MF-200
(June 1951)
(Revised Feb. 1952)

withdrawn

DOCKET NO. DMEA 2624

COMMODITY Manganese

Idm-E382
Government's Copy
Defense Minerals Administration
RECEIVED
FEB 2 1953

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

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this 4th day of August, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Chester W. Hymer
P.O. Box 666
Quincy, California

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 California, County of Plumas, described as follows: [3] The Mt. Hough (Crystal Lake) Manganese Mine which is comprised of the Mt. Hough and Mt. Hough No. 1 unpatented claims which are recorded as indicated in Annex I. The mine is in Section 8, T. 25 N., R. 10 E., M.D.M., approximately 13.0 miles by car northerly from Quincy, California.

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:~~

~~(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lease 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 thirty (30) days from the date of this contract shall commence work on a project of exploration for [5] manganese

in or upon the described land; and shall bring the project to completion within a period of six (6) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[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*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

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

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

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 75 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $3,900.00, which is 75 percent of $5,200.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

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

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

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

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

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

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

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

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* The Operator's obligation to bring the project to completion continues only so long as the accumulated allowable costs of the project in which the Government will participate do not exceed the agreed total estimated cost of the project set forth in Article 8.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Chester W. Hymer
(Operator)

By [signature]

Wife

By [signature]
Acting Administrator
Defense Minerals Exploration Administration

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.

Registered Professional Engineer (Mining)
CERTIFICATE EXPIRES
CHESTER W. HYMER
DEC. 31, 19....
ARIZONA, U.S.A.

[CORPORATE SEAL]

EXPLORATION PROJECT CONTRACT
CHESTER W. HYMER
DOCKET NO. DMEA-2624

EXHIBIT "A"

Description of the Work

Time Schedule: 0 - 3 months

1. The first work on this project shall consist of rehabilitation of the portal and several sections of the lower adit necessary for the performance of the exploration project.

2. Extend the lower adit southeasterly from the present face 200 feet along the vein as shown on the attached map, entitled "Mount Hough Manganese, Plumas County - Calif."

Estimated Costs of the Project
(*Indicates allowable maximum)

(1) Independent Contracts

None

(2) Labor, Supervision, Consultants

2 Miners @ $15.00/day, 65 days	$1,950.00	
1 Supervisor @ $20.00/day, 50 days	1,000.00	$2,950.00*

Note: The maximum allowable charge for labor and supplies for rehabilitation of portal and several sections of the lower adit shall be $525.00*. The supervisor is to direct the operations and be responsible for the cutting of representative samples, where warranted, of the mineralization and the subsequent handling thereof. In addition, he is to keep the few necessary accounts and handle such odd jobs as the blacksmithing, timber framing and timbering, operating the surface plant, driving truck, cooking, etc., the chores connected with owner-management of prospects.

(3) Operating Materials and Supplies

Pipe and pipe fittings	$ 200.00	
1,500 board feet of mine timber @ $90.00/M	135.00	
Powder, caps, fuse, gasoline, oil, etc.	1,093.99	$1,428.99

Note: See (2).

(4) Operating Equipment

To be rented

1 - 210 cfm portable compressor with accessories including hoses, drills, bar, cradle, etc. @ $6.00/day, 50 days		$ 300.00

To be purchased

None

To be furnished by the Operator

1 - Mine car. Value estimated at $240.00, depreciation at $4.00/mo., 3 months	$12.00*	
1 - 2-ton Ford truck. Value estimated at $1,000, depreciation @ $16.67/mo.,3 months	50.01*	
1 - Lot miscellaneous tools, etc. Value estimated at $180.00, depreciation @ $3.00/mo., 3 months	9.00*	$ 71.01*

(5) Rehabilitation and Repairs

None

(6) New Buildings, Improvements, Installations

None

(7) Miscellaneous

Workmen's compensation and Employer's liability insurance, Payroll Taxes, etc.	$350.00	
Assays	100.00	$ 450.00

(8) Contingencies

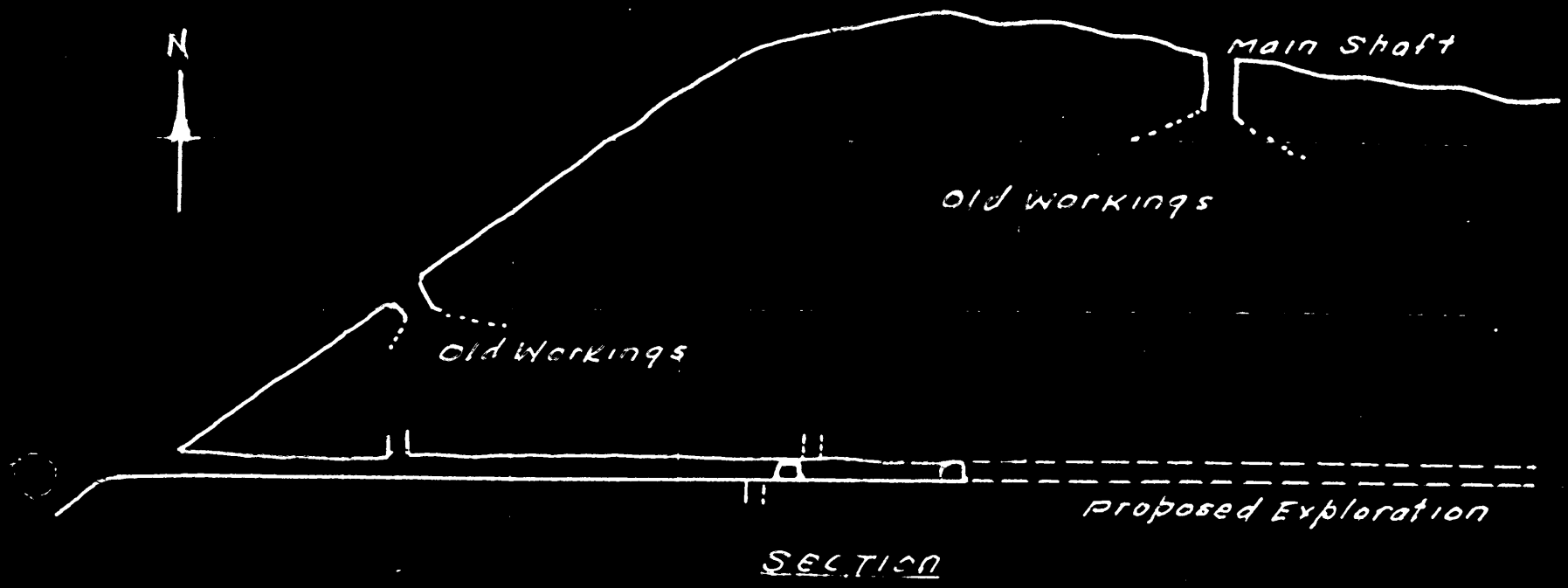
None

Total Estimated Cost of the Project	$5,200.00*
Government Participation @ 75%	$3,900.00*

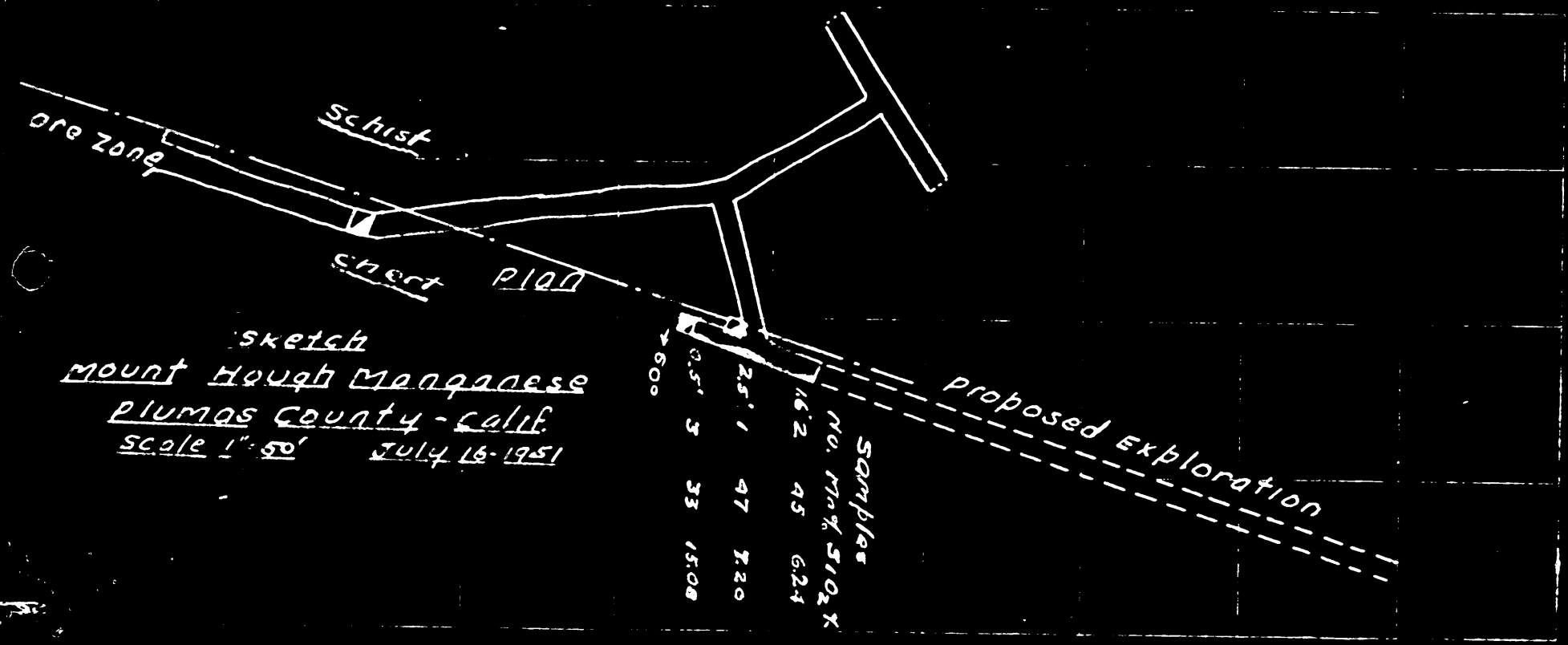
ANNEX I

Mt. Hough and Mt. Hough No. 1 (Mt. Hough Manganese Mine) unpatented claims recorded in Plumas County, California, Records in Book 23, Page 43.

1327X



SECTION



Sketch
Mount Hough Manganese
Plumas County - Calif.
Scale 1" = 50' July 16-1951

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMEA ~~DMA~~ Docket No. 2624

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

EXPLORATION PROJECT

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip

To:	Code 400, Rm. 3538	Date	7-23-52
To:	Op Com	Date	7-30-52
To:	Op Com	Date	10/17/52
To:	Open Comm.	Date	11-24-52
To:	Open Com	Date	12-10-52
To:	Open Com	Date	3-4-53
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
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To:		Date	

DO NOT DETACH

CONTROLLED DOCUMENT

2624

Office of
Executive Officer
DMEA Field Team
Region III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 16 1953

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

March 11, 1953

Mr. Chester W. Hymer
Box 486
Kingman, Arizona

Re: Docket DMEA-2624 (Manganese)
Chester W. Hymer
The Mt. Hough Manganese Mine
Plumas County, Calif.

Dear Mr. Hymer:

The matter of reissuing your exploration contract effective June 1 was referred to the Washington office of the Defense Minerals Exploration Administration, as stated in my letter to you dated February 19. I have now been advised to inform you that the present application, Docket DMEA-2624, has been transferred to the inactive files and closed.

I was also asked to advise you that when you have satisfactorily settled the ownership question a new application will receive prompt consideration from Defense Minerals Exploration Administration if accompanied by proper supporting documents of ownership, or Owner's Consent to Lien.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to: DMEA, Washington, D. C.
E. H. Bailey, USGS

400

FILE COPY
SURNAME:

Rutledge
Martin
Selfridge

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

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

MAR 4 1953

Re: Docket No. DMEA 2624 - Manganese
Chester W. Hymer
Mt. Hough Manganese Mine
Plumas County, California

Dear Mr. Miller:

J.C. 3/4/53

Reference is made to the subject docket and your letter of February 19, 1953, returning the unexecuted contract. Please advise Mr. Hymer that his present application, Docket No. DMEA 2624, has been transferred to the inactive files and closed.

Mr. Hymer also should be advised that when he has satisfactorily settled the ownership question, a new application will receive prompt consideration from Defense Minerals Exploration Administration if accompanied by proper supporting documents of ownership, or Owner's Consent to Lien.

Sincerely yours,

George C. Selfridge (2NB)
Chairman, Operating Committee

Approved:

J. H. Hedges (2NB)
Member, Bureau of Mines

D. M. Lemmon (2NB)
Member, Geological Survey

cc: Docket
Field Team, Region 3
Code 400
Admn. Read. File
Operating Committee
N. B. Melcher, USBM
M. D. Crittenden, USGS

FAhutledge/hhb
3/2/53

FILE COPY
SURNAME:

Rutledge
Martin

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

Chief, Oper. Control & Statistics Div., DMEA

March 2, 1953

Iron and Ferro-Alloys Division, DMEA

Removal of application from the active file
Docket No. DMEA 2624 - Manganese
Chester W. Hymer
Mt. Hough Manganese Mine
Plumas County, California

J.C. 3/4/53

The Executive Officer of Region III was advised by letter dated November 25, 1952, that the unexecuted contract for the subject application should be returned to Washington. When the unexecuted contract was not received by December 12, 1952, and the Field Team asked for additional instructions, the Executive Officer was advised that the unexecuted contract should be obtained from the applicant and returned to Washington.

Since the unexecuted contract had not been received by February 4, 1953, a follow-up letter was sent to the Executive Officer requesting priority in this matter.

The unexecuted contract has now been received and the docket is being closed and transferred to the inactive files.

W. S. Martin, Acting Chief
Iron and Ferro-Alloys Division

FARutledge/ls
3/2/53

CC: Docket
Admn. Read. File
Code 400

Docket

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

February 19, 1953

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2624 (Manganese), Chester W. Hymer, The Mt. Hough Manganese Mine, Plumas County, California

Reference is made to your subject letter, dated February 4, requesting us to give priority to getting Mr. Chester W. Hymer to return his un-executed contract.

We have now received the contract after numerous attempts to have it returned to us and are attaching herewith the six copies of the contract dated August 4, 1952.

Four copies of a letter, dated February 13, 1953, from Mr. Hymer to me also are attached. I am answering that letter by telling him that the matter has been referred to you. A copy of my reply will be sent to you.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachments

Copy to: E. H. Bailey, USGS

Copy retained 400

X Docket

C
O
P
Y

C. W. HYMER E. M.
Reg. No. 1814
P. O. Box 666
Quincy, California

Feb. 13, 1953. Box 486,
Kingman, Ariz.

Re: Dckt DMEA-2624 (mm)
Mt Hough Mn Mine
Plumas County, Calif.

Dear Mr. Miller:

Just back from the south State examining Tg prospects. Your letter just received. My Son has a plane in Quincy, will get the operators copy of contract back to you shortly, thot Mrs Would sign lien papers, however, as you told me the time interval outlawed these instruments.

How about putting the contract thru with work to start about June 1st, or on June 1st, the instrument can now be made in my name with no kick back. Last winter heavy snows took down the ore bin. If possible let me put up some cash $125.00 and increase the loan $500.00 to repair the havoc to blacksmith shop and bin?

With all best wishes, reply to the Kingman address as will be here in this hot spot on Ur 238 which and where the Atomic Commission are now active.

Sincerely,

/s/ Chet Hymer

Copy retained 400

Q
A
P
X

C. W. HYMER E. M.
Reg. No. 1814
P. O. Box 666
Quincy, California

Feb. 13, 1953. Box 486,
Kingman, Ariz.

Re: Dokt DMEA-2624 (mn)
Mt Hough Mn Mine
Plumas County, Calif.

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Sincerely,

/s/ Chet Hymer

C
O
P
Y

C. W. HYMER M. M.
Reg. No. 1814
P. O. Box 666
Quincy, California

Feb. 13, 1953. Box 486,
Kingman, Ariz.

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Mt Hough Mn Mine
Plumas County, Calif.

Dear Mr. Miller:

Just back from the south State examining Tg prospects. Your letter just received. My Son has a plane in Quincy will get the operators copy of contract back to you shortly, that Mrs Would sign lien papers, however, as you told me the time interval outlawed these instruments.

How about getting the contract thru with work to start about June 1st, or on June 1st, the instrument can now be made in my name with no kick back. Last winter heavy snows took down the ore bin. If possible let me put up some cash $125.00 and increase the loan $500.00 to repair the havoc to blacksmith shop and bin?

With all best wishes, reply to the Kingman address as will be here in this hot spot on Ur 238 which and where the Atomic Commission are now active.

Sincerely,

/s/ Chet Hymer

Docket

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

February 19, 1953

WSM

Mr. Chester W. Hymer
Box 486
Kingman, Arizona

Re: Docket DMEA-2624 (Manganese)
Chester W. Hymer
The Mt. Hough Manganese Mine
Plumas County, Calif.

Dear Mr. Hymer:

We acknowledge your letter of February 17 and the return of the Operator's copy of the un-executed contract.

The matters brought up in your February 13 letter are being referred to the Defense Minerals Exploration Administration in Washington, D. C. When I learn from Washington what they will do concerning your request that the contract be re-issued and dated June 1 and you desire to have the amount increased $800.00 to repair the wrecked blacksmith shop and the ore bin, I will communicate with you again.

Sincerely yours,

Copy retained 4/[illegible]
W. S. Martin

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to: DMEA, Washington, D. C.
E. H. Bailey, USGS

HCMiller:mpp
Files
Chron.

400

FILE COPY
SURNAME:

Rutledge
Martin
Selfridge

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

BW.

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

FEB 4 1953

Re: Docket No. DMEA 2624 - Manganese
Chester W. Hymer
The Mt. Hough Manganese Mine
Plumas County, California

Dear Mr. Miller:

J.C. 2/4/53

Reference is made to the subject docket and our letter of December 12, 1952, requesting you to obtain the unexecuted contract on the docketed application from Mr. Hymer and return it to Washington.

It will be appreciated if you will give this matter priority.

Sincerely yours,

George C. Selfridge (2/6)

Chairman, Operating Committee

Approved:

J. H. Hedges (2/6)

Member, Bureau of Mines

A. R. Kinkel, Jr. (2/6)

Member, Geological Survey

cc: Docket
Field Team, Region 3
Code 400
Admn. Read. File
N. B. Melcher, USBM
M. D. Crittenden, USGS
Operating Committee

FARutledge/hhb
2/2/53

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2 1952

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco, 2, Calif.

December 17, 1952

Mr. C. W. Hymer E. M.
P. O. Box 666
Quincy, California

Re: Docket DMEA-2624 (Manganese)
Chester W. Hymer
The Mt. Hough Manganese Mine
Plumas County, California

Dear Mr. Hymer:

Reference is made to your letter of November 25, 1952 informing me that you will either get Mrs. Hymer to sign the contract or buy her half interest in the property, and that in any event the starting date will be about June 15, 1953.

I have now received a request from the Washington Office of the Defense Minerals Exploration Administration to return all copies of the contract to it. The Administration feels that funds should not be tied up for a project so far in the future, and, therefore, is withdrawing the present contract.

After you have satisfactorily settled the ownership question, a new application will receive prompt consideration by DMEA if accompanied by proper supporting documents of ownership or Owner's Consent to Lien.

Our records show that you are still retaining the Operator's Copy of the now withdrawn contract, and we ask you to kindly send it to us by return mail.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

HCMiller:hdj
Copy to: DMEA, Interior Bldg., Washington, D. C.
E. H. Bailey, USGS
A. C. Johnson, Reno, Nevada

FILE COPY
SURNAME:

Rutledge
Selfridge

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

BB

DEC 12 1952

Mr. H. G. Miller
Executive Officer, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA 2624 - Manganese
Chester W. Hymer
The Mt. Hough Manganese Mine
Plumas County, California

Dear Mr. Miller:

The contract on the docketed application for exploration assistance should be returned to Washington. The Defense Minerals Exploration Administration feels that funds should not be tied up for a project so far in the future, especially for a contract that possibly may never be executed. Therefore, the present contract is being withdrawn.

Mr. Hymer should be advised that when he has satisfactorily settled the ownership question, a new application will receive prompt consideration by DMEA if accompanied by proper supporting documents of ownership or Owner's Consent to Lien.

Sincerely yours,

F.A.R. 12-12-52

Ernest Wm. Ellis (JHB)
ACTING Chairman, Operating Committee

FARutledge'lm
12/9/52

Approved:

V. H. Hedges (JHB)
Member, Bureau of Mines

R. Kinkel, Jr. (JHB)
Member, Geological Survey

cc: Admn. Reading File
Docket
N. B. Melcher, USBM
M. D. Crittenden, USGS
Field Team Reg. III
Operating Committee
G. C. Selfridge
F. A. Rutledge

cc
12/15

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 8 1952

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

December 2, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2624 (Manganese), Chester W. Hymer, Mt. Hough Manganese Mine, Plumas County, California

On the same date (November 25) that you wrote me concerning subject contract, I wrote Mr. Hymer and a copy of my letter was sent to DMEA.

I now have a reply, dated November 27, from Mr. Hymer and a copy of it is attached hereto.

Your further instructions as to what should be done in this case will be appreciated. It is evident that no work under the contract can possibly be started in any event until sometime next June.

In the meantime, we are holding the contract, dated August 4, 1952, in this office.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Enclosure

Copy to: E. H. Bailey, USGS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 8 1952

COPY

Re:

Docket DMEA-2624 (Mn)
Cntrt Idm-E382
C. W. Hymer

C. W. Hymer E. M.
Reg. No. 1814
P. O. Box 666
Quincy, California

C
O
P
Y

11/27/52

Mr. H. C. Miller, DMEA
1012 Flood Bldg.
San Francisco, California

Dear Mr. Miller:

Just got your letter of the 25th inst. Intended being in Arizona long since where I could take up the matter with Mrs. Hymer personally about signing the Owner's consent copies but had an accident that put me in bed for three weeks just at the time I was preparing to leave here.

Mrs. Hymer will either sign or I propose buying her 1/2 interest. Just as soon as either conclusion is reached will advise you. Put the starting date about June 15th. With an ordinary winter can shove off then.

With the Season's greetings and remember me to Mr. Ricker please.

Chet Hymer /s/

PS. There was a Johnson that came out here and went into the matter of putting in the Quincy stockpile during War 11 and he afterwards brought in Hamilton to run it as I was doubtful of my ability to manual sample deliveries. Is he the same thats now with Mittendorf as Asst. Adm.?

Docket

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

Office
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

November 25, 1952

Mr. Chester W. Hymer
P. O. Box 666
Quincy, California

Re: Docket DMEA-2624 (Manganese)
Contract Idm-E382
Chester W. Hymer

Dear Mr. Hymer:

On October 22, we sent you Owner's Consent to Lien forms for your wife to sign as co-owner of your manganese property. To date we have not received the signed forms or the copy of the contract which you retained. We will need your copy of the contract if Mrs. Hymer signs the Owner's Consent to Lien and also to change the starting date of the contract, as the thirty days allowed for starting work long ago expired.

Kindly let us hear from you, as we desire to close this matter one way or another at an early date.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to: DMEA, Interior Bldg., Washington, D. C.
E. H. Bailey, USGS

Copy retained 400

FILE COPY 400
SURNAME:

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

Rutledge
Selfridge
Johnson

NOV 2 5 1952

Mr. H. C. Miller
Executive Officer, Region III
1018 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA 2624 - Manganese
Chester W. Hymer
The Mt. Hough Manganese Mine
Plumas County, California

Dear Mr. Miller:

What is the present status of the subject contract? It is suggested that if the contract has not been executed or is not likely to be executed in the near future, it be returned to Washington.

It is not to the interest of the Government to have the unexecuted contract lie dormant until next April or May and go through the same procedure with Mr. Hymer as formerly. In any event, he cannot do much this year and by next the property may be under different control.

Sincerely yours,

(signed) FRANK E. JOHNSON
(NB)

Chairman, Operating Committee

Approved:

J. H. Hedges (NB)
Member, Bureau of Mines

A. R. Kinkel, Jr. (NB)
Member, Geological Survey

FARutledge:lm
11/21/52

OK 11/25

cc: Admn. Reading File
Docket
N. B. Melcher, USBM
M. D. Crittenden, USGS
Field Team Reg. III
Operating Committee
G. C. Selfridge
F. A. Rutledge

140

FILE COPY
SURNAME:

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

Hoffmeel
Ed Rec
Mgmt for
Selfridge

OCT 20 1952

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA-2624 - Manganese
Chester W. Hymer
Contract No. Idm-E382

Dear Mr. Miller:

Reference is made to your letter of October 8, 1952, to DMEA.

I gather from the correspondence that the applicant is a married man; that his wife owns an undivided half interest in the property; that she declines to be a party to an exploration project contract; and that she proposes to sell her undivided half interest in the property.

It is not necessary that a co-owner of the property should be a party to the exploration contract, provided the co-owner signs an "Owner's Consent to Lien." If Mrs. Hymer will sign an Owner's Consent to Lien, the contract may be entered into with Mr. Hymer, in which case the outstanding interest of Mrs. Hymer should be indicated in Article 2(a) by a statement in the blank: "an undivided half interest owned by _____ Hymer whose Owner's Consent to Lien is attached."

Should Mrs. Hymer subsequently sell her interest in the land, she should notify the purchaser that the property is subject to the Owner's Consent to Lien. If Mr. Hymer should enter into a partnership with the purchaser of his wife's interest, it would be necessary to amend the contract to change the name of the Operator.

In the absence of an executed exploration project contract, the Government cannot, of course, make a contribution to the project.

Sincerely yours,
(signed) FRANK E. JOHNSON
Chairman, Operating Committee

APPROVED:

J. H. Hodges (JB)
Member, Bureau of Mines

A. R. Fiske Jr. (JB)
Member, Geological Survey

Op. Committee
Mr. Hedges
Pending

Adm. R. File
Mr. Thayer
Chron.

10/16/52
Mr. Selfridge
Mr. Hofflund

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

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA-2624 - Manganese
Chester W. Hymer
Contract No. Idm-E382

Dear Mr. Miller:

Reference is made to your letter of September 15, 1952, to Mr. Chester W. Hymer asking him to return unsigned the subject contract, and to state why he considered Mrs. Hymer's signature thereon essential when only his signature was requested.

If Mrs. Hymer has any interest in the property, as a co-owner (or otherwise), then in Article 2(a) of the contract that interest may be indicated, and Mr. Hymer's interest can be described as that of a co-owner rather than as sole owner. In such an event, Mrs. Hymer should give written assurance that the project may be conducted on the land and sign an "Owner's Consent to Lien," but she need not sign the contract.

Whether or not Mrs. Hymer has an interest in the land, if she is a partner, then after Mr. Hymer's name on the third line of the first page of the contract, add: "and _____ Hymer, partners", and both can sign the contract.

Unless one of the two courses above-mentioned or a suitable alternative is followed, you should write again to Mr. Hymer ~~in a vein similar to that of your letter to him of February 21, 1952,~~ and withdraw the contract.

Sincerely yours,

Chairman, Operating Committee

APPROVED:

_____
Member, Bureau of Mines

_____
Member, Geological Survey

Since Mrs. Hymer is co-owner of the property, then in Article 2(a) of the contract that interest should be indicated, and Mrs. Hymer's interest can be similarly described. Mrs. Hymer should lease her interest in the property to her husband or give written assurance that the project may be conducted on the land by signing an "Owner's Consent to Lien" but she need not sign the contract. If Mrs. Hymer subsequently sells her interest in the land, the purchaser should be notified of the obligations contained in the Owner's Consent to Lien. If Mrs. Hymer refuses to sign an Owner's Consent to Lien and sells her interest in the land to a third party, then the purchaser should be rquired to give definte written assurance that the exploration project may be conducted on the land, or lease the land to Mr. Hymer and sign an Owner's Consent to Lien. If the pchaser is taken in as a partner, then, after Mr. H's name on the 3rd line of the 1st page of the contract, add: "and partners," and both Mr. Hymer and the new partner should sign the contract.

Mr. Hymer should be advised that the Givt. will not participate in any expenditures prior to the exectuion of the contract.

If neither of the courses above outlined or a suitable alternative is followed, you should write again to Mr. H and withdraw the contract.

filling in the blank with the purchaser's name

Rose

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

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA 2624 - Manganese
Chester W. Hymer
Contract No. Idm-E-382

Dear Mr. Miller:

Reference is made to your letter of October 8, 1952, concerning handling of the Chester W. Hymer contract.

Since ~~If~~ Mrs. Hymer ~~has any interest in~~ is co-owner of the property, ~~as a co-owner (or otherwise)~~, then in Article 2(a) of the contract that interest may be indicated, and Mr. Hymer's interest can be similarly described ~~as that of a co-owner rather than as sole owner~~. In such an event, Mrs. Hymer should give written assurance that the project may be conducted on the land, and sign an "Owner's Consent to Lien," but she need not sign the contract.

Leave out interest in the property & the husband's

If Mrs. Hymer sells her interest to a third party, the purchaser should do the same

Whether or not Mrs. Hymer has an interest in the land, if she is a partner, then after Mr. Hymer's name on the third line of the first page of the contract, add: "and _____ Hymer, partners", and both can sign the contract.

unless she is taken as a partner.

stet. ~~Unless one of the two courses above mentioned or a suitable alternative is followed, you should write again to Mr. Hymer and withdraw the contract.~~

Sincerely yours,

In such case, ~~If she then is a partner,~~ after Mr. H's name in the 3rd line of the 1st pg. of the contract, add:

Chairman, Operating Committee

Approved: "and _____ partners" & both can sign the contract

Member, Bureau of Mines

Member, Geological Survey

~~Please advise immediately~~

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 13 1952

BCL
10/14/52

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

October 8, 1952

Memorandum

To: DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2624 (Manganese), Contract Idm-E382, Mt. Hough Manganese Mine, Plumas County, California

On August 12, 1952, I mailed the original and five copies of the subject contract to Mr. Chester W. Hymer for signing. On August 17, he wrote as follows:

"Got contracts. Thanks. Regret given you so much annoyance over this small loan, but, if I may suggest that owing to local conditions which are unpredictable as to weather, that in the event in the next two or 2-1/2 months it would be a waste of time and money to continue it would greatly affect the amount of developing I could accomplish with this loan if the time for execution were extended from June 1, 1953 until finished.

"For instance if say about $3000.00 were spent when the storms hit. I would absolutely shut out until next June. Might find that by working with one man to begin with that I could accomplish just as much in footage as by putting on the second. With the length of that tunnel, its location, there will be the right time of day to blast to take advantage of air currents to clear out the gas. Your an old operator and can appreciate I want to go as far as possible with a specific fund. I might need the second man and bad and get thru in a couple of months that remains to be seen. On the other hand I might with the time factor and one man get a lot more exploration done." /s/ Hymer

On August 22, I again wrote to Mr. Hymer and a carbon copy of my letter was sent to DMEA in Washington. On August 24, Mr. Hymer wrote to me as follows:

"Just received your letter. Thank you.

"That is O.K. where-in you give permission to discontinue work under markedly adverse conditions to proceed at the time with provisions for same.

"You ask why I suggest this provision. I have seen the fall storms start in that section by mid October which make getting up and down the road to Mt. Hough impossible with anything but special transport. On the lower roads, heavy rains even stop four wheel drives and chains. Repairing the bins and timbering inside will take from forty-five to sixty days. Sometimes it is clear until Christmas, other times heavy snow falls at Hough elevation by the first of November. It is well to be prepared for the unexpected.

"I feel that the work will be done with dispatch and efficiency without interruption. Often in a small heading, two miners can be in each other's way, so I propose trying the work with one miner and seeing if I can't make the same progress as I could by having two. That remains to be tried.

"Please return contracts to Quincy. I will be there tomorrow or next day." /s/ C. W. Hymer

A copy of my letter to Mr. Hymer, dated August 26, also was sent to the Washington Office of the DMEA.

On September 7, Mr. Hymer wrote again as follows:

"As you know I wrote you from Arizona where I went to see my wife and explain the loan to her as she owns half the mine. She seemed satisfied so when I returned here last Wednesday the contracts were here I signed them and sent them down for her signature. Made application for insurance and all necessary arrangements went up on the hill with my miner provisions etc. Came down and the contracts or operator's copy wasn't here. I had instructed Mrs. Hymer to send the other copies back to you. I called her up and she said that she was sending the contracts back to me unsigned. Now I'm sure that her signature is required is it not? So the only thing for me to do is get someone to buy her 1/2 interest which I think I can do here within a week. Otherwise it looks like I will have to wait until that angle is ironed out and take the loan next year if it can be revived at that time.

"If you will please answer right away it will be appreciated." /s/ C. W. Hymer

I replied to Mr. Hymer's September 7 letter on September 15, and a copy of my letter was sent to DMEA. I now have a letter, dated October 2 from Mr. Hymer with which he returned the original and four copies of his contract. He kept the Operator's copy, pending our decision in the matter. A copy of Mr. Hymer's October 2 letter is attached hereto.

I believe that a legal question is involved and that even though California is a community property state, some complications may arise owing to Mrs. Hymer's lack of cooperation. Your advice as to what to do next would be appreciated.

In the meantime, I am holding the five copies of the contract here until you advise me further on what to do.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to E. H. Bailey, USGS (with copy of Hymer's 10/2/52 letter)

C
O
P
Y

P. O. Box 666
Quincy, California
October 2, 1952

Mr. H. C. Miller, Mgr.
DMEA San Francisco
California

Re: Dkt DMEA 2624 (Mn)
Cntrct Idm-E382
Mt Hough Mn Mine
Plumas County, Calif.

Dear Mr. Miller:

Apology for not have answered you letter of the 15th sooner.

Facts:

I had negotiated for the Hough Manganese before my marriage and after the same the mine was bought and paid for out of a joint account with Mrs. Hymer. This made the holding community property. Mrs. Hymer evidently was not satisfied at a later date with the community property status and asked for a deed to her 1/2 which of course I gave her. I told Mr. Ricker when he was up here and we were discussing our family relations that I had recently been married. I made a trip to Arizona as you know to get Mrs. Hymer to sign the loan papers and told her that I would forward them to her to sign and that she send the five copies to you returning me the operator's copy. Explained the whole thing to her about the repayment of loan etc. After she got the copies and hanging on to them until evidently she was advised from New York her father or somewhere not to sign she returned them to me with the explanation she didn't want the responsibility hanging over her but would sell and that if I didn't find a buyer she was going to advertise in the local paper to dispose of her interest. I assumed of course was needed her signature with that 1/2 interest recorded here. As soon as I got back started in with the work. Took out my compensation insurance with the State put on a miner who I paid off after hearing from her belatedly, assuming up to that point that she would sign and I would have Govt funds to offset my obligations incurred. Thats it. Now if the weather holds after that storm we had there is still time to finish that work up there and of course I would stay put on the obligation and resume if you would be content. Am trying to make arrangements to meet her terms either on my own account or possibly take in a co-owner.

Your early decision will be appreciated.

Yours truly,
/s/ C. W. Hymer

PS - Enclosed the five copies and holding the operator's copy pending your decision. I have seen clear weather here until Xmas. Thats the cutter now will it this year. From signs I think so.

FARutledge-WS[redacted]in-AEKane
10/9/52

FILE COPY 400
SURNAME:

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

Sc: [redacted] File
1 Docket
E. B. Melcher, USBM
M. D. Crittenden, USGS
Field Team Reg. III
Operating Committee
G. C. Selfridge
F. A. Rutledge

Rutledge
Murphy
Selfridge
DEDEsec

Mr. M. C. Miller
Executive Officer, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA 2624 - Manganese
Chester W. Hymer
The Mt. Hough Manganese Mine
Plumas County, California

Dear Mr. Miller:

Reference is made to your letter of September 15, 1952, to Mr. Chester W. Hymer asking him to return unsigned the subject contract, and to state why he considered Mrs. Hymer's signature thereon essential when only his signature was requested.

If both Mr. and Mrs. Hymer are to be considered partners, then after Mr. Hymer's name on the third line of the first page of the contract, add: "and _____ Hymer, partners", and both can sign the contract. If the Hymers are not to operate as a partnership, then as consideration for the Government entering into the Exploration Project Contract, Mrs. Hymer should give written assurance (in effect a lease to Mr. Hymer) that the project may be conducted on the land. In that case, under Article 2(a) of the contract, Mr. Hymer can be described as "co-owner" instead of "sole" owner and Mrs. Hymer's interest can be indicated. Owner's Consent to Lien signed by Mrs. Hymer can be attached, and then Mr. Hymer can sign the contract alone.

Unless one of the two courses above mentioned or a suitable alternative is followed, you should write again to Mr. Hymer in a vein similar to that of your letter to him of February 21, 1952, and withdraw the contract.

Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

9/25/52

September 15, 1952

Mr. Chester W. Hymer
P. O. Box 666
Quincy, California

Re: Docket DMEA 2624 (Manganese)
Contract Idm-E382
Mt. Hough Manganese Mine
Plumas County, California

Dear Mr. Hymer:

I have your letter, dated September 7, informing me that Mrs. Hymer, who is in Arizona, refuses to sign the copies of your exploration contract. It is news to me to hear that she has a one-half interest in the property, and I am wondering if your contract is made out jointly in her name and yours. As all the copies of the contract were sent to you for your signature on August 26, I have no way of checking as to whose signatures should be affixed to the contract.

If you get someone else to buy her one-half interest as you suggest you might, the contract will have to be rewritten and approved in Washington before it will be valid.

In view of the circumstances, which we feel have not been fully explained to us in so far as details of ownership are concerned, I suggest that you return the copies of the contract to me unsigned. At the same time, I suggest you inform me why you think Mrs. Hymer's signature is required when, as I believe, only your signature was requested.

The delay in getting these contracts signed probably has voided the contracts anyway, so that at best they will have to be redated or rewritten, as you probably will not be able to carry out the work this fall as is called for in the contract.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to DMEA, Interior Bldg.,
Washington, D. C.
E. H. Bailey, USGS

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

August 26, 1952

Mr. Chester W. Hymer
P. O. Box 666
Quincy, California

Docket DMEA-2624 (Manganese)
Contract Idm-E382
Mt. Hough Manganese Mine
Plumas County, California

Dear Mr. Hymer:

As we would assume from your letter of August 24 that you wish to start work on the subject project, we are returning herewith the original and five copies of Contract Idm-E382 for your signature. After you have signed the contract, you may retain the copy marked "Operator's Copy" for your records, and you should return the original and four remaining copies to this office.

When this has been accomplished, we will send you a supply of forms for your use in reporting your monthly expenses and the progress of your work.

Sincerely yours,

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Enclosure

Copy to: DMEA, Washington, D. C.
E. H. Bailey, USGS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 26 1952

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

August 22, 1952

Mr. Chester W. Hymer
P. O. Box 666
Quincy, California

Re: Docket DMEA 2624 (Manganese)
Contract Idm-E382
Mt. Hough Manganese Mine
Plumas County, California

Dear Mr. Hymer:

We have your letter of August 17 with which you returned the original and five copies of the above-captioned exploration contract, unsigned.

We cannot understand your statement that owing to "local conditions which are unpredictable as to weather" that you desire to have the time for execution of the contract extended from June 1, 1953 until finished.

As you infer, you have the next two or two and one-half months in which to work and from my knowledge of the country in which your property is located, I would guess a month or more longer, so I cannot understand why you desire to wait until next June 1 to start operations. Should you spend $3,000, as you suggest you might, by the time the storms hit and you couldn't continue the work until spring, we would amend your contract to provide for such contingency.

The Defense Minerals Exploration Administration expects an operator to conduct the work under the contract efficiently, expeditiously, and, of course, within the cost set forth in Exhibit "A" of the contract and the time limit stated therein, and will not permit an operator to drag out the work unnecessarily. It certainly seems that a small contract involving an expenditure of only $5,200 could be carried out in a relatively short time.

If, upon reconsideration, you should desire to sign the contract and begin work on the project within a reasonable period of time, the contract will be returned to you for your signature. On the other hand, if you do not want to start the work until next June 1, I will return the contract to Washington and you will have to take the chance that it will be redated and the money is available to reissue the contract to you.

withdrawn once before

Copy to DMEA, Interior Building,
Washington, DC
E. H. Bailey, USGS

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy retained 400

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

DOCKET COPY

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

August 7, 1952

Mr. Chester W. Hymer
P. O. Box 666
Quincy, California

Re: Docket DMEA 2624 (Manganese)
Contract Idm-E382
Mt. Hough Manganese Mine
Plumas County, California

Dear Mr. Hymer:

The Washington Office of the Defense Minerals Exploration Administration has sent me six copies of a contract covering an exploration loan on the Mt. Hough Manganese Mine in the amount of $5,200, of which the Government's participation is $3,900, or 75 percent.

Before I can send you the contract for your signature, it will be necessary for you to furnish me with the page and book number of the location of the claims. Also, the contract is dated August 4, so kindly let me know within approximately how many days from that date you will be able to start work on the project.

Upon receipt of the requested information, the contract will be sent to you for your approval and signature.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Copy to: Operating Committee, DMEA, Washington, D.C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
AUG 11 1952

Docket
FILE COPY
SURNAME:

Rutledge
Martin

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

AUG 4 1952

Mr. H. C. Miller
Executive Officer, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA 2624 - Manganese
Chester W. Hymer
The Mt. Hough Manganese Mine
Plumas County, California

Dear Mr. Miller:

We are enclosing the original and five copies of the above referenced exploration contract signed by this office for the Government, together with Exhibit "A" (2 pages) and one map. Since we do not have the page and book number of the location of the claims, to expedite the completion of this contract, it has been signed by the Government with the condition that these be added by your office under Annex I before the contract is signed by the Operator.

If the terms and conditions of this contract are satisfactory to you and the Operator, all six copies should be signed by Mr. Hymer. The "Operator's Copy" is to be given to the Operator; the "Finance Officer's Copy" is to be sent to the Regional Finance Officer; the "Field Team's Copy" retained by your office; and the remaining three copies returned to this office.

If any part of this contract does not have either your approval or that of the Operator and cannot be amended within your delegated authority, the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

Please note that the following major changes have been made in the contract as originally outlined:

1. Equipment to be furnished by the Operator is listed on a depreciation basis instead of a rental basis.

2. An item for adit rehabilitation has been added.

3. The item under Operating Materials and Supplies for powder, caps, fuse, gasoline, oil, etc. was increased from $1,000.00 to $1,093.99.

4. An item for assays and payroll taxes has been added.

The above changes have increased the total estimated project cost from $5,000.00 to $5,200.00.

Under Article 3, the starting date has been left blank and is to be filled in at the time the applicant signs the contract.

Sincerely yours,

8/4

(signed) FRANK E. JOHNSON

(HB)

Chairman, Operating Committee
Defense Minerals Exploration
Administration

FARutledge:lm
7/29/52

Enclosures

cc: Admn. Reading File
Docket
N. B. Melcher, USBM
N. D. Grittenden, USGS
Field Team Reg. III
Operating Committee
G. G. Selfridge
F. A. Rutledge

Approved:

J. H. Hedges (HB)

Member, Bureau of Mines

T. P. Thayer (HB)

Member, Geological Survey

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

July 28, 1952

Memorandum

To: Acting Administrator

Through: G. C. Selfridge

From: Acting Chief Counsel

Subject: Docket No. DMEA-2624, Chester W. Hymer

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the attachment of the map therein referred to and to the insertion of Annex I, which will state when and where the claims were recorded.

A. E. Kane
Acting Chief Counsel

Attachment

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

July 28, 1952

Memorandum

To: Acting Administrator

Through: G. C. Selfridge

From: Acting Chief Counsel

Subject: Docket No. DMEA-2624, Chester W. Hymer

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A. E. Kane
Acting Chief Counsel

Attachment

Rm. 45-39

140

FILE COPY
SURNAME:

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

July 28, 1952

Memorandum

To: Acting Administrator

Through: G. C. Selfridge

From: Acting Chief Counsel

Subject: Docket No. DMEA-2624, Chester W. Hymer

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Signed
A. E. Kane
Acting Chief Counsel

Attachment

AEKane/mef
cc to: Mails and Files
J. L. Hofflund
A. E. Kane
G. C. Selfridge
Chron.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUL 29 1952

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

July 25, 1952

Mr. C. W. Hymer
Box 666
Quincy, California

Re: DMA-1287X (Manganese)
C. W. Hymer (New DMEA-2624)
Mt. Hough Manganese Mine
Contract Idm-E203 (Withdrawn)

Dear Mr. Hymer:

I have been informed by the Washington Office of the Defense Minerals Exploration Administration that since your contract is withdrawn the docket has been closed. The original application and accompanying data, however, have been assigned docket number DMEA 2624, and a new contract will be prepared in Washington as quickly as possible, incorporating the changes mentioned in recent correspondence.

I will send you the new contract for your approval and execution as soon as received.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to DMEA, Interior Building, Washington, D. C.
E. H. Bailey, USGS

FILE COPY 400
SURNAME:

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

JUL 24 1952

Mr. H. G. Miller
Executive Officer, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMA 1287X - Manganese
C. W. Hymer (New DMEA-2624)
Mt. Hough Manganese Mine
Contract 16m-1293 (Withdrawn)

Dear Mr. Miller:

This is to acknowledge receipt of your letter of July 14, 1952, which refers to your letter of July 8 to Mr. C. W. Hymer, concerning the contract which was written for him and subsequently withdrawn because of his lack of diligence and attention.

Since the contract was withdrawn, the docket has been closed. The original application and accompanying data have been assigned docket number DMEA 2624, and we shall prepare a new contract as quickly as possible, incorporating the changes mentioned in the recent correspondence. We shall mail this to you at our earliest convenience.

Sincerely yours,

George C. Selfridge (GCS)

ACTING Chairman, Operating Committee
Defense Minerals Exploration
Administration

Approved:

J. H. Hedges
Member, Bureau of Mines

G. M. Lemmon
Member, Geological Survey

GCSelfridge'ls'lm
7/23/52

cc: Admn. Reading File
Docket
N. B. Melcher, USBM
M. D. Crittenden, USGS
Field Team Reg. III
Operating Committee
G. C. Selfridge

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : John L. Hofflund, Chief Counsel, DMEA DATE: July 24, 1952

FROM : Iron and Ferro-Alloy Division, DMEA

SUBJECT: Review and preparation of Exploration Project Contract
Docket No. DMEA 2624 - Manganese
Chester W. Hymer
The Mount Hough Manganese Mine
Plumas County, California

Transmitted herewith is the subject docket, together with a rough draft of a proposed exploration project contract for your use in preparing the contract in final form.

This contract is being written in place of one that was withdrawn after signature by the Government because of lack of diligence and attention of the Operator. In rewriting the contract, it was found that the book and page number of the unpatented claims was not contained in the description of the property covered by the contract. To expedite the completion of this contract, it is suggested that the contract be prepared as written with the above information added as an annex to the contract.

G. C. Selfridge

G. C. Selfridge, Chief
Iron and Ferro-Alloy Division

Attachments

RECEIVED
JUL 25 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

FILE COPY 400
SURNAME:

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

John L. Heffland, Chief Counsel, DMEA

July 24, 1952

Rutledge
Selfridge

Iron and Ferro-Alloy Division, DMEA

Review and preparation of Exploration Project Contract
Docket No. DMEA 2624 - Manganese
Chester W. Hymer
The Mount Hough Manganese Mine
Plumas County, California

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G. C. Selfridge, Chief
Iron and Ferro-Alloy Division

Attachments

FARutledge:lm
7/24/52

cc: Admn. Reading File
Docket
G. C. Selfridge
F. A. Rutledge

John L. Hoffland, Chief Counsel, DMEA July 24, 1952

Iron and Ferro-Alloy Division, DMEA

Review and preparation of Exploration Project Contract
Docket No. DMEA 2624 - Manganese
Chester W. Hymer
The Mount Hough Manganese Mine
Plumas County, California

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G. C. Selfridge, Chief
Iron and Ferro-Alloy Division

Attachments

FARutledge'lm
7/24/52

cc: Admn. Reading File
Docket
G. C. Selfridge
F. A. Rutledge

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DMEA 2624

COMMODITY Manganese

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

EXPLORATION PROJECT CONTRACT [1]

draft

IT IS AGREED this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Chester W. Hymer
P.O. Box 666
Quincy, California

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 California, County of Plumas, described as follows: [3] The Mt. Hough (Crystal Lake) Manganese Mine which is comprised of the Mt. Hough and Mt. Hough No. 1 unpatented claims, which. The mine is in Section 8, T. 25 N., R. 10 E., M.D.M., approximately 13.0 miles by car northerly from Quincy, California. ~~(Recall Seiriggs's comments regarding page and book number of recording of claims to be inserted in contract within month under an Annex.)~~ not yet in Quincy

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:~~

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

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

ARTICLE 3. *Exploration project.*—The Operator, within ~~30~~ days from the date of this contract shall commence work on a project of exploration for [5] manganese

in or upon the described land; and shall bring the project to completion within a period of six (6) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[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*) The Government's payments [illegible]ll cases will be based on actual, necessary [illegible]ts (including contract unit prices) incurred not in excess of any "allowable [illegible]aximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

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

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

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 75 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $3,900.00, which is 75 percent of $5,200.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

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

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

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

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

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

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

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

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* The Operator's obligation to bring the project to completion continues only so long as the accumulated allowable costs of the project in which the Government will participate do not exceed the agreed total estimated cost of the project set forth in Article 8.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____

_____
(Operator)

By _____

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—66328-1

Chester W. Hymer
Exploration Project Contract
Mt. Hough Manganese Mine
Docket No. DMEA 2624

Exhibit "A"

Description of the Work

Time Schedule: 0 - 3 months

1. The first work on this project shall consist of rehabilitation of the portal and several sections of the lower adit necessary for the performance of the exploration project.

2. Extend the lower adit southeasterly from the present face 200 feet along the vein as shown on the attached map. entitled "Mount Hough Manganese, Plumas County - Calif."

Estimated Cost of Project
*Indicates allowable maximum

(1) Independent Contracts

None

(2) Labor, Supervision, Consultants [1]

2 - Miners @ $15.00/day, 65 days	$1,950.00	
1 - Supervisor [2] @$20.00/day [2] 50 days	1,000.00	$2,950.00*

Note [1] ~~Note~~ - the maximum allowable charge for labor + supplies for rehabilitation of portal + several sections of lower adit shall be $2,950.00

[2] The supervisor is to direct the operations and be responsible for the cutting of representative samples, where warranted, of the mineralization and the subsequent handling thereof. In addition, he is to keep the few necessary accounts and handle such odd jobs as the blacksmithing, timber framing and timbering, operating the surface plant, driving truck, cooking, etc., the chores connected with owner-management of prospects.

(3) Operating Materials and Supplies

Pipe and pipe fittings	200.00	
1,500 board feet of mine timber @ $90.00/M	135.00	
Powder, caps, fuse, gasoline, oil, etc.	1093.99 ~~912.66~~	~~1,252.66~~ 1428.99

Note 1/ - See (2)

(4) Operating Equipment

To be rented

1 - 210 cfm portable compressor with accessories including hoses, drills, bar, cradle, etc. @ $6.00/day, 50 days	300.00

To be purchased

None

To be furnished by the Operator

1 - Mine car. Value estimated at $240.00, depreciation at $4.00/Mo., 3 months	~~8.00~~	12.00 *
1 - 2-ton Ford truck. Value estimated at $1,000, depreciation @$16.67/Mo., 3 months	~~33.34~~	50.01 *
1 - Lot miscellaneous tools, etc. Value estimated at $180.00, depreciation @ $3.00/Mo., 3 months	~~6.00~~	9.00 * ~~47.34~~ 71.01 *

(5) Rehabilitation and Repairs

~~Costs under this item for the rehabilition of the portal and several sections of the lower adit are included under item for labor and supplies but the maximum allowable charge for this work shall not exceed $525.00 *.~~ None

~~$2,000.00~~

(6) New Buildings, Improvements, Installations

None

(7) Miscellaneous

Workers Compensation, Employees' Health insurance, payroll taxes, etc. 350.00

Assays 100.00 450.00

(8) Contingencies

None

TOTAL ESTIMATED COST FOR PROJECT $5,200.00 ~~$5,000.00~~

GOVERNMENT PARTICIPATION AT 75 PERCENT $3,900.00 ~~$3,750.00~~