DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Bore Tree Saddle Asbestos Co.
Box 1724
Globe, Arizona

pertaining to Exploration Project Contract No. Idm-E571, Docket No. DMEA 2975, including Amendment No. 1, for the months of August 1953 to February 1954 inclusive, and subsequent Termination Agreement dated May 12, 1954, covering a project for the exploration of Asbestos on property located in Gila County, Arizona on the Tonto National Forest 57 miles north of Globe.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, conference with the Executive Officer 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:

All costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor:		$8151.25
Exceptions:		
By DMEA Finance Officer	None	
Herewith	None	None
Total Accepted Cost		$8151.25

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 Seven Thousand Three Hundred Thirty-six and 12/100ths Dollars

- $7336.12 -

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

Date: June 24, 1954

Donald T. Finch

Donald T. Finch, Auditor

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

224 New Customhouse
Denver 2, Colorado

June 30, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA-2975 (Asbestos), Contract No. Idm-E571, Bore Tree Saddle Asbestos Company, Gila County, Arizona.
FINAL PAYMENT

Reference is made to our memorandum of March 18, 1954 whereby we transmitted the final MF-104, Operator's Monthly Progress Report and Voucher for the month of February 1954, and instructed you to withhold the amount of $250.00 from reimbursement to the Operator pending receipt of the Operator's final report and 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 June 24, 1954, which was released to this office June 25, 1954.

Basis for Final Payment

Total accepted cost	$8,151.25
Government participation at 90%	7,336.12
Total prior payments	7,086.13
	$249.99

W. H. King

JWT:cwm

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

249.99
7/1/54 DMA 55-1

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 February, 1954 Docket No. DMEA 2975 Contract No. Idm B 571

Operator's Name Bore Tree Saddle Asbestos Co. Minerals Asbestos

Address Box 1724 Globe, Arizona

Contract Amount, $ 10,805.00 Government Participation: 90 % Amount, $ 9,724.50

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing & Benching		1,400.00	1,400.00			
Crosscutting	1,540.00		1,540.00			
Drifting	247.50	3,396.25	3,643.75			
Access Road		1,155.00	1,155.00			
(2) Labor and Supervision:						
Raising	27.50	385.00	412.50			
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	1,815.00	6,336.25	8,151.25	1,815.00	6,336.25	8,151.25

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

Date 3/11/54 *Payee BORE TREE SADDLE ASBESTOS CO.

Per John W. Buchanan Jr. Title Partner

*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:

$ 1383.50

Signature (Authorized Certifying Officer)

Date 3/19/54 Vou. No. DMEA 54-93

(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. dmea E 571 in accordance with the terms of the contract.

Signature William R. Hardwick Title Mining Engineer Date 3/15/54

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

Signature W. H. Kamy Title Executive Officer Date MAR 19 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1954 Docket No. DMEA 2975 Contract No. Ion E571

Operator's Name BORE TREE SADDLE ASBESTOS COMPANY Minerals

Address Box 1724, 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.	1,787.50	65 Ft.	5,183.75	188½ Ft.	27.50	250	27.50
Crosscutting								
Raising	Ft.	27.50	2 Ft.	412.50	30 Ft.	13.75	100	13.75
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping & Benching	Job			1,400.00	Job		Job	1,400.00
Trenching								
Test Pits								
Roads and Trails	Job			1,255.00	Job		Job	1,255.00
								Total Costs Authorized by Contract
Total Distributed Costs								
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1,815.00	67 Ft.	8,151.25				10,805.00

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 3/11/54 Operator BORE TREE SADDLE ASBESTOS CO.

Per John V. Bustamante Jr. Title Partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

Administrative Audit Difference Statement

Date: March 24, 1954
Payee's Reference: Progress Report February, 1954

Dore Tree Saddle Asbestos Co.,
Box 1724
Globe, Arizona
Idn-1571

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

90% of the

Amount Claimed	$ 1633.50
Difference	$ 250.00
Amount Approved	$ 1383.50

The reason for the difference was due to:

$250.00 is being withheld pending receipt of Operator's Final Report and release of the Report of Review by the 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.

224 New Customhouse
Denver 2, Colorado

March 18, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2975 (Asbestos), Contract Idm-E571, Bore Tree Saddle Asbestos Company, Gila County, Arizona. Operator's Monthly Progress Report for the period February 1954.

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

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

As this project may be terminated by mutual agreement an amount of $250.00 is to be withheld from the payment due the Operator pending receipt of Operator's Final Report and release of the Report of Review by the Contract Administration and Audit Division.

Remarks:

Date of Report	March 11, 1954.
Date Received in Field Office	March 15, 1954.
Date Received in Region Office	March 17, 1954.

W H King
W. H. King

Enclosures
RDB:cwm

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

March 15, 1954

Memorandum

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

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

Subject : February 1954 Progress Report, Contract Idm-E571, Docket DMEA-2975, Bare Tree Saddle Asbestos Co., Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineers' report;

(2) Operator's narrative report with map;

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

Also enclosed are 2 extra copies of our engineers' 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. However, as the operator has requested termination of the contract by mutual agreement, I suggest that the customary amount be withheld until the project is legally terminated and the operator's final report received.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2975
DF

WRStorms:frj

Memorandum

March 11, 1954

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

From : Robert W. Ageton, and W. R. Hardwick, Mining Engineers, Tucson, Arizona.

Subject : Monthly Progress Report, February 1954, Contract Idm-8571, , Docket DMEA-2975, Bore Tree Saddle Asbestos Company (Asbestos), Gila County, Ariz.

In accordance with your request, the subject property was visited on March 3, 1954 by R. W. Ageton and W. R. Hardwick, mining engineers, Bureau of Mines. During the month of February 1954, the No. 2 raise was advanced 2.0 feet, and the operator drove 65 feet of drift in this upper level. Total units of work performed to date are 188,5 feet of drifting and 30 feet of raising. Since the operator has requested termination of the contract, this may be the final progress report.

At a point 5.0 feet from the top of the No. 2 raise, a discordant diabase contact was exposed (figure 4). The diabase discordantly cut through the fiber horizon, then remained concordant. The apparent strike of this discordancy is N. 70° W. (figure 3).

In order to further explore the deposit, the operator advanced the exploration drift parallel to the strike of the discordant diabase. The left wall of the drift exposed 2 to 3 fiber bands containing minus $\frac{1}{4}$ inch to plus $\frac{1}{2}$ inch total fiber within a 3- to 6-inch serpentine zone. The right wall exposed diabase at the elevation of the fiber horizon.

The ground in the upper level is badly fractured and quite blocky. Some fractures may persist to the surface, which is approximately 35 feet above the floor of the drift. Therefore, it would not be feasible to mine this deposit because of the anticipated high steping cost.

CC W. H. King (Orig. & 6)
DMEA-2975
DF

RWAgeton & WRHardwick:frj

After examination of the February advance, the operator consulted with his foreman-miner and concluded that further exploration was not warranted. DMEA field examiners agree with that conclusion and will recommend that contract I6m-E571 be terminated before completion.

Since 2.0 feet of raising and 65 feet of drifting have been performed in accordance with the terms of the contract, it is recommended that the Government's share of the cost be paid. However, the customary amount should be withheld until the project has been terminated and the operator's final report has been received.

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

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

Box 1724, Globe, Arizona
March 11, 1954

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

Dear Sir:

Following is a narrative report of work accomplished in month of February, 1954.

We had to have 2' of raise more for chute and manway. We started to continue our drift straight north from raise on ore body, but we had gone only 9' when the dyebase cut us off altogether. Then we crosscut to a northwest direction.

We kept on until the engineers checked on the first days of March. Altogether we crosscut 56'. At this point ore body or vein came to an end.

Yours truly,

jvb

BORE TREE SADDLE ASBESTOS CO.,
By John V. Bustamante Jr.
JOHN V. BUSTAMANTE, Jr.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 195 4 Docket No. DMEA Contract No. IC M E571
Operator's Name BORE TREE SADDLE ASBESTOS CO. Minerals Asbestos
Address Box 1724 Globe, Arizona
Contract Amount, $ 10,805.00 Government Participation: 90 % Amount, $ 9,724.50

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
Bulldozing & Benching		$1,400.00	$1,400.00			
Crosscutting						
Drifting		3,396.25	3,396.25			
Access road		1,155.00	1,155.00			
~~(2) Labor and Supervision~~:						
~~Labor~~ Raising	247.50	137.50	384.80 385.00	247.50	137.50	385.00
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	247.~~30~~ 50	6,088.75	6,336.05 25	247.50	6,088.75	6,336.25

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

Date 2-17-54 *Payee BORE TREE SADDLE ASBESTOS CO.

Per John V. Bastanchury Jr. Title partner

*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:

$222.75

Signature [illegible]
(Authorized Certifying Officer)

Date 2/26/54 Vou. No. DMA 54-83

(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-E571 in accordance with the terms of the contract.

Signature Robert H. Agnew WHF Title Mining Engineer Date 2/19/54

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

Signature W. S. Kung Title Executive Officer Date FEB 23 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 8 - 1954

Month of January 195 4 Docket No. DMEA 2975 Contract No. DM E 571
Operator's Name BORE TREE SADDLE ASBESTOS CO. Minerals Asbestos
Address Box 1724, 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.			$3,396.25	123½	27.50	250	$27.50
Crosscutting								
Raising	Ft.	247.30	18 Ft.	385.00 ~~364.80~~	28 ft.	1375 Ft.	100	13.75
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping & Benching	Job			$1,400.00	Job		Job	$1400.00
Trenching								
Test Pits								
Roads and Trails	Job			$1,155.00	Job		Job	$1155.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$247.30	18 Ft.	$6,336.05				$10,805.00

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 2/17/54 Operator BORE TREE SADDLE ASBESTOS CO.

Per John V. Bustamente Title partner

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

February 23, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2975 (Asbestos), Contract Idm-E571, Bore Tree Saddle Asbestos Company, Gila County, Arizona. Operator's Monthly Progress Report for the period January 1954.

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

Work has been completed as authorized by the contract. 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	February 17, 1954.
Date Received in Field Office	February 19, 1954.
Date Received in Region Office	February 23, 1954.

W. H. King

Enclosures

RDB:cwm

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

February 19, 1954

Memorandum

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

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

Subject : January 1954 Progress Report, Contract Idm-E571, Docket DMEA-2975, Bore Tree Saddle Asbestos Co., 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 2 extra copies of our engineer's report.

As all work is in accordance with the terms of the contract and Amendment No. 1, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2975
DF

WRStorms:frj

February 19, 1954

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, January 1954, Contract Idm-E571, Docket DMEA-2975, Bore Tree Saddle Asbestos Company (Asbestos) Gila County, Ariz.

In accordance with your request, the subject property was visited on February 2, 1954. During the month of January 1954, an 18-foot raise was driven. Total units of work performed to date are 123.5 feet of drifting and 28 feet of raising.

At a point 6 feet from the face of the adit the operator drove an 18-foot raise above the back of the drift exposing the limestone-diabase contact at 15.0 feet and the ore horizon at 16.5 feet. Asbestos fiber is exposed in 5 veinlets in a serpentine zone, 1 to 1.5 feet wide. Total fiber content is minus 1 inch, with the maximum width of fiber being one-fourth inch. As determined from the limited exposure at the top of the raise, the limestone beds strike N. 80° W. and dip 13°-30° SW.

Severe snowstorms hampered exploration during the month of January. More favorable weather is predicted for February and it is anticipated that the operator will be able to advance the upper drift in the ore zone.

Since 18 feet of raising has been performed according to the terms of the contract, it is recommended that the Government's share of the costs be paid.

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

CC W. H. King (Orig. & 6)
DMEA-2975
DF

WRStorms:frj

Globe, Arizona, Box 1724
February 17, 1954

Mr. W. L. Storms
U. S. Bureau of Mines
P.O.Box 4037
University Station
Tucson 5, Arizona

Contract #I L M 5571
Docket #DMEA 2791

Dear Sir:

Following is a narrative report on work done in month of January, 1954.

As we had already gone 123½' with our drift, we then put up a raise 18' above drift to contact ore vein. We are now continuing a drift above the raise.

Respectfully,

BOPE [illegible] SADDLE ASBESTOS CO.,

By John V. Bustamonte Jr.
JOHN V. BUSTAMONTE, Jr.

Form MF-1[illegible] (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December 1953, 195..... Docket No. DMEA 2975 Contract No. DM-E571

Operator's Name BORE TREE SADDLE ASBESTOS CO. Minerals .....

Address .....

Contract Amount, $..... Government Participation: ....% Amount, $.....

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing & Benching	-	1,400.00	1,400.00			
Crosscutting						
Drifting	1842.50	1,553.75	3,396.25			
Access Road		1,155.00	1,155.00			
(2) Labor and Supervision:						
~~Labor~~ Raising	137.50		137.50			
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):						
			6088.75			
TOTALS	1,980.00	4,108.75	~~6,088.75~~	1,980.00	4,108.75	6,088.75

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

Date 1-8-54 *Payee BORE TREE SADDLE ASBESTOS CO.

Per John H. Buckmaster Title Partner

*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:

$1782.00

Signature .....
(Authorized Certifying Officer)

Date 1/20/54 Vou. No. DMA 54-72

(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-E571 in accordance with the terms of the contract.

Signature Robert H. Ogelsby WRB Title Mining Engineer Date 1/12/54

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

Signature W. H. King Title Executive Officer Date JAN 15 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1953 Docket No. DMEA 2975 Contract No. IDM E571
Operator's Name BORE TREE SADDLE ASBESTOS CO. Minerals
Address

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.	1842.50	67 Ft.	3396.25	123½	27.50	250	27.50
Crosscutting								
Raising	Ft.	137.50	10 Ft.	137.50	10	13.75	100	13.75
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping & Benching	Job			1400.00	Job		Job	1400.00
Trenching								
Test Pits								
Roads and Trails	Job			1155.00	Job		Job	1155.00
								TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS								
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1980.00	77 Ft.	6088.75				$10,805.00

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 1-8-54 Operator BORE TREE SADDLE ASBESTOS CO.

Per [signature] Title Partner

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

January 15, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2975 (Asbestos), Contract Idm-E571, Bore Tree Saddle Asbestos Company, Gila County, Arizona. Operator's Monthly Progress Report for the period December 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 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	January 8, 1954.
Date Received in Field Office	January 12, 1954.
Date Received in Region Office	January 14, 1954.

W. H. King

Enclosures

RDB:cwm

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

January 12, 1954

Memorandum

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

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

Subject : December 1953 Progress Report, Contract Idm-E571, Docket DMEA-2975, Bore Tree Saddle Asbestos Co., Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report;

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

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

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

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2975
DF

WRStorms:frj

January 11, 1954

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

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

Subject: Monthly Progress Report, December 1953, Contract Idm-E571, Docket DMEA-2975, Bare Tree Saddle Asbestos Company (Asbestos), Gila County, Ariz.

In accordance with your request, the subject property was visited on January 6, 1954. Drift advance for the month of December 1953 amounted to 67 feet, and as provided for by an amendment to the contract, the operator drove a 10-foot exploration raise.

Drifting during the month of December continued in diabase for 67 feet. Approximately 80 feet from the portal a raise was driven 10 feet above the back of the adit. At 7.7 feet above the back of the adit the raise cut the limestone-diabase contact. Fiber exposed in the raise was semi-soft, of good tensile strength, and occurred in 3 to 5 bands. The maximum length of fiber exposed was 5/16 inch in length.

At a point 6 feet from the present face of the adit the operator will raise to the fiber horizon, and then drift in the ore zone in the same direction the lower level was advancing. Sufficient ground is over the area at this point to permit the operator to drift in the ore horizon.

Since 67 feet of drifting and 10 feet of raise have been performed according to the terms of the contract, it is recommended that the Government's share of the costs be paid.

Robert W. Ageton

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

CC W. H. King (Orig. & 6)
DMEA-2975
DF

RWAgeton:frj

Box 1724
Globe, Arizona, January 11, 1954

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

Re: Contract No. IDM E571
Docket No. DMEA 2975

Dear Sir:

Following is a narrative report for work being done on Stage No. 2.

In the month of December, 1953, we drifted 67'; all this is still in diabase formation. We then measured 80' from entrance of drift; then we put a raise at 10', we contacted ore body. Now we are putting in a raise 6' from end of drift on a 60° to contact ore body again.

Yours truly,

BORE TREE SADDLE ASBESTOS COMPANY

By John V. Bustamante Jr.

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.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1953 Docket No. DMEA 2975 Contract No. DM-571
Operator's Name Bore Tree Saddle Asbestos Co Minerals Asbestos
Address Box 1724, Globe, Ariz.
Contract Amount, $ 10,805.00 Government Participation: 90 % Amount, $ 9,724.50

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing & Benching		1,400.00	1,400.00			
Crosscutting						
Drifting	1,553.75	—	1,553.75			
Access Road		1155.00	1,155.00		1155.00	1155.00
(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	1,553.75	2,555.00	4,108.75	1553.75	2555.00	4108.75

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

Date 12-5-53 *Payee BORE TREE SADDLE ASBESTOS CO.

Per John V. Bustamante Jr. Title Partner

*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:

$1398.38

Signature RRR
(Authorized Certifying Officer)

Date 12/22/53 Vou. No. DMA-54-68

(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 571 in accordance with the terms of the contract.

Signature John H. Olgeta WHS Title Mining Engineer Date 12/9/53

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

Signature W. H. King Title Executive Officer Date DEC 21 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 November 195 Docket No. DMEA Contract No. [illegible]
Operator's Name Bore Tree Saddle Asbestos Co. Minerals Asbestos
Address Box 1724, 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 Crosscutting	ft.	$1,553.75	56.5	$1,553.75	56.5	$27.50	300	$8,250.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping Benchin	Job			$1,400.00	Job		Job	$1,400.00
Trenching								
Test Pits								
Roads and Trails	Job			$1,155.00	Job		Job	$1,155.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$1,553.75	56.5	$4,108.75				$10,505.00

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 12-5-53 Operator BORE TREE SADDLE ASBESTOS CO.

Per John V. Bustamante Title Partner

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

December 21, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2975 (Asbestos), Contract Idm-E571, Bore Tree Saddle Asbestos Company, 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.

Remarks:

Date of Report	December 5, 1953.
Date Received in Field Office	December 7, 1953.
Date Received in Region Office	December 14, 1953.

Held up in Region Office from December 14 to December 21 pending clarification as to whether drifting work was in process.

W. H. King
W. H. King

Enclosures

RDB:cwm

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

MINING DIVISION
REGION IV

December 9,1953

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-E571, Docket DMEA-2975, Bore Tree Saddle Asbestos Co. (Asbestos), Gila County, Ariz.

Enclosed in quintuplicate are the following:

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

(2) Operator's narrative report;

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

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

It should be noted that no progress report was submitted by the operator for the month of October. R. W. Ageton of the Bureau of Mines contacted the company's representative, John V. Bustamante, Jr., in Globe early in November and was told that no work had been done in October because the company was unable to obtain miners. The company had been notified on October 13 that it could proceed with Stage II of the contract.

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-2975
DF

WRStorms:frj

MINING DIVISION
REGION IV

December 9, 1953

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

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

Subject : Monthly Progress Report, November 1953, Contract Idm-X571, Docket DMEA-2975, Bore Tree Saddle Asbestos Company (Asbestos), Gila County, Ariz.

In accordance with your request the subject property was visited on December 1, 1953, the writer accompanying A. F. Shride, geologist, Geological Survey. Drift advance for the month of November amounted to 56½ feet.

Exploration drifting indicates that the limestone beds west of the main fault strike northwesterly and dip 12° to 13° southwest. The limestone-diabase contact (3 feet above the floor of the drift at the portal) is in the back of the drift at the present face. Therefore, it will be necessary to drift below the limestone-diabase contact in order to maintain the desired direction of drifting, and short raises will be required to test the ore horizon. Approximately 1½ inches total fiber within 3 to 5 serpentine bands has been exposed by the current work.

Stage I of the contract was completed on October 8, 1953, and Stage II was authorized by a memorandum dated October 13, 1953. Since the deposit is in a remote area of the Sierra Ancha Range, it was difficult to hire men. Therefore, operations were temporarily suspended until miners could be hired. The 2 men employed work well when isolated from a source of liquor, but according to the operator, several days were required to condition the miners for the job. At no time during this period did the operator have the intention to abandon the project.

Since the 56½ feet of drifting has been performed according to the terms of the contract, it is recommended that the Government's share of the cost be paid.

Robert W. Ageton

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

CC W. M. King (Orig. & 6)
DMEA-2975
DF

RWAgeton:frj

Box 1724
Globe, Arizona
12-5-53

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

Re: Contract No. IDM E571
Docket No. DMEA 2975

Dear Sir:

The following is a narrative report of work that has been done on Stage No.2.

We hired two men to drift into claim at point which Mr.A.F.Shride and Mr.R.W.Ageton of the Geological Survey authorized.

We went in following ore vein leaving ore above, or overhead. We drifted about 20', then the ore vein dipped 12° to 13°. We kept on drifting until the end of November, 1953. We finished with 56½'.

We are still drifting in but I talked with Mr. Shride and Mr. Ageton and they recommend that I ask for an amendment on our contract, to stope up to our ore vein and check our ore body above at points favorable to engineers, or as to now at 75' from beginning of drift.

This, of course, would come under same footage in original contract.

Please take urgent consideration on the stoping process.

Also, we have abided by all laws covering contract.

Respectfully,

BORK TREE SADDLE ASBESTOS CO.,
By John V. Buskamonte Jr

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 Aug.-Sept., 1953 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: ____% Amount, $[illegible]

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	1,400.00		1,400.00			
Crosscutting						
Drifting						
Access road	1,155.00		1,155.00			
(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	2,555.00		2,555.00	2,555.00		2,555.00

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

Date 10/9/53 *Payee [illegible]

Per John V. Bustaman Title [illegible]

*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:

$2299.50

Signature [illegible]
(Authorized Certifying Officer)

Date 10/20/53 Vou. No. [illegible]

(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-E571 in accordance with the terms of the contract.

Signature Robert H. Ogden WHK Title Mining Engineer Date 10/13/53

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

Signature John F. Fahey 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

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Aug.-Sept. 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

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 [illegible]		None					300	$27.50
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping [illegible]	[illegible]	[illegible]		-	-	-	[illegible]	[illegible]
Trenching								
Test Pits								
Roads and Trails	[illegible]	[illegible]	[illegible]	-	-	-	[illegible]	[illegible]
								TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS								
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		[illegible]	[illegible]					[illegible]

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 [illegible] Operator [illegible] CO.

Per John V. Bustamante Jr. Title [illegible]

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 2975, Contract Idm-E571 (Asbestos), Bore Tree Saddle Asbestos Co., Gila County, Arizona-Operator's Monthly Progress Report, for the period August-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 9, 1953
Date Received in Field Office	October 12, 1953
Date Received in Region Office	October 15, 1953.

Work under Stage I of the contract has been completed and Stage II work will be authorized in writing as per contract.

John F. Shaw
For W. H. King

Enclosures

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

MINING DIVISION
REGION IV

October 13, 1953

Memorandum

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

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

Subject : August-September Progress Report, Contract Idm-4571, Docket DMEA-2975, Bore Tree Saddle Asbestos Co., 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.

Work of building the access road under Stage I of the contract started on August 30. Stage I was completed in September after the road had been finished and the outcrop stripped. A. F. Shride of the Geological Survey and R. W. Ageton of the Bureau of Mines now recommend work under Stage II.

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. R. King (Orig. & 6)
DMEA-2975
DF

WRStorms:frj

MINING DIVISION
REGION IV

October 13, 1953

Memorandum

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

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

Subject : August-September 1953 Progress report. Contract Idm-E571, Docket DMEA-2975, Bore Tree Saddle Asbestos Company (Asbestos), Gila County, Arizona.

In accordance with your request the subject property was visited on October 8, 1953, the writer accompanying A. F. Shride, Geologist, U. S. Geological Survey. Stage I authorized by the contract has been satisfactorily completed.

A. F. Shride and the writer agree that drifting into the deposit is justified. However, the terms of the contract require the DMEA representatives to give written approval to the operator before work may start under Stage II, and this has not been done. The operator was told by Shride that approval probably would come from the Regional Office in Denver, Colorado.

The bench cut exposes weathered fiber in a 15-inch serpentine band about 2 feet above the diabase (figure 4). The total fiber content is approximately 2 inches with some No. 2 grade fiber. If drifting exposes No. 1 and No. 2 grade fiber of marketable quality, then crosscutting may be justified.

Since the work has been performed according to the terms of the contract, it is recommended that the Government's share of the cost be paid.

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

cc W. H. King (Orig. & 6)
DMEA-2975
DF

RWAgeton:frj

P.O. Box 1724
Globe, Arizona, 10/9/53

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

Re: Contract No. Idm-E571
Docket No. DMEA-2975

Dear Sir:

The following is the narrative of the work done under above captioned contract:

We have completed road described in contract, from Globe-Young Highway to exploration area on Claim No. 1.

We stripped approximately 375', or more, as described in contract and uncovered a vein of ore from 18" to 22" in width and about 125' long, running from east to west, from discovery point.

Respectfully submitted,

BORE TREE SADDLE ASBESTOS COMPANY

By/s/ John V. Bustamante Jr.

I certify that this a true copy of the original.

Walter R. Storms

Walter R. Storms

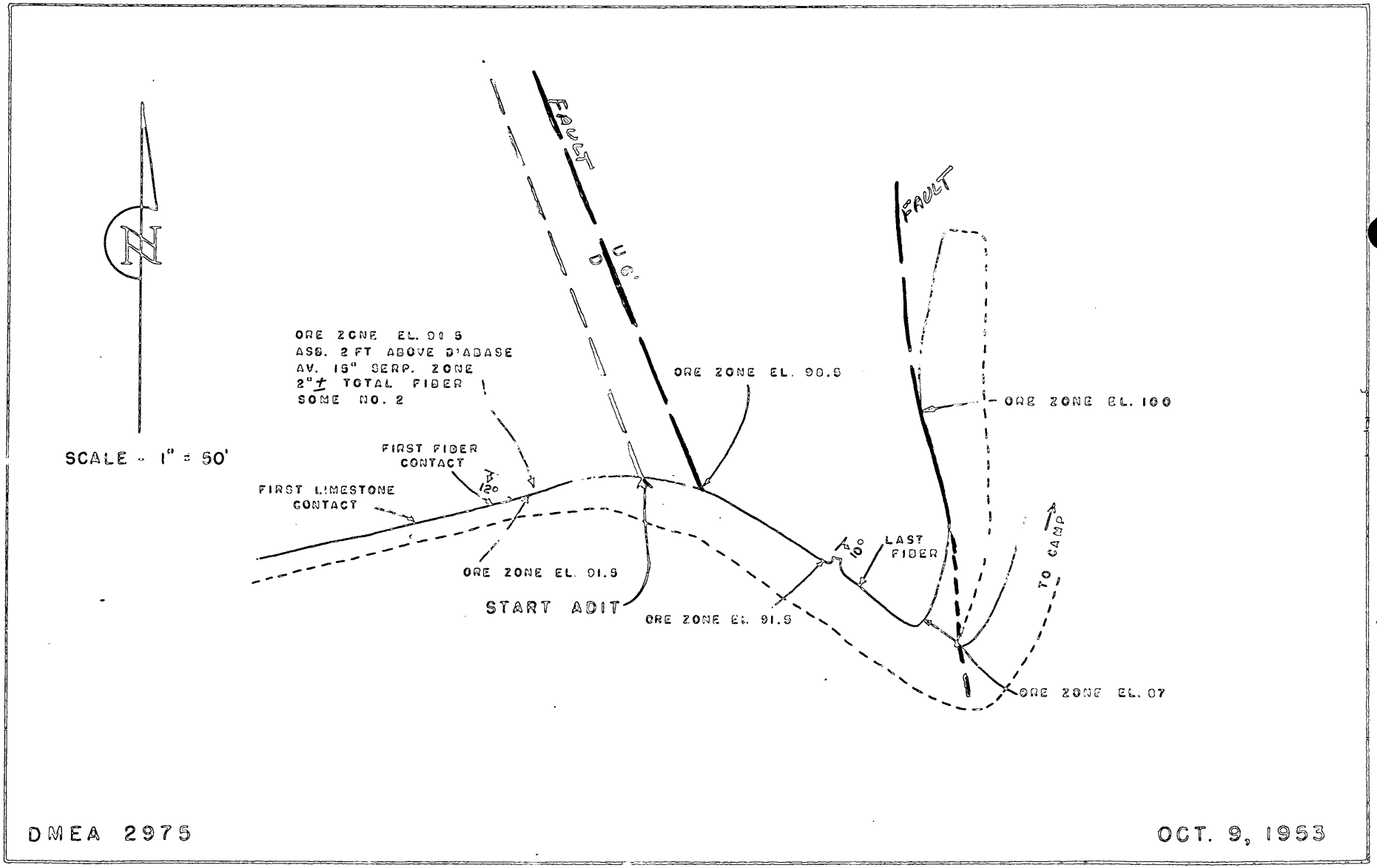


FIGURE 4 SKETCH MAP OF BORE TREE SADDLE ASBESTOS CO. DEPOSIT
GILA COUNTY, ARIZONA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

OCT 6 1954

Bore Tree Saddle Asbestos Co.
Box 1724
Globe, Arizona

Re: Docket No. DMEA-2975 - Asbestos
Extension Asbestos Claims
Gila County, Arizona
Contract No. Idm-2571

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 audit of the Contract Administration and Audit Division shows:

Total claimed for units of work performed	$8,151.25
Total Government contribution at 90 percent	$7,336.12

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 for royalty on any production made after the date of this letter.

The Government thanks you for your interest and participation in the exploration program of the Defense Minerals Exploration Administration.

Sincerely yours,

C. O. Mittendorf

Administrator

LGHouk:gad 9/30/54
Copy to: Admrl R. File
Docket
Mr. Chambers
Mr. Bowles, 3516
Field Team, Region IV
Mr. Kiilsgaard, 5227
Mr. Houk

GOVERNMENT COPY

TERMINATION OF EXPLORATION PROJECT CONTRACT BY AGREEMENT
AFTER COMMENCEMENT BUT BEFORE COMPLETION OF THE WORK

Orbin 6/4/8

It is agreed this 12th day of May, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Bore Tree Saddle Asbestos Company, a partnership consisting of: John V. Bustamante, Jr., Fred Fritz, William Nunez, and Steve Wusich, hereinafter called the "Operator", parties to that certain Exploration Project Contract Idm-E571, Docket No. DMEA 2975, dated July 20, 1953, that the said contract shall be and is hereby terminated as of March 1, 1954.

Any work prosecuted or costs incurred by the Operator after March 1, 1954 shall be for the sole account of the Operator.

The undersigned Operator hereby releases and agrees to save harmless the Government from all claims and demands under or arising out of said Exploration Project Contract, except as herein expressly otherwise provided.

Witness the following signatures as of the day and year first above written.

BORE TREE SADDLE ASBESTOS COMPANY

By John V. Bustamante Jr.
John V. Bustamante, Jr., Partner

By Fred Fritz
Fred Fritz, Partner

By William Nunez
William Nunez, Partner

By Steve Wusich
Steve Wusich, Partner

UNITED STATES OF AMERICA

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

No. 1

AMENDMENT OF CONTRACT: No. Idm-E571

Contract Docket No. DMEA 2975, dated July 20, 1953, between the United States of America and the Bore Tree Saddle Asbestos Company, a partnership consisting of: John V. Bustamante, Jr.
Fred Fritz
William Nunez
Steve Wusich

is hereby amended as follows, effective as of the date of said contract:

Referring to EXHIBIT "A" attached to Exploration Project Contract Form MF-200(A) (February 1952), caption "Description of the Work", subheading "Stage II" following the words "/or crosscutting", add "or raising"; further referring to said EXHIBIT "A", caption "Estimated Costs of the Project", subheading "Stage II", delete the following:
"300 feet of drifting and/or crosscutting at
$27.50 per foot.....$8,250.00"
and in lieu thereof substitute the following:
"250 feet of drifting and/or crosscutting at
$27.50 per foot.....$6,875.00
100 feet of raising at $13.75 per foot.....$1,375.00"

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

Dated JAN 11 1954

BORE TREE SADDLE ASBESTOS COMPANY

By John V. Bustamante Jr.
John V. Bustamante, Partner

By Fred Fritz
Fred Fritz, Partner

By William Nunez
William Nunez, Partner

By Steve Wusich
Steve Wusich, Partner

UNITED STATES OF AMERICA

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

MINING DIVISION
REGION IV

December 15, 1963

Memorandum

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

From : Chief, Mining Methods Branch, Mining Division, Region IV, Tucson, Ariz.

Subject : Proposed Amendment, Contract Idm-E571, Docket DMEA-2975, Bore Tree Saddle Asbestos Co., Gila County, Ariz.

Enclosed are the following:

(1) Original and four copies (lacks one copy) of a request for an amendment to Contract Idm-E571 from the Bore Tree Saddle Asbestos Co. to allow for raising;
(2) Original and five copies of the Bureau of Mines engineer's recommendations.

This prospect raising is needed to test the ore zone above the back of the present drift, and is recommended by A.F. Shride of the Geological Survey and R.W. Ageton of the Bureau of Mines. I concur with their recommendations.

Walter R. Storms

Walter R. Storms

cc: WHKing (5)
AFShride

MINING DIVISION
REGION IV

December 15, 1953

Memorandum

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

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

Subject : Proposed Amendment to the contract, Contract Idm-E571, Docket DMEA-2975, Bore Tree Saddle Asbestos Company, (Asbestos), Gila County, Ariz.

Since additional drifting may be warranted in the direction originally planned, a small amount of prospect raising will be required to test the ore horizon above the back of the drift. The examiners believe that an equitable cost for raising to test the ore horizon would be $13.75, or one-half the contracted drifting rate. The amount of raising required would not exceed 100 feet. If an amendment could provide for raising and permit the application of the footage not used to be applied for drifting, the examiners believe that such an amendment would facilitate exploration of the deposit as it is now interpreted.

It is recommended that an amendment be considered which would allow a total of 100 feet of prospect raising at a unit cost of $13.75, and provide that excess footage could be applied to drifting and/or crosscutting at the contracted unit cost of $27.50. The amendment would not increase the contracted cost of the project; it would merely apply a portion of the contracted funds to raising.

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

cc: WHKing
AFBaride

Box 1724 Globe, Arizona, 12-14-53

Mr. W. H. Storms
U.S.Bureau of Mines
P.O.Box 4097
Tucson 5, Arizona

Re: Contract No.IDME 571
Docket No.DMEA 2975

Dear Sir:

We would like to apply for an amendment to our contract to use some of our drifting footage for putting a raise, or raises, at fifty (50') foot intervals.

Of course we would like to have about 100' of raises all told but in case we don't use this amount of footage, we would like to use the balance of said footage for our drifting as called for by the contract.

This amendment is required because our ore vein dips from 12° to 13°, and raising is necessary.

The U.S.Bureau of Mines Engineers from Tucson have agreed; also they have checked our mining operations.

The cost of this raising, as near as I can estimate on a total basis, will frun from $13.75 per foot to $15.00 per foot.

I would very much appreciate it if you can take prompt action on this amendment.

Respectfully yours,

BORE TREE SADDLE ASBESTOS COMPANY

By John V. Bustamante Jr.
JOHN V. BUSTAMENTE, JR.

U. S. BUREAU OF MINES
MINING DIVISION
DEC 15 1953
TUCSON, ARIZONA

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

December 23, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: Amendment request of 12/14/53, DMEA Docket 2975, Contract Idm-E571, Bore Tree Saddle Mining Company (asbestos), Gila County, Arizona

Enclosed are 9 copies of a memorandum report by A. F. Shride of the U. S. Geological Survey covering a request for amendment of the above docket.

E. M. Hauchmann
for A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (9)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 4126, University Station
Tucson 5, Arizona

December 17, 1953

Memorandum

To: A. H. Koschmann A.H.K. by E.M.H.

From: A. F. Shride

Subject: Amendment request of 12-14-53, Contract Idm-E571 (DMEA-2975), Bore Tree Saddle Mining Company (Asbestos), Gila County, Arizona.

The limestone beds of this asbestos occurrence dip more steeply to the south than was anticipated from adjacent outcrops. Therefore the exploration adit, which bears N. 21° W. and was started on the asbestos horizon, passes beneath the horizon. The adit would not effectively explore the horizon if turned to parallel the strike of the fiber zone; therefore the requested raising is the only logical way of testing the horizon.

If presently known attitudes persist the asbestos horizon can be expected to rise 20 feet vertically per hundred feet of adit length. Raises should be driven approximately every 50 feet. An additional raise or two may be necessary if the asbestos content of the zone varies erratically. Assuming an adit length of 175 feet approximately 75 feet of raising would be required under the proposed amendment.

It is recommended that a maximum of 100 feet of raising be allowed. The cost of this raising is to be deducted from the amount originally allowed for drifting. If extra raises are not needed the cost of such raises would be applied to drifting. If the asbestos deposit persists as far as is hoped, raising at the expense of drifting could cut the drifting that might be needed down to a point approaching ineffectiveness. Therefore raising must be kept to the minimum necessary.

At some future time it may be necessary to consider an amendment to add funds for drifting, if this project is to be adequately carried to completion. This possibility should not deter favorable consideration of the present request. If the requested amendment is not granted, the adit now being driven will no longer be effective exploration.

I should emphasize that the future plan of exploration cannot be entirely predicted and further modifications may be required.

A. F. Shride

A. F. Shride
Geologist

AFShride:mvt
Copies to Koschmann (5)
Storms
Shride

Docket No. [illegible] - 2075

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 571

Date of Contract ~~or Amendment~~: July 27, 1953

Name and Address of Operator:
Pore Free Saddle Asbestos Co.,
Box 1724, Globe, Arizona

Amount of Government participation _____ $ 9,724.50

Percent of Government participation 90 %

Region: IV State: Arizona

Note: Plea e release $ 2,333.38; Advise Contract Administration and Audit Division

E. R. Talbert
(Name)
for L. Cambors
Chief, Contract Administration and Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington. 7/2/54

54458

Docket No. DMEA 2075

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 571

Date of Contract ~~or Amendment~~: July 20, 1953

Name and Address of Operator:
Bore Tree Saddle Asbestos Co. (partnership)
John V. Dustamante, Jr., Fred Fritz, Wm. Nunez, Steve Musich,
Box 1724, Globe, Arizona

Amount of Government participation $ 9,724.50

Percent of Government participation 90 %

Region: IV State: Arizona

(Name)

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

(Title)

Date Delivered to Bureau of Mines, Washington. July 21, 1953 13908

MF-200 (A)
(February 1952)

DOCKET NO. EA 2975

COMMODITY Asbestos

Idm-E571

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 24 1953

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 20th day of July, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Bore Tree Saddle Asbestos Co., a partnership consisting of:
John V. Bustamante, Jr.)
Fred Fritz) Box 1724
William Nunez) Globe, Arizona
Steve Wusich)
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 claims, the Extension No. 1 and Extension No. 2, recorded in the County Recorder's Office in Globe, Arizona, in Book of Mines 49, Pages 160 and 161.

the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:

None

(*b*) ~~That the Operator is a lessee, in possession and entitled to possession, and 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 60 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 one year 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 ninety (90) 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 $9,724.50, which is ninety (90) percent of $10,805.00, 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.

John V. Gustamente Jr.
Fred Fritz
_____ (Operator)
William Nunez
By Alex Shuse

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

EXHIBIT A

Description of the Work

The proposed work is divided into two stages.

STAGE I

The proposed work consists of the following:

1. Construction of an access road from the Globe-Young Highway at the Board Tree Saddle loading corral to the Extension No. 1 claim as shown on Figure 2, which is attached and made a part of Exhibit A.

2. Stripping and benching so as to expose the mineralized zone approximately 15 feet below the base of the Algal member of the Mescal formation for a distance of approximately 375 feet. This work is to be done with a bulldozer, and supplemented by jackhammer drilling and blasting where necessary to completely expose the mineralized zone. The location of this work is shown in Figure 3 which is attached and made a part of Exhibit A.

3. If in the opinion of the DMEA representative the results of Stage I indicate that additional work is warranted Stage II will be authorized.

STAGE II

With prior written approval of the DMEA representatives 300 feet of drifting and/or crosscutting will be done at locations acceptable to the DMEA representatives.

Estimated Costs of the Project

STAGE I

1/ Access road construction, including bulldozing, drilling, blasting, and any and all other costs incurred in completing the access road from Board Tree Saddle corral to Extension No. 1 claim -	$1,155.00
1/ Stripping and benching the mineralized zone approximately 375 feet -	1,400.00
Total Stage I	$2,555.00
Government's participation at 90%	$2,299.50

STAGE II

300 feet of drifting and/or crosscutting at $27.50 per foot -	$8,250.00
Total Stage II	$8,250.00
Government's participation at 90%	$7,425.00
Total Cost Stage I and Stage II	$10,805.00
Government's participation, Stage I and Stage II at 90%	$ 9,724.50

1/ The entire work constitutes the unit of work.

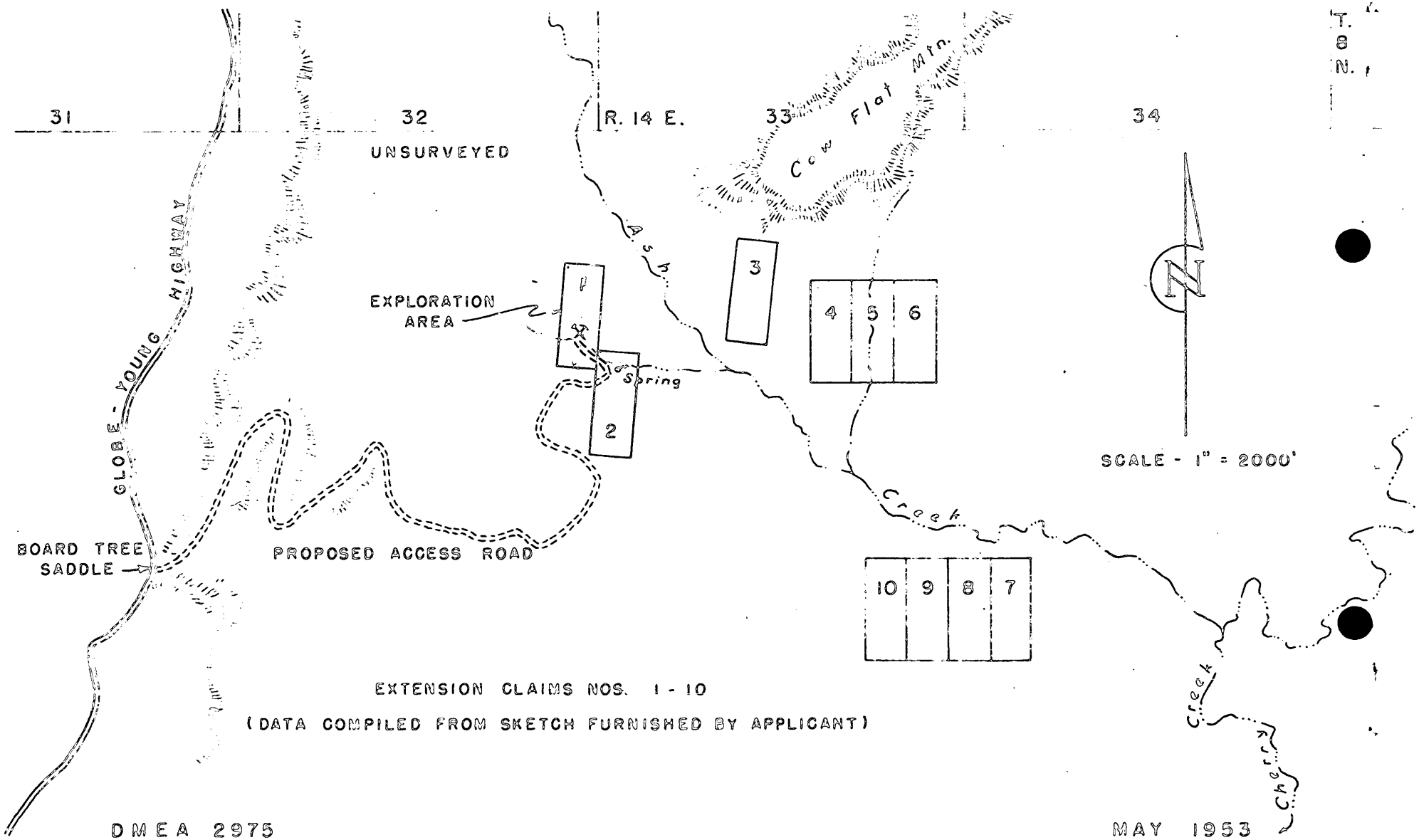
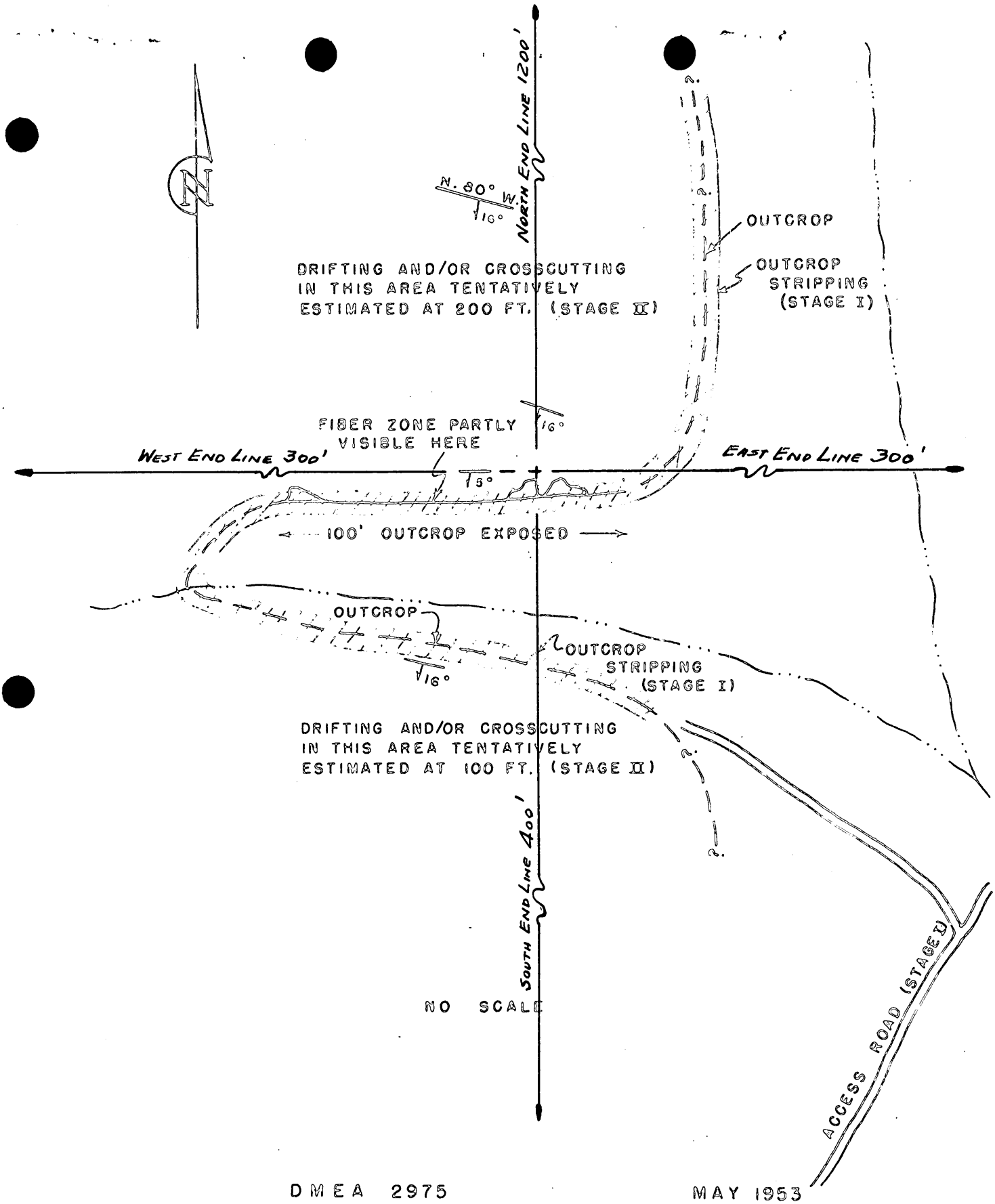


FIGURE 2. - SKETCH MAP OF BORE TREE SADDLE ASBESTOS CO. CLAIMS

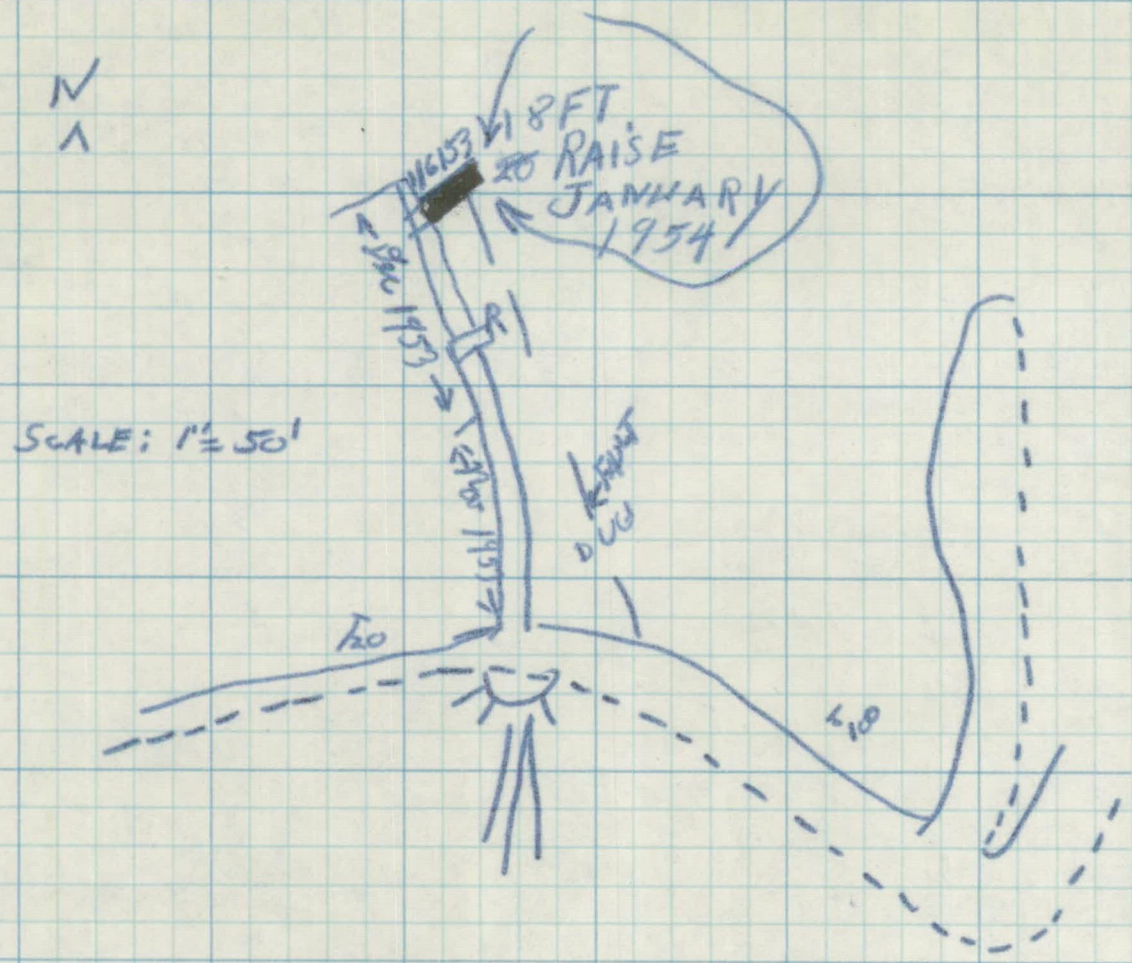
GILA COUNTY, ARIZONA



DMEA 2975 MAY 1953

FIGURE 3.- SKETCH MAP OF PROPOSED WORK ON EXTENSION NO. I CLAIM

BORE TREE SADDLE ASBESTOS CO. GILA COUNTY, ARIZONA



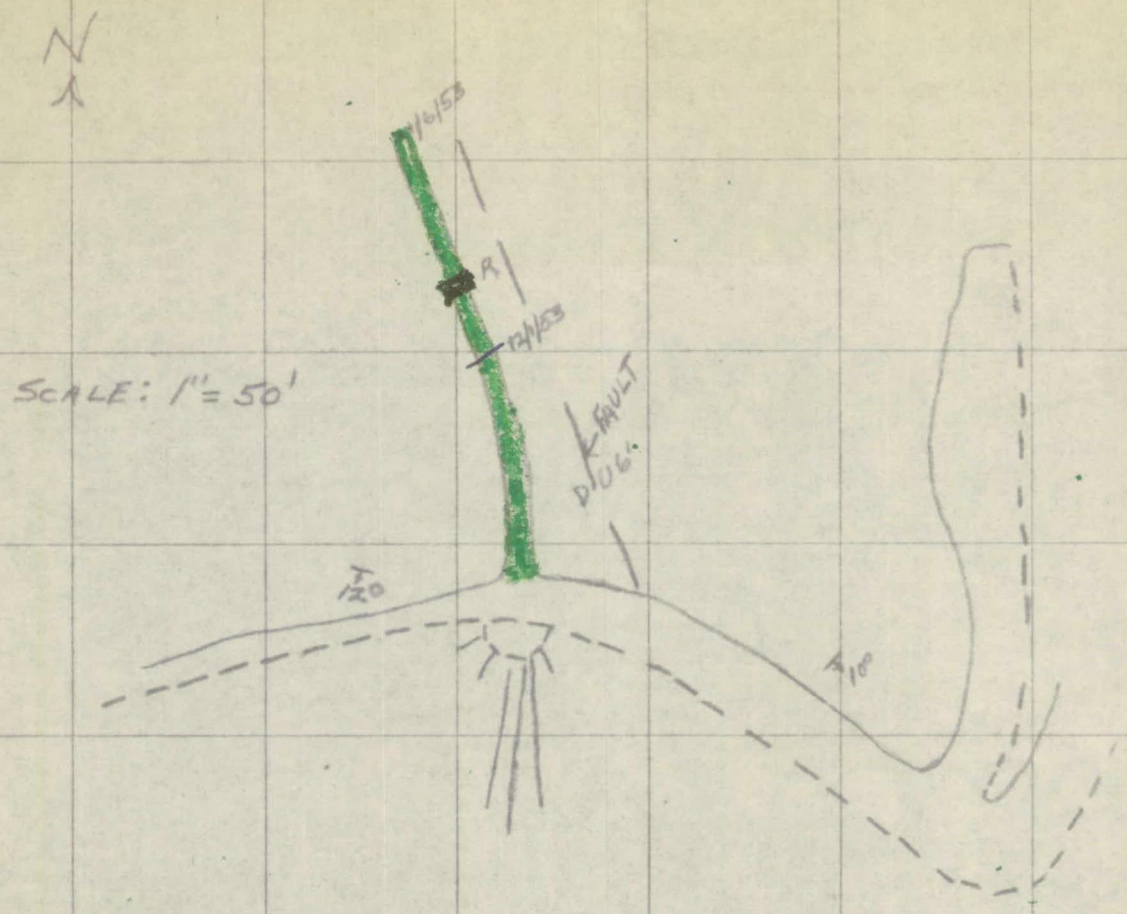
EXPLORATION DRIFTING

EXPLORATION RAISING

JAN. 1954

DMEA 2975

SKETCH MAP OF BURE TREE SADDLE ASBESTOS CO. DEPOSIT
GILA COUNTY, ARIZ.



EXPLORATION DRIFTING

EXPLORATION RAISING

DEC. 1953

DMEA 2975

SKETCH MAP OF BORE TREE SADDLE ASBESTOS CO. DEPOSIT
GILA COUNTY, ARIZ.

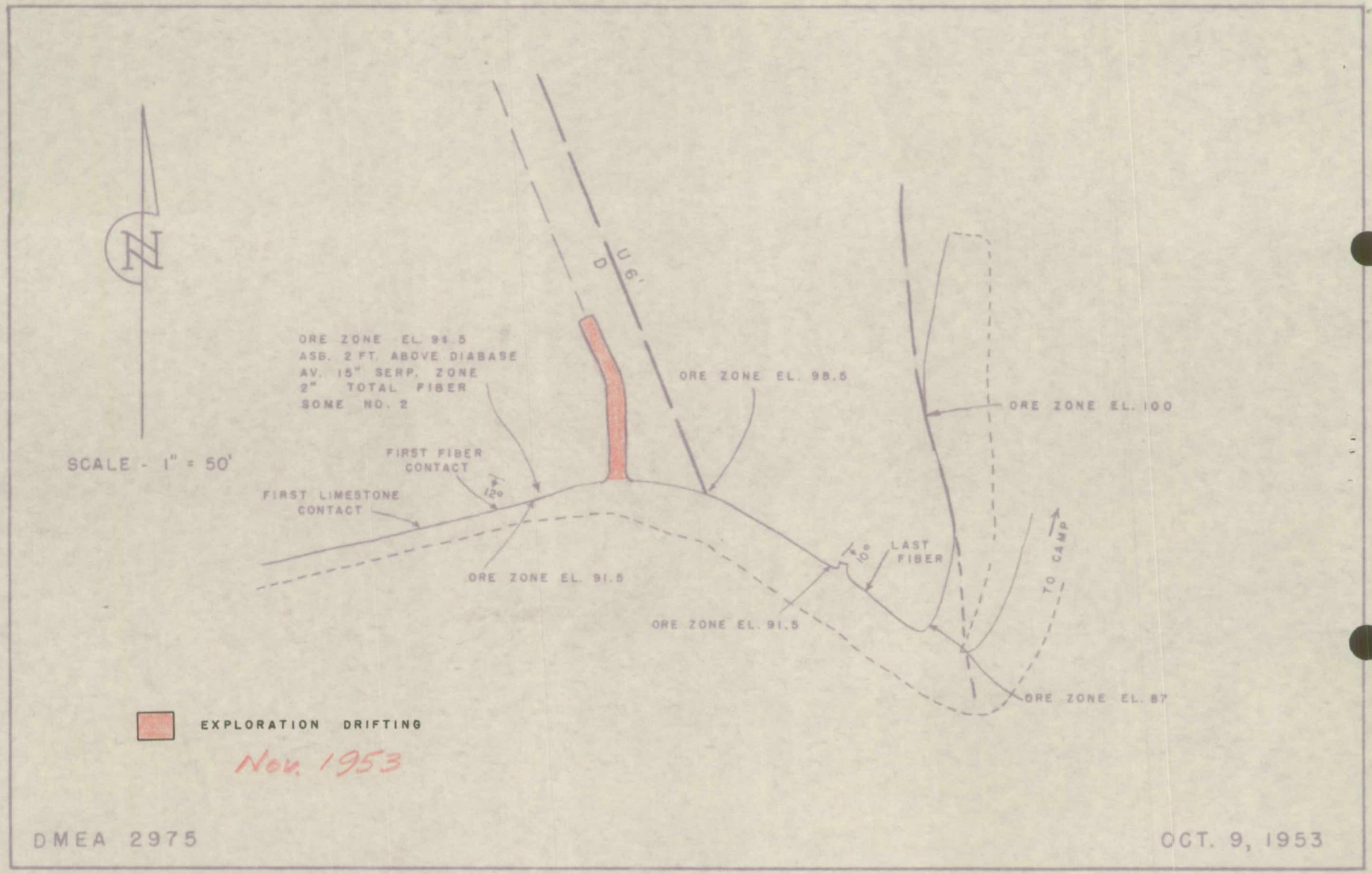


FIGURE 4 SKETCH MAP OF BORE TREE SADDLE ASBESTOS CO. DEPOSIT
GILA COUNTY, ARIZONA

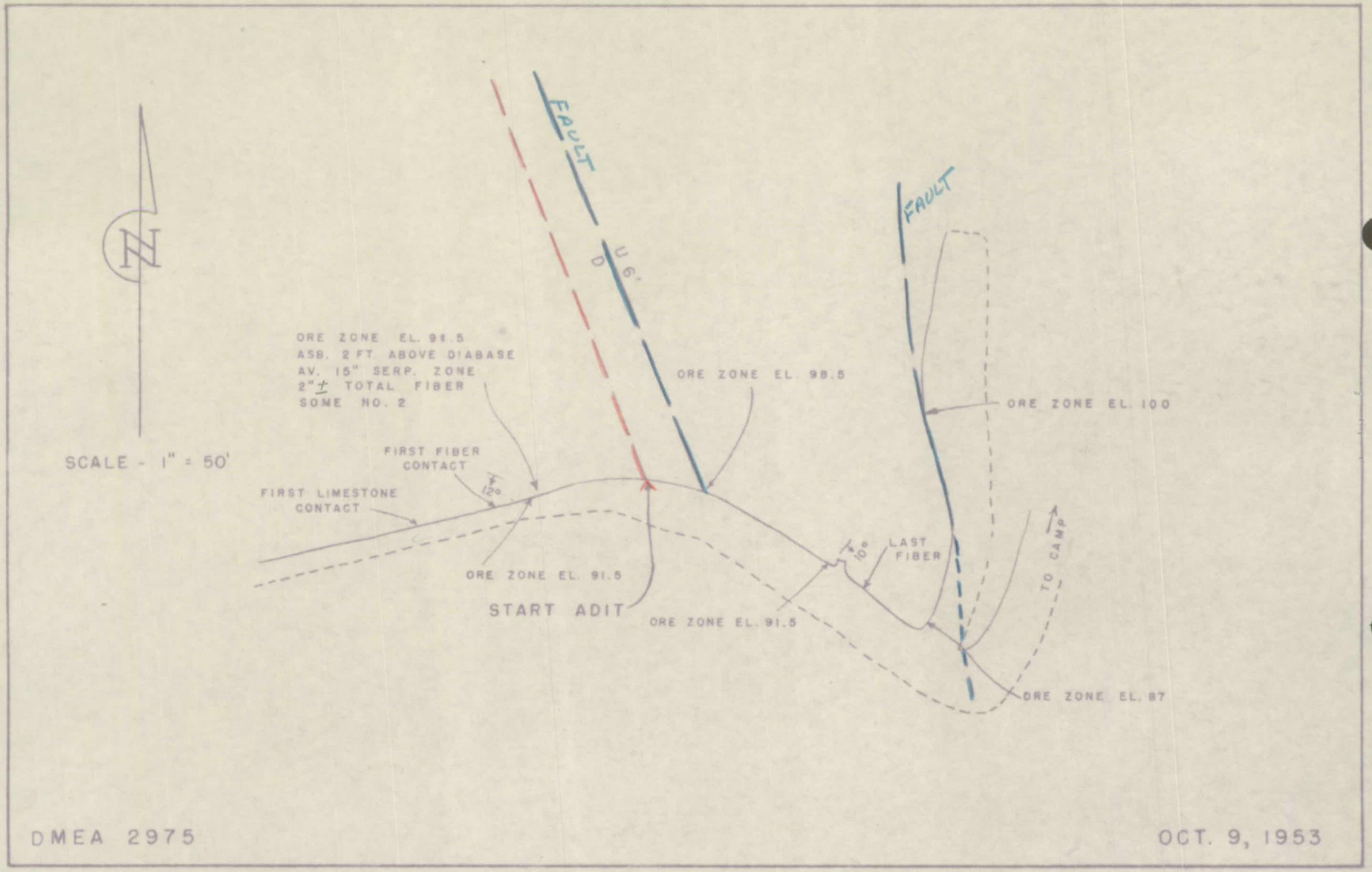


FIGURE 4 SKETCH MAP OF BORE TREE SADDLE ASBESTOS CO. DEPOSIT
GILA COUNTY, ARIZONA