DMEA-3095
Asbestos
Region III

KEYSTONE ASBESTOS CORPORATION, WASHINGTON, D. C. Trinity, Shasta, and Highland Asbestos Claims, Trinity and Shasta Counties, California. 270 9/21/53

Field Report recommending approval. The report was referred to the Commodity Group.

DMEA-3095
Asbestos
Region III

KEYSTONE ASBESTOS CORPORATION, WASHINGTON, D. C. Trinity, Shasta, and Highland Asbestos Claims, Trinity and Shasta Counties, California. 7-15-53

Letter to the Field requesting a review of the application, #242, a field examination if necessary, and report and enclosing copies of memoranda from the Bureau of Mines and the Geological Survey. Letter to the Applicant.

[x] Audited

WORK ANALYSIS SHEET - DMEA PROJECT

[ ] Actual Cost

[ ] Certified

Analysis as of ~~12-9-54~~
Incl. Voucher for ~~August 1954~~

[x] Agreed Unit Costs

Name Keystone Abestos Corporation

Docket No. 3095

State California

Commodity Chrysotile Abestos

Idm-E No. 624

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) Diamond drilling AX size holes	400 ft	$ 2550 00	311 ft	2383 25	$ 2383 25
Surface Excavation					
Underground Excavation					
Roads and Trails		$ 460 00		460 00	$ 460 00
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		$ 3010 00			$ 2843 25

Prepared by Keating

71626

☑ Audited [illegible]/54 W[illegible] ANALYSIS SHEET - DMEA PROJECT ☐ Actual Cost

☐ Certified Analysis as of 12/21/54 ☐ Agreed Unit Costs

Incl. Voucher for Aug. 1954

Name Keystone Asbestos Corporation Docket No. 3095

State California Commodity Asbestos Idm-E No. 624

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling AX D.D. Holes (Specify)	400 Ft.	$2,550.00	371 Ft.	$2,383.25	$2,383.25
Surface Excavation					
Underground Excavation					
Roads and Trails		460.00		460.00	460.00
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		$3,010.00		$2,843.25	$2,843.25

Prepared by Walter C. Anderson

71626

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 2 - 1954

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Keystone Asbestos Corporation,
a corporation duly organized and
existing under and by virtue of the
laws of the State of Delaware
1005 Investment Building
Washington 5, D. C.

pertaining to Exploration Project Contract No. Idm-0624, Docket No. DMEA-3095, including Amendment No. 1, for the months of June, July and August 1954, covering a project for the exploration of chrysotile asbestos, on property known as Trinity Asbestos Claims, located in Trinity County, California.

My review included an examination of the Monthly Reports (Forms DP-104) and supporting documents attached thereto, comparison of costs claimed with the contract and pertinent schedules, consultation with the Executive Officer in charge of the project, and a determination of the reasonableness and propriety of the costs.

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

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

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

Total cost as billed by contractor	$2,439.24
Exceptions (schedule attached)	
This audit, net additional costs allowed	404.01
Total Accepted Cost	$2,843.25

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in amount of Two Thousand Five Hundred Fifty-eight and 93/100 Dollars:

** $2,558.93 **

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

September 29, 1954

George Mavor
George Mavor
Auditor

SCHEDULE OF EXCEPTIONS

Keystone Asbestos Corporation | DMEA-3095 | Idm-3624

Additional Costs Allowed

Operator failed to bring forward from July 1954 MF-104 to August 1954 MF-104, Cost of access roads, allowable under contract terms		$460.00

Deduct Costs not Allowed in Contract

Cost of Explosives	$50.99	
Rental of Blasting Machine	5.00	55.99
Net Additional Costs Allowed		$404.01

Division copy

EXPLORATION PROJECT CONTRACT
KEYSTONE ASBESTOS CORPORATION
DOCKET NO. DMEA-3095

AMENDMENT NO. 1

It is agreed this 29th day of January, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Keystone Asbestos Corporation, that Exploration Project Contract IDA-2668, Docket No. DMEA-3095, dated October 12, 1953, is amended as follows:

1. In Article 3 of the contract delete the words "within 30 days from the date of this contract" and substitute the words "on or before July 1, 1954"; and delete the words "Nine (9) months" and substitute the words "Thirteen (13) months."

2. It is of the essence of the contract that work be commenced as specified in paragraph 1 of this Amendment, and if work is not commenced as specified, the contract, without any further notice, is automatically rescinded, terminated, and cancelled as of October 12, 1953, without any obligation whatever between the parties, the same as if said contract had never been entered into.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

KEYSTONE ASBESTOS CORPORATION

By Geo. C. Guness, Pres.

Robin P. Hoffman
Hale Chamberlin

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 12 1953

DOCKET NO. DMEA-3095

COMMODITY Chrysotile Asbestos

Division Copy

IDM-E 624

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 12th day of October, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Keystone Asbestos Corporation, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, 1005 Investment Building, Washington 5, D. C.

hereinafter called the "Operator," as follows: and as set forth in Annexes I and II attached hereto and made a part hereof:

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 the mineral rights in that certain land situated in the State of California, County of Trinity, described as ~~follows~~ set forth in Annex I

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, a statement of which is attached hereto:~~

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

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

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

in or upon the described land; and shall bring the project to completion within a period of Nine (9) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 90 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $2,709.00 which is 90 percent of $3,010.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

KEYSTONE ASSOCIATES CORPORATION
(Operator)

By Willis C. Courner Pres.

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

Act and Perform Hugh Chamberlin

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

_____ [CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
KEYSTONE ASBESTOS CORPORATION
DOCKET NO. DMEA-3095

ANNEX I

The property referred to in Article 2 of the contract form is known as the Tamarack Lake Property and was leased to the Keystone Asbestos Corporation by J. F. McKee, Edith M. McKee, Jack A. Dalton, Elizabeth Dalton, E. S. Baker, and Rose Baker in an instrument dated August 24, 1952, and is described therein as follows:

Trinity Asbestos #1

Located in the SE¼ of Sec. 32, Twp. 38 N., R. 5 W., M.D.B. & M. The SE corner of this claim joins the SE section corner of Sec. 32 and follows the section line north 1500 feet. Thence 300 feet west to the north center end stake, thence 300 feet west to the NW corner, thence 1500 feet south to the SW corner, thence 300 feet east to the south center end stake, thence 300 feet east to the SE corner and the section corners of 32, 33, 4, and 5.

Trinity Asbestos #2

Located in the E½ of Sec. 32, Twp. 38 N., R. 5 W., M.D.B. & M. The SE corner of this claim joins the NE corner of Trinity Asbestos #1, which is located 1500 feet north of the SE section corner of Sec. 32, thence running 1500 feet north to the NE corner, thence 300 feet west to the north center end stake, thence 300 feet west to the NW corner, thence 1500 feet south to the SW corner, thence 300 feet east to the south center end stake, thence 300 feet east to the SE corner which is located on the section line between Sections 32 and 33.

Trinity Asbestos #3

Located in the E½ of Sec. 32, Twp. 38 N., R. 5 W., M.D.B. & M. The SE corner of this claim joins the SW corner of Trinity Asbestos Claim #2 and the NW corner of Trinity Asbestos Claim #1 which is located 600 feet west of the section line between Sections 32 and 33. Thence running 1500 feet north to the NE corner, thence 300 feet west to the north center end stake, thence 300 feet west to the NW corner, thence 1500 feet south to the SW corner, thence 300 feet east to the south center end stake, thence 300 feet east to the SE corner.

Trinity Asbestos #4

Located in the E½ of Sec. 32, Twp. 38 N., R. 5 W., M.D.B. & M. The SE corner of this claim joins the SW corner of Trinity Asbestos Claim No. 1 which is located on the section line between Sections 32 and 5, 600 feet due west of the section corner between Sections 32, 33, 4, and 5, thence running south 1500 feet to the NE corner, thence 300 feet west to the north center end stake, thence 300 feet west to the NW corner, thence 1500 feet south to the SW corner, thence 300 feet east to the south center end stake, thence 300 feet east to the SE corner which is approximately 300 feet east of Tamarack Lake shore on the section line and 600 feet west of the section corner. Date 15th Sept., 1950.

Trinity Asbestos #5

Located in the E½ of Sec. 5, Twp. 37 N., R. 5 W., M.D.B. & M. The NE corner of this claim is located on the section line between Sections 32 and 5 and 600 feet west of the section corners between Sections 32, 33, 4, and 5. Thence running 300 feet west to the north center end stake, thence 300 feet west to the NW corner which is located in Tamarack Lake approximately 150 feet off the lake shore, thence 1500 feet south to the SW corner, thence 300 feet east to the south center end stake, thence 300 feet east to the SE corner, thence 1500 feet north to the NE corner.

Trinity Asbestos #6

Located in the E½ of Sec. 5, Twp. 37 N., R. 5 W., M.D.B. & M. The NE corner of this claim is located 1500 feet south and 600 feet west of the section corner between Sections 32, 33, 4, and 5, and joins the SE corner of Trinity Asbestos #5. Thence running 30 feet west to the north center end stake, thence 300 feet west to the NW corner, thence 1500 feet south to the SW corner, thence 300 feet east to the south center end stake, thence 300 feet east to the SE corner, thence 1500 feet north to the NE corner. Dated Sept. 1950.

Trinity Asbestos #7

Located in the E½ of Sec. 5, Twp. 37 N., R. 5 W., M.D.B. & M. The NE corner of this claim is located on the section line between Sections 4 and 5 and is 1500 feet south of the section corner between Sections 4, 5, 32, and 33. Thence running 300 feet west to the north center end stake, thence 300 feet west to the NW corner, thence 1500 feet south to the SW corner, thence 300 feet east to the south center end stake, thence 300 feet to the SE corner, thence 1500 feet to the NE corner.

Trinity Asbestos #8

Located in the E½ of Sec. 5, Twp. 37 N., R. 5 W., M.D.B. & M. The NE corner of this claim is located and joins the section corner between Sections 4, 5, 32, and 33. Thence running 300 feet west to the north center end stake, thence 300 feet west to the NW corner which is located on the section line 600 feet west of the NW section corner of Sec. 5, thence 1500 feet south to the SW corner, thence 300 feet east to the south center end stake, thence 300 feet east to the SE corner, thence 1500 feet north to the NE corner, and the section corner.

Dated at Trinity Center 15 Sept. 1950.

Department of the Interior
Defense Minerals Administration
RECEIVED
OCT 10 1956

EXPLORATION PROJECT CONTRACT
KEYSTONE ASBESTOS CORPORATION
DOCKET NO. DMEA-3095

ANNEX II

The following provisions are in lieu of all of paragraph (a) of Article 6 which precedes the colon:

If the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after a sufficient, complete, final report and final account referred to in the contract has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development. The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2, as follows: (1) Regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

EXPLORATION PROJECT CONTRACT
KEYSTONE ASBESTOS CORPORATION
DOCKET NO DMEA-3095

EXHIBIT "A"

Description of the Work

Exploration for chrysotile asbestos shall be accomplished in the area shown on the attached map entitled "Proposed Exploration, Trinity No. 2, Baker, McKee, Dalton Lease, Keystone Asbestos Corp.," as described below:

1. Construct approximately one (1) mile of access road suitable for movement of men, materials, and supplies.

2. Explore by drilling not in excess of 400 feet of (AX) diamond-drill holes.

3. Where necessary, ream, set and pull casing, and/or cement not in excess of 100 feet of drill holes.

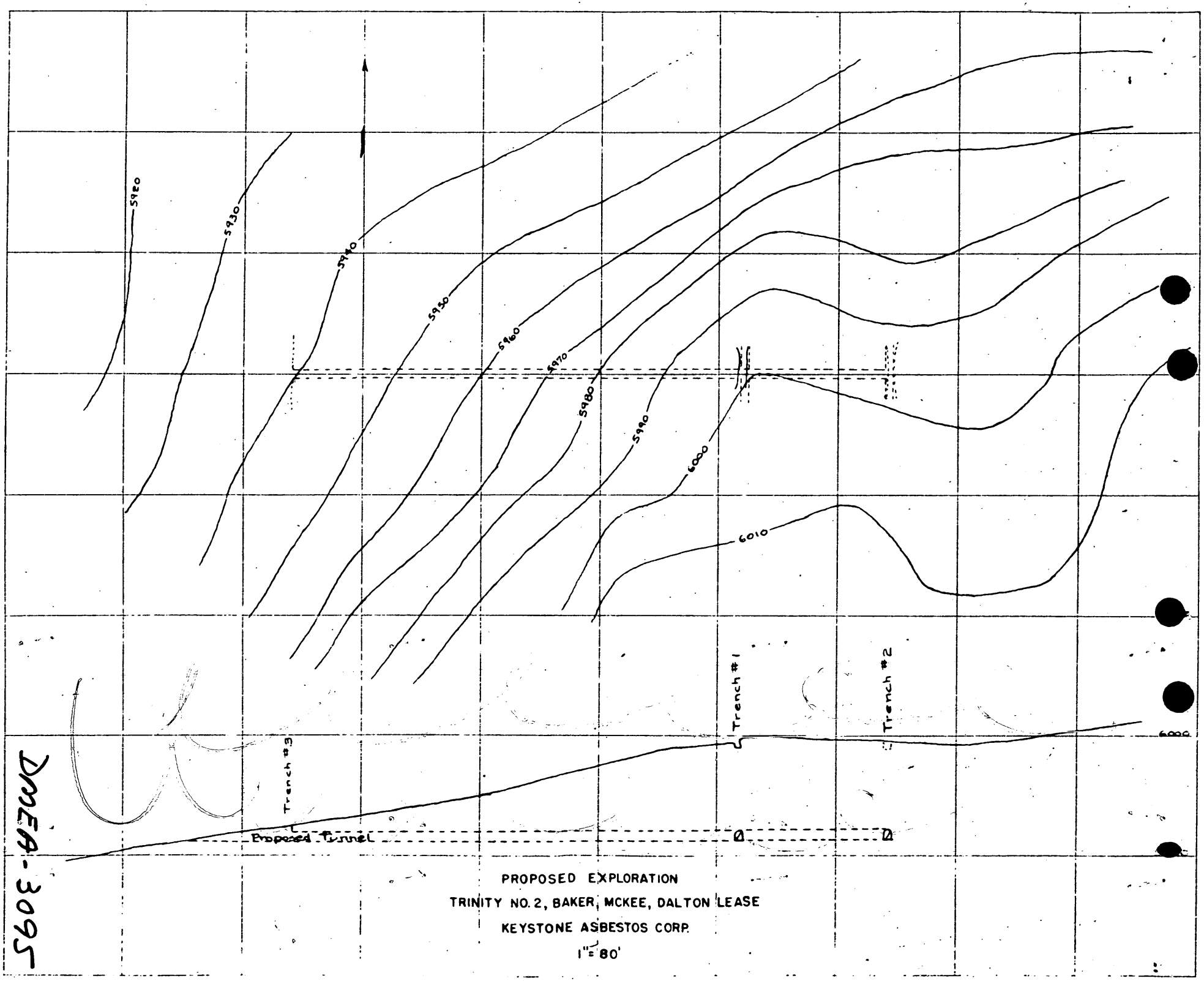
The attitude, direction, and location of the drill holes shall be subject to prior approval of the Government.

Agreed Unit Costs

1. Construct access road 1/	$460.00	
2. Drill 400 feet of D.D. holes @ $5.75/ft. 2/	2,300.00	
3. Ream, set and pull casing, and/or cement 100 feet at $2.50/ft.	250.00	
Total Agreed Unit Costs		$3,010.00
Government Participation at 90%		$2,709.00

1/ The completed road constitutes the unit.

2/ Covers all costs, including supervision, sampling, and surveying.



PROPOSED EXPLORATION
TRINITY NO. 2, BAKER, MCKEE, DALTON LEASE
KEYSTONE ASBESTOS CORP.
1" = 80'

DMEA-3095

"ALBANENE" NO. 195M K&E CO., N.Y.
REG. U.S. PAT. OFF.

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of CALIFORNIA, County of SISKIYOU & SHASTA, described as follows:1/

TRINITY ASBESTOS CLAIM NUMBERS 1,2,3,4,5,6,7 & 8 in sections 32 & 5, T38N & T37N, R5W inTRINITY COUNTY BOOK 52, pages 448,449,450,451,452,453,454, 455, Dated 18, Dec. 1950
SHASTA ASBESTOS CLAIMS NUMBERS 1,2,3,4,5,6,7,8,9 & 10 in SHASTA COUNTY, Book 253, pages 275, 276,277,278,279,280,281,282,283,284, Dated 20, Sept. 1950.
HIGHLAND ASBESTOS CLAIMS NUMBERS 1, & 2, in SHASTA COUNTY Book 253, pages 285 & 286, dated 9, Sept. 1950.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ KEYSTONE ASBESTOS CORPORATION
INVESTMENT BUILDING
WASHINGTON, D. C.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

Dated this 3rd day of October, 1953.

J. F. McKee [Seal]
Edith M. McKee [Seal]
_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.
2/ Insert the name of the Operator as it will appear in the exploration project contract.
3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

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

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of 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, as follows:

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

(b) 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.)

c. Definitions.--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.

d. Lien for Payment.--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.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--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.

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of CALIFORNIA, County of SISKIYOU & SHASTA, described as follows:1/

TRINITY ASBESTOS CLAIMS NUMBERS 1,2,3,4,5,6,7 & 8, in section 32, T38N, R5W, and section 6, T37N, R5W, in Trinity County Date 18, Dec. 1950 in Book 52 pages 448,449,450,451,452,453,454,455.

SHASTA ASBESTOS CLAIMS AND NUMBERS 1,2,3,4,5,6,7,8,9 & 10, in section 4, T37N, R5W, in Shasta County, Dated 20 Sept. 1950 Book 253 pages 275, 276,277,278,279,280,281,282,283,284.
HIGHLAND ASBESTOS CLAIMS NUMBER 1 & 2 Section 20, T37N, R5W

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ KEYSTONE ASBESTOS CORPORATION
INVESTMENT BUILDING
WASHINGTON, D. C.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

Dated this 3rd day of October, 1953.

Elizabeth H. Dalton [Seal]
R. S. Baker [Seal]
E. S. Baker [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

RELEVANT CONTRACT PROVISIONS

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

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of 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, as follows:

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

(b) 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.)

c. Definitions.--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.

d. Lien for Payment.--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.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--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.

JAN 28 1955

600

Mr. George C. Vourmas
President, Keystone Asbestos Corporation
1005 Investment Building
Washington, D. C.

Re: Docket No. DMEA-3095 - Asbestos
Keystone Asbestos Corporation
Trinity Asbestos Claims
Trinity County, California
Contract No. Lm-3624

Dear Mr. Vourmas:

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

Total claimed for units of work performed	$2,843.25
Total Government contribution at 90 percent	$2,558.93

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

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

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

Sincerely yours,

C. O. Mitchelson

Administrator

Copy to: Mr. J. F. McKee and Mrs. Edith McKee (Attached to Field Team copies
Mr. E.S.Baker and Mrs. Rose Baker for forwarding)
Mr. Jack A.Dalton and Mrs. Elizabeth Dalton " " " "

Copy to: Admr. R. File Field Team, Region II
Docket
Mr. Chambers
Mr. Killsgaard, 5222
Dr. Bowles, 3516
Mr. Houk

Project Summary Report

By: Walter C. Anderson January 24, 1955

1. Docket No. DMEA-3095 - Asbestos
   Contract No. Idm-E624
   Tamarack Lake Property - Trinity Asbestos Claims Nos. 1-8, inclusive
   Trinity County, California

   Operator: Keystone Asbestos Corporation
   1005 Investment Bldg., Washington 5, D. C.

   Application: Form MF-103 (April 1952), received June 29, 1953.
   Work proposed - 150 feet of trenching and 500 feet of drift.
   Amount requested: $33,010.30

   Operator's Property Rights:
   Lease dated August 24, 1952.
   Owner's Consent to Lien dated October 3, 1953.

2. Contract - Form MF-200(A) (Feb.1952), dated October 12, 1953.
   Work authorized:

Construct access road	$460.00
Drill 400 feet of (AX) D.D. holes @ $5.75/ft.	2,300.00
Ream, set and pull casing, and/or cement - 100 feet @ $2.50	250.00
Total agreed unit costs	$3,010.00
Government participation @ 90%	$2,709.00

   Amendment - No. 1, changed commencement date from 30 days to July 1, 1954, and extended completion date from 9 months to 13 months.

   Work completed:

Constructed 2 miles access road	$460.00
371 ft. of AX D.D. holes @ $5.75/ft.	2,133.25
Ream, set, and pull casing and/or cement - 100 feet @ $2.50/ft.	250.00
Total accepted cost	$2,843.25
Government participation	$2,558.93

   Work began on June 11, 1954, and completed August 8, 1954.
   No production during operation.
   Field Team Final Report received November 8, 1954.
   Operator's Final Report received November 8, 1954.

3. Audit - certificate issued September 29, 1954

Accepted Cost	$2,843.25
Government participation	2,558.93

4. Certification of Discovery - none issued.

5. Comments:

How conducted - operation performed in a workmanlike manner.
Operation - The competency of the Operator was satisfactory.
Engineering - Reporting by Operator was good. Operator furnished satisfactory account of the project.
Geological premise:
The drilling did not substantiate the premise that the postulated mineral zone continued in depth.
Geological criteria upon which work was based:
1. Favorable asbestos bearing fractures and joints in serpentine.
2. Locally - asbestos fibers 3 inches in length.
Criteria developed during project -
Asbestos - short fiber and only trace occurrence.
Future possibilities - production of asbestos is not economically possible. There are no reserves.

Recommendations - The Nonmetallic Minerals Division concurs in Field Team's recommendation that no further work is warranted and that a certification of discovery should not be issued. The Bureau of Mines and Geological Survey are in agreement.

WCAnderson:gad 1/24/55

Copy to: Admr. R. File
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

Copy

November 24, 1954

Memorandum

To: Mr. Lawrence Houk, Chief, Non-Metallic Minerals Division
D. M. E. A.

From: Commodity Specialist, Construction and Chemical Materials Branch

Subject: Keystone Asbestos Corporation
DMEA 3095

As the report of the field team indicates that the exploratory work revealed no commercial deposits of asbestos, I concur in the recommendation of the field team that no further exploration be done and that no certification of discovery be issued.

Oliver Bowles

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

Department of the Interior
Defense Minerals Administration
RECEIVED
NOV 16 1954

November 15, 1954

Memorandum

REVIEW OF FIELD TEAM FINAL REPORT ON DMEA-3095, Idm-E624 (Asbestos)

To: L. G. Monk, Defense Minerals Exploration Administration

From: R. D. Trace, U. S. Geological Survey

Applicant: Keystone Asbestos Corp.

Name of property: Trinity asbestos claims 1-8

Location of property: Trinity County, California

Date of Field Team Report: October 26, 1954

Authorship of Field Team Report: E. H. Pampeyan, U.S.G.S., and F. J. Wiebelt, U.S.B.M.

Field Team's recommendation: No certification and no further exploration.

ACTION RECOMMENDED: Follow Field Team recommendation.

R. D. Trace

RDTrace:hlm
G-11/15/54

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
Oliver Bowles, 3516

Hook

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 11/25

REFERRED TO:

1. COO
2. Jackson
3.
4.

FOR:

- ---- Action
- ---- Approval
- ---- Comment
- ---- Conference
- ---- Consideration
- ---- Filing
- ---- Instructions
- ---- Investigation
- ---- Initials
- ---- Mailing
- ---- Previous correspondence
- ---- Recommendation
- ---- Record of ----
- ---- Referring to ----
- ---- Reply for signature of ----
- ---- Rewriting
- ---- Signature
- ---- Suggestions
- ---- Your information

REMARKS: Report summary
Closing other

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

GPO 16—63815-1

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 - 1954

420 Custom House
555 Battery Street
San Francisco 11, Calif.

November 2, 1954

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 No. DMA-3095 - Asbestos
Keystone Asbestos Corporation
Trinity Asbestos Claims
Trinity County, California
Contract No. 4dm-1624

Attached are four copies of a final report on the subject project entitled "DMEA-3095, Trinity Asbestos Claims, Nos. 1 to 8, inclusive, Trinity County, California, Keystone Asbestos Corporation," by Earl V. Sampson, Geologist, U. S. Geological Survey, and Frank J. Wiebelt, Mining Engineer, U. S. Bureau of Mines, dated October 26, 1954.

The work completed on this project was the construction of 2 miles of access road and five diamond drill holes aggregating 371 feet in length. The diamond drilling on the Trinity Asbestos claims did not disclose a downward continuation of the west-striking mineralized zone. There are no ore reserves and no further work or certification of discovery should be made on this property.

The contract did not provide for the purchase of any equipment and no equipment was purchased for the project.

Mr. Roscoe Smith and I concur with the conclusion of the examining engineer and geologist that no certification of discovery should be made on this property.

H. C. MILLER

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

Reviewed by
DMEA OPERATING COMMITTEE
11-12-54
(Date)

Attachment

Copy to: Roscoe Smith, USGS
A. S. Johnson Reno
George Mavor
F. Horton

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

FINAL REPORT

Idm-E624

DMEA-3095, Trinity Asbestos Claims
Nos. 1 to 8, inclusive
Trinity County, California

Keystone Asbestos Corporation

Earl H. Pampeyan, Geologist
U. S. Geological Survey

Frank J. Wiebelt, Mining Engineer
U. S. Bureau of Mines

October 26, 1954

11-18554

FINAL REPORT

Docket No.: DMEA-3095 (Asbestos)

Name and address of operator: Keystone Asbestos Corporation
1005 Investment Building
Washington 5, D.C.

Name and location of property: Trinity Asbestos Claims, Nos. 1 to 8, inclusive, Trinity County, Calif.

Shasta Asbestos Claims, Nos. 1 to 10, inclusive, Shasta County, Calif.

Highland Asbestos Claims, Nos. 1 to 2, inclusive, Shasta County, Calif.

Contract No.: Idm-E624

SUMMARY

The project work was confined to the Trinity group of claims. The claims are accessible from Whalen Station, which is 12 miles westerly via a good gravel road from Castella, California on U.S. Highway 99, by following a logging road southerly for 6.5 miles and thence 2 miles of access mine road constructed under the contract. The claims are a short distance east of Tamarack Lake.

The Trinity Asbestos claims are in an area underlain by ultrabasic rocks. Chrysotile asbestos, as slip-fibers, occurs in fractures and joints in the serpentine. Locally the fibers are 3 inches long, but commonly average 1 inch in length. The most favorable asbestos-bearing fractures trended west and dipped south, and a mineralized zone, extending down the dip of these fractures, was postulated by the applicant.

The original exploration work recommended by the examining field team and the director of field operations of the Keystone Asbestos Corporation had recommended the sinking of a 50-foot shaft to explore the downward extension of the mineralized zone, but the Washington Office in conference with the Washington officials of the Keystone Asbestos Corporation saw fit to over rule these recommendations and allowed only diamond drill exploration in the contract.

The actual completed project work consisted of the construction of two miles of access mine road and 5 diamond drill holes aggregating 371 feet in length. The allowable cost of the project amounted to $2,843.25. The Government's share of this cost amounts to $2,558.92.

CONCLUSIONS AND RECOMMENDATIONS

The exploratory diamond drilling on the Trinity Asbestos claims did not disclose any downward continuation of the postulated west-striking mineralized zone.

Additional exploration or development is not warranted, financed either privately or with Government assistance.

DMEA should certify that the project was not successful and that the Government is not entitled to royalties from production.

Production of asbestos is not economically feasible.

DESCRIPTION OF WORK COMPLETED

A DMEA contract consisting of a diamond drilling program was granted to explore the postulated mineralized zone. The con-

struction of an access road was also included in the contract.

Work on the access road was started on June 11, 1954. Drifting operations commenced on July 21, 1954 and were completed on August 8, 1954.

About two miles of access road from a logging road to the property were constructed.

Five diamond drill holes were drilled in the favorable zone (fig. 2) and some slip-fiber was found in the cores from holes 2, 3, and 4. Hole No. 4 had the best showings with traces of chrysotile between the 11- and 28-foot interval reaching a maximum length of 1/8-inch. Hole No. 5, collared directly over a strong fiber-bearing fracture, was abandoned at a depth of 8 feet when the fiber reached the vanishing point. The aggregate depth of holes drilled amounted to 371 feet and the core recovery averaged about 90 percent.

Upon the completion of the DMEA contract work, the drill holes were loaded with dynamite and blasted. The blast produced new exposures of serpentine but did not reveal commercial amounts of asbestos. Sections through the diamond-drill holes are shown in fig. 3.

GEOLOGY AND ORE RESERVES

The Trinity Asbestos claims are in an area underlain by ultra-basic rocks of probable Jurassic age. The exposures of bedrock surrounding the mineralized area are of peridotite exhibiting varying

degrees of serpentinization. Color ranges from greenish-black in the relatively unaltered rock to pale green in the highly sheared and altered serpentine.

The property is overlain by one to three feet of soil and slope wash which contains boulders of a porphyritic hornblende diorite. This intrusive rock crops out one-fourth of a mile away on three sides of the mineralized area. No diorite was seen in place in the contract area.

Chrysotile asbestos, as slip-fibers, occurs in fractures and joints in the serpentine. Locally the fibers are three inches long, but commonly average one inch in length. The most favorable asbestos-bearing fractures trended west and dipped south, and a mineralized zone extending down the dip of these fractures was postulated by the applicant.

Exploratory diamond drilling on the Trinity Asbestos claims did not disclose any downward continuation of the postulated west-striking mineralized zone. There are no reserves. No further work, or certification of discovery is warranted.

EXPENDITURES

(a) Total approved $3,100.00

The above consists of the following:

1. Construct access road 1/	$460.00
2. Drill 400 feet of D. D. holes @ $5.75/ft. 2/	2,300.00
3. Ream, set and pull casing and/or cement 100 feet @ $2.50/ft.	250.00
Total agreed unit costs	$3,100.00

1/ The completed road constitutes the unit.
2/ Covers all costs, including supervision, sampling, and surveying.

(b) Total cost of project $2,843.25

Details of above cost are as follows:

1. Constructed 2 miles access road	$ 460.00
2. 371 feet of D.D. holes @ $5.75/ft.	2,133.25
3. Ream, set, and pull casing and/or cement 100 feet @ $2.50/ft.	250.00
Total cost of project	$2,843.25 3/

3/ A charge of $50.99 for explosives and $5.00 for blasting machine reported by operator as expenses incurred in August 1954 were not covered by the contract and therefore should be disallowed and they are not included in the above costs.

(c) Government's share of cost:

90% of $2,843.25 = $2,558.92

(d) Government's share unexpended:

$2,709.00 - $2,558.92 = $150.08

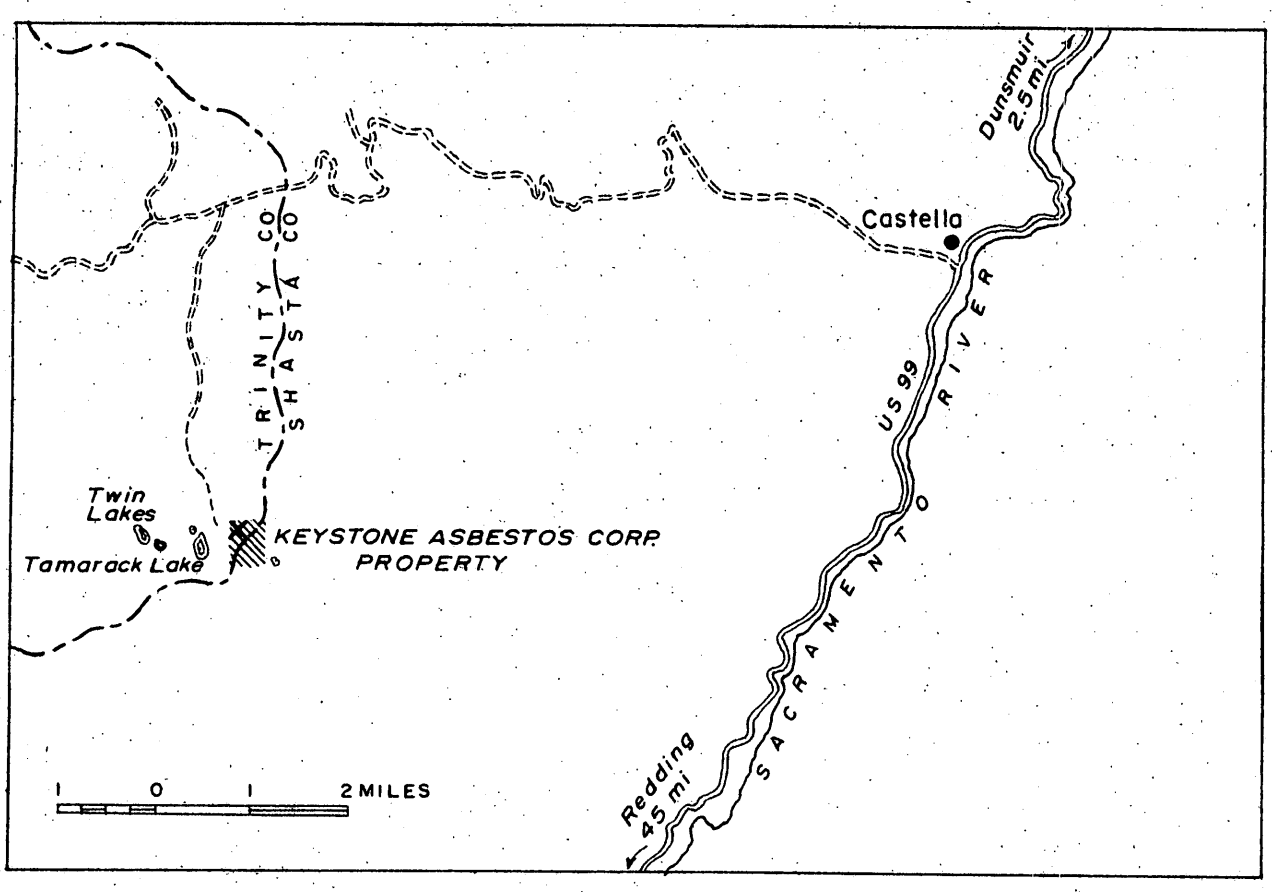
(e) There was no production during operations and consequently no royalty to the Government was involved.

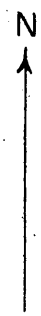
EFFICIENCY OF OPERATIONS

Operations were performed in a workmanlike manner. It is believed that the company spent much more of their own money than shown in the above costs. The two miles of road cost the company about $1,200. The competency of the operator was satisfactory.

EQUIPMENT PURCHASED FOR THE PROJECT

The contract did not provide for the purchase of any equipment and the costs do not contain equipment purchases.





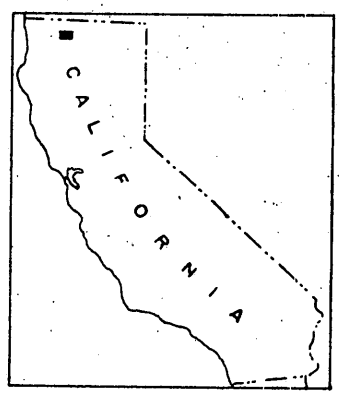
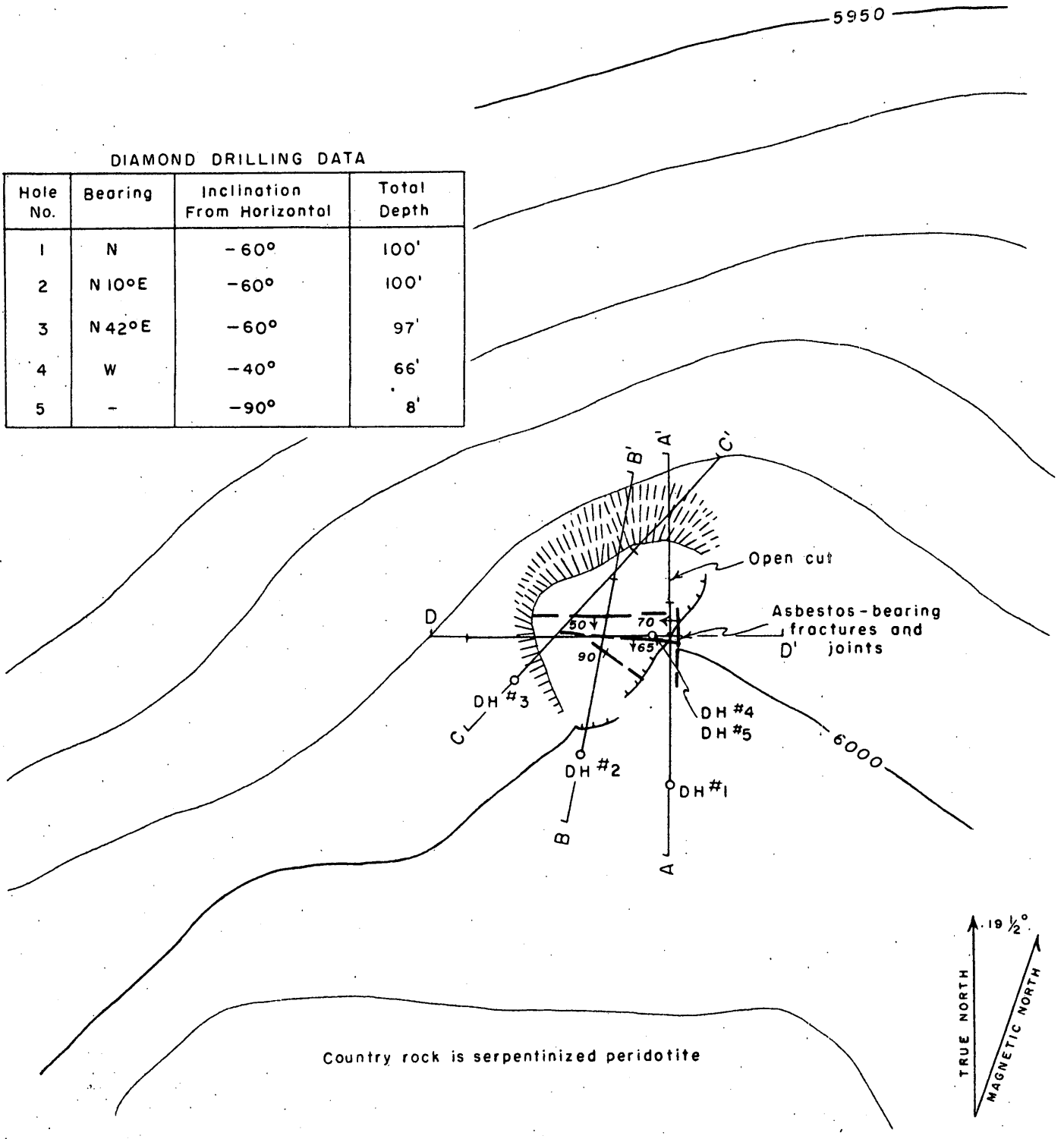


Figure 1. Index map showing the location of Keystone Asbestos Corporation property near Tamarack Lake.

DIAMOND DRILLING DATA

Hole No.	Bearing	Inclination From Horizontal	Total Depth
1	N	-60°	100'
2	N 10°E	-60°	100'
3	N 42°E	-60°	97'
4	W	-40°	66'
5	-	-90°	8'

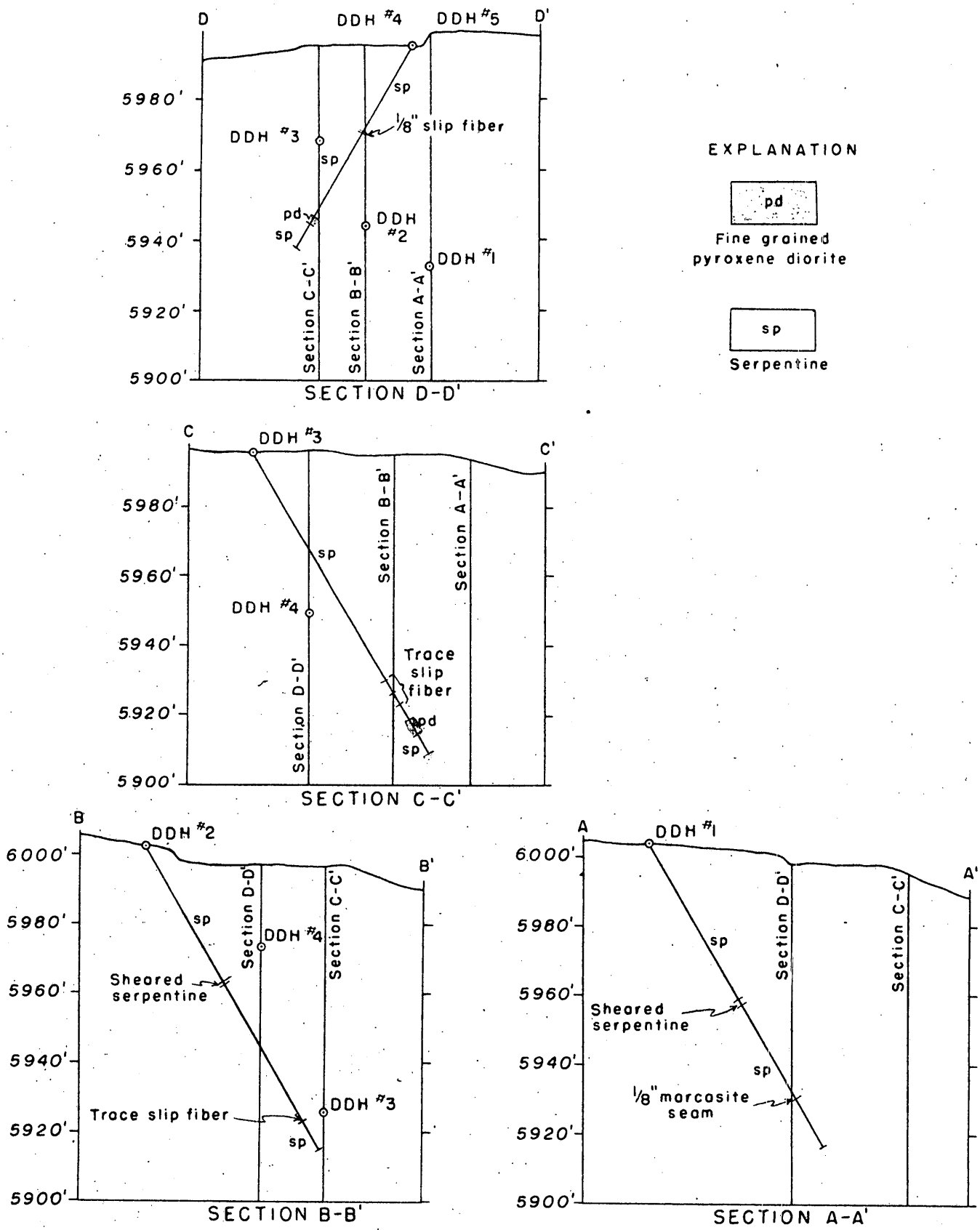


MAP SHOWING LOCATION OF DIAMOND DRILL HOLES, KEYSTONE ASBESTOS CORPORATION, TAMARACK LAKE PROPERTY, TRINITY COUNTY, CALIFORNIA

40 0 40 80 FEET

Datum is approximately sea level

FIGURE 2



SECTIONS THROUGH DD HOLES

40 0 40 80 FEET

Figure 3

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 8 1954

420 Custom House
555 Battery Street
San Francisco 11, Calif.

November 3, 1954

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Operator's Monthly Report - Form DF-104A and Narrative

In connection with Contract No. Idm-3624, Docket DMEA-3095, Keystone Asbestos Corporation, enclosed herewith are copies of DF-104A and Operator's narrative report for the months of July and August 1954, since these are the final vouchers to be rendered for the project.

As soon as the final liquidation and settlement are made of this account, the additional copies of Form DF-104A and narrative, as well as the audited copies of DF-104, will be sent to your office.

W. G. Miller
W. G. Miller for
F. Ricker
Executive Officer
DMEA Field Team, Region III

Attachments

Copy to: Roscoe H. Smith, USGS
Frances Norton

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS AUG 19 1954
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

OPERATOR'S UNIT COST AND PROGRESS REPORT

NOV 8 - 1954

Month of July 1954 Docket No. DMEA 2095 Contract No. [illegible] 624
Operator's Name Keystone Asbestos Corporation Minerals Chrysotile
Address 1005 Investment Bldg., Washington D.C. Asbestos

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	foot	$1385.75	41	1385.75	241	$5.75	200	$5.75
Churn								
Auger								
Stripping: casing	feet	$250.00	100	$ 250.00	100	$2.50	100	$2.50
Trenching								
Test Pits								
Roads and Trails	2 miles	none	none	$440.00	2 mi.	$220.00	2 mi.	$440.00
Total Distributed Costs		$1635.75		$2095.75				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		$1635.75		$2095.75				$3010.00

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

Date 5 Aug. 1954 Operator Keystone Asbestos Corp.

Per George J. Petrow Title Director of Field Operations.

Remarks: Drilled 2 holes each 100 ft. & 41 ft. of hole [illegible]. Evidence of slip fiber in all holes to depth. Cased 137 ft. Contract authorizes only 100 ft. @ $2.50. Serpentine is hard base rock, drilling good with better than 60 % core recovery. Using bentonite mud well in drilling.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

MAIN OFFICE
005 INVESTMENT BLDG.
WASHINGTON D. C.

DEPARTMENT OF THE INTERIOR
Federal Minerals Administration
RECEIVED
AUG 8 - 1954

KEYSTONE ASBESTOS CORPORATION

FIELD OFFICE
BOX 141
MT. SHASTA, CALIFORNIA

SUMMARY OF WORK COMPLETED ON THE
KEYSTONE ASBESTOS CORPORATIONS CLAIMS
TAMARACK LAKE, SHASTA COUNTY, DMEA 3095
DURING THE MONTH OF JULY, 1954

Moved into the prospect 19, July, 1954. Set up and started drilling 21 July, 1954. Drilling here on exposed trench opened previously by the Keystone Asbestos Field Team. Trench has exposed base rock, serpentine, with seams of slip fiber. Drilling is good with better than 80 % core recovery. Using Bentonite Aqua Jell in drilling.

Drilled hole # 1., at a 60' angle, 100 ft. deep. Cased 60 ft. Drilled hole # 2., also 60' angle, for 100 ft. Cased 40 ft. Now drilling hole # 3., have reached a depth of 41 ft., by 31 July, 1954. Cased 37 ft. in this hole. It should be noted that in all the drilling so far, in northern California, we have cased beyond the estimated and authorized casing allowed in the contract. The serpentine has been highly altered and the drilling without casing has not been possible.

There is evidence of slip fiber, to depth, in each hole. It is a thin slip in fractures. The serpentine is hard dark gray and seems to be also carrying some Amphibole asbestos.

Respectfully submitted,

George J. Potrow
Director of Field Operations

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
AUG 24 1954
Defense Minerals Administration
RECEIVED
NOV 8 - 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1954 Docket No. DMEA 3095 Contract No. IDME 624

Operator's Name Keystone Asbestos Corporation Minerals Chrysotile Asbestos

Address 1005 Investment Bldg., Washington D. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	feet	$747.50	130	$2133.25	371	$5.75	400	$5.75
Churn								
Auger								
~~Stripping~~ Casing	feet			$ 250.00	100	$2.50	100	$2.50
Trenching								
Test Pits								
Roads and Trails				460.00				
TOTAL DISTRIBUTED COSTS		$747.50		$2383.25				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		$ 55.99		$ 55.99				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$803.49		$2439.24				$3010.00

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

Date 16 Aug. 1954 Operator Keystone Asbestos Corp.

Per Geo. J. Petrow Title Director Field Operations.

George J. Petrow

REMARKS: Continued drilling hole #3, from 41' to 97', good core recovery, showing evidence of fiber to 90'. Drilled hole #4, to depth of 66', at 40' angle. Core recovery poor, very little fiber shown. Drilled #5 8' depth at base of trench, filled holes with dynamite, blasted trench. No commercial asbestos found.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

MAIN OFFICE
1005 INVESTMENT BLDG.
WASHINGTON D. C.

KEYSTONE ASBESTOS CORPORATION

FIELD OFFICE
BOX 141
MT. SHASTA, CALIFORNIA

Lease Minerals Adminis.
RECEIVED

16 August, 1954

SUMMARY OF THE WORK COMPLETED ON THE KEYSTONE ASBESTOS CORRORATIONS ASBESTOS CLAIMS, TAMARACK LAKE, SHASTA & TRINITY COUNTIES, CALIFORNIA, DMEA 3095, DURING THE MONTH OF AUGUST, 1954.

FINAL REPORT:

Continued drilling Hole # 3., at 60' angle, from 41 ft. to 97 ft. The core recovery was good, showing evidence of thin layers of slip fiber to a depth of 90 ft. From here down, there was a complete rock change, with no evidence of fractures or fiber.

Drilled hole # 4., at a 40' angle, starting at the base of the original pit, drilling NW accross the the exposed fiberous seams in the trench. The core recovery was poor, showing nothing of value. Stoped drilling this hole at 66 feet. At this point we were out of the strike zone of the trench and picking up nothing in core.

Drilled hole # 5., at the base of trench, directly over exposed fiberous seams of Chrysotile slip fiber. Seams thinned out to nothing at 8 feet of depth, when drilling was stoped, 8 August, 1954.

Filled the drill holes with dynamite and awaited the inspection of the work by the DMEA Field Team. On Tuesday, 10 August, 1954, Mr. Frank Wiebelt, Mining Engineer, DMEA Region 111., inspected the prospect and examined the cores. Set of the blast, in Mr. Wiebelts presence. The blast shattered the rock in the trench, exposing rocks with thin layers of Chrysotile Slip Fiber. However, not, in our opinion, of commercial quantities.

Final decission and report on this prospect should await the DMEA Geological Surveys, Geological Report and Study of the cores recovered.

These cores, as well as the cores recovered from the Keystone Asbestos Prospect, Scott River Project, DMEA 3096, are packed in wooden core boxes, each clearly marked and will be available for the study by

The Geological Survey, at the Keystone Asbestos Field Office, Box 547, Lakehead, Shasta County, California, until 21 August, 1954. At which time they will be transfered, for storage, to the Dr. T. C. Anderson, Dairy Ranch, on the Churn Creek Road, 8 miles south west of Redding, California. The mailing address of Dr. Andersons Farm is Route # 1., Box 4170, Redding, California. The telephone number is 123-W-13, on the Redding, California exchange.

It is requested that a copy of the Geological Surveys' report, be mailed to the Director of Field Operations, Box 141, Keystone Asbestos Field Office, Mt. Shasta, California.

These cores are available for the Bureau of Mines Core Library, if wanted.

Respectfully submitted,

Geo. J. Petrow

George J. Petrow
Director of Field Operations

Form ME-104 (Rev. Jul 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1954 Docket No. DMEA 3095 Contract No. IDME 624
Operator's Name Keystone Asbestos Corporation Minerals Chrysotile Asbestos
Address 1005 Investment Bldg., Washington, D.C.
Contract Amount, $ 3,010.00 Government Participation: 90 % Amount, $ 2,709.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Contracts: Short Form						
Drilling 130 ft.	$747.50	$1385.75	$2133.25	747.50	1385.75	2133.25
Bulldozing Access Road					480.00	480.00
Crosscutting						
~~Drilling~~ Casing & reaming		$ 250.00	$ 250.00		250.00	250.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	$50.99		$ 50.99			
Pipe						
Track						
(4) Operating Equipment:						
Rental Blasting mch.	5.00		5.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$803.49	$1635.75	$2439.24	747.50	2505.75	3253.25

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

Date 16 Aug. 1954 Payee Keystone Asbestos Corporation

Per George J. Petrow Title Director Field Oper.

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

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

(Instructions on reverse)

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

$ 672.75

Lloyd H. Sjolander
Authorized Certifying Officer

Signature
(Authorized Certifying Officer)

Date Vou. No. SF-DMEA-11

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E624 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div., Date Aug. 19, 1954.

A. C. Johnson

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Region III
Executive Officer

Signature W. C. Miller Title DMEA Field Team Date August 23, 1954

H. C. Miller Region III

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

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

420 Custom House
555 Battery Street
San Francisco 11, Calif.

November 9, 1954

Memorandum:

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Operators' Monthly Progress Reports - Forms MF-104 and MF-104A

Enclosed herewith are two copies of each of the subject reports received from the following operators as listed below. These reports have been audited and passed to the Treasury for payment.

Contract No.	Operator	Report Dated	Period Covered
Idm-E624 DMEA-3095	Keystone Asbestos Corporation	August 5, 1954 (Final)	July 1954
" "	" "	August 16, 1954 (Final)	August 1954
Idm-E678 DMEA-3261	Valle's Mining Syndicate	August 25, 1954	July 1954
" "	" "	September 7, 1954	August 1954

S. RICKER

S. Ricker
Executive Officer
DMEA Field Team, Region III

Attachments

Copy to: Roscoe Smith, USGS

Form [redacted]

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of ~~June~~ July 32, 1954 Docket No. DMEA3095 Contract No. DME 624

Operator's Name Keystone Asbestos Corporation Minerals Chrysotile Asbestos

Address 1005 Investment Bldg., Washington D.C.

Contract Amount, $ 3,010.00 Government Participation: 90 % Amount, $ 2,709.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling 241 ft.	$1385.75	none	$1385.75			
Bulldozing access rd.		$460.00	$ 460.00			
Crosscutting						
~~Drilling~~ ~~XXXX~~ 100 ft.*						
casing & reaming	$ 250.00	none	$ 250.00			
(2) Labor and Supervision:						
Labor	* 127 ft. of casing used.					
Supervision	60 ft. hole #1., 40 ft.					
Technical Services	hole # 2., 27 ft. hole #3.					
(3) Operating Mat'ls. and Supplies:	Only 100 ft. authorized					
Timber	in contract. $250.00					
Explosives	is for 100 ft.					
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1635.75	$460.00	$2095.75			

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

Date 5 Aug. 1954 *Payee Keystone Asbestos Corporation

Per George J. Petrow Title Direct. Field Oper.

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

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

(Instructions on reverse)

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

$ 1472.18

Lloyd H. Sjolander
Authorized Certifying Officer

Signature (Authorized Certifying Officer)

Date Vou. No. SF-Dmca-11

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E624 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Region III Date August 17, 1954.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date August 19, 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

1C[illegible]T BLDG.
W[illegible]N D. C.

KEYSTONE ASBESTOS CORPORATION

FIELD OFFICE
BOX 141
MT. SHASTA, CALIFORNIA

[illegible] OF THE [illegible]
[illegible] Mineral Resources Administration
RECEIVED
[illegible]

SUMMARY OF WORK COMPLETED ON THE
KEYSTONE ASBESTOS CORPORATIONS CLAIMS
TAMARACK LAKE, SHASTA COUNTY, DMEA 3095
DURING THE MONTH OF JULY, 1954

Moved into the prospect 19 July, 1954. Set up and started drilling 21 July, 1954. Drilling here on exposed base rock in trench opened previously by the Keystone Asbestos Field Team. Exposed seams of slip fiber in serpentine showing. Drilling is good with better than 80 % core recovery. Using Bentonite Aqua Jell in drilling.

Drilled hole # 1., at a 60' angle, 100 ft. deep, casing 60 ft. Drilled hole # 2., also at 60 ' for 100 ft. Casing 40 ft. Now drilling hole # 3., have reached a depth of 41 ft. by 31 July, 1954. Cased 27 ft. in this hole. It should be noted that in all the drilling so far, in northern California, we have cased far beyond the estimated and authorized casing allowed in the contract. The serpentine has been highly altered and drilling without casing has not been possible.

There is evidence of slip fiber, to depth, in each hole. It is a thin slip in fractures. The serpentine is hard dark grey and seems to also be carrying some Amphibole asbestos.

Respectfully submitted,

George J. Petrow
Director of Field Operations.

AUG 4 - 1954

Mr. George C. Vourmas, President
Keystone Asbestos Corporation
1005 Investment Building
Washington 5, D. C.

Re: Docket No. DMEA-3095 - Asbestos
Keystone Asbestos Corporation
Trinity Asbestos Claims
Trinity County, California
Contract No. Idm-8624

Dear Mr. Vourmas:

Reference is made to your letter of July 27, 1954, stating that the first hole drilled is encouraging and the drilling should be completed within about ten days.

Further drilling on the subject property cannot be recommended unless the slip-fiber asbestos is of strategic quality and acceptable for stockpiling under the present criteria now in effect in DMEA.

The denial of your application DMEA-3196 is being re-appraised and you may expect a reply to your letter of July 26, 1954, within the next few days.

Sincerely yours,

C. O. Mittendorf

Administrator

LGHouk:gad 8/3/54
Copy to: Admr. R. File
Docket File
Field Team, Region III
Dr. Bowles, 3516
Mr. Larrabee, 5216
Mr. Houk

Address
"vour"

C O P Y

Phones
National 8-5581
8-5582

Law Offices of
GEORGE C. VOURNAS
Investment Building
Washington 5, D. C.

July 27, 1954

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
United States Department of Interior
Washington, D. C.

Re: Docket No. DMEA-3095 - Asbestos
Calethia Asbestos Group 1 to 8

Dear Sir:

With further reference to our letter dated July 26 in connection with application 3196 I wish to advise that today we received a report on the drilling operations now carried on in the area covered by our application no. 3095. The first hole 100 feet in depth has already been drilled and the indications are quite encouraging. I am further advised that representative of the State Bureau of Mines visited the area last week and he was most favorably impressed with the prospects.

Our field staff is of the opinion that at this rate of progress the 400 feet of drilling authorized under the contract will be completed in about ten days, or thereabout, unless further drilling is recommended by your field team and approved by you. At the conclusion of this work the drilling operations team must be demobilized unless your decision in regard to application 3196 is reconsidered and a contract for drilling operations there awarded.

It is respectfully hopes that you will authorize exploration operations covered by application 3196 so that the question whether asbestos deposits in commercial quantities exist in this area may be definitely settled.

Very truly yours,

/s/
George C. Vournas

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

Budget Bureau No. 42-R1036.3
Approval expires 6-30-[illegible]

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

Month of June, 1954 Docket No. DMEA 3095 Contract No. E 624
Operator's Name Keystone Asbestos Corporation Minerals Chrysotile
Address 1005 Investment Bldg. Washington D.C. Asbestos
Contract Amount, $3,010.00 Government Participation: 90 % Amount, $2,709.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Contracts:						
Short Form 400 ft.						
Drilling	none	none	none			
Bulldozing access road	$460.00	none	$460.00			
Crosscutting						
~~Drifting~~ 100 ft of casing & cement	none	none	none			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$460.00	none	$460.00			

I certify that the above bill is correct and just and that payment therefor has not been received. July 1, 1954 Keystone Asbestos Corp.
Date *Payee
Per George J. Petrow Title Director Field Oper.

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

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

(Instructions on reverse)

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

$414.00
Lloyd H. Sjolander
Authorized Certifying Officer
Signature
(Authorized Certifying Officer)

Date 195 Vou. No. SF-DMEA-21

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract Idm-E624 in accordance with the terms of the contract.

Signature George H. Holmes, Jr. Title Mining Methods Research Engineer Date July 9, 1954.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title ~~DMEA Field Team~~ Executive Officer Region III Date July 12, 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month June 1951 Docket No. DMEA-5 Contract No. E 624
Operator's Name Keystone Asbestos Corporation Minerals Chrysotile
Address Investment Bldg., Washington, D.C. Asbestos

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	foot	none	none	none	none	none	100	5.75
Churn								
Auger								
Stripping	foot	none	none	none	none	none	100	2.50
Trenching								
Test Pits								
Roads and Trails	2 mile	$60.00	2 m.	$60.00	2 m.	$60.00	2 m.	$60.00
Total Distributed Costs		$60.00		$60.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		$60.00		$60.00				$3,210.00

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

Date July 1, 1951 Operator Keystone Asbestos Corp.

Per George J. Polson Title Director of Field Operations
George J. Polson

Remarks: Constructed access road approximately 2 miles to drill site. This took a D-6 bulldozer and 2 man 9 working days for a total cost over $1,200.00 to the Keystone Asbestos Corporation

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

MAIN OFFICE
1005 INVESTMENT BLDG.
WASHINGTON D. C.

KEYSTONE ASBESTOS CORPORATION

FIELD OFFICE
BOX 141
MT. SHASTA, CALIFORNIA

Summary of work completed in June, 1964,
on the Keystone Asbestos Corporations claims
Zemmach Lake, Shasta County, California
DMEA 3095

Constructed access road from the end of the present logging road, at Shiloh Cabin, Keystone Meadows, to the drill sight at Zemmach Lake. The Forrest Service issued the work permit and placed the road, which is approximately 2 miles in lenght, with a maximum 15 % grade.

It took a D-6 Bulldozer and 2 men working 9 hours per day, total of 9 days to complete the road. The cost of which was over $1,200.00

The DMEA Field Team, Region III., inspected the drill area and placed the holes. There will be four holes, each 100 feet in depth. Drilling on this prospect will start some time the later part of July, 1964.

Respectfully submitted,

Geo. J. Petrov

George J. Petrov
Director of Field Operations

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

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

Air Mail

March 9, 1954

Mr. George C. Tournas
Keystone Asbestos Corporation
Investment Building
Washington 5, D. C.

Re: Docket No. A-3095 - Asbestos
Keystone Asbestos Corporation
Trinity Asbestos Claims
Trinity County, California
Contract Idm-7624

Docket No. A-3096 - Asbestos
Keystone Asbestos Corporation
Keystone Asbestos Claims
Siskiyou County, California
Contract Idm-7623

Dear Mr. Tournas:

My attention has been called to an error in the 3rd paragraph of my March 3, 1954, letter to you.

The second sentence of that paragraph reads "The holes should be spaced about 50 feet apart and should be vertical." This sentence should read "The holes should be spaced about 50 feet apart and inclined 30-60 degrees North."

I apologize for this error and trust that no damage has been done.

Sincerely yours,

H. C. MILLER

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

Copy to: Geo. J. Petrow, Mt. Shasta, Calif.

DMEA, Washington, D. C.
Roscoe Smith, USGS
A. C. Johnson, Reno

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

DEPARTMENT OF THE INTERIOR
Mines Branch Administration
RECEIVED
MAR 8 1954

1012 Flood Building
870 Market Street
March 3, 1954

Mr. George C. Vournas
Keystone Asbestos Corporation
Investment Building
Washington 5, D. C.

Re: Docket DMEA-3095 - Asbestos
Keystone Asbestos Corporation
Trinity Asbestos Claims
Trinity County, California
Contract Idm-E624

Docket DMEA-3096 - Asbestos
Keystone Asbestos Corporation
Keystone Asbestos Claims
Siskiyou County, California
Contract Idm-E623

Dear Mr. Vournas:

I apologize for being so tardy in answering your February 8 letter, but I assure you that I have been making a constant effort ever since it arrived to get our engineers and geologists to lay out a tentative drilling program on the above-cited properties.

Without further trenching of the properties our examiners have been reluctant to spot the drill holes. Unfortunately, the contracts were drawn up with no provision for trenching prior to diamond drilling so that a guess as to the possible location of the drill holes is all that can be made at this time. With that in mind, we are tentatively establishing possible drilling sites with the understanding that our engineers and geologists be notified when drilling is about to start so that they can be on the site and more definitely spot the holes.

On the Trinity property, Docket DMEA-3095, it is suggested that four holes each not over 100 feet deep be drilled along an east-west line about 60-75 feet south of the existing trench. The holes should be spaced about 50 feet apart and should be vertical. The collars of the holes will be at an approximate elevation of 6000 feet.

On the Siskiyou County property, Docket DMEA-3096, 1600 feet of diamond drilling is called for by the contract. At this time our engineer and geologist are unable to spot all the holes that might be drilled. They have, however, tentatively suggested that at the start four 50-foot holes

be drilled in the vicinity of the trench indicated by the figure 1 on the map accompanying the contract. These four holes should be vertical and drilled due north, due south, due east, and due west approximately 50 feet out from the trench. A fifth hole should possibly be drilled at a minus 30 degree angle in a south-west direction from a point approximately 50-60 feet north-east of the trench. This hole should probably be about 100 feet long.

Other vertical holes about 50 feet long might be drilled at pits marked 2, 3, and 4 on the map, at the pit directly north of Pit No. 4, at the pit marked "6' deep," at the pit south-west of Pit No. 2, at the pit marked "5' deep," south-east of Pit No. 3, and at the unmarked pit about 50 feet south-west of the pit marked "5' deep."

Beyond that our engineer and geologist have nothing further to suggest other than that the location of additional holes be subject to what is learned from the drilling of the tentatively spotted holes.

I trust that this information will be of help to you in your negotiations with Boyles Bros.

Kindly let us know in plenty of time when drilling is to start so we can arrange to have our men on the properties to more definitely spot the holes.

Sincerely yours,

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

Copy to: Geo. J. Petrow, Mt. Shasta, Calif.

DMEA, Washington, D. C.
Roscoe Smith, USGS
A. C. Johnson, Reno

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

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

February 10, 1954

Memorandum

To: A. C. Johnson, Bureau of Mines, Reno, Nevada

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3095 - Asbestos
Keystone Asbestos Corporation
Trinity Asbestos Claims, Trinity County, Calif.
Contract Idm-1624

Docket DMEA-3096 - Asbestos
Keystone Asbestos Corporation
Keystone Asbestos Claims, Siskiyou County, Calif.
Contract Idm-1623

Reference is to a letter received from Mr. George C. Vournas, Keystone Asbestos Corporation, Washington, D. C., in which he refers to the statements in both subject contracts reading, "The attitude, direction, and location of the drill holes shall be subject to prior approval of the Government."

Mr. Vournas is now negotiating with Boyles Bros. to contract for the diamond drilling and wants to know if we have located the holes and can furnish him with a map showing where they should be located and their direction and attitude.

According to the contracts, not in excess of 400 feet of hole is to be drilled under Contract 1624 (Docket 3095) and not in excess of 1600 feet under Contract 1623 (Docket 3096).

It is necessary, therefore, that Frank Wiebelt and Karl Pampeyan give me their combined thoughts on the information desired. I am leaving the manner in which that can best be accomplished to Wiebelt and Pampeyan, but advise that their answer with maps should not be unduly delayed.

W. G. MILLER
H. G. Miller
Executive Officer
DMEA Field Team, Region III

Copy to: DMEA, Washington, D. C.
Roscoe Smith, USGS

600

FEB - 3 1954

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

Subject: Docket No. DMEA-3095 - Asbestos
Keystone Asbestos Corporation
Trinity Asbestos Claims
Trinity County, California
Contract No. Idm-E624

Dear Mr. Miller:

Reference is made to your letter to Mr. George C. Vournas, dated January 8, 1954, on amending the subject contract, and to your memorandum of November 13, 1953, to the Operating Committee.

The next to the last paragraph in your memorandum states that some surface trenching is advisable to intelligently locate the diamond drill holes. This office has no information on the cost of this trenching so we are unable to prepare an amendment. However, it is felt that no amendment should be made to increase the cost of the proposed work, inasmuch as the asbestos is of questionable strategic quality, and in the light of Amendment No. 3 to DMEA Order-1, dated November 3, 1953, the ratio of Government contribution has been reduced to 75 percent in the case of asbestos.

In view of the limited exposure of asbestos-bearing rock and the Field Team's recommendation of a 50-foot shaft to procure a sample of unweathered asbestos, it is felt that the diamond drilling approach to the procurement of samples of unweathered asbestos would be less costly and allow exploration of a greater target area than would the 50-foot shaft.

We have prepared an amendment to make the starting date on or before July 1, 1954, executed copies of which are enclosed.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

s/Philip W. Guild
Member, Geological Survey

Enclosures 2

LGHouk:gad 1/14/53
Copy to: Admr. R. File
Docket File
Operating Committee
Dr. Bowles, 3516
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

January 13, 1954

Mr. Vournas of Keystone Asbestos Corporation calling Mr. Houk

Docket No. DMEA-3095 - Asbestos
Trinity Asbestos Claims
Trinity County, California
Contract No. Idm-E624

Docket No. DMEA-3096 - Asbestos
Keystone Asbestos Claims
Siskiyou County, California
Contract No. Idm-E623

Docket No. DMEA-3196 - Asbestos
Calethia Asbestos Mine

SEE DOCKET NO. DMEA-3196 for copy of conversation.

January 13, 1954

Memorandum

To: Mr. J. L. Hofflund

From: Lawrence G. Houk

Subject: Time extension - Docket No. DMEA-3095 - Asbestos
Keystone Asbestos Corporation
Trinity Asbestos Claims
Trinity County, California
Contract No. Idm-E624

Please amend the subject contract to make the starting date on or before July 1, 1954. The amendment should provide that if work is not started on or before July 1, 1954, the contract will be automatically canceled. The completion date should be changed from nine months to 13 months.

LGHouk:gad 1/13/54

Copy to: Admr. R. File
Docket File
Mr. Houk

C
O
P
Y

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

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

January 8, 1954

Mr. George C. Vournas
Keystone Asbestos Corporation
Investment Building
Washington 5, D. C.

Re: Docket No. DMEA-3095 - Asbestos
Keystone Asbestos Corporation
Trinity Asbestos Claims
Trinity County, California
Contract No. Idm-E624

Docket No. DMEA-3096 - Asbestos
Keystone Asbestos Corporation
Keystone Asbestos Claims
Siskiyou County, California
Contract No. Idm-E623

Dear Mr. Vournas:

In reply to your letter dated January 5, 1954, inquiring whether your letter of November 9, 1953, was received and what action, if any, had been taken by this office, our files show that your November 9 letter was received in this office on November 12, and that the matter discussed therein was referred to the Washington Office of the Defense Minerals Exploration Administration on November 13, 1953.

To date we have not received the requested amendments, the preparation of which has probably been delayed because your request calls for additional funds over and above those provided in the contract.

A copy of this letter is being sent to the Washington Office so that it will know of your inquiry.

Sincerely yours,

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 17 1953

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

November 13, 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 No. DMEA-3095 - Asbestos
Keystone Asbestos Corporation
Trinity Asbestos Claims
Trinity County, California
Contract No. Idm-E624

Reference is made to the subject contract, dated October 12, 1953. This contract, as drawn, calls for the operator to begin work within 30 days of the date of the contract.

Some time ago the operator's Director of Field Operations, Mr. George J. Petrow, called at the office to inform me that it would be impossible to do any work on the property this fall and winter on account of snow. He informed me that a formal request would be made by his Washington office to defer the starting date to about July 1, 1954.

This office believes the request should be granted and is willing to amend the contract to that extent. However, the letter requesting the extension includes other changes that the operator desires to have made in this contract. These changes, as I see them, will increase the cost of the contract.

A copy of the operator's letter to Mr. Lawrence G. Houk, dated November 2, 1953, together with a copy of Boyles Bros. bid on the diamond drilling, is attached.

You will note that Mr. Vournas would like to drill NX rather than AX holes. Boyles Bros. bid $4.40 and $4.80 per foot for AX holes and $5.10 and $5.70 per foot for NX holes, respectively for 0' to 200' and 200' to 400' holes. The contract allows $5.75 a foot for all drilling costs.

As only 400 feet of drilling is allowed, the changing of the size of the hole from AX to NX may not increase the total cost ($2,300), and permission to drill NX holes may be all that is necessary.

The operator requests also an item for core boxes. The cost of core boxes is not included in the contract, and, according to Boyles Bros. bid, will amount to $95 for 400 feet of NX core and about $64 for 400 feet of AX core, f.o.b. Salt Lake City.

The contract states that "the attitude, direction, and location of the drill holes shall be subject to prior approval of the Government." Mr. Bailey and I agree with the operator's technical advisor that it is impossible to locate the holes intelligently without some surface trenching. Locating the holes otherwise would be merely guessing of the rankest order. Trenching, however, is not included in the contract.

The above matters are being brought to your attention with the request that they be given consideration by your office. If you agree that the contract should be amended to allow the added costs, your office should prepare the amendment which should include the requested extension of time.

H. C. MILLER

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

Attachments

Copy to: E. N. Bailey, USGS
A. C. Johnson, Reno

600

OCT 27 1953

Mr. H. C. Miller
Executive Officer, DMEA
Field Team, Region III
1082 Flood Building
870 Market Street
San Francisco 2, California

Subject: Docket No. DMEA-3095 - Asbestos
Keystone Asbestos Corporation
Trinity Asbestos Claims
Trinity County, California
Contract No. Dm-2624

Dear Mr. Miller:

Transmitted herewith are three copies of executed Contract No. Dm-2624, (the Field Team copy, the Finance Office copy and the Extra copy).

The Operator's copy of the contract was handed to Mr. George C. Yournas on October 23, 1953, and he advised us that it is impossible to start operations this year. He will request an amendment to postpone the starting date until next year.

Copies of memoranda from the Geological Survey and the Bureau of Mines are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

Enclosures 7

LGHouk:gad 10/23/53
Copy to: Admr. R. File
Docket File
Operating Committee
Dr. Bowles, 3516
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

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

October 2, 1953

Memorandum

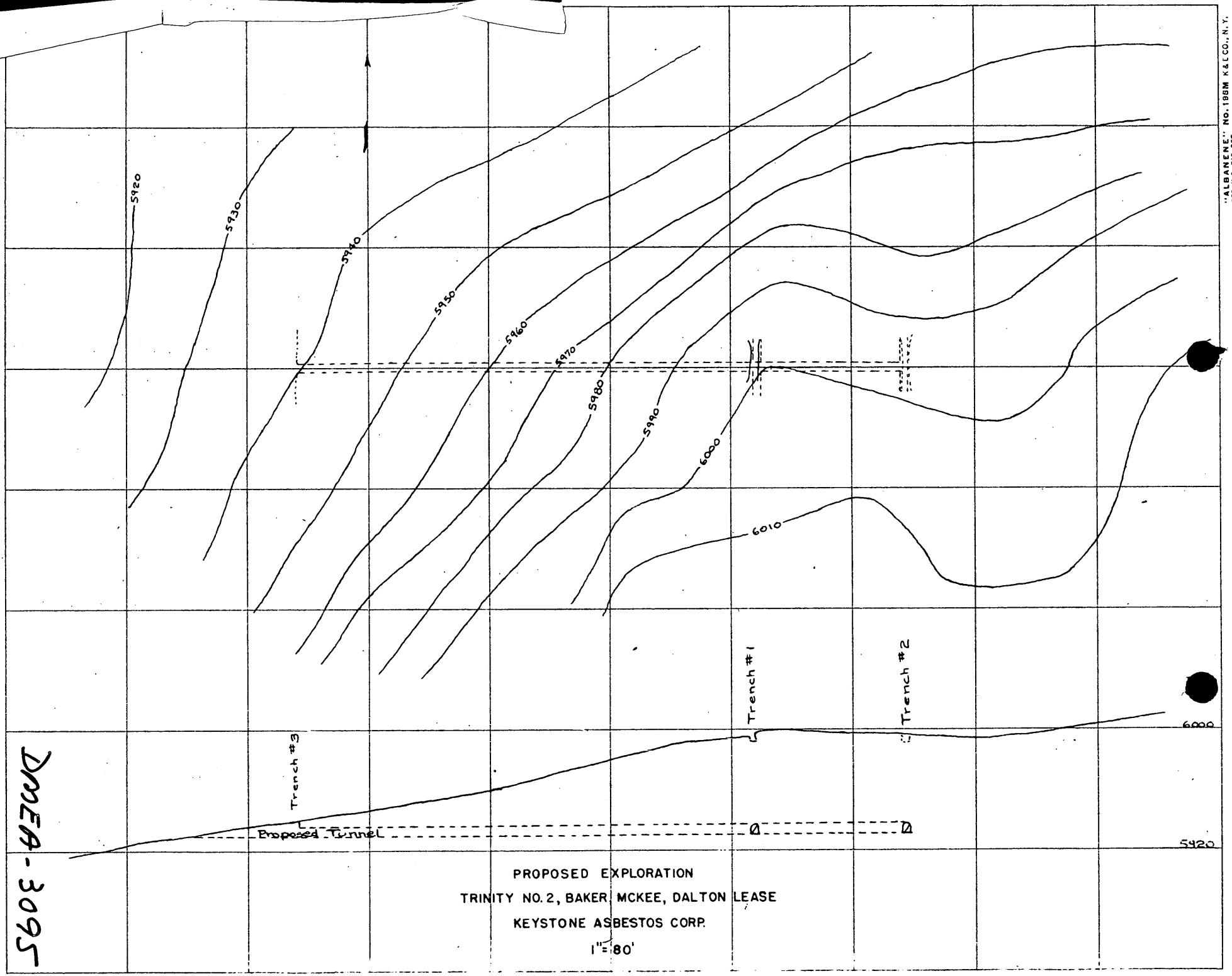
To: Lawrence G. Houk, Director, Non-Metallic Minerals Division
Defense Minerals Exploration Administration

From: G. W. Josephson, Chief, Construction and Chemical Materials Branch

Subject: Docket DMEA-3095 (Asbestos)
Keystone Asbestos Corporation
Trinity and Shasta Counties, California

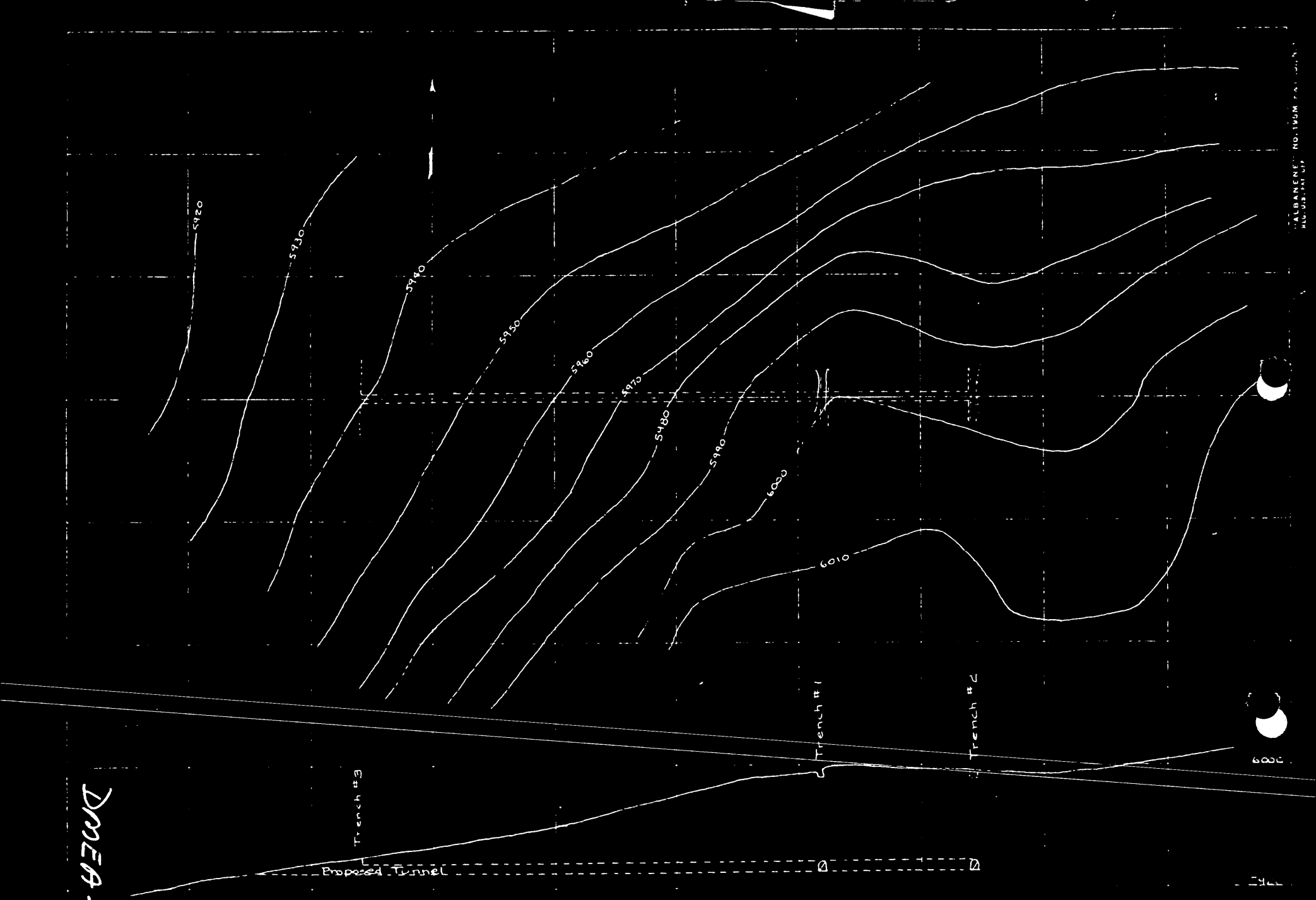
The field team report on this application has been reviewed in this Branch. We agree that a limited amount of information can be obtained on this property if a shaft is sunk in accordance with the field team's recommendations. However, we understand that you are exploring with the company the possibility of a diamond drill program as a substitute for the shaft sinking. It is our suggestion that the feasibility of a drilling program be fully explored before the shaft sinking proposal is approved. It seems probable that much more information on the deposit can be obtained for the money spent by drilling at this stage than by any other method.

G. W. Josephson
Chief, Construction and
Chemical Materials Branch



PROPOSED EXPLORATION
TRINITY NO. 2, BAKER, MCKEE, DALTON LEASE
KEYSTONE ASBESTOS CORP.
1" = 80'

DNEB-3095



PROPOSED EXPLORATION

TRINITY NO. 2, BAKER, MCKEE, DALTON LEASE

KEYSTONE ASBESTOS CORP.

1" = 80'

DMEA-3095

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

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

October 15, 1953

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3095 - Asbestos
Keystone Asbestos Corporation
Trinity Asbestos Claims
Trinity County, California
Contract Idm-E624

As instructed in your teletype dated October 15, 1953, we are returning herewith Contract Idm-E624 and attachments, transmitted to this office with your letter of October 12, 1953.

H. C. MILLER

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

Attachment

DMEA

1972 4437

14X3943.970 Working Fund, Interior, Defense Minerals Exploration Administration
October 14, 1953
2:00 P. M.

M. C. Miller, Executive Officer, DMEA Field Team, Region III,
1082 Flood Building, 870 Market Street, San Francisco 2, California
Dockets Nos. DMEA-3095 and DMEA-3096, Keystone Asbestos Corporation,
Siskiyou, Trinity and Shasta Counties, California, Contracts Nos.
Idm-8623 and Idm-8624.

Contract No. Idm-8624 inadvertantly forwarded to you. Please return it to this office immediately for execution by local Keystone official in order to save time and so drilling contractor may bid on both Keystone contracts simultaneously. Executed Contract 623 forwarded to you today.

George C. Selfridge

George C. Selfridge, Chairman
Operating Committee

LGHook:gad 10/14/53

Copy to: Admr. R. File
Docket File
Operating Committee
Confirmation Copy
Dr. Bowles, 3516
Mr. Larrabee, G-232 GSA Bldg.
Mr. Hook

OCT 14 1953 600

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

Subject: Docket No. DMEA-3096 - Asbestos
Keystone Asbestos Corporation
Keystone Asbestos Claims
Siskiyou County, California
Contract No. Idm-2623

Dear Mr. Miller:

Transmitted herewith are three copies of executed Contract No. Idm-2623, (the Field Team copy, the Finance Office copy and the Extra copy). This contract was executed in Washington to save time. It was our intention to handle the other Keystone Asbestos Corporation Contract No. Idm-2624 in a similar manner, however, this contract was inadvertently forwarded to you.

The Operator's copy of the contract has been forwarded to the Corporation and they have been advised to inform you of the starting date.

Copies of memoranda from the Geological Survey and the Bureau of Mines are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

LOHouk:gad 10/15/53
Copy to: Admr. R. File
Docket File
Operating Committee
Dr. Bowles, 3516
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

Enclosures 7

OCT 12 1953

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

Subject: Docket No. DMEA-3095 - Asbestos
Keystone Asbestos Corporation
Trinity Asbestos Claims
Trinity County, California

Dear Mr. Miller:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by the Government with register number and effective date as shown.

If the contract meets with your approval present it to the Operator for approval and signature. Please explain to the Operator that the contract, when executed, is a firm commitment under the terms of which it is obligated to complete the work outlined at the agreed unit cost. If any part of this contract does not have either your approval or that of the Operator and cannot be changed within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

After execution of the contract, the copies are to be distributed in the usual manner.

Copies of memoranda from the Geological Survey and the Bureau of Mines are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

Enclosures 10

WCAnderson:gad 10/7/53
Copy to: Admr. R. File
Docket File
Operating Committee
Dr. Bowles, 3520
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

Law Offices Of

GEORGE C. VOURNAS

Investment Building

Washington 5, D.C.

October 7, 1953

C
O
P
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Lawrence G. Houk, Chief
Nonmetallic Minerals Division
United States Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D.C.

Re: Docket Nos. DMEA-3095 and
3096 - Asbestos
Keystone Asbestos Corporation

Dear Mr. Houk:

With reference to your letter of September 28, 1953 I take leave to enclose herewith four copies of Owner's Consent to Lien for each lease hold, duly executed.

Yours very truly,

s/s
George C. Vournas

C
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Y

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

October 2, 1953

Memorandum

To: Lawrence G. Houk, Director, Non-Metallic Minerals Division
Defense Minerals Exploration Administration

From: G. W. Josephson, Chief, Construction and Chemical Materials Branch

Subject: Docket DMEA-3095 (Asbestos)
Keystone Asbestos Corporation
Trinity and Shasta Counties, California

The field team report on this application has been reviewed in this Branch. We agree that a limited amount of information can be obtained on this property if a shaft is sunk in accordance with the field team's recommendations. However, we understand that you are exploring with the company the possibility of a diamond drill program as a substitute for the shaft sinking. It is our suggestion that the feasibility of a drilling program be fully explored before the shaft sinking proposal is approved.. It seems probable that much more information on the deposit can be obtained for the money spent by drilling at this stage than by any other method.

G. W. Josephson
Chief, Construction and
Chemical Materials Branch

September 30, 1953

Memorandum

To: The Administrator
Through: Mr. L. G. Houk

From: Chief Counsel

Subject: Keystone Asbestos Corporation, Docket No. DMEA-3095 (Chrysotile Asbestos)

Attached in satisfactory legal form for execution is a contract covering the above-described project, subject to—

1. The attachment of the map referred to in the contract.

2. The attachment of the Owner's Consent to Lien.

3. Your approval—in view of the recent ODM memorandum—of the Government's participation at 90 percent.

Albert E. Kane

for J. L. Hofflund
Chief Counsel

Attachments

AEKane:ep

Copy to: Mails & Files
Mr. Houk
Mr. Hofflund
Mr. Kane
Chron.

SEP 28 1953

Mr. George C. Vournas, President
Keystone Asbestos Corporation
1005 Investment Building
Washington 5, D. C.

Re: Docket Nos. DMEA-3095 and
3096 - Asbestos
Keystone Asbestos Corporation

Dear Mr. Vournas:

Enclosed are 14 copies of new "Owner's Consent to Lien" forms.

It is now mandatory that we use these new forms. Therefore, please have transmitted to this office seven executed copies for each of the subject exploration applications.

Sincerely yours,

/S/
Lawrence C. Houk, Chief
Nonmetallic Minerals Division

Enclosures

WCAnderson/foc
9-25-53
cc: Docket
Code 600
Adm. Reading File
Mr. Dietrich, USBM
Mr. Larrabee, USGS

P.S. We are returning the old forms as we no longer have use for them.

A

DMEA

2971 4637

14X3923.970 Working Fund, Interior, Defense Minerals Exploration Administration
September 24, 1953
2:30 P. M.

H. C. Miller, Executive Officer, DMEA Field Team, Region III, 1012 Flood Building
870 Market Street, San Francisco 2, California
Keystone Asbestos Corporation Dockets Nos. DMEA-3095 and DMEA-3096 - Asbestos

Local applicant agreeable to a program solely of diamond drilling on both Keystone projects. In view of approach of winter and weathered outcrop 2,000 feet of AX drilling at overall cost of $5.75 per foot appears to be most feasible method of exploring these deposits. Advise of your reaction.

Frank K. Johnson, Acting Administrator
Defense Minerals Exploration Administration

LGHouk:gad 9/24/53

Copy to: Admr. R. File
Docket File
Confirmation Copy
Dr. Bowles, 3520
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

IN REPLY REFER TO:

G-MD-CNM

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

September 21, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-3095 (Asbestos)

To: L. G. Houk, Defense Minerals Exploration Administration
From: Donald A. Brobst, U. S. Geological Survey
Applicant: Keystone Asbestos Corporation.
Name of property: Trinity Asbestos Claims Nos. 1 to 8 incl.,
Location of property: Trinity County, California
Shasta Asbestos Claims Nos. 1 to 10 incl.,
Shasta County, California

Highland Asbestos Claims Nos. 1 and 2,
Shasta County, California.

Date of field team report: September 2, 1953.
Authorship of field team report: F. J. Wiebelt, E. H. Pampeyan.
Field team's recommendation:

1. Revise applicant's original proposal of 2 stages for (1) trenching (2) underground work.
2. New proposal: Construct a 1 mile road for access to the property ($460) and sink 50 feet of 6'x6' shaft to explore the asbestos below the zone of weathering ($3,223) at a total estimated cost of $3,683.

Comments: As a result of the field team's examination, it appears that there is a possibility of finding good quality asbestos beneath the weathered zone. The new exploration proposal is a realistic approach to checking the economic value of this property.

ACTION SUGGESTED:
Follow field team's recommendation.

Brobst:jeh
9/21/53
cc: Director's reading 4212
Branch reading 4212
DMEA 3 ✓
Brobst G-230

Donald A. Brobst

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

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

September 10, 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-3095 (Asbestos)
Keystone Asbestos Corporation
Trinity and Shasta Counties, California

Reference is made to your letter dated July 16, 1953, referring the subject application to us for a field examination.

Attached are the original and three copies of a report entitled "DMEA-3095, Keystone Asbestos Corporation, Trinity County, California," by Frank J. Wiebelt, Mining Engineer, U. S. Bureau of Mines, and Earl H. Pampeyan, Geologist, U. S. Geological Survey, dated September 2, 1953.

Mr. Bailey and I concur with the recommendations in the report of the engineer and geologist, in view of the fact that Oliver Bowles, who is an expert in asbestos, believes that the asbestos may improve in quality with depth. Our engineers believe that a 50 foot shaft should be sufficient to get below the zone of weathering.

S. RICKER

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

Attachment

Copy to: E. H. Bailey, USGS

Reviewed by
DMEA OPERATING COMMITTEE
9-21-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA-3095, Keystone Asbestos Corporation

Trinity County, Calif.

Frank J. Wiebelt, Mining Engineer
U. S. Bureau of Mines

Earl H. Pampeyan, Geologist
U. S. Geological Survey

September 2, 1953

Reviewed by
DMEA OPERATING COMMITTEE
9-21-53
(date)

Docket No.: DMEA-3095 (Asbestos)

Name and address of applicant: Keystone Asbestos Corporation
1005 Investment Building
Washington 5, D.C.

Name and location of property: Trinity Asbestos Claims, Nos. 1 to 8 inclusive, Trinity Co., Calif.
Shasta Asbestos Claims, Nos. 1 to 10 inclusive, Shasta Co., Calif.
Highland Asbestos Claims, No. 1 and 2, Shasta County, Calif.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The applicant had proposed an exploration program consisting of two stages of work. Stage one involved trenching in two, or possibly three, locations along the trend of asbestos-bearing fractures that are exposed in a trench made by the applicant. Upon successful completion of stage one, a second stage consisting of underground work, involving 400 feet of drifting and about 100 feet of crosscutting, had been proposed to further explore the showings uncovered during stage one, trenching.

An examination by Mr. Oliver Bowles, Bureau of Mines, Washington, D.C. of samples of the slip-fiber chrysotile asbestos from the proposed exploration site disclosed that some parts of the sample consisted of fibers having considerable strength and flexibility but that most of the sample consisted chiefly of very weak and brittle material that would have little if any commercial value. The weakest fibers are stained yellow which may indicate that the weakness is due to surface weathering. Mr. Oliver Bowles also mentioned that if, however, samples obtained below the weathering should exhibit adequate strength,

Reviewed by
DMEA OPERATING COMMITTEE
9-21-53
(date)

further investigation would be justified.

On the basis of the above examination of the sample, Mr. George Petrow of the Keystone Asbestos Corporation conferred with Bureau of Mines officials at Reno, Nevada and both parties were in agreement that stage one of the original exploration program would not give any information as to the strength and flexibility of the asbestos below the weathered zone. The result of the discussion was to confine the proposed exploration to sinking a 50-foot shaft, the collar of which lies inside the existing trench; this shaft will give desired information on the slip-fiber asbestos below the weathered zone.

The revised program consists of the following:

1.	Road construction about 1 mile of road . .	$ 460.00
2.	50 feet of 6' x 6' shaft @ $64.46/ft. . . (set up on footage basis)	3,223.00
	Grand total	$3,683.00

Recommendations:

It is recommended that the applicant's request for Government aid in the revised exploration program be approved and that the cost of shaft sinking operations be set up on a footage basis.

TIME SPENT ON PROPERTY AND PERSONS ACCOMPANYING THE EXAMINERS

The examiners, Earl Pampeyan and Jose Hernandez of the U. S. Geological Survey and Frank J. Wiebelt of the U. S. Bureau of Mines, visited the property on July 29, 1953. Mr. George J. Petrow, director of field operations, John Dracopoulos and A. C. Erickson of the Keystone Asbestos Corporation accompanied the examiners during the examination.

NAME AND LOCATION OF THE PROPERTY

The property comprises the following claims:

Trinity Asbestos claims Nos. 1-8 inclusive in secs. 5 and 32, T. 37 N. and T. 38 N. respectively, R. 5 W., M.D.B.&M. in Trinity County, Calif.

Shasta Asbestos Claims Nos. 1-10 inclusive in sec. 4, T. 37 N., R. 5 W., M.D.B.&M. in Shasta County, Calif.

Highland Asbestos Claims Nos. 1 and 2 in sec. 201, T. 37 N., R. 5 W., M.D.B.&M. in Shasta County, Calif.

All the project work will be confined to the Trinity group of claims.

The claims are accessible from Whalen Station by following a logging road southerly for 6½ miles and thence a trail about 3/4 of a mile to the property near Tamarack Lake. Whalen Station is 12 miles via a good gravel road from Castella, California on U. S. Highway 99. Castella is 7 miles south of Dunsmuir, the shipping and supply point.

CONDITION AND SEASONAL ACCESSIBILITY OF ROAD TO PROPERTY

The road between Castella and Whalen Station is a gravel road which is kept in good condition except during winter months when the road at times is closed by heavy snowfall. Likewise the mine is usually inaccessible from Whalen Station from December 15 to about July 1 on account of heavy snowfall. This year the property was inaccessible up to the middle of July.

COMPETENCY OF APPLICANT AND OPERATING PERSONNEL

Very little is known by the examiners of the competency of the applicant and operating personnel. Judging from the application con-

tents, the applicant is financially able to provide their share of expenditures and will have competent operating personnel to carry out the project work.

APPLICANT'S PROPERTY RIGHTS

The Keystone Asbestos Corporation is the sole lessee of the mining claims consisting of the following:

(a) Trinity Asbestos Claims, Nos. 1-8 inclusive in Trinity County, book 52, pages 448, 449, 450, 451, 452, 453, 454 and 455, dated Dec. 18, 1950.

(b) Shasta Asbestos Claims, Nos. 1-10 inclusive in Shasta County, book 253, pages 275, 276, 277, 278, 279, 280, 281, 282, 283, and 284, dated Sept. 20, 1950.

(c) Highland Asbestos Claims, Nos. 1 and 2 in Shasta County, book 253, pages 285 and 286, dated Sept. 9, 1950.

The owner's consent to lien accompanies the applicant's loan application.

DESCRIPTION OF PROPERTY

There are no surface or underground facilities.

The principal working seen by the examiners in the area in which the contemplated work is to be done consists of a bulldozer trench, in the bottom of which a trench has been blasted out in bedrock to a depth of two to six feet. Details of this trench are shown in fig. 2 which accompanies this report.

A sample consisting of material taken from the asbestos-filled fractures in the above trench was sent to Oliver Bowles, Commodity

Specialist, Construction and Chemical Materials Branch of the Bureau of Mines. The following is a reply on his findings:

"Much of the slip-fiber asbestos was so weak and brittle that I was doubtful as to its identity as chrysotile. As it has been identified as chrysotile, the weakness of the fiber may be due to surface weathering. On the basis of this sample alone, the material is too poor to justify further investigation. If, however, samples obtained below the zone of weathering should exhibit adequate strength, further investigation would be justified."

GEOLOGY

The Tamarack Lake asbestos deposit is in an area underlain by ultra-basic rocks of probable Jurassic age. The exposures of bedrock seen in the area surrounding the deposit were of peridotite exhibiting varying degrees of serpentinization. Color varies from greenish-black in relatively unaltered rock to pale green in the typical serpentine.

The property is overlain by one to three feet of soil and slope wash that contains boulders of a porphyritic hornblende diorite. This resistant, ridge-forming intrusive rock crops out about 1/4 mile to the east, south, and west of the mineralized ultra-basic rock, but none was seen in place in the area proposed for exploration.

The exposed mineralized zone trends north of west even though the prominent asbestos-bearing fractures strike almost west. These fractures can be traced for 40 feet in a westerly direction, and are cut and offset by other fractures that strike in all directions. Because of the limited time spent on the property, no definite evidence of lithologic

or structural controls were observed. The proximity of intrusive rocks, however, may have some bearing on the asbestos mineralization as their close relation has been observed in other asbestos localities.

ORE DEPOSIT

Chrysotile asbestos occurs as slip-fiber in fractures and joints of the serpentinized peridotite. Fibers average one inch in length and locally reach three inches in length. The chrysotile is white when fresh and grayish-yellow when weathered, and the fresh fibers are stronger and more flexible than the weathered material.

Asbestos in place is noticed in a trench made by the applicant. Over a 16-foot width, nine asbestos-filled fractures that averaged 1/2-inch in thickness were seen. Across this width, therefore, the rock contains between two and three percent of fiber. The deposit is only in the prospect stage and there is no measured or indicated ore. It would be difficult to estimate inferred ore by the limited exposures on the property at the time of this visit.

PAST OPERATIONS

There has been no production from the property.

MANPOWER

Manpower, materials, supplies and equipment are available from the Redding-Dunsmuir area. Stands of timber suitable for mine use are on the property. Water for domestic and mine use may be had from Tamarack Lake, within one-half mile of the present workings. The nearest electric power is now at Whalen Station, 6 miles distant.

PROPOSED EXPLORATION

Original proposed exploration: - The applicant's consultant had originally submitted a proposal consisting of two stages of exploratory work. Under stage one, the applicant would dig two or possibly three trenches to determine the extent and trend of the mineralized zone (see fig. 2). If stage one proved successful and an economically important deposit of asbestos was outlined, the applicant proposed to drift easterly along the mineralized fractures for a distance of 400 feet from trench #2. The location of the portal and bearing of the tunnel would be dependent upon information gained in trenching. The applicant would also drive about 100 feet of crosscuts under the trenches to determine the lateral extent of slip-fiber at depth. The applicant's estimated grand total cost of this work was $34,010.30.

The result of the examination of the sample of slip-fiber from the surface workings by Mr. Oliver Bowles is that the original proposed project consisting of trenching followed by underground exploration as outlined above is not warranted at this time because the proposed trenches will give no additional information concerning grade and quality of the asbestos than is already known from the company's present trench. Therefore, to obtain information relative to the grade of asbestos below the zone of weathering, it is recommended that the original exploration be replaced by one composed of sinking a 6- by 6-foot shaft, 50 feet maximum depth, the collar of which will lie within the trench described in the description of the property and is shown in figure 2. Mr. George Petrow of the Keystone Asbestos Corporation concurs with the recommended change in the proposed ex-

ploration work and his revised cost estimate for the work in included in this report.

Suggested exploration: - The revised proposed exploration work consists of the following:

1. Construction of approximately one mile of road from the end of the present logging road to the mine site. There is no other way of gaining entrance to the mine site.

2. 50 feet of approximately 6-by 6-foot shaft. This shaft work may be abandoned at any stage where the slip-fiber in the unaltered zone does not show in sufficient quality and quantity to warrant further work (see fig. 3 for shaft location).

The company reports that work could be started within 30 days after approval of the exploration loan and six months should be allowed for the completion of the work on account of unpredictable weather conditions.

ESTIMATE OF COSTS

1. Road construction - approximately one mile in length - Rental of bulldozer including operator (5 days, 8 hrs per day at $1.50 per hour or $92.00 a day) $460.00

2. Shaft sinking - 50 feet deep and approximately 6 feet by 6 feet; 5-day week, advance 2 feet per day = 25 days = 5 weeks

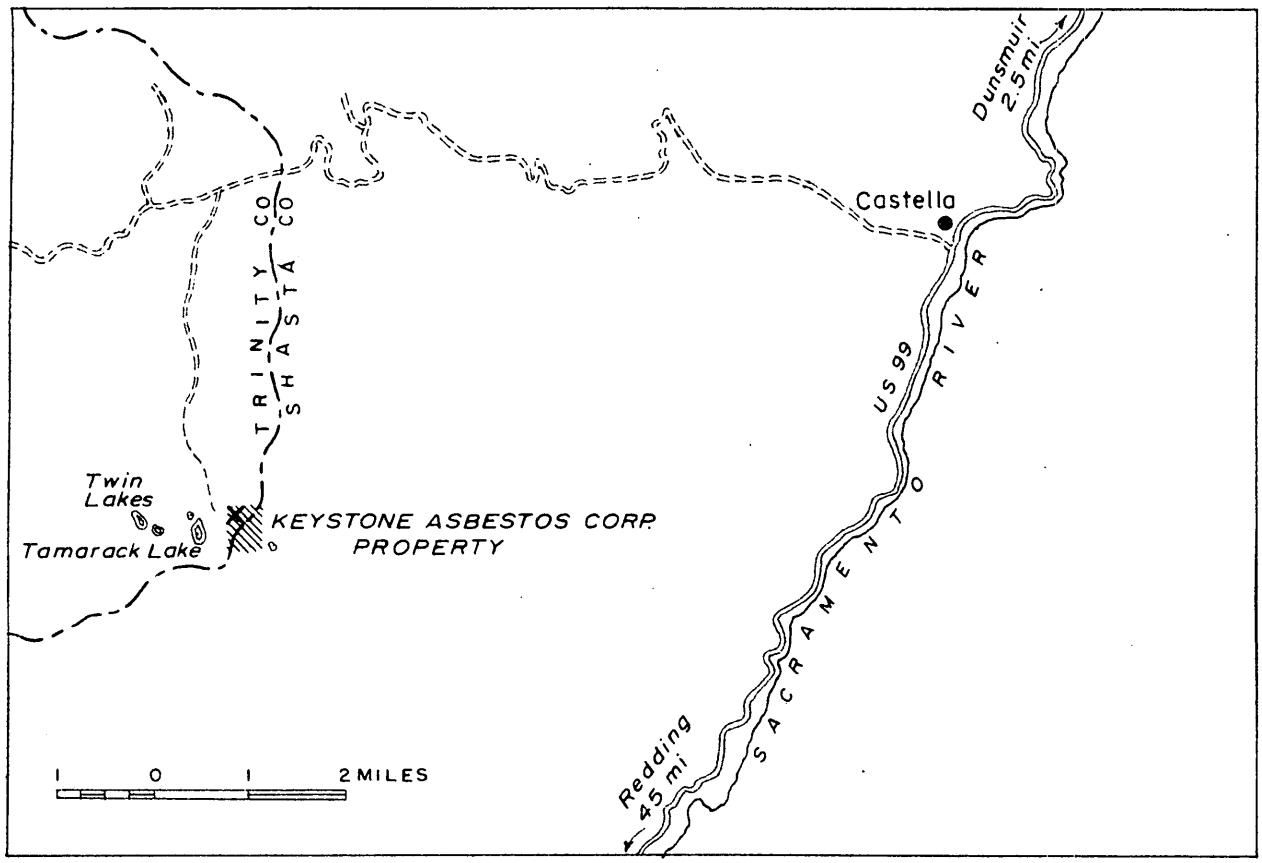
Wages, 3 men @ $1.85 an hour, 5-day week, 8 hours per day - 5 weeks @ $222.00/week . .	$1,110.00
1 Foreman - 5 weeks @ $100.00/week	500.00
500 lbs. explosives (10 cases @ $13.00/case.	130.00
2 Spools of connecting wire @ $1.50/spool .	3.00
2 Cases electric caps @ $17.00/case	34.00
200 gals. gasoline @ $0.21/gal.	42.00
1 Pail compressor & lube oil @ $4.12 . . .	4.12
1 Galvanometer	25.00
1 only 30-hole blaster	46.00
2 Carset bits, 1-3/8-inch @ $12.10 ea. . .	24.20
3 Picks @ $5.20	15.60
3 Shovels @ $3.25	9.75
2 10-lb. sledges @ $6.00	12.00
4 4-ft. alloy steel 7/8-inch (113 thread) @ $6.10	24.40
4 6-ft. alloy steel 7/8-inch (113 thread) @ $9.40	37.60
75 ft. 1/2-inch wire rope complete with eye and hook	36.00
2 Buckets @ $20.00	40.00
1 Bench	100.00
2 Carbide lamps @ $5.42	10.84
3 Safety hats @ $5.20	15.60
1 First Aid Kit	10.69
100 lbs. Carbide @ $11.75 per 100 lbs. . .	11.75
1 Wheel barrow	15.00
Maintenance of Jeep @ $10.00/week - 5 weeks	50.00
Board for 4 men @ $12.00/week - 5 weeks . .	240.00
Workmen's compensation, payroll taxes, Social Sec. and Unemployment for 5 weeks payroll of $1,600.00 @ 14% . . .	225.40
Contingencies	100.00
105 cu. ft. compressor rental for 5 weeks @ $200.00/month	225.00
Jackhammer and accessories such as air hose, water hose, etc. rental for 5 weeks @ $100.00/month	125.00
Total cost to sink 50 feet of shaft	$3,222.95

Estimated cost of shaft per foot = $\frac{3,222.95}{50}$ = $64.46

The foregoing shaft sinking costs have been estimated on an overall hourly and footage basis in order to simplify bookkeeping and payments for work accomplished.

TOTAL COST OF THE PROJECT

50 feet of shaft sinking @ $64.46/ft. . . .	$3,223.00
1 mile of road construction	460.00
Total	$3,683.00



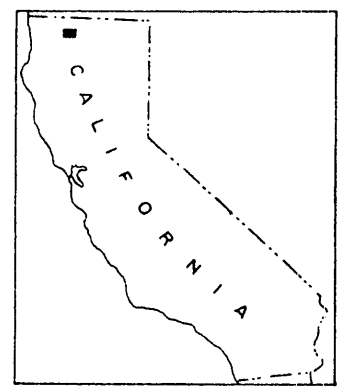
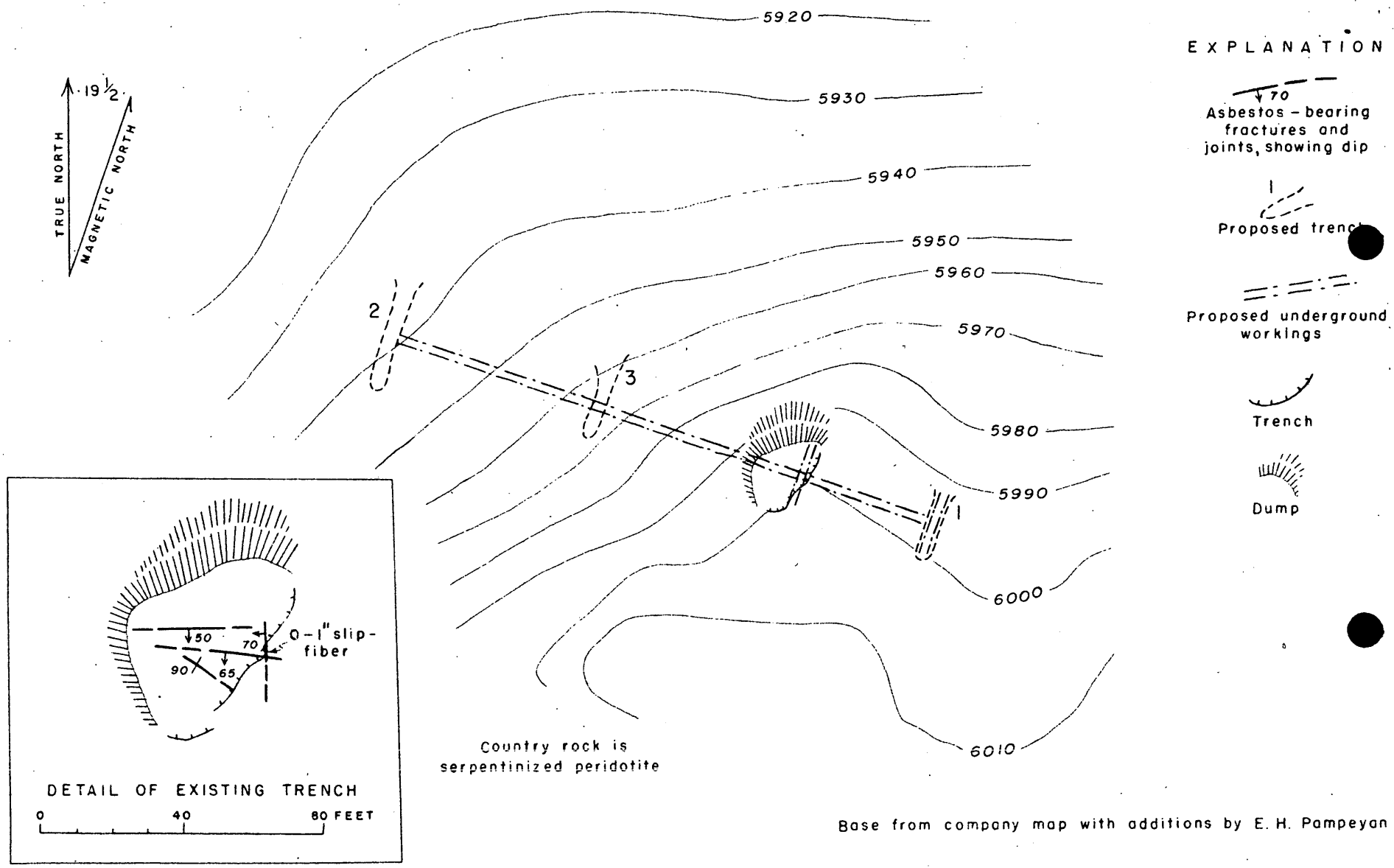


Figure 1. Index map showing the location of Keystone Asbestos Corporation property near Tamarack Lake.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3095
(ASBESTOS)

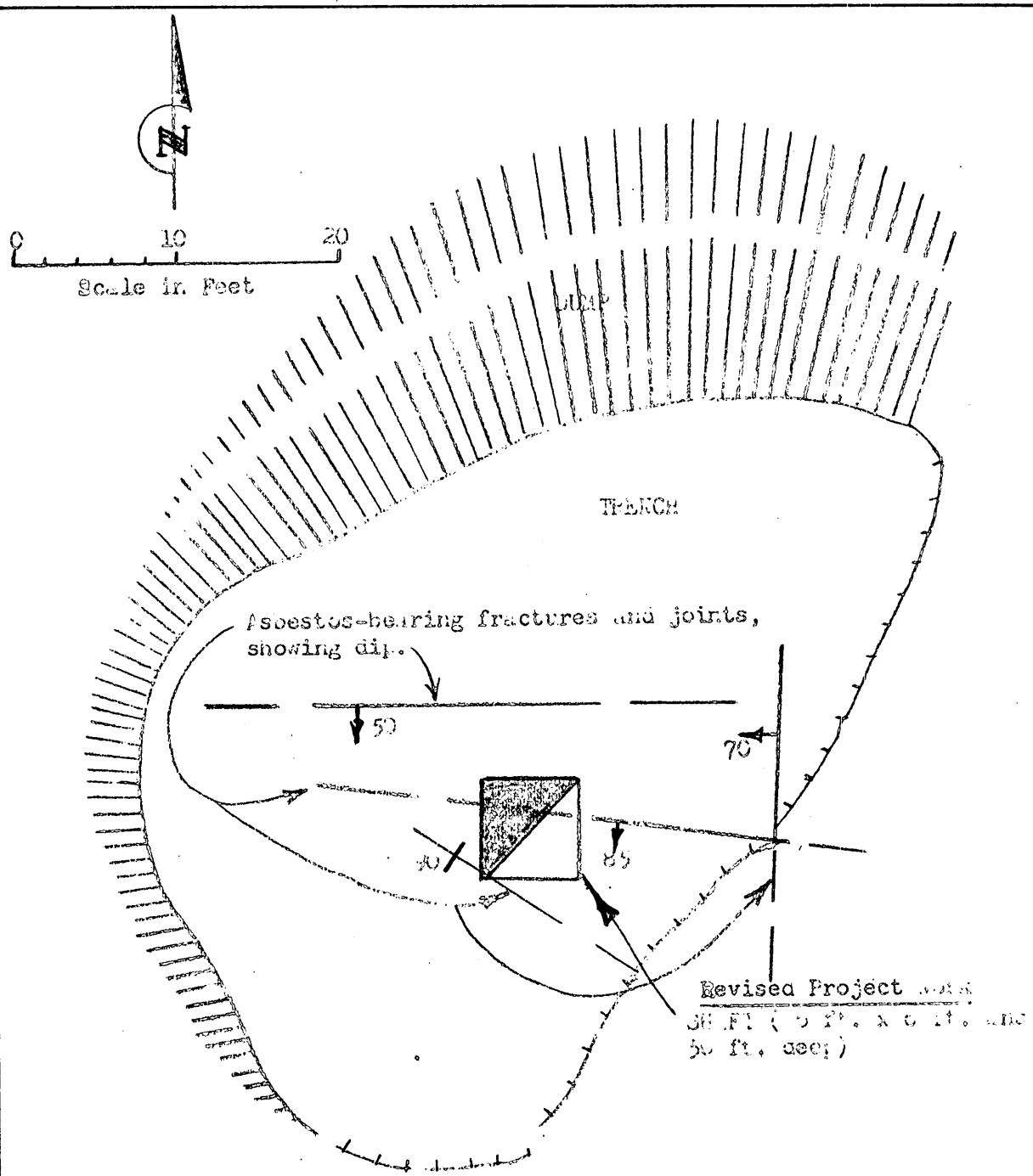


KEYSTONE ASBESTOS CORPORATION, TAMARACK LAKE PROPERTY, TRINITY COUNTY, CALIFORNIA

100 0 100 200 FEET

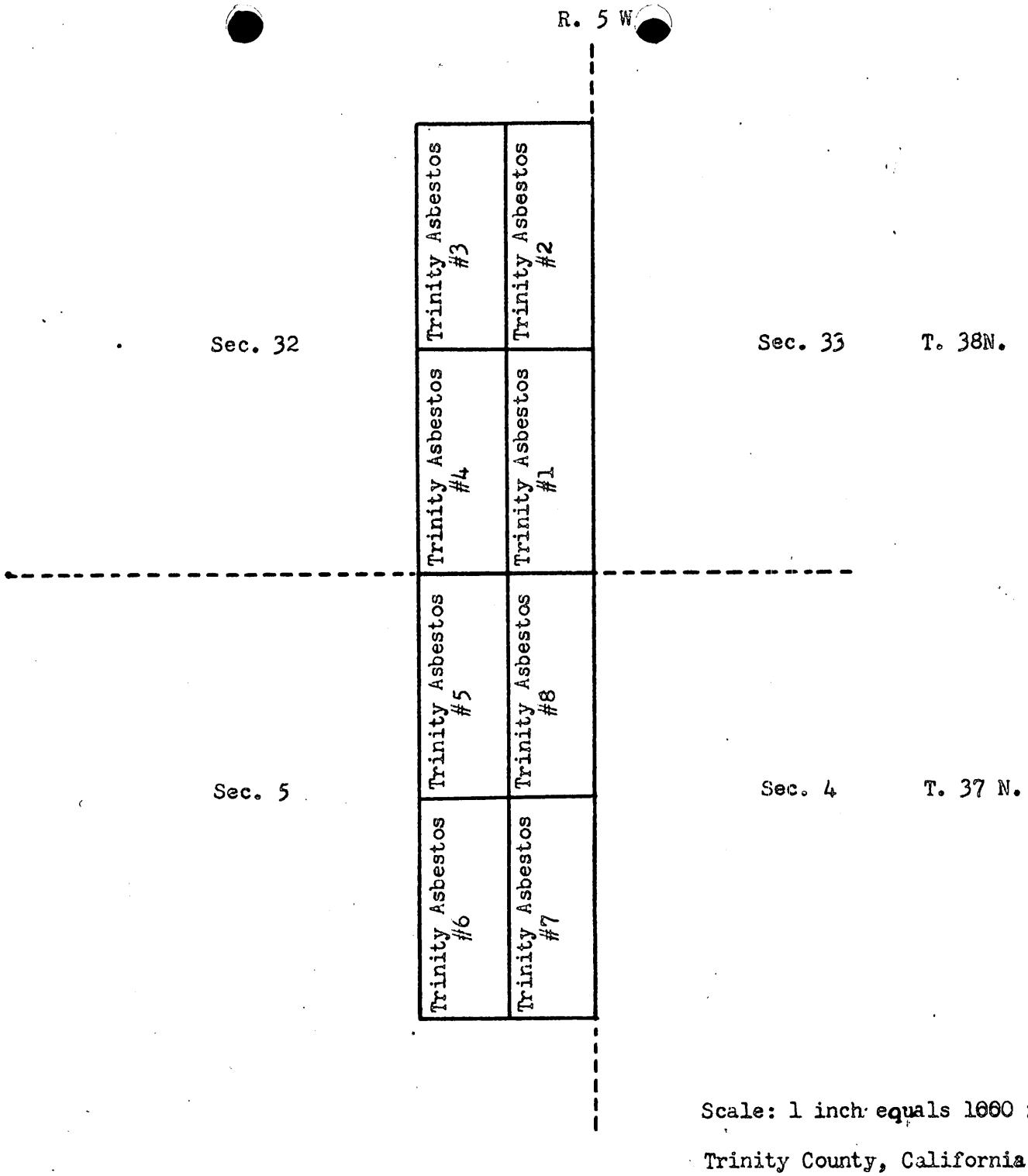
Datum is approximately sea level

Figure 2



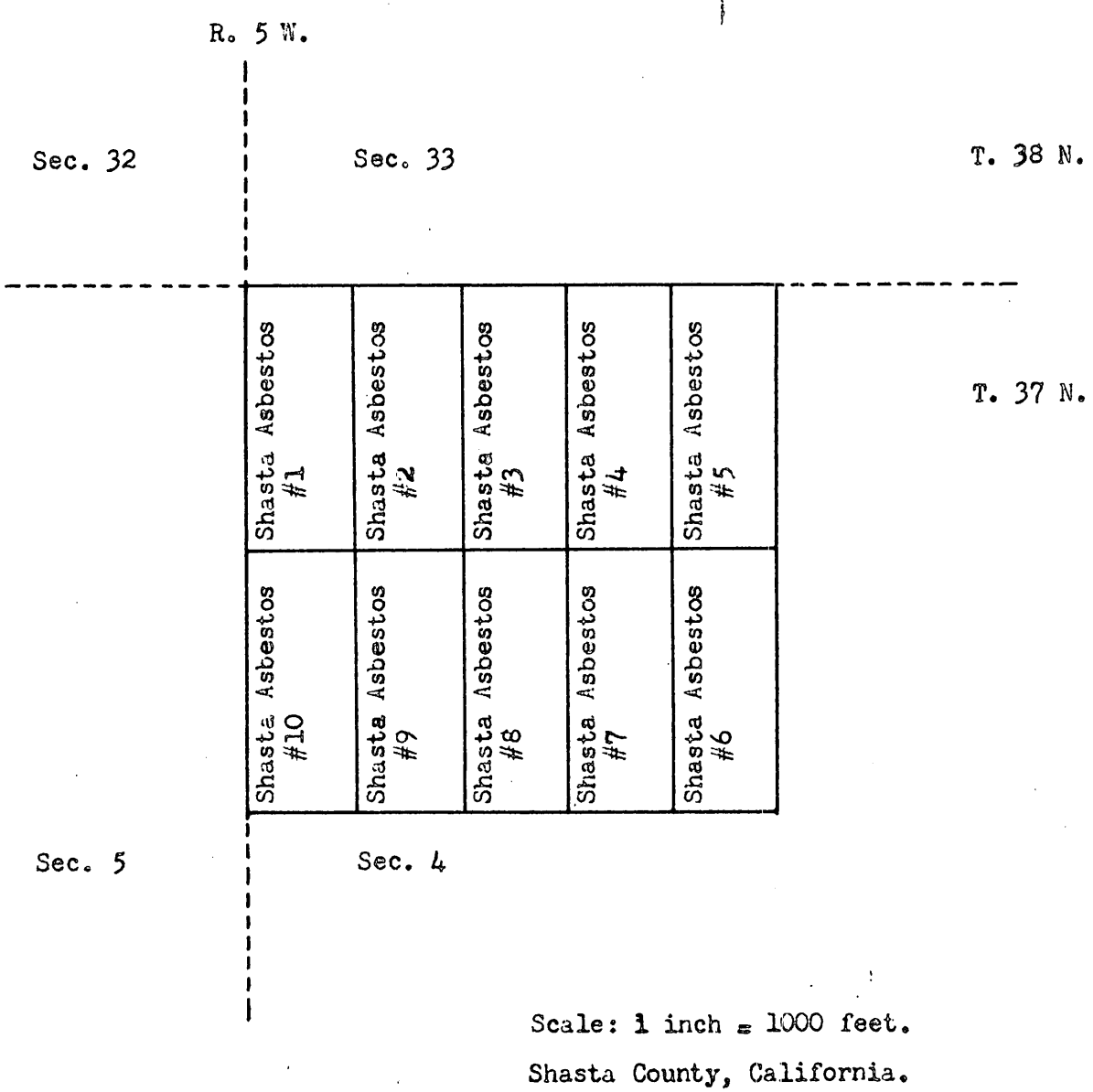
Note: see fig. 2 for contour map containing the above trench.

Figure 3. Plan showing approximate location of proposed shaft, revised exploration work, Keystone Asbestos Corporation, Tomahawk Lake Property, Trinity County, California.



Trinity group of mining claims of the Keystone Asbestos Corporation.

Figure 4.



Scale: 1 inch = 1000 feet.

Shasta County, California.

Shasta group of mining claims of the Keystone Asbestos Corporation.

Figure 5.

600

1953

Mr. George C. Vourmas, President 1953
Keystone Asbestos Corporation
1005 Investment Building
Washington 5, D. C.

Re: Docket No. DMEA-3095 - Asbestos
Trinity Asbestos Claims
Shasta Asbestos Claims
Highland Asbestos Claims
Trinity and Shasta Counties, California

Dear Mr. Vourmas:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. H. C. Miller, Executive Officer, DMEA Field Team, Region III, 1012 Flood Building, 870 Market Street, San Francisco, California, for further consideration and possibly a field examination.

The Regional Office will contact you at an early date, if an examination is to be made. Any assistance that you may give the members of the field team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

LGHouk:gad 7/14/53
Copy to: Admr. R. File
Docket File
Operating Committee
Field Team, Region III
Mr. Larrabee, G-232 GSA Bldg.
Dr. Bowles, 3516
Mr. Houk

600 JUL 1 6 1953

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

Subject: Docket No. DMEA-3095 - Asbestos
Keystone Asbestos Corporation
Trinity Asbestos Claims
Shasta Asbestos Claims
Highland Asbestos Claims
Trinity and Shasta Counties, California

Dear Mr. Miller:

Please review the subject application and arrange for a field examination if you deem it advisable.

The applicant's representative, Mr. Rodgers Peale of 315 Montgomery Street, San Francisco, California, may be interested in procuring bids from local mining contractors on the proposed work.

Copies of memoranda from the Geological Survey and the Bureau of Mines are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

Enclosures 4

LGHouk:gad 7/14/53
Copy to: Admr. R. File
Docket File
Operating Committee
Dr. Bowles, 3516
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

COPY

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

Bureau of Mines

July 10, 1953

Memorandum

To: Lawrence G. Houk, Director, Non-Metallic Minerals Division, DMEA

From: Oliver Bowles, Commodity Specialist, Construction and Chemical Materials Branch

Subject: DMEA Nos. 3095 and 3096 - Keystone Asbestos Corporation

Preliminary work appears to have been adequately performed. The applications are ususually complete in scope and detail. According to the applications, the showings of asbestos, both in quality and quantity, justify further preliminary examination. A report on these properties by the Field Team is recommended.

/s/ Oliver Bowles

Oliver Bowles, Commodity Specialist
Construction and Chemical Materials Branch

COPY

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

[illegible]

[illegible], 1953

Memorandum

[illegible] -3[illegible] Quarter,

To: [illegible], Salable Minerals Exploration Administration.
From: [illegible] Carrasco, U. S. Geological Survey
Applicant's name and address: Keystone Asbestos Corporation,
[illegible] Investment Building, Washington 5, D. C.
Nature of the property: Trinity Asbestos Claims [illegible]
[illegible]
[illegible] Asbestos [illegible]
Location of the property:
Trinity and [illegible] Counties, California.
Summary of applicant's proposal:
[illegible] of [illegible] and [illegible] of the [illegible].
Sources of information on applicant's property:
[illegible].
Comments:
The area lies within an area of known asbestos deposits.
[illegible]
Refer to file [illegible].

[illegible] Carrasco

Carrasco:jel
[illegible]/53
cc: Director's reading 4212
Branch reading 4212
Desk 3
files 0-232