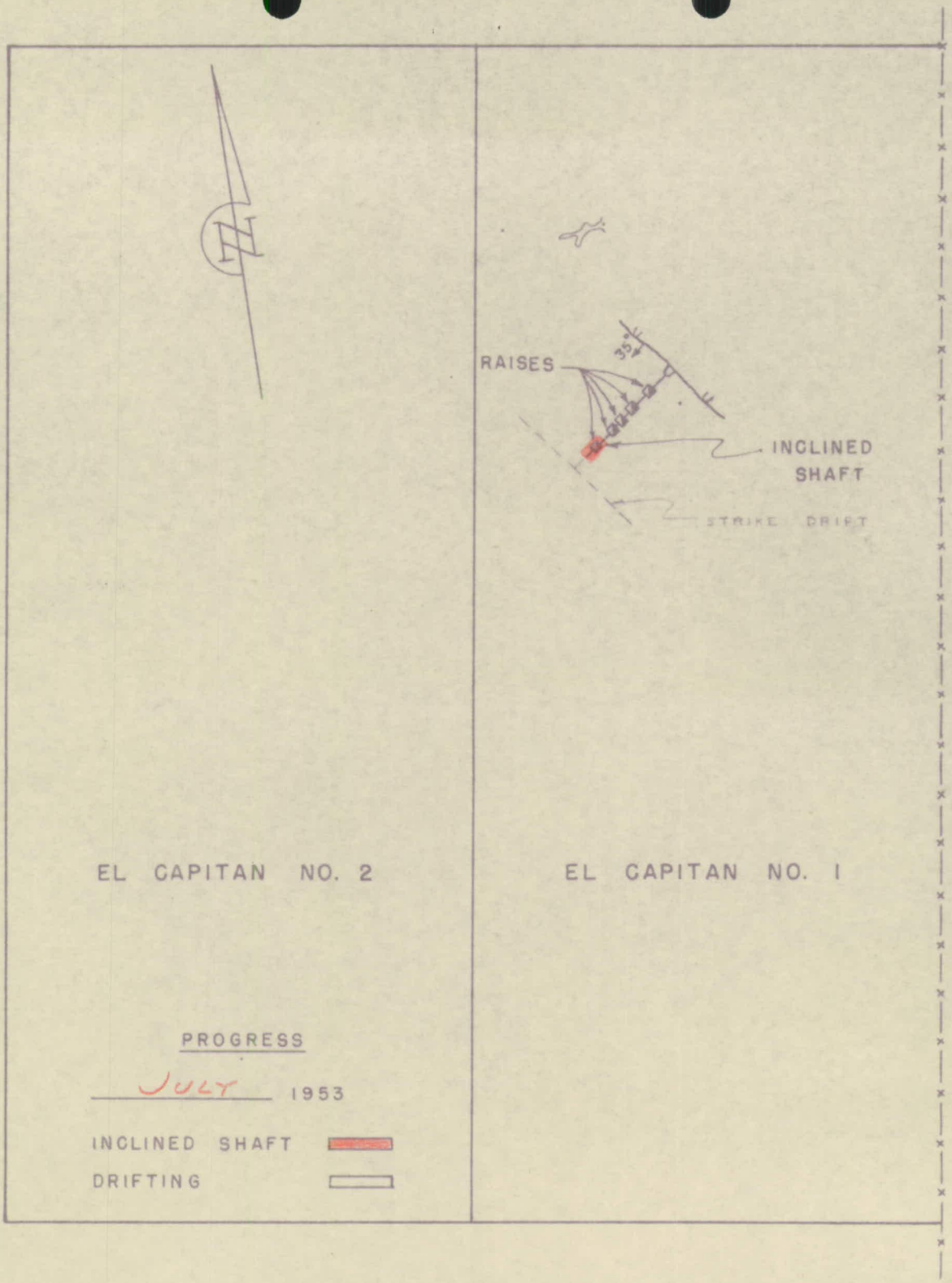
Enclosed you will find the monthly report for July of the Indian Springs Mine.

Summer rains hampered operations to quite an extent, and air in the shaft became bad.

We built a building to house the hoist, and installed an air blowerto Correct the air condition of the mine. These instalations will help advance of the work ~~in~~ quite a bit.

A raise was run at I60 feet from the portal and showed a satisfactory amount of fibre

Yours Very Truly
Harry R Scott
Harry R. Scott



JUNE 1953 DMEA 2798

REVISED FIGURE 2. - CLAIM MAP AND LOCATION OF PROPOSED WORK

INDIAN SPRINGS ASBESTOS PROSPECT GILA COUNTY, ARIZONA

INDIAN SPRINGS MINE.

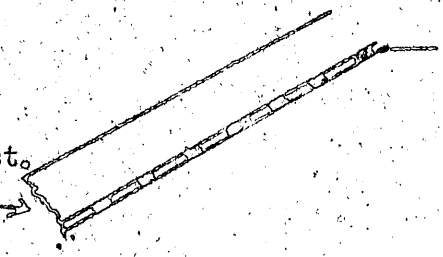


Figure 1. Submitted June 1 st.
80 ft. from Portal to Face.

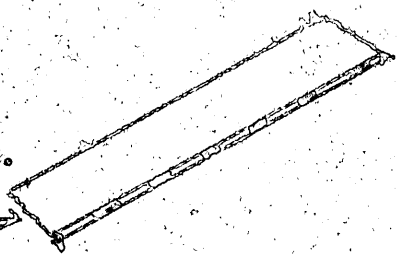
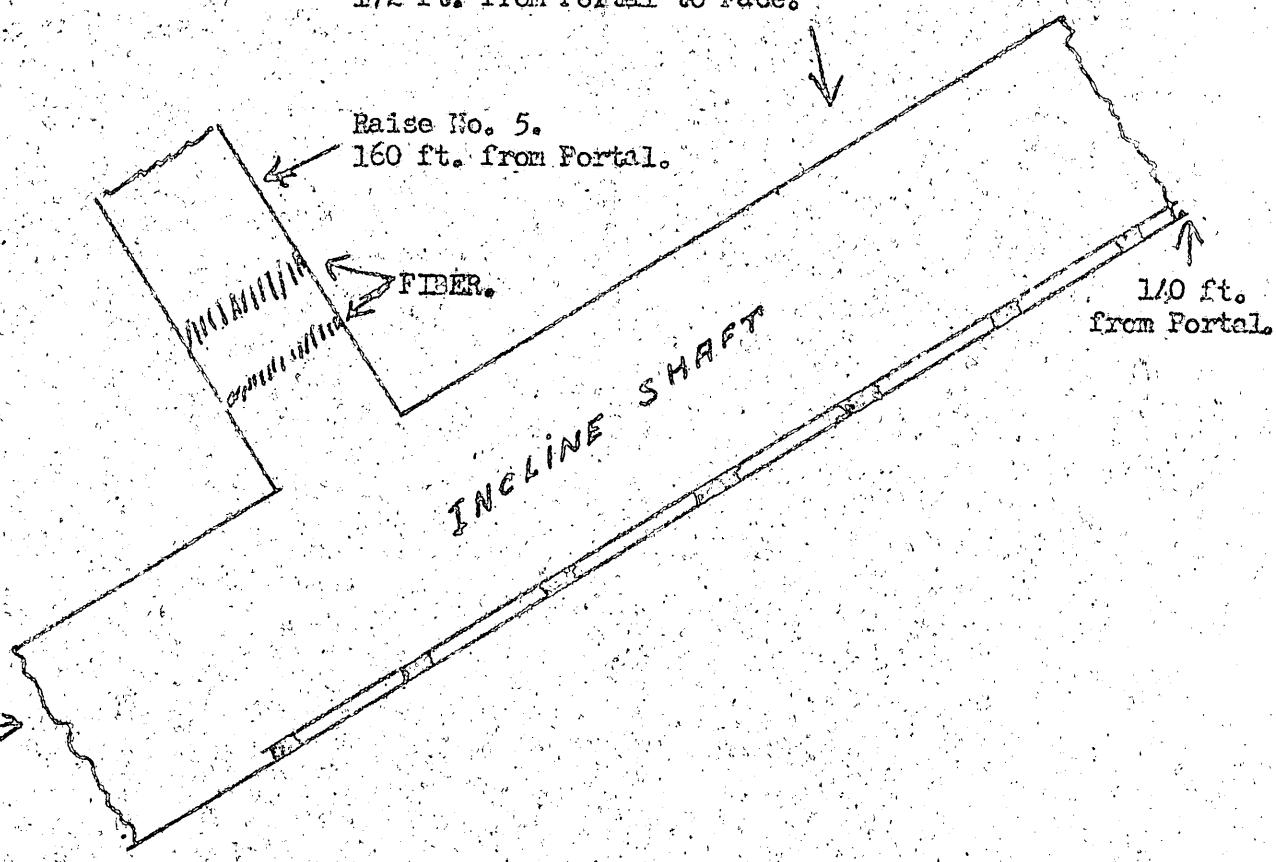


Figure 2. Submitted July 1st.
140 ft. from Portal to Face.

Figure 3. Submitted Aug. 4th.
172 ft. from Portal to Face.



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

Defense Minerals Administration
RECEIVED
JUL 27 1953

Month of June, 1953 Docket No. DMEA 2798 Contract No.
Operator's Name Indian Springs Mine Minerals IDM -E 502
Address Box 1005, Globe, Arizona Asbestos
Contract Amount, $ 14,136.00 Government Participation: 90 % Amount, $ 12,722.40

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						
Bulldozing						
Crosscutting						
Drifting						
Incline Shaft.	2,568.00	3,424.00	5,992.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2,568.00	3,424.00	5,992.00	2568.00	3,424.00	5,992.00

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

Date June 30, 53 *Payee Indian Springs Mine

Per [signature] 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:

$2311.20

Signature [signature]
(Authorized Certifying Officer)

Date 7/21/53 Voucher 54-9
(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 E-502 in accordance with the terms of the contract.

Signature Lawrence A. Stewart WRK Title Mining Engineer Date July 2, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: RDB.

Signature W. H. King Title Executive Officer Date JUL 10 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 195 53 Docket No. DMEA 2798 Contract No. IDM-E 502

Operator's Name Indian Springs Mine Minerals Asbestos

Address Box 1005, Globe arizona

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	Ft.		None				200	$ 27.88
Raising								
Shafts	Ft.	2,568.00	60	5,992.00	140	42.80	200	42.80
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS							TOTAL COSTS AUTHORIZED BY CONTRACT	$ 14,136.00
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,568.00		5,992.00				

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 30, 1953 Operator Indian Springs Mine

Per [signature] 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)

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

July 10, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2798, Contract Idm-E502 (Asbestos), Scott, Scott, and Vinck (El Capitan Asbestos Claims), Gila County, Arizona. Operator's Monthly Progress Report for the period June 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	June 30, 1953
Date Received in Field Office	July 2, 1953
Date Received in Region Office	July 8, 1953
Date Processed for Payment	July 9, 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 6, 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-E502, Docket DMEA-2798, El Capitan Asbestos Claims, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with maps;

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

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

As work of sinking the inclined shaft is in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2798
DF

WRStorms:frj

BUREAU OF MINES
MINING DIVISION
REGION IV

July 2, 1953

Memorandum

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

From : Lincoln A. Stewart, Mining Engineer, Tucson, Arizona

Subject : Monthly progress report, June 1953, El Capitan Asbestos Claims (Scott, Scott, and Vinck) RMSA 2798, Contract Ibs-8502, Gila County, Ariz.

In company with Robert W. Ageton, I visited this property June 30, 1953. During June the operators had advanced the inclined shaft 60 feet, or for a total of 140 feet from the starting point. Short raises were driven at 100 and 125 feet to test the overlying mineralized zones.

Raise No. 3 (100 feet from portal) shows a total of 1 inch of fiber in each of the 2 zones immediately above the roof of the incline. Veinlets or partings make the fiber all short. Raise No. 4 at 125 feet is located where 2 little faults step up the fiber zones about 4 feet. The lower serpentine band (just above the roof) contains a total of 1/2 to 1 inch soft fiber. The zone about 1½ feet above this is a 9-inch serpentine band that contains a total of 1½ to 2 inches of short fiber.

The inclination of the shaft has been lessened to compensate for the up-faulting, so that the roof of the shaft will again be the bottom of the ore zone. As of this date, the fiber content is sub-marginal, owing to the shortness of the fiber.

As the 60-foot advance has been in accordance with the contract, it is recommended that the Government's share of the cost of this work be paid.

Lincoln A Stewart

LINCOLN A. STEWART, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

CC W. M. King (Orig. & 6)
RMSA-2798
MF

LAStewart:frj

Indian Springs Mine
Box 1005, Globe Ariz
June 30, 1953

W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson 5, Arizona

Dear Mr. Storms

Inclosed is the Monthly report for the Indian Springs Mine, Scott, Scott, And Vinek

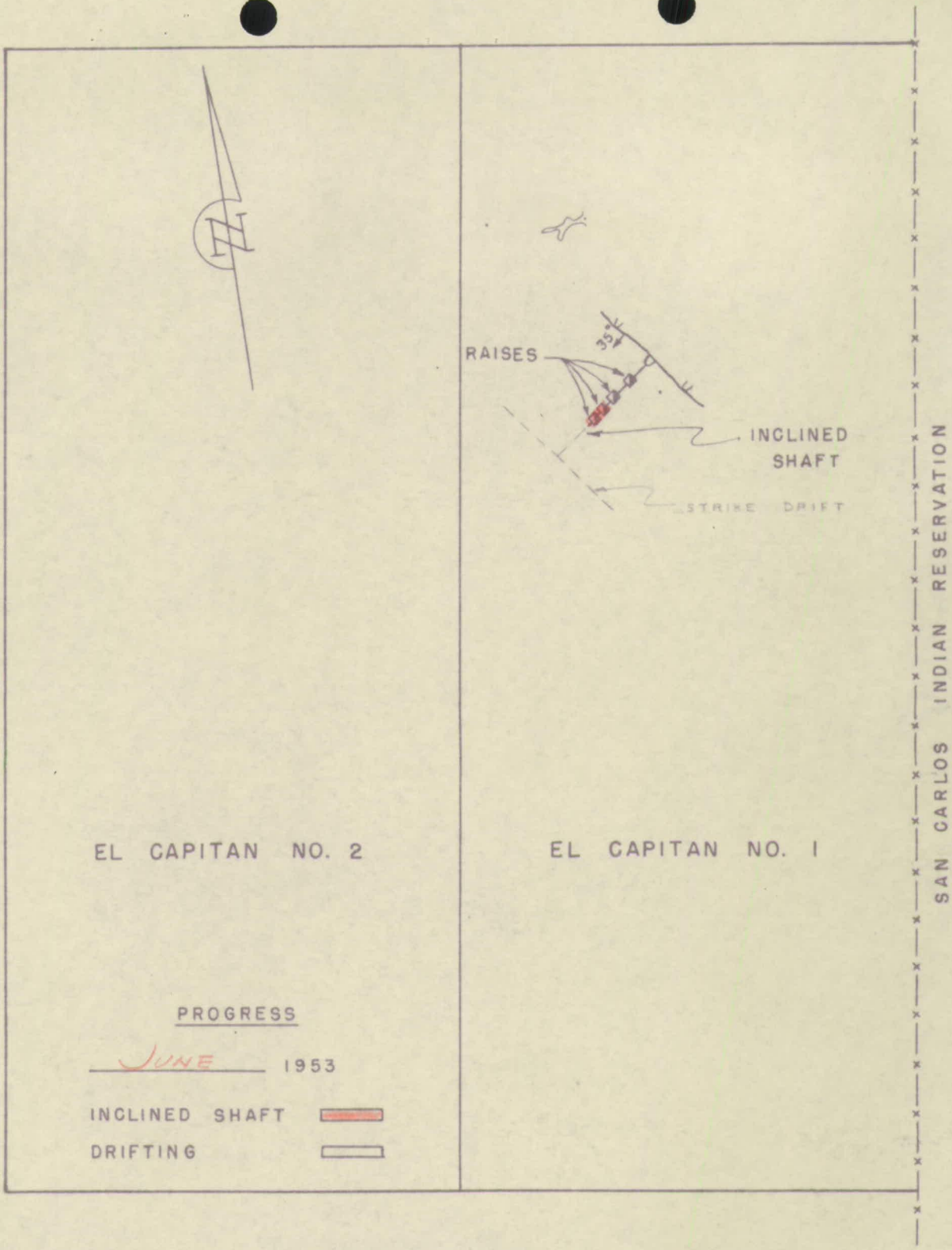
An Advance of 60 Ft. has Been made in the Incline Shaft this month for a total of one hundred forty ft.

A raise has been run at the one hundred ft. mark and one at one hundred and twenty five feet.

Yours Truly

Harvey R. Scott
H. R. Scott
Manager

Encl: 2 Sets of Forms
2 sets of maps



PROPOSED WORK - - - - - -

SCALE 1" = 200'

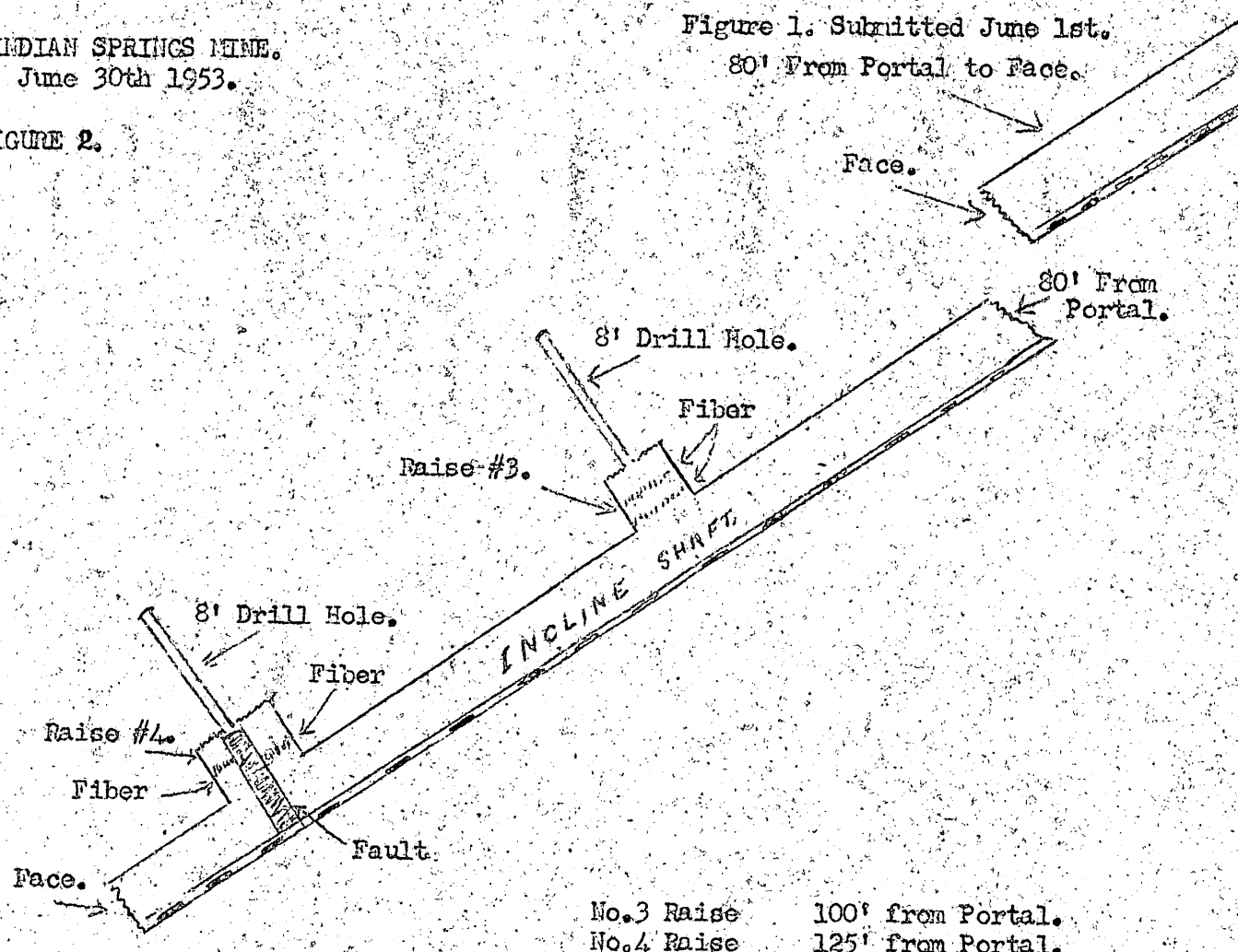
JUNE 1953 DMEA 2798

REVISED FIGURE 2. - CLAIM MAP AND LOCATION OF PROPOSED WORK

INDIAN SPRINGS ASBESTOS PROSPECT GILA COUNTY, ARIZONA

INDIAN SPRINGS MINE.
June 30th 1953.

FIGURE 2.



No.3 Raise 100' from Portal.
No.4 Raise 125' from Portal.
Incline Shaft now 140' from Portal to Face.

6 pts

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 13 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1953 Docket No. DMEA 2798 Contract No. Idm-E502
Operator's Name Indian Springs Mine Minerals Asbestos
Address Box 1005, Globe, Ariz.
Contract Amount, $14,136.00 Government Participation: 90 % Amount, $12,722.40

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Inclined shaft	3,424.00	-	3,424.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3,424.00		3,424.00	3,424.00		3,424.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date May 31, 1953 *Payee Indian Springs Mine
Per Harry R. Scott 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:

$ 3081.60

Signature
(Authorized Certifying Officer)

Date 6/30/53 Vou. No. DMA-54-2
(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. Edw E 502 in accordance with the terms of the contract.

Signature Lincoln A Stewart WAS Title Mining Engineer Date June 15, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: RSB Executive Officer

Signature W. H. King Title Date JUN 25 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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 13 1953

Month of May 195 3 Docket No. DMEA 2798 Contract No. Idm-E502
Operator's Name Indian Springs Mine Minerals Asbestos
Address Box 1005, Globe, Ariz.

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	Ft.		None				200	27.88
Crosscutting								
Raising								
Shafts Inclined	Ft.	$3,424.00	80	3,424.00	80	42.80	200	42.80
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS							TOTAL COSTS AUTHORIZED BY CONTRACT	
Operating Equipment Purchased							$14,136.00	
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3,424.00		3,424.00				

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 May 31, 1953 Operator Henry T. Scott

Per Indian Springs Mine 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)

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

June 25, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2798, Contract Idm-E502 (Asbestos), Scott, Scott and Vinck, El Capitan Asbestos Claims, Gila County, Arizona - Operator's Monthly Progress Report, for the period May 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	May 31, 1953
Date Received in Field Office	June 2, 1953
Date Received in Region Office	June 18, 1953
Date Processed for Payment	June 25, 1953

W. H. King
W. H. King

Enclosure

RDB:fwo

cc Sec Operating Comm (2)
WRStorms
Contract
Chron

MINING DIVISION
REGION IV

June 16, 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-E502, Docket DMEA-2798, Scott, Scott & Vinck, El Capitan Asbestos Claims, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with maps;

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

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

As the driving of the 80 feet of inclined drift, or shaft is in accordance with the terms of the contract, I recommend that the Government's share of the cost be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2798
DF

WRStorms:frj

MINING DIVISION
REGION IV

June 16, 1953

Memorandum

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

From : Lincoln A. Stewart, Mining Engineer, Tucson, Arizona

Subject : Monthly progress report, May 1953, El Capitan Asbestos Claims (Scott, Scott and Vinck), DMEA-2798. Contract Idm-E502, Gila County, Ariz.

Work was started at the subject property, locally known as Indian Springs mine, on April 16, 1953. This progress report covers work done from that date through May 31.

In company with Robert W. Ageton, I visited the property on June 10, 1953 to check progress. The inclined shaft had a slope depth of 100 feet. Raises at 35 and 75 feet each had been driven at the operator's expense, 5 feet into the back to expose the upper veins. The top of the inclined shaft is a free-breaking bedding plane at the bottom of a 24-inch zone of serpentine and serpentinized limestone that contains 3 fiber veins. One vein is near the top of the zone, another near the bottom, and a third about 9 inches below the top of the zone. In raise No. 1 at 35 feet down the shaft, the 3 fiber streaks are each about ½ inch thick. The fiber and enclosing serpentine are badly weathered. In raise No. 2, at 75 feet, the condition of both the fiber and serpentine is improving. The upper and middle veins each show about ½ inch of soft fiber, the lower vein has about 1 inch of fairly harsh fiber. There is also a band of serpentine at 3.5 feet below the top of the drift that contains a narrow (3/8 inch) vein of harsh fiber. To date, the showings cannot be considered commercial, but as depth below the surface increases the serpentine is less weathered and appears to be stronger, particularly in the top band.

The operators are doing the job in a clean and workmanlike manner. A slusher was used for about 40 feet, then a headframe was constructed, track laid, and a self-dumping skip was installed. The upper zone will be opened by short raises spaced at 25 feet hereafter.

CC W. H. King (Orig. & 6)
DMEA-2798
DF

WRStorms:frj

Prints of operator's drawing, Figure 1, are enclosed. This section is a model of graphic representation. Figure 2 is a revision of the figure used in the examiners report, showing correct location of the work, as determined by a stadia survey.

A total of 80 feet of inclined shaft has been driven according to the contract, and I recommend that the Government's share of the cost of this work be paid.

Lincoln A Stewart

Lincoln A. Stewart, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

Indian Springs Mine
Box 1005, Globe, Ariz.
May 31, 1953

W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson 5, Arizona

Dear Mr. Storms

Inclosed is the monthly report for the Indian Springs Mine, Scott, Scott & Vinck.

Incline Shaft has progressed to a depth of 80 ft. with a 5 ft. raise run up into the fibre zone at 35 and 75 ft., with an additional 8 ft. drillhole. Main fibre zone shows 2 serpentine zones each about 10 inches wide, with from 2 to 3 inches of fibre in each one. A small amount of fibre came out of the drill hole at about 6 ft. in the second raise

Have installed a self dumpting skip, which saves hiring a top lander, but called for the installing of a head frame.

Hope all papers are in order

Yours Truly
Harry R. Scott
/a/ Harry R. Scott

ENCL: 4
2 maps
2 sets of forms

P.S.
please send back more MF 104 and MF 104A forms

COPY

INDIAN SPRINGS MINE.
May 30th 1953,

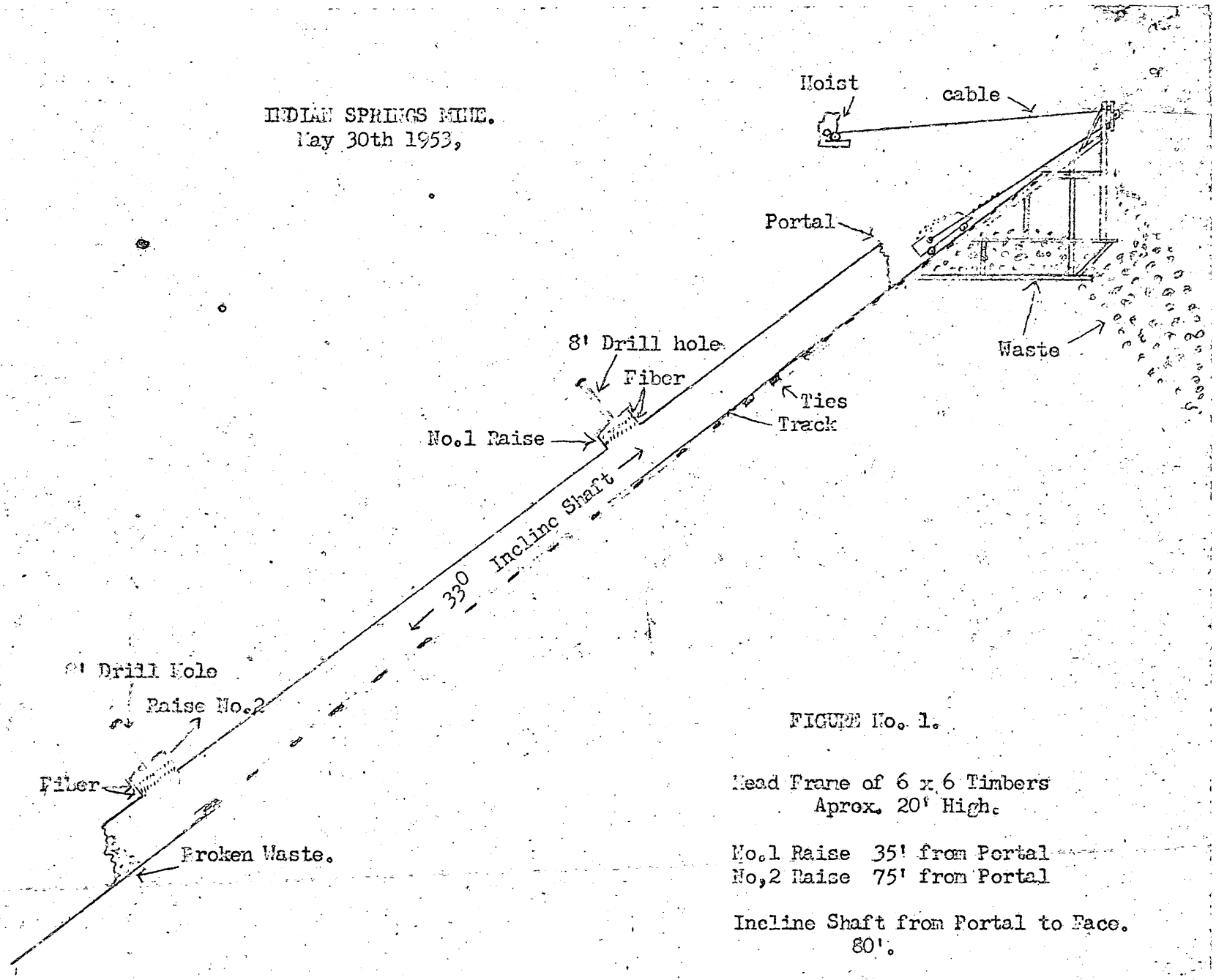
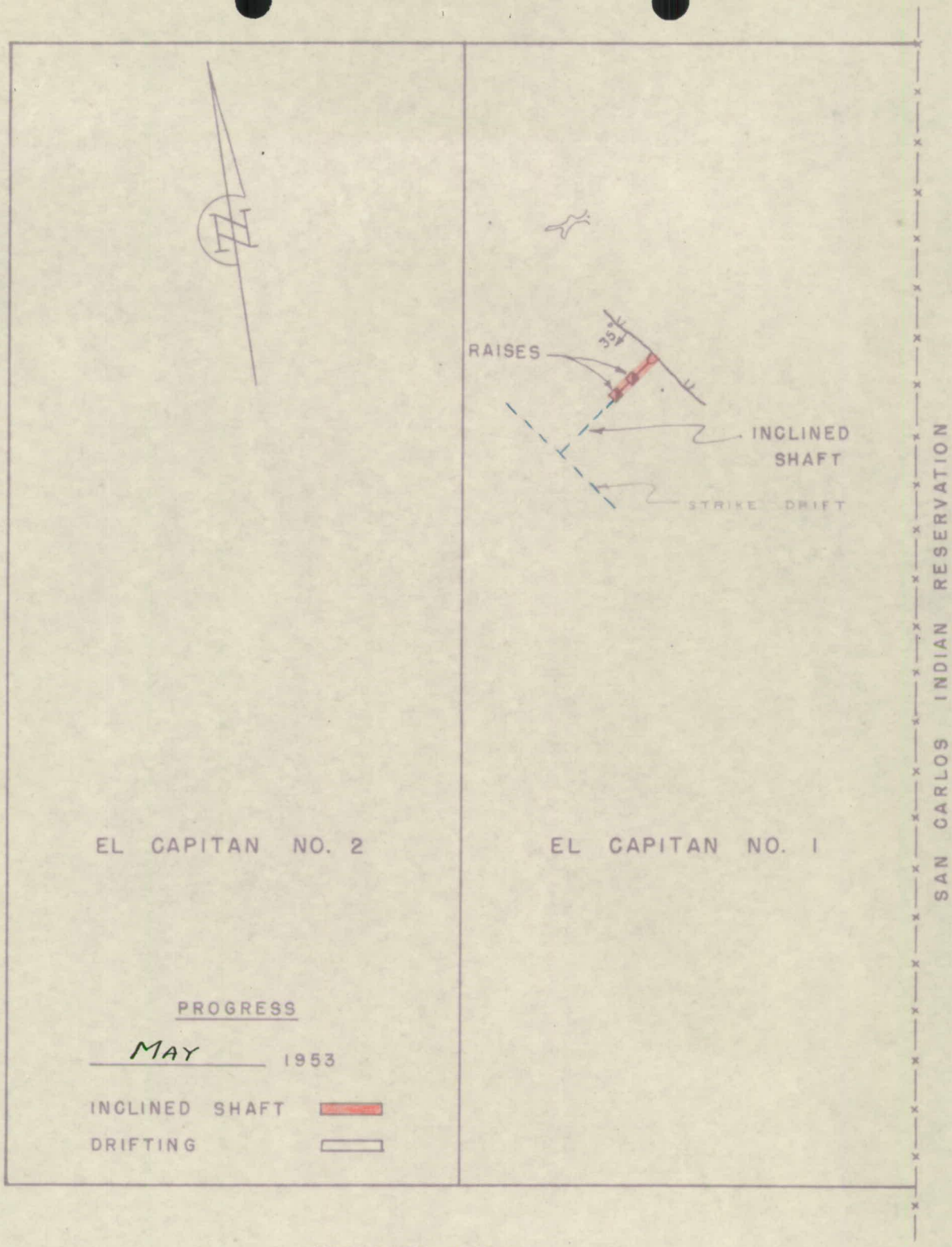


FIGURE No. 1.

Head Frame of 6 x 6 Timbers
Aprox. 20' High.

No.1 Raise 35' from Portal
No.2 Raise 75' from Portal

Incline Shaft from Portal to Face.
80'.



JUNE 1953 DMEA 2798

REVISED FIGURE 2. - CLAIM MAP AND LOCATION OF PROPOSED WORK

INDIAN SPRINGS ASBESTOS PROSPECT GILA COUNTY, ARIZONA

Messrs. Harry D. Scott, M. A. Scott
and R. B. Vinck
P. O. Box 1005
Globe, Arizona

Re: Docket No. DMEA-2798 - Asbestos
Indian Springs Prospect
Gila County, Arizona
Contract No. Idm-8502

Gentlemen:

We are pleased to advise you that your performance of exploration work under the subject contract has been acceptable to the Government, and the account relating thereto has been closed. The final audited and settled account shows:

Total claimed for units of work performed	$13,494.76
Total Government contribution at 90 percent	$12,145.28

Your attention is called to the provision of the contract which requires you to keep and preserve your records and accounts of this transaction for a period of three years for possible future reference.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the exploration contract. In the absence of such certification, the Government retains no claim or lien against the property or any production therefrom.

The Government is grateful for your participation in the exploration program of the Defense Minerals Exploration Administration.

Sincerely yours,

C. O. Mittendorf

Administrator

LOHouk:gad 8/10/54
Copy to: Admr. R. File
Docket File
Field Team, Region IV
Dr. Boules, 3516
Mr. Larrabee, Room 5227 Interior
Mr. Houk
Mr. Chambers

Docke[illegible]No. ~~[illegible]~~

Commodity ~~Asbestos~~

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~[illegible]~~

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 502

Date of Contract ~~or Amendment~~: April 1, 1953

Name and Address of Operator:
Harry R. Scott, V. A. Scott, R. D. Vinch
P. O. Box 1005
Globe, Arizona

Amount of Government participation ____ $ 12,722.40

Percent of Government participation 90 %

Region: IV State: Arizona

NOTE: Please release 8577.12; Advice Contract Administration and Audit Division

(Name)

J. L. Chambers,
Chief, Contract Administration and Audit Division

(Title)

1/21/54

Date Delivered to Bureau of Mines, Washington.

13908

Docket No. DMEA 2798

Commodity Asbestos

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 502

Date of Contract ~~xxxAmendment~~ April 1, 1953

Name and Address of Operator:

Harry R. Scott, W. A. Scott, R. D. Vinck
P. O. Box 1005
Globe, Arizona

Amount of Government participation $12,722.40

Percent of Government participation 90 %

Region: IV State: Arizona

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

(Title)

Date Delivered to Bureau of Mines, Washington. April 3, 1953 13908

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2798

COMMODITY Asbestos

Idm-E502

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 6 1953

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 1st day of April, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Harry R. Scott
W.A. Scott
R.D. Vinck a partnership
P.O. Box 1005
Globe, 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 Gila, described as follows:[3] Two unpatented lode mining claims recorded in the County Clerk and Recorder's Office of Gila County, as follows: El Capitan No. 1, Book of Mines 50, Page 114; El Capitan No. 2, Book of Mines 50, Page 115.

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 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:~~
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 30 (thirty) days from the date of this contract shall commence work on a project of exploration for[5] asbestos

in or upon the described land; and shall bring the project to completion within a period of 12 months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 90 (ninety) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $12,722.40, which is 90 (ninety) percent of $14,136.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

Harry R. Scott
(Operator)

W. H. Scott

R. D. Vincks

THE UNITED STATES OF AMERICA

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

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

_____ [CORPORATE SEAL]

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

Docket No. DMEA 2798

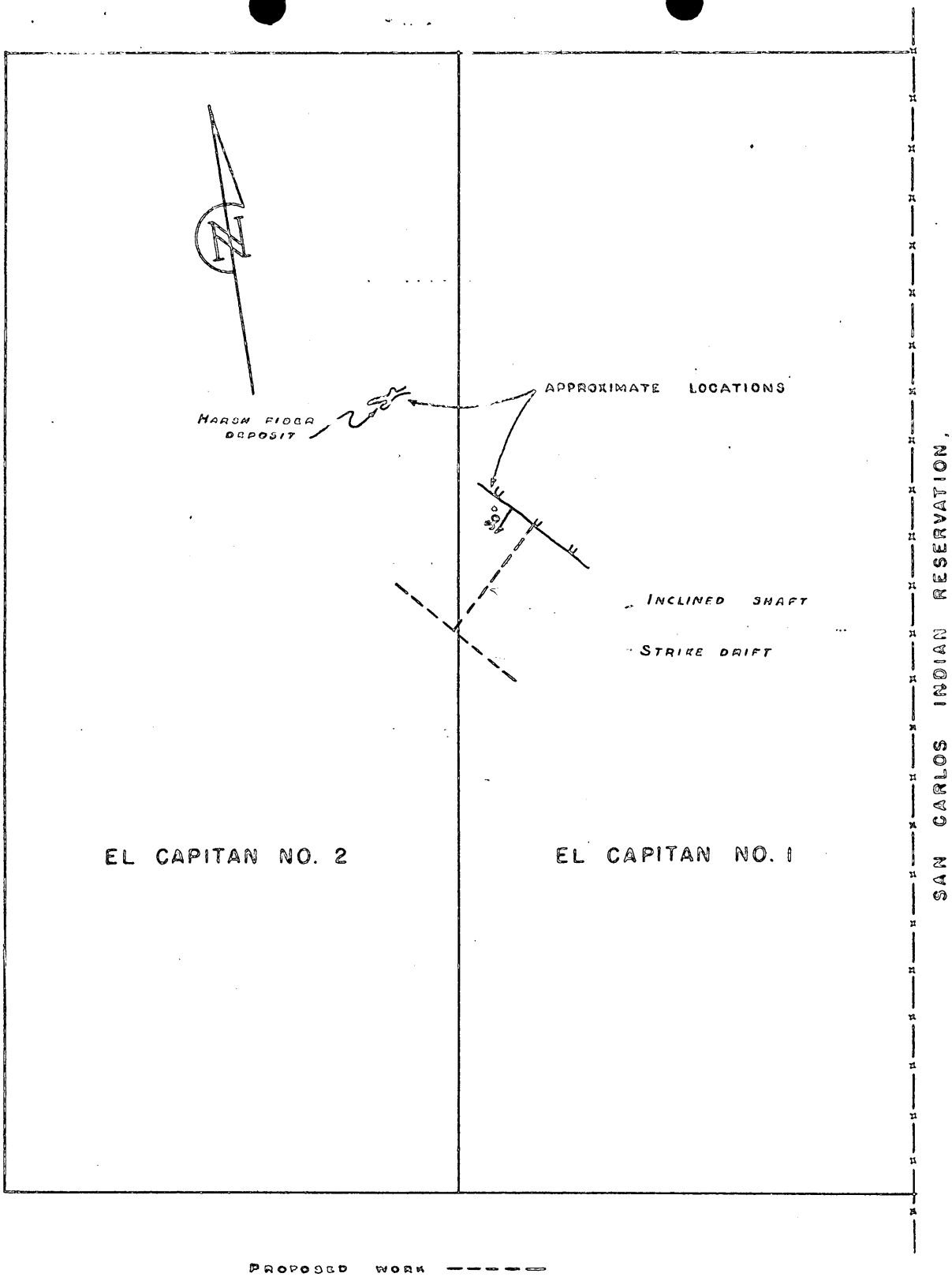
EXHIBIT "A"

Description of the Work

The work consists of sinking a shaft 5 x 7 feet in the clear, and inclined at approximately 30°, a depth of 200 feet, in the ore bearing zone. At a point acceptable to the DMEA representative 200 feet of drifts will be driven along the strike in the ore bearing zone. The tentative location of the work is shown on Figure 2 which is attached and made a part of Exhibit "A".

Estimated Costs of the Work

200 feet of 5 x 7 foot incline shaft @ $42.80 per foot -	$8,560.00
200 feet of drifting @ $27.88 per foot	$5,576.00
Total cost of project	$14,136.00
Government Participation 90%	$12,722.40



SCALE 1" = 200'

DMEA 2798

FIGURE 2.- CLAIM MAP AND LOCATION OF PROPOSED WORK

INDIAN SPRINGS ASBESTOS PROSPECT GILA COUNTY, ARIZONA