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United States

Department of the Interior

GEOLOGICAL SURVEY

OFFICE OF THE CHIEF AUDITOR

GEOLOGIC DIVISION

OFFICE OF MINERALS EXPLORATION

WASHINGTON, D.C.

Report of Review - Contract 2178
Docket No. OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho

Report Issued: May 1966

United States
Department of the Interior

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Lemhi County, Idaho

Report Issued: May 1966

Auditor-in-Charge: Clarence E. Fisher

Report Approved: William T. McClelland, Chief Auditor

Audit Performed During Period: April 5 to 6, 1966

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

OFFICE OF THE DIRECTOR

May 23, 1966

Memorandum

To: Director

From: Chief Auditor

Subject: Internal Audit of Contract 2178
Docket No. OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims

We have made a cost review of Contract 2178, examining the contract and accounting records of the Office of Minerals Exploration and the Branch of Budget and Finance. Also, we examined the Operator's reimbursement vouchers for the period July 1964 through October 1965 and payments made for the Government's 50 percent contribution to the exploration costs.

Our review disclosed that the Operator has been overpaid $367 for work performed that did not meet contract specifications. Also, we noted that OME has requested the Operator to pay $9.20 representing royalty due on a sale of ore to the American Smelting and Refining Company.

William T. McClelland

William T. McClelland

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REPORT OF REVIEW - CONTRACT 2178
DOCKET NO. OME-6316 (SILVER-GOLD)
CLEMENS A. AND ARTHUR LOMBARDI
HILLTOP, ET AL., CLAIMS
LEMHI COUNTY, IDAHO

INTRODUCTION

On March 28, 1966, the Chief, Office of Minerals Exploration (OME), Geologic Division, requested a report of review in lieu of final cost audit of Contract 2178. The review was authorized by the Chief Auditor on April 4, 1966, under Audit Assignment No. 63. A review of the OME contract files and an examination of the Bureau's disbursement records in the Branch of Budget and Finance, Administrative Division, were made at Washington, D.C., on April 5 to 6, 1966.

This exploration contract, entered into on December 24, 1963, with Clemens A. and Arthur Lombardi, partners, has been amended four times. The contract, as amended, provided that: (a) the Government shall contribute 50 percent of fixed unit costs of the work performed; (b) exploration work shall begin on or before May 15, 1964, and be completed not later than December 24, 1965; (c) the work shall be suspended during the period beginning October 11, 1964, and ending not later than May 15, 1965; and (d) the contract shall be terminated effective October 11, 1964, if the work has not been resumed by May 15, 1965. The contract, as amended, further provided that in the event the work was not resumed and completed in the manner required by the contract, the Operator shall render a final report and shall pay to the Government the royalty provided for in the contract in the same manner and amount and for the same period (11 years

from the date of the contract) as if a certification of possible production had been made. Work under the contract was not resumed. Thus, the contract is considered as terminated as of October 11, 1964. Also, the contract expired on December 24, 1965, due to lapse of time.

The purpose of the project was to explore by geochemical soil testing, bulldozing trenches, shafting, drifting, crosscutting, and core drilling for silver-gold bearing ore bodies occurring along shear zones in thin bedded to massive dolomite and limestone country rock of Paleozoic age which underlie the project area. The land subject to the contract consisted of two patented and four unpatented lode mining claims located in the Texas Mining District, Lemhi County, Idaho, as more fully described in Annex I to the contract.

SCOPE OF THE AUDIT

Our examination of OME Contract No. 2178 included a review of the official accounting records and contract files, an examination of the Operator's vouchers paid previously and the OME Field Officer's reports of inspection. All of the claimed costs were compared to the amounts allowed by the contract, and a determination was made of the reasonableness and propriety of these costs.

The principal objective of our examination was to ascertain whether or not the Contract Operator had complied with the provisions of the contract, and to determine the effectiveness of contract administration and supervision by OME as well as the degree of compliance with the laws, policy determinations, and administrative regulations and procedures governing the Geological Survey and its predecessor mineral exploration

agencies. The report presents our findings and conclusions, together with our recommendations and other suggested action where applicable.

AUDIT FINDINGS

Costs

The following tabulation indicates the settlement made with the Contract Operator, together with our findings of the settlement deemed to be valid and proper under provisions of the contract:

Items	Settlement: As Settled		Settlement: Valid & Proper		
Fixed Unit Costs	Units	Amount	Units	Amount	
Project I					
Establishing soil grids, sampling, and field testing of samples @ $3.60/sample	500	$1,800.00	500	$1,800.00	
Commercial analysis of check samples for trace amounts of lead @ $1.50/sample	37	55.50	37	55.50	
Bulldozing trenches, access roads, and leveling shaft sites @ $20/hr.	32	624.00 1/	32	640.00	+16
Assaying for gold, silver, lead, and zinc @ $7/sample	7	49.00	7	49.00	
Totals - Project 1		$2,528.50		$2,544.50	+16
Project 2					
Drift and/or crosscut @ $34/foot	187	$6,352.00 2/	153	$5,202.00 3/	-1150
Consultant @ $65/day	7	455.00	7	455.00	
Assaying @ $7/sample	6	42.00	6	42.00	
Totals - Project 2		$6,849.00		$5,699.00	-1150
Grand Totals		$9,377.50		$8,243.50	-1134
Government participation @ 50%		$4,688.75		$4,121.75	-567
Less: Amount withheld from settlement of September 1964 voucher		200.00			+200
Net amount paid to Contract Operator		$4,488.75			
Deduct amount found to be valid and proper		4,121.75			
Amount of overpayment to Contract Operator		$ 367.00			-367

1/ October 1964 voucher included $144 for 8 hours of bulldozing. The contract provides a fixed unit cost rate of $20 per hour.

2/ On the September-October 1965 voucher 19.6 feet of crosscutting at $34 per foot was extended at $660.40 instead of $666.40.

3/ In a memorandum dated March 22, 1966, the Field Officer, Region I, Spokane, Washington, who was the Government's representative in charge of this project, states that he has accepted 153 feet of drifting and/or crosscutting as conforming to contract specifications.

We find that the Contract Operator has been overpaid in the amount of $367 and we recommend that appropriate steps be taken by OME to recover this amount for the Government.

The record indicates that the Field Officer, Region I, did not intend that the Operator be paid $373.20 in connection with his voucher for September-October 1965. This voucher requested 50 percent Government participation in cost of 19.6 feet of drifting, one day of consultant service, and three sample assays in amounts of $660.40, $65.00 and $21.00, respectively. The Field Officer found that the latter two amounts, aggregating $86.00, were valid and proper. However, by a notation on MME Form 61, he recommended that the amount of $43 due to the Operator be withheld from settlement.

The Field Officer found that the amount of $660.40 for 19.6 feet of drifting was not eligible for Government participation and that, in fact, the Operator had previously claimed and been allowed to include in costs a total of 14.4 feet of drifting and crosscutting that did not meet contract specifications.

The Branch of Budget and Finance either overlooked the Field Officer's notation, or failed to understand such notation, or chose to disregard it and to rely on the fact that the voucher forms bore the usual signatures of the Operator and the Field Officer. We believe that had due diligence been exercised by the Branch of Budget and Finance, the amount of $373.20 would not have been paid.

Royalty

We note that the Field Officer in a letter to the Operator dated January 24, 1966, requested the prompt payment of $9.20 royalty on net proceeds from an ore shipment to the East Helena Plant of the American Smelting and Refining Company.

We recommend that further demand be made for any royalty which may be due to the Government concurrently with the demand for repayment of $367 overpaid in connection with the exploration costs.

367
9.20
$376.20

Government's Copy

EXPLORATION CONTRACT
CLEMENS A. AND ARTHUR LOMBARDI
OME-6316

AMENDMENT NO. 4

It is agreed this 4th day of February, 1965, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government", and Clemens A. and Arthur Lombardi, Partners, hereinafter referred to as the "Operator", that Exploration Contract 2178 (OME-6316), dated December 24, 1963, as amended, is further amended as follows:

1. In Amendment No. 3 the following changes are made:

(a) Item 1(a) is revised to read:

Work under the contract shall be suspended during the period beginning October 11, 1964, and ending not later than May 15, 1965.

(b) Item 4(a)(i) is revised to read:

Effective October 11, 1964, if the work has not been resumed on or before May 15, 1965.

(c) Item 4(e) is revised to read:

The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the contract, except as provided for in Amendment No. 3 as modified by this Amendment No. 4.

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

Executed in quintuplicate the day and year first above written.

By Clemens A. Lombardi
Clemens A. Lombardi

By Arthur Lombardi
Arthur Lombardi

Title _____

THE UNITED STATES OF AMERICA

By George Turnicliff
Acting Director, Office of Minerals Exploration

Long
Appr'd. Leg. Off.
Murphy
Stipulage
Petroleum

Clemens and Arthur Lombardi

OME - 6316 see project 2 [illegible]

Project 1.

Month	Soil samples		Trenches	Shaft	Drift	Timber	Assays
	Pan Analysis	Checks @1.50	D-8 @ 120/hr	1 comp. 5'x6' @ 130/ft	1 comp. 5'x7' @ 134/ft	$7.50/ft.	Comp. Rock $9.00/comp.
Contract	500	50	1500 hrs	300	600	400	298 samples
June 1964							
July	(500)						
Aug.							
Sept.		29	24				

OME-6316 — Project 2

Month	$8.25/ft X ray drilling	$34/ft Drift X cut	$7.50/ft Timber	$65/day Consultant	$7.00/sample Au. Ag. Pb. Zn. 9550 gs
Contract	100'	625'	580'	28 days	200 samples
June 1964		38.4'		2.5	—

Remarks

June 1964. Reconditioned equipment & repaired shaft & skip pocket on 200 level.
Started x-cut along old D.D hole. Started Project 1.

MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE — Contract No. 14-23- 2178 — Docket No. MME- 6316

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [x] ~~Certification of Discovery~~ Royalty Agt. 4(d) Am. No. 3 Letter 6/29/66
- [x] Closing Letter
- [x] Cost Audits May 1966
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes 12/24/63
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. 2 : Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual Report for Certified Project
- [x] Field Team Interim Reports
- [x] Operator's Monthly Reports with Transmittal, Narrative and Maps

Folders No. _____ : Maps (Use pocket folder or envelope)

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty Material

52615

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/20	Johnson	110
6/21/66	Kirkemo	120
	Long	140
	Appd. Sol. Office	110
6/28	Kielgaard	
6/29	Lively	220
6/30	Cole	120

120M

JUN 29 1966

Z-66-289.11

INTERIOR DEPT.
JUN 22 1966
SOLICITOR

Messrs. Clemens A. & Arthur Lombardi
c/o Mr. John L. McKeon
McKeon and Brolin
Attorneys at Law
126 Oak Street
Anaconda, Montana

Re: GME-6316 (Silver-Gold)
Clemens A. & Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

Pursuant to Article 6 of the contract, as amended, and Article 4(d) of Amendment No. 3 thereto, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from December 24, 1963, to December 24, 1974, or until the sum of $4,488.75 is fully repaid with interest at a rate of 6-1/4 percent per annum.

Royalty payments should be made in favor of the U.S. Geological Survey, and should be mailed or delivered to the Field Officer, Office of Minerals Exploration, Region I, U.S. Geological Survey, South 157 Howard Street, Spokane, Washington 99204. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the date of sale, the name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

The Field Officer should be promptly notified upon the commencement of any production, and upon any extended cessation thereof. Production unsold or unused six months after extraction from the ground should be reported promptly to the Field Officer.

FROM SOLICITOR
JUN 24 1966
FOR SIGNATURE

23263

Attention is specifically invited to the provisions of Article 2(c) of the contract referring to the preservation of the Government's royalty rights. Two true copies of any instrument transferring, surrendering or encumbering any of said rights shall be furnished the Field Officer.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geology file
Branch of Budget & Finance/Room 5408
Solicitor/Mr. Long/Room 6546
OME file
OME reading file
OME Region I
130 (2)
FEJohnson/bih 6/16/66

Government's Copy

EXPLORATION CONTRACT
CLEMENS A. AND ARTHUR LOMBARDI
OME-6316

AMENDMENT NO. 3

It is agreed this 6th day of November, 1964, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Clemens A. and Arthur Lombardi, Partners, hereinafter called the "Operator", that Exploration Contract 2178 (OME-6316), dated December 24, 1963, as amended, is further amended effective October 11, 1964, as follows:

1. (a) Work under the contract shall be suspended during the period beginning October 11, 1964, and ending not later than December 31, 1964. May 15, 1965

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of the work.

(d) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The time fixed in Article 1 (a) of the contract for completion of the work is extended from 18 to 24 months from the date of the contract.

3. The maximum period for royalty payments and for the lien to secure payment thereof fixed in Article 6b(2) of the contract is extended from ten (10) years to eleven (11) years from the date of the contract.

4. It is the essence of this amendment that the work be resumed before the termination of the period herein fixed for suspension, and be completed before the period fixed for completion; and if not so resumed and completed in the manner required by the contract, the following provisions shall thereupon become effective:

(a) The Contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated as follows:

(i) Effective October 11, 1964, if the work has not been resumed on or before December 31, 1964.

(ii) Effective December 24, 1965, if the work has been started but not completed on or before that date.

(b) The Government will only contribute to allowable costs incurred prior to the relevant date set forth in 4(a) above.

(c) The Operator shall promptly perform all winding-up and settlement actions provided for in the contract, including the rendering of the final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain its interest in the land), shall pay to the Government the royalty provided for in the contract in the same manner and amount, for the same period, and subject to the same provisions as provided for in the contract as amended herein as if a certification of possible production has been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the contract with respect to a certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

(e) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the contract, except as provided for in this Amendment No. 3.

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Acting Director, Office of
Minerals Exploration

Long
Appr. Sol. Off.
Murphy
Selfridge
Johnson

By _____
Clemens A. Lombardi

By _____
Arthur Lombardi

Title owner

GOVERNMENT'S COPY

EXPLORATION CONTRACT
CLEMENS A. AND ARTHUR LOMBARDI
OME-6316

AMENDMENT NO. 2

It is agreed this 19th day of May 1964, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Clemens A. and Arthur Lombardi, Partners, hereinafter called the "Operator," that Exploration Contract 2178 (OME-6316), dated December 24, 1963, is amended effective the date of the contract as follows:

1. In Exhibit "A" of the contract, the final paragraph on page 4 under Phase 2 - 500 Level is hereby deleted and the following paragraph is substituted therefor:

"From the approximate location of point "A" near the east end of the north branch drift as shown on the accompanying figure 1, drill one horizontal X-ray core size hole 100 feet southerly to explore for the easterly extension of the main vein. If this drill hole encounters the extension of the main vein and the latter contains significant silver values relative to the base metal values, follow the drill hole with a crosscut for a distance not in excess of 100 feet in length."

This amendment shall not be construed to increase the fixed unit cost of any item of work, the estimated total cost of the project, or the aggregate total amount which the Government may be required to contribute.

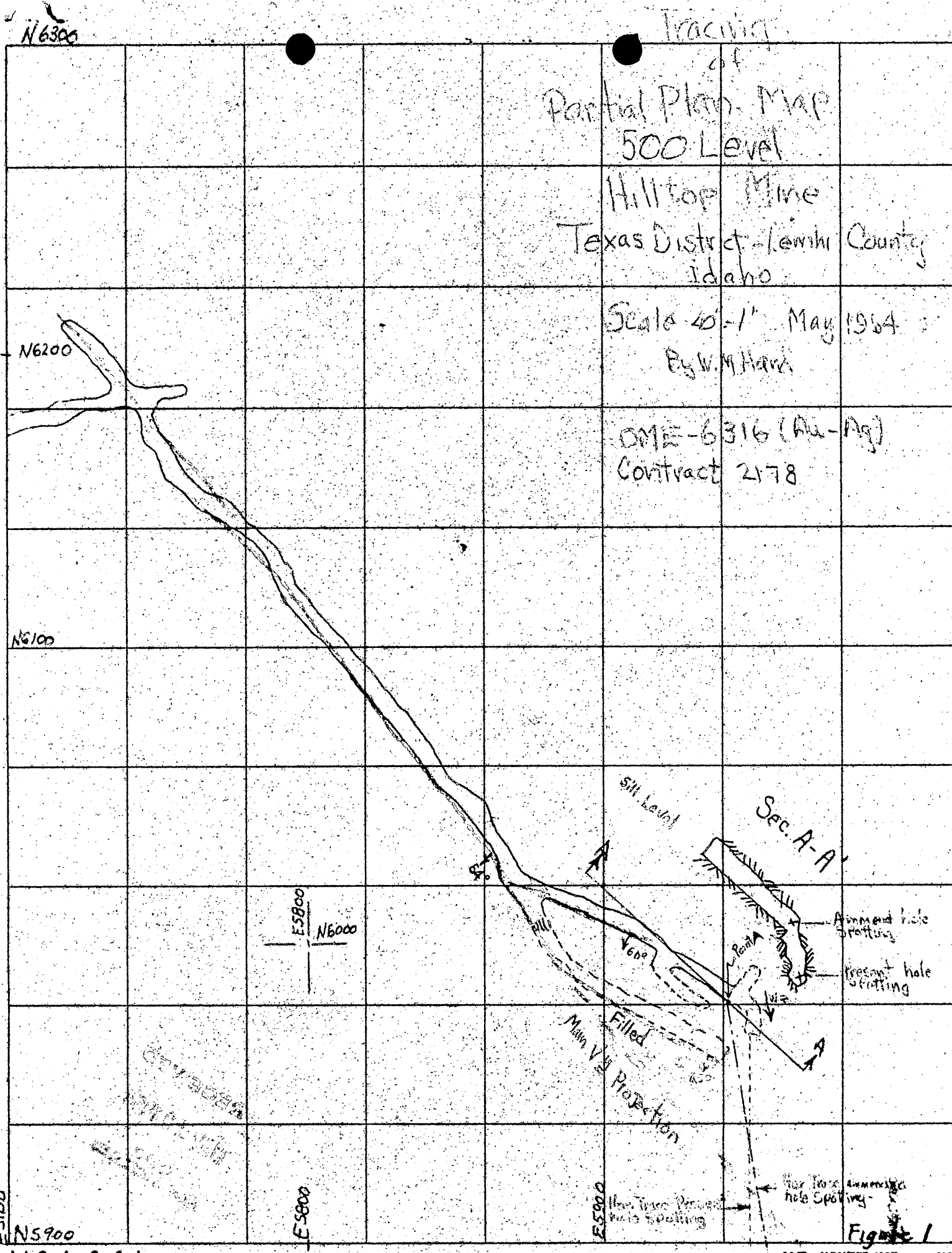
THE UNITED STATES OF AMERICA

By Donald R. MacPeron
Acting Field Officer, Region I
Office of Minerals Exploration

Clemens A. Lombardi
By John Pelle Keon, Attorney in fact
CLEMENS A. LOMBARDI

Arthur Lombardi
By John Pelle Keon, Attorney in fact
ARTHUR LOMBARDI

Title Operators


Tracing of
Partial Plan Map
500 Level
Hilltop Mine
Texas District - Lemhi County
Idaho
Scale 40'-1" May 1964
By W. M. Hart
OME-6316 (Au-Ag)
Contract 2178
N6300
N6200
N6100
N6000
N5900
E5800
E5900
Sill Level
Sec. A-A
Filled
Main Vein Projection
Pillar
Vein
Diamond hole spotting
Present hole spotting
Now Trees Diamond hole Spotting
Now Trees Present hole Spotting
Figure 1

Government's Copy

EXPLORATION CONTRACT
CLEMENS A. AND ARTHUR LOMBARDI
OME-6316

AMENDMENT NO. 1

It is agreed this 1st day of May, 1964, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Clemens A. and Arthur Lombardi, Partners, hereinafter called the "Operator," that Exploration Contract 2178 (OME-6316), dated December 24, 1963, is amended effective the date of the contract as follows:

1. In Article 1(a) of the contract, the date for starting the work is extended from March 15, 1964, to May 15, 1964.

This amendment shall not be construed to increase the fixed unit cost of any item of work, the estimated total cost of the project, or the aggregate total amount which the Government may be required to contribute.

THE UNITED STATES OF AMERICA

By Donald R. Mackenzie
Acting Field Officer, Region I
Office of Minerals Exploration

Clemens A. Lombardi
By John Ellis Lane Attorney in fact
CLEMENS A. LOMBARDI

Arthur Lombardi
By John Ellis Lane Attorney in fact
ARTHUR LOMBARDI

Title Operators

Long
App'd. Sol. Off.
Murphy
Hirsfeld
Talbert
Selfridge
Johnson

MME Form 51
June 1963

Government's Copy

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME-6316	Silver-Gold	14-23-090-2178	Lemhi	Idaho

It is agreed DEC 24 1963 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Clemens A. and Arthur Lombardi, Partners

whose mailing address is 107 N. Hickory, Anaconda, Montana, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before MARCH 15, 1964 (Date) CL AL and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 18 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ 86,670. The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $ 43,335 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.-- Simple interest at the rate of 6 ¼ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

Owner

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

None

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) Final report.--Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with three copies of a final report (in addition to the final monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as two copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the preparation or completion of same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used in integrated manufacturing or fabricating operations (for instance if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such pruchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(h) Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals and metals mined or produced from the land.

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The Office of Minerals Exploration may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

Clemens Lombard
Arthur Lombard
(Operator)

By

Title

THE UNITED STATES OF AMERICA

By George Turnichol
Long
Appt. Sol. Off.

I, _____ (Name), certify that I am the _____ secretary of the corporation named as Operator herein; that _____ (Name), who signed this contract on behalf of the Operator, was then _____ (Title) 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.

Clemens Lombard

[CORPORATE SEAL]

Murphy
Selfridge

INT.-DUP. SEC., WASH., D.C. 31011

EXPLORATION CONTRACT
CLEMENS A. AND ARTHUR LOMBARDI
OME-6316

ANNEX I

The land referred to in Article 2 of the contract consists of two (2) patented and four (4) unpatented lode mining claims, including all rights pertaining thereto, in secs. 1 and 2, T. 13 N., R. 26 E., Boise Meridian, Texas mining district, Lemhi County, Idaho.

The claims are recorded in the Lemhi County Courthouse, Salmon, Idaho, as follows:

Patented

Claim	Survey No.
Alex Stevens No. 2	3198
Rose Bud	1680

Unpatented

Claim	Book	Page
Hilltop No. 1	3	39
" No. 2	3	40
" No. 3	3	41
" No. 4	3	42

The outer boundary of the claim group is shown in green on Plate 2, entitled, "Claim Map and Soil Sample Grid . . .," attached hereto and made part hereof. The claims are owned by the Operator.

EXPLORATION CONTRACT
CLEMENS A. AND ARTHUR LOMBARDI
OME-6316

EXHIBIT A

The purpose of this project is to explore by geochemical soil testing, bulldozing trenches, shafting, drifting, crosscutting, and X-ray size core drilling for silver-gold bearing ore bodies occurring along shear zones in thin bedded to massive dolomite and limestone country rock of Paleozoic age which underlie the project area.

General Provisions

Soil sampling shall be analyzed by the field geologist for parts per million of lead content. Approximately 10 percent of the soil samples shall be split and one split shall be sent to a commercial assayer to be tested for its parts per million lead content.

All significantly mineralized areas traversed in the trenches, shafts, drifts, or crosscuts shall be sampled by cutting channels normal to the trend of the deposit at intervals of not more than 10 feet. Each sample shall be split as necessary and then assayed for gold, silver, lead, and zinc. The Operator shall store one split of each sample from whatever source in a suitable container properly identified as to the location where the sample was obtained.

Significantly mineralized core from the X-ray drilling shall be split and one split assayed for gold, silver, lead, and zinc. The other split shall be stored in proper sequence with the unmineralized core in suitable core boxes. The stored core and other samples shall be made available for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored core and samples.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly reports, which shall also include maps or sketches showing the work completed during the reporting period. The maps shall show the location and p.p.m. analyses of soil samples and the general geological formations and structures traversed by the trenches, shaft, drifts, crosscuts, and X-ray drilling, and the location and values of the samples.

The Operator shall provide such supervisory and technical services as may be required to complete the work in a satisfactory manner.

A D-8 caterpillar dozer or equivalent unit of any other make shall be used to bulldoze trenches, construct access roads to shaft sites, and to level the shaft sites.

No work under this contract shall be performed closer than 100 feet to the outer boundary of the claim area.

The location, direction, and extent of each work item shall be subject to Government approval.

The work shall be divided into Projects and Phases. The Operator shall complete all of Phases 1 and 2 of Project 1 and the crosscut and core drill hole in Phases 1 and 2, respectively, of Project 2. Thereafter, the Operator shall complete as much of each phase and project as is approved and confirmed in writing by the Government.

Description of the Work

Project 1

Phase 1

On the south end line of Alex Stevens No. 2, Hilltop No. 1 and Hilltop No. 2 claims, starting not closer than 100 feet to the southwest corner of Alex Stevens No. 2, mark 5 base points at approximately 300-foot intervals. From each base point establish lines on a bearing of about N. 49° E. and mark sample stations at 50-foot intervals along each line. At those sample stations that are at locations which are not closer than 100 feet to an exterior property boundary or in quartzite take a soil sample from the cuttings of a soil auger driven to at least a 2-foot depth. It is estimated that 210 soil samples will be tested in the field and that 20 check samples will be analyzed by a commercial assayer under this phase. The location of the lines and stations are shown on Plate 2 referred to in Annex I.

Phase 2

In the area of high anomalies found in Phase 1, establish secondary base lines 100 feet apart and mark sample stations at 25-foot intervals, 6 northeasterly and 6 southwesterly from the anomaly line. Samples shall be taken at these stations in the manner specified in Phase 1.

Under Phases 1 and 2 not more than 500 soil samples shall be taken and tested in the field and not more than 50 analyses for trace amounts of lead shall be made by a commercial assayer.

Phase 3

To further explore any favorable areas which are indicated by the Phase 1 and Phase 2 work, trenches shall be bulldozed to bedrock at locations mutually agreed upon by the Operator and the Government. Not more than 100 hours of bulldozing shall be allowed under this phase of the contract and not more than 50 samples shall be assayed.

Phase 4

Access roads shall be bulldozed to 2 or 3 of the favorable mineralized areas indicated by the work performed under Phases 1 through 3, and at mutually agreed upon locations, the Operator shall bulldoze shaft sites and sink shafts. Each shaft shall follow the dip of the mineralized shear zone and shall not exceed a lineal distance of 150 feet measured from the shaft collar.

The shafts shall be single compartment and not less than 5' x 6' in cross section in the clear of timber. The shafts shall be timbered as necessary and conform with the mine safety regulations of the State of Idaho.

A portable headframe, a hoist with a 20 cu. ft. skip bucket, and an air compressor with receiver tank shall be installed at the shaft. In the shaft, skip rails shall be not less than 25 lbs., air lines not less than 2" and water lines not less than 3/4" diameter. Not more than 50 hours of bulldozer work shall be performed and not more than 300 lineal feet of shaft shall be sunk under this Phase 4.

Phase 5

From the bottom of the shafts drifts shall be driven to explore the lateral extent of favorable mineralized zones intersected. No single drift shall be driven for a total distance in excess of 200 feet measured from the side walls of the shaft. Short crosscuts, each not to exceed 25 feet in length, may be driven from the drifts into the hanging walls and footwall at locations mutually agreed upon by the Operator and the Government.

The drifts and crosscuts shall be 5' x 7' in cross section in the clear of timber and shall be timbered as necessary using standard 8" x 8" drift sets or equivalent round timber.

Not more than 600 feet of drifts and crosscuts shall be driven under this Phase 5 and not more than 250 samples shall be assayed for their silver, gold, lead, and zinc content under Phases 4 and 5 of this project.

Project 2

Phase 1 - 300 Level

Following along existing DDH No. 1, drive a crosscut 5' x 7' in cross section in the clear of timber for a distance of approximately 120 feet. If a potential mineral-bearing vein is encountered in the zone indicated by the drill hole to be between 107 and 118 feet, drift not to exceed a total of 180 feet easterly and/or westerly from the crosscut. It is estimated that 50 feet of crosscuts from the new drift will be required to explore the walls for possible replacement deposits in favorable locations mutually agreed upon by the Operator and the Government.

Phase 2 - 500 Level

From the face of the south crosscut at the east end of the north branch drift (Plate 1), drill one horizontal X-ray core size hole 100 feet south to explore for the easterly extension of the main vein. If this drill hole encounters the extension of the main vein and the latter contains significant silver values relative to the base metal values, follow the drill hole with a crosscut for a distance not in excess of 100 feet in length.

If the channel samples which are cut across the vein confirm the significance of the silver values relative to the base metal values, drift along the vein easterly and/or westerly for a total distance of not more than 150 feet. To explore the walls for possible replacement deposits in favorable beds, crosscuts up to 10 feet long may be driven at locations mutually agreed upon by the Operator and the Government. It is estimated that 25 feet of such crosscutting may be required.

Phases 1 and 2 may be carried on concurrently. Specifications regarding timbering and size of timber shall be the same as those for Project 1, Phase 5.

Not more than 625 feet of drift and/or crosscut and not more than 200 samples shall be analyzed for their silver, gold, lead, and zinc content under Phases 1 and 2 of this project.

The locations of the work under Project 2, Phases 1 and 2 are indicated in red on Plate 1, entitled, "Reconnaissance Geologic Map, Composite Plan, Hilltop Mine . . .," attached hereto and made part hereof.

Estimated Costs of the Work

Fixed Unit Costs

Project 1

Establishing soil grids, sampling, and field testing of samples - 500 samples at $3.60/sample	$ 1,800.00
Commercial analyses of 50 check samples for trace amounts of lead at $1.50/sample	75.00
Bulldozing trenches, access roads, and leveling shaft sites	
150 hours at $20/hour	3,000.00
300 lineal feet of shafting at $90/ft.	27,000.00

600 feet of drifting and crosscutting @ $34.00/ft.	$20,400.00
400 feet of timbering in drifts and crosscuts @ $7.50/ft.	3,000.00
Assays for gold, silver, lead, and zinc content of 250 samples @ $7.00/sample	1,750.00
Total estimated cost of Project 1	$57,025.00

Project 2

100 ft. X-ray size core drilling @ $8.25/ft.	$ 825.00
625 ft. of drift and/or crosscut @ $34.00/ft.	21,250.00
580 ft. of drift timbering @ $7.50/ft.	4,350.00
28 days consultant at $65.00/day	1,820.00
200 samples assayed for gold, silver, lead, and zinc at $7.00/sample	1,400.00
Total estimated cost of Project 2	$29,645.00

SUMMARY

Total estimated cost of Project 1	$57,025.00
Total estimated cost of Project 2	$29,645.00
Total estimated cost of Project	$86,670.00
Government's participation at 50%	$43,335.00

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 301, Executive Order 10925, March 6, 1961, as amended)

'During the performance of this contract, the contractor agrees as follows:

'(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited, to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this non-discrimination clause.

'(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

'(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, as amended, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

'(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, as amended, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

'(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, as amended, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

'(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.'"

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
November 15, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 18 1963

DATE	INITIALS	CODE
		120
11/20	Murphy	500

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6316 (Silver-Gold)
C. A. Lombardi and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho

A field inspection relative to the subject application was made August 11, 1963. Wilson A. Barnes, a prospector living near the property, pointed out certain areas on the ground which he stated that he had staked and filed on prior to the Lombardis. Barnes' prior claim was also attested to later in Salmon by Finley Stroup, a prospector and miner who is familiar with the area and who has worked at the Hill Top.

Through a misunderstanding the Lombardis had left the property before this possible conflict was made evident, but Phil Shockey who prepared the application and represents the Lombardis was present. He was to look into the matter further at the courthouse in order to clarify the situation.

On September 24, 1963, Clemens Lombardi brought to the Spokane office an amended application in which the questionable claims are omitted and a statement regarding them is included. Through an oversight on my part your copy of the amended application was not forwarded. It is enclosed.

OME-6307, Ruby Silver Mines, Hancock et al., Claims, was examined July 25, 1963, but as that may be a denial and the report on this company's Ruby mine, OME-6308, has finally been sent on its way, I shall start on the Lombardi report the 18th. Most of today will be required to process the Commonwealth Silver vouchers.

D. R. MacLaren

D. R. MacLaren

Enclosure

Form 1041

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42-R1266
Approval expires Dec. 31, 1963

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85-701 (72 Stat. 700; 30 U.S.C. 641)

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*

Clemens A. Lombardi
and
Arthur Lombardi
107N. Hickory
Anaconda, Montana

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6316

DATE RECEIVED: 7-17-63

REGION: I

DIVISION CODE: 500

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [ ]
- PARTNERSHIP [X]
- OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED:

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Silver - Gold

ESTIMATED COST OF PROJECT: $301,108.00

PROPERTY NAME	LOCATION COUNTY	STATE
Hilltop Group	Lemhi	Idaho

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and exports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in Item 2, existing mine workings and geology in Item 3, and the proposed exploration work in Item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in Item 3(g) which you wish to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, not originals, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his own expense.

July 9, 1963
DATED

Clemens A. Lombardi
BY (Signature)

Partner
TITLE

107 N. Hickory
Anaconda, Montana

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

JOHN L. McKEON

WILLIAM A. BROLIN

McKeon and Brolin

ATTORNEYS AT LAW

124 OAK STREET * TELEPHONE 563-5201

ANACONDA, MONTANA

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 17 1963

DATE	INITIALS	CODE

July 12, 1963

The Office of Minerals Exploration
Department of Interior
Washington 25, D.C.

Gentlemen:

I enclose herewith the application of Clemens A. Lombardi and Arthur Lombardi for federal assistance in financing exploration for mineral reserves, pursuant to Title 30, Chapter III of the Code of Federal Regulations.

I would deeply appreciate it if you would be so kind as to acknowledge receipt of this material directly to the undersigned. Also, while I believe the application is complete in every aspect, should we have omitted any pertinent information, or should you have further inquiry, would you please communicate the same to the undersigned?

The approval of this loan application is extremely important to the applicants and your assistance in facilitating the processing would be deeply appreciated.

Very truly yours,

JOHN L. McKEON

JLM/mps
Enc.

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

May 9, 1977

Mr. Art Lombardi
207 E. Front Street
Anaconda, Montana 59711

Re: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. Lombardi:

We understand that you have not replied to Cooper-Trent Division, Keuffel & Esser Co., Arlington, Virginia, concerning an order for maps or other material listed in our letter to you dated February 18, 1977. The file containing this material was removed from storage in order to make it available to Cooper-Trent.

Please advise Cooper-Trent whether or not you want copies of any of the material so that we can return the file to storage.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

February 18, 1977

Mr. Art Lombardi
207 E. Front Street
Anaconda, Montana 59711

Re: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. Lombardi:

In response to your request by phone on February 17, 1977, for copies of maps of the surface and of the 500 level at the Hilltop mine, we found these among others in the application report by Philip W. Shockey, June 19, 1963.

The two maps you requested are:

Plate 1. Multi-purpose map, Hilltop-Democrat area	26" x 42"
Reconnaissance geologic map of the 500 level, Hilltop mine	18" x 26"

In the event you may be interested in other material submitted with the application, we have listed the other maps and two reports on the enclosed sheet for your information and consideration if you wish to order copies.

The maps you requested and any of the other material listed may be ordered by contacting:

Cooper-Trent Division
Keuffel & Esser Co.
Wilson Boulevard at Danville Street
Arlington, Virginia 22201
Attention: Mr. Marvin Mundy

Cooper-Trent will contact you regarding the cost of reporductions; the minimum charge per order is $15.00. Upon deciding how many copies you want, send the enclosed copy of this letter to Cooper-Trent with your letter of instructions. All future correspondence relating to

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procurement of copies of the material should be with Cooper-Trent rather than with this office.

We are pleased to be of service to you.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosure

Copies to:
~~Mr. Hamotead~~
~~Mr. Wall~~
Mr. Mundy

Mr Mundy returned the map folder to us April 18, 1977, as ~~these~~ were not followed up by Lombardi ~~to follow up~~

DPW

Maps

Figure 4.	Reconnaissance geologic map, 100 level, Hilltop mine	15" x 24"
5.	Reconnaissance geologic map, 200 level, Hilltop mine	20" x 22"
6.	Reconnaissance geologic map, 300 level, Hilltop mine	18" x 26"
7.	Reconnaissance geologic map, 400 level, Hilltop mine	17" x 30"
9.	Reconnaissance geologic map, composite plan, Hilltop mine	9" x 12"
10.	Longitudinal section A-A', Hilltop mine	26" x 31"
11.	Cross Section B-B', Hilltop mine	21" x 28"
12.	Block diagram of the Hilltop mine	27" x 39"
13.	Reconnaissance geologic map of the Jumbo workings	13" x 20"
14.	Geologic map of the Democrat adit	12" x 19"
15.	Basic soil sample grid, Hilltop group	15" x 25"

Reports

Application for financial assistance in minerals exploration, Hilltop mine, Texas district, Lemhi County, Idaho, prepared by Philip N. Shockey, Salmon, Idaho, June 19, 1963, 51 pages.

Supplemental Report - by Philip N. Shockey, Salmon, Idaho, September 16, 1963, 23 pages.

March 3, 1975

Memorandum

To: Branch of Financial Reports
Geological Survey

From: Chief, Office of Minerals Exploration

Subject: Recording of Realized Loss under OME contract

Write-off of the following realized loss under an OME contract is hereby authorized:

Contract	Docket	Operator	Write-off
2178	6316	Clemens A. & Arthur Lombardi	$4,688.75

Our records indicate that the Government contributed $4,648.75 to the total allowed cost of $9,297.50. The difference of $40.00 between the report (Tabulation No. 291 as of 1/75) and our records is attributed to the balance of overpayment to the Operator.

Harold Kirkemo

cc:
DRF
MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo
Region I

HKirkemo/gpw

March 3, 1975

Mr. Clemens A. Lombardi
Route 1, Box 147
Whitehall, Montana 59759

Re: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. Lombardi:

As the period of obligation for payment of royalties on production under OME Contract 2178 has terminated, the Government has closed its books and records on this account, and retains no claim or lien for royalty pursuant to terms of the contract.

Sincerely yours,

Harold Kirkemo, Chief
Office of Minerals Exploration

cc:

DRF
MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo
Region I

HKirkemo/gpw

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United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

IN REPLY REFER TO: Office of Minerals Exploration January 24, 1975

Re: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Mr. Clemens A. Lombardi
Route 1, Box 147
Whitehall, Montana 59759

Dear Mr. Lombardi:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Copy sent to [illegible]

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since February 5, 1974, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

2. Since February 5, 1974, has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser *(name and address)*	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since workings *(see* , has any production been transported through *of contract)*? Yes ☐ No ☐

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Clemens A. Lombardi	*Title* owner
Address Rt #1 Box 147 Whitehall, Mt. 59759	*Date* 2/24/75

United States Department of the Interior

GEOLOGICAL SURVEY
~~WASHINGTON, D.C. 20242~~
RESTON, VIRGINIA 22092

IN REPLY REFER TO: Office of Minerals Exploration

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January 23, 1974

Re: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Mr. Clemens A. Lombardi
Rt. 1, Box 147
Whitehall, Montana 59759

Dear Mr. Lombardi:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration
U.S. Geological Survey
National Center, Mail Stop 920
12201 Sunrise Valley Drive
Reston, Virginia 22092

Copy to R.I

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since January 17, 1973, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

2. Since January 17, 1973, has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser *(name and address)*	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since workings *(see of contract)*, has any production been transported through Yes ☐ No ☒

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name	*Title* Owner
Address Route 1 Box 147 Whitehall, Mt. 59759	*Date* 2/5/74

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

December 22, 1972

AIRMAIL

Re: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Mr. Clemens A. Lombardi
Rt. #1, Box 147
Whitehall, Montana 59759

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Dear Mr. Lombardi:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to R-I

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since **January 29, 1972**, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

2. Since **January 29, 1972**, has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser *(name and address)*	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since , has any production been transported through workings *(see of contract)*? Yes ☐ No ☐

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name	*Title*
Clemens A Lombard.	Owner
Address	*Date*
Rt #1 Box 147 Whitehall, Mt. 59759	Jan. 17, 1973

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

March 20, 1970

Memorandum

To : Chief, Office of Minerals Exploration

From : Field Officer, Region I

Subject: Summary Final Report
OME 6316 (Silver-Gold)
Clemens A., and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

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INTRODUCTION

This report summarizes an OME exploration project for silver-gold ore bodies in Paleozoic dolomite and limestone at the Hilltop mine about 3 miles northwest of Gilmore, Idaho. The contract, dated December 24, 1963, was for a total estimated cost of $86,670.00, of which the Government would contribute 50 percent or $43,335.00, and was amended four times. Work started in May 1964, and was terminated in December 1965, before all the originally planned work had been completed. The allowable work done included 500 soil samples, 37 commercial check assays, 32 hours of bulldozing, and 184 feet of drifts and crosscuts. The total accepted cost of the work was $9,297.50 of which the Government contributed $4,648.75. According to Amendment No. 3 of the contract, the Operator shall pay to the Government royalty as set forth in the contract on future production until December 24, 1974, or until the Government's share of the cost with interest at $6\frac{1}{4}$ percent per annum is fully repaid, whichever occurs first. Shipments of crude ore between August 1965 and September 17, 1968, totalled 30.60 tons and contained 2.22 ounces of gold, 187.66 ounces of silver, 5,897.95 pounds of lead, 59.40 pounds of copper, and 3,567.33 pounds of zinc. The Government was paid $9.20 royalty on the shipment made in August 1965; other shipments failed to fully pay for their transportation. The mine is now idle.

OPERATOR

Clemens A. and Arthur Lombardi, Partners
107 N. Hickory
Anaconda, Montana 59711

The two partners, on April 16, 1964, executed an agreement giving Special Power of Attorney to Mr. John L. McKeon, Attorney in Fact, 126 Oak Street, Anaconda, Montana, 59711, under which Mr. McKeon was allowed to execute checks, drafts, and the necessary statements for work performance and things of that nature, in connection with the administration of the OME contract. During the time of the contract all the written correspondence from the Government to the Operator was mailed to Mr. McKeon.

PROPERTY

The property consists of two patented and four unpatented lode mining claims in secs. 2 and 3, T. 13 N., R. 26 E., Boise Meridian, Texas Mining District, Lemhi County, Idaho (Fig. 1), recorded in the Lemhi County Courthouse, Salmon, Idaho, as follows:

Patented Claims	Survey No.
Alex Stevens No. 2	3198
Rose Bud	1680

Unpatented Claims	Book	Page
Hilltop No. 1	3	39
" " 2	"	40
" " 3	"	41
" " 4	"	42

The claims are owned by the Operator.

The property is on the southwest side of Lemhi Valley at altitudes ranging from 8,000 to 8,600 feet. To reach the claims, drive 13.5 miles south from Leadore, Idaho, on State Highway 28; turn southwest and go 0.3 miles on Dunkin Lane to the junction near a cement block building, then go nearly due south for 2 miles on an unimproved road which then branches to the right upslope to the claims. The property is approximately 62 miles southeast of Salmon, Idaho, the only sizable settlement in the region.

Prior to the OME contract the underground workings at the Hilltop mine included a shaft 510 feet deep on an incline of 60° to 70° to the southwest; from this shaft levels were turned on the 100, 200, 300, 400, and 500 levels (Fig. 2). A winze goes 70 feet below the 500 level. Drifts and crosscuts totalled 3320 feet. Stopes on the two ore shoots were continuous from the 400 and 500 levels to and above the 100 level (Fig. 2). Virtually all of the underground work was done between 1943 and 1961 (Operator's application report).

GEOLOGY

The known ore deposits in and near the Hilltop mine are veins and replacement bodies of silver-lead-zinc minerals in steeply dipping limestone and dolomite of Paleozoic age (Umpleby, 1913, p. 92-96). The sedimentary rocks strike northerly and dip easterly at 45° or steeper. There is some indication of a recumbant fold and some overturned beds in the Hilltop area (Operator's application report). Oxidation of the original sulfides extends to some of the deepest levels in the mines. Igneous rocks, including quartz diorite dikes and a porphyritic granodiorite stock, have intruded the sedimentary rocks and some skarn has developed; however, there is no obvious genetic relation between the igneous rocks and the ore minerals (Operator's application report).

The Hilltop mine has explored a vein about 700 feet along strike and 600 feet down dip (Fig. 2). The vein contains two large ore shoots and several smaller ones. The No. 1 ore shoot follows a particular sequence of thin bedded, grayish-brown dolomite, and is canoe-shaped in plan with a minimum length of 50 feet and maximum width of 6 feet. The No. 2 ore shoot is smaller and is in more massive dolomite where it is less certain if the host rock is a particular bed or series of beds. The Texas fault cuts the No. 2 ore shoot into two approximately equal parts (Fig. 2). The No. 1 and No. 2 ore shoots are seemingly thickest and shortest where the dip of the host bed is steepest.

Typical primary ore consists of replacement pods of argentiferous galena and sphalerite together with minor pyrite and chalcopyrite in a gangue of milky quartz and massive jasperoidal hematite (Operator's application report).

Production between 1943 and 1960 totalled 8921 tons of crude ore averaging 0.20 ounces gold per ton, 13.83 ounces silver per ton, 0.34 percent copper, 15.15 percent lead, and 0.89 percent zinc. Two truck loads of crude ore shiped in 1961 totalled 30 tons containing 1.06 ounces gold and 22.90 ounces silver per ton, 0.60 percent copper, 22.8 percent lead, and 12.88 percent zinc.

The original application was a request for aid in driving a long adit crosscut to intersect the Hilltop vein on a planned 700 level. This crosscut would also explore other areas by crosscutting beds known to contain ore on the adjacent Democrat claims (OME-6286). The dilapidated condition of the surface plant and the deteriorated mine timbers near the shaft would require a large outlay of capital to repair and the applicant believed ore could be more economically produced from the crosscut than by repairing and deepening the shaft. However, OME assistance was not given for the long adit crosscut.

PURPOSE OF PROJECT

The purpose of the project was to explore by geochemical soil testing, bulldozing trenches, shafting, drifting, crosscutting, and X-ray size core drilling for silver-gold bearing ore bodies occurring along shear zones in thin bedded to massive dolomite and limestone country rock of Paleozoic age.

CONTRACT

The contract, No. 2178, dated December 24, 1963, required that work start on or before March 15, 1964, and to be completed within 18 months from the date of the contract. The work was to be divided into Projects and Phases as follows:

Project 1, Phase 1.--On the south end line of Alex Stevens No. 2, Hilltop No. 1, and Hilltop No. 2 claims, starting not closer than 100 feet to the southwest corner of Alex Stevens No. 2, mark 5 base points at approximately 300-foot intervals. From each base point establish lines on a bearing of about N. 49° E. and mark samples stations at 50-foot intervals along each line. At those sample stations that are at locations which are not closer than 100 feet to an exterior property boundary or in quartzite take a soil sample from the cuttings of a soil auger driven to at least a 2-foot depth. It is estimated that 210 soil samples will be tested in the field and that 20 check samples will be analyzed by a commercial assayer under this phase.

Project 1, Phase 2.--In the area of high anomalies found in Phase 1, establish secondary base lines 100 feet apart and mark sample stations at 25-foot intervals, 6 northeasterly and 6 southwesterly from the anomaly line. Samples shall be taken at these stations in the manner specified in Phase 1.

Under Phases 1 and 2 not more than 500 soil samples shall be taken and be tested in the field and not more than 50 analyses for trace amounts of lead shall be made by a commercial assayer.

Project 1, Phase 3.--To further explore any favorable areas which are indicated by the Phase 1 and Phase 2 work, trenches shall be bulldozed to bedrock at locations mutually agreed upon by the Operator and the Government. Not more than 100 hours of bulldozing shall be allowed under this phase of the contract and not more than 50 samples shall be assayed.

Project 1, Phase 4.--Access roads shall be bulldozed to 2 or 3 of the favorable mineralized areas indicated by the work performed under Phases 1 through 3, and at mutually agreed upon locations, the Operator shall bulldoze shaft sites and sink shafts. Each shaft shall follow the dip of the mineralized shear zone and shall not exceed a lineal distance of 150 feet measured from the shaft collar.

Project 1, Phase 5.--From the bottom of the shafts drifts shall be driven to explore the lateral extent of favorable mineralized zones intersected. No single drift shall be driven for a total distance in excess of 200 feet measured from the side walls of the shaft. Short crosscuts, each not to exceed 25 feet in length, may be driven from the drifts into the hanging walls and footwall at locations mutually agreed upon by the Operator and the Government.

Not more than 600 feet of drifts and crosscuts shall be driven under this Phase 5 and not more than 250 samples shall be assayed for silver, gold, lead, and zinc under Phases 4 and 5 of this project.

Project 2, Phase 1,--300 Level: Following along existing DDH No. 1, drive a crosscut for a distance of approximately 120 feet. If a potential mineral-bearing vein is encountered in the zone indicated by the drill hole to be between 107 and 118 feet, drift not to exceed a total of 180 feet easterly and/or westerly from the crosscut. It is estimated that 50 feet of crosscuts from the new drift will be required to explore the walls for possible replacement deposits in favorable locations mutually agreed upon by the Operator and the Government.

Project 2, Phase 2,--500 Level: From the face of the south crosscut at the east end of the north branch drift, drill one horizontal X-ray core size hole 100 feet south to explore for the easterly extension of the main vein. If this drill hole encounters the extensions of the main vein and the latter contains significant silver values relative to the base metal values, follow the drill hole with a crosscut for a distance not in excess of 100 feet in length.

If the channel samples which are cut across the vein confirms the significance of the silver values relative to the base metal values, drift along the vein easterly and/or westerly for a total distance of not more than 150 feet. To explore the walls for possible replacement deposits in favorable beds, crosscuts up to 10 feet long may be driven at locations mutually agreed upon by the Operator and the Government. It is estimated that 25 feet of such crosscutting may be required.

Phase 1 and 2 may be carried on concurrently.

Not more than 625 feet of drift and/or crosscut and not more than 200 samples shall be analyzed for their silver, gold, lead, and zinc content under Phases 1 and 2 of this project.

Estimated Costs of the Work

Fixed Unit Costs

Project 1

Establishing soil grids, sampling, and field testing of samples 500 samples at $3.60/sample	$ 1,800.00
Commercial analyses of 50 check samples for trace amounts of lead at $1.50/sample	75.00
Bulldozing trenches, access roads, and leveling shaft sites 150 hours at $20/hour	3,000.00
300 lineal feet of shafting at $90/ft	27,000.00
600 feet of drifting and crosscutting at $34/ft	20,400.00
400 feet of timbering in drifts and crosscuts at $7.50/ft	3,000.00
Assays for gold, silver, lead, and zinc content of 250 samples at $7/sample	1,750.00
Total estimated cost of Project 1	$57,025.00

Project 2

100 ft X-ray size core drilling at $8.25/ft	$ 825.00
625 ft of drift and/or crosscut at $34/ft	21,250.00
580 ft of drift timbering at $7.50/ft	4,350.00
28 days consultant at $65/day	1,820.00
200 samples assayed for gold, silver, lead, and zinc at $7/sample	1,400.00
Total estimated cost of Project 2	$29,645.00
Total estimated cost of Projects 1 and 2	$86,670.00
Government's participation at 50 percent	$43,335.00

The contract was amended four times as follows:

Amendment No. 1, dated May 1, 1964, changed the date for start of the work from March 15, 1964, to May 15, 1964.

Amendment No. 2, dated May 19, 1964, deleted the final paragraph under description of work on Phase 2,--500 Level and substituted the following:

> "From the approximate location of Point 'A' near the east end of the north branch drift . . . , drill one horizontal X-ray core size hole 100 feet southerly to explore for the easterly extension of the main vein. If this drill hole encounters the extension of the main vein and the latter contains significant silver values relative to the base metal values, follow the drill hole with a crosscut for a distance not in excess of 100 feet in length."

Amendment No. 3, dated November 6, 1964, permitted a suspension of work on the contract between October 11, 1964, and December 31, 1964. Time fixed for completion of the contract was extended from 18 to 24 months. Maximum period for royalty payments and for the lien to secure payment thereof was extended from 10 to 11 years from the date of the contract. If the work were not resumed before December 31, 1964, and not completed before the period fixed in the contract, a pseudocertification provision would be in effect and the contract shall be terminated as follows:

(i) Effective October 11, 1964, if the work has not been resumed on or before December 31, 1964.

(ii) Effective December 24, 1965, if the work has been started but not completed on or before that date.

Amendment No. 4, dated February 4, 1965, extended the period of recess under the contract to May 15, 1965, and modified Amendment No. 3 to read that the contract would be terminated effective October 11, 1964, if the work had not been resumed on or before May 15, 1965.

PROJECT WORK

Contract work started in May 1964 and consisted of prepar ations for underground work and establishment of soil sampling stations. The crosscut on the 300 level (Project 2, Phase 1) was advanced 38.4 feet in June. Legal attachment of the hoist to satisfy claims for unpaid bills of the Operator necessitated the interruption of underground work about June 28, 1964.

Soil sampling was completed in July and August with the collection and analysis of 500 samples (Fig. 1). Bulldozing to test some anomalies indicated by the soil sampling failed to find promising evidence of ore; the bulldozing was completed in the early part of October 1964.

The Operator reported that some underground work was done in January 1965 but severe snow conditions in the area prevented further progress until June 1965. A mishap rendered the shaft inoperable for several weeks, but repairs had been completed by June 17. Crosscutting on the 300 level exposed black dolomite and a vein, indicated by diamond drilling prior to the contract, was intersected at 116 feet; the crosscut was extended to a total length of 123 feet. Drifting explored the vein for 20 feet to the east and 47 feet to the west. The easternmost 3 feet of the drift was too narrow to be allowed under the contract.

The vein strikes N. 85° E. and dips 70° S. to vertical. It consists of crushed quartz and limestone; widths range from a few inches to 2 feet. The hangingwall is a heavy clay seam. Hard dioritic rock near the west face of the drift may be a dike (OME Field Officer report, 11/15/65). Assay data indicate the metal content of the vein is low (Fig. 2).

Exploration work ceased sometime before November 3, 1965, and the contract was terminated December 24, 1965, according to the terms of Amendment No. 3.

The allowable units of work completed and their accepted costs are as follows:

Item	Unit Cost	Units	Cost
Project 1			
Soil sampling	$3.60/sample	500	$1,800.00
Commercial analyses for trace amounts of lead	$1.50/sample	37	55.50
Bulldozing	$20/hr	32	640.00
Assaying for gold, silver, lead, and zinc	$7/sample	7	49.00
Total, Project 1			$2,544.50
Project 2			
Drift and/or crosscut	$34/ft	184	$6,256.00
Consultant	$65/day	7	455.00
Assays	$7/sample	6	42.00
Total, Project 2			$6,753.00

Total allowed costs	$9,297.50
Government participation	4,648.75

The Government retains no equity in supplies or equipment at the mine.

The soil sampling and bulldozing adequately explored the surface areas. The underground work was discontinued before a full appraisal could be made of the ore potential at depth in the mine.

REPORTS

The Field Officer, on June 13, 1966, recommended that the requirement for an Operator's final report be waived; however, $160.00 withheld from the final voucher payment to the Operator was retained by the Government and applied against the preparation of the Operator's final report.

A Report of Review issued in May 1966 was based on an inspection of the OME contract files and Bureau's disbursement records in the Branch of Budget and Finance, Washington, D. C., on April 5 and 6, 1966. This included a royalty review, in which it was recommended that $9.20 royalty should be requested.

PROJECT RESULTS

The soil sampling indicated a few areas that contain anomalously high amounts of heavy metals; there is no positive correlation between heavy metal values and lead values (Fig. 1). Bulldozing failed to find evidence in the bedrock of ore below the heavy-metal rich soil.

The only new vein explored underground was in the drift, about 67 feet long, at the end of the crosscut on the 300 level (Fig. 2). Assays of 7 samples of the vein are as follows:

Location	Width feet	Au oz/ton	Ag oz/ton	Pb Percent	Zn Percent
Center of crosscut	0.4	0.06	3.8	3.3	0.3
5 ft E. of crosscut	1.5	Tr	0.4	0.8	2.1
14 ft E. of crosscut	1.0	Tr	Tr	1.2	2.4
5 ft W. of crosscut	1.2	Tr	0.8	0.6	3.2
15 ft W. of crosscut	1.4	0.02	0.2	0.8	0.2
24 ft W. of crosscut	2.0	Tr	0.2	0.8	0.8
47 ft W. of crosscut	1.6	Tr	0.4	Tr	0.6

No ore reserves can be assigned to the vein as the values are too low and the vein has not been explored on other levels in the mine.

CERTIFICATION

There has been no Certification of Possible Production and none is recommended. There is, however, a provision in Amendment No. 3 to the contract according to which the Government is entitled to a royalty on future production from the mine until December 25, 1974, or until the Government's participation in the costs with interest at $6\frac{1}{4}$ percent per annum is paid, whichever occurs first.

PRODUCTION

Production of crude ore since the date of the contract is as follows:

Date of shipment	Short Dry tons	Au Ounces	Ag Ounces	Lead pounds	Copper pounds	Zinc pounds
8/20/65	7.978	.84	71.01	2553.20	7.98	1324.34
8/21/68	9.794	.54	55.34	1704.16	9.79	920.64
9/3/68	3.474	.56	20.15	611.57	31.27	368.24
9/17/68	9.354	.28	41.16	1029.01	9.36	954.11
Total	30.6	2.22	187.66	5897.94	59.40	3567.33
Average per ton		.07	6.13	9.64	0.97	5.83

ROYALTIES

Total royalties paid of $9.20 were based on the ore shipped August 20, 1965. Smelter returns from the other shipments failed to pay for the cost of transporting the ore to the smelter.

No royalties are due to the Government.

SUMMARY

Silver-lead-zinc ore bodies in the Hilltop area apparently are confined to certain "favorable" sequences of beds in a thick series of Paleozoic limestone and dolomite. The ore shoots are thickest and shortest where the beds dip most steeply.

Soil sampling does not appear to be a promising method of exploring for new ore bodies. Anomalous soil samples are not underlain by ore.

Underground exploration was too limited to be conclusive. Progress was slowed and finally halted due to financial incompetence of the Operator. A narrow, sparsely mineralized vein, found by diamond drilling prior to the contract, was explored by 67 feet of drift. Minable ore was not found.

Additional underground exploration is warranted if the Operator is financially and technically competent.

REFERENCE CITED

Umpleby, J. B., 1913, Geology and ore deposits of Lemhi County, Idaho: U. S. Geol. Survey Bull. 528, 182 p.

Enclosures

Willard P. Puffett

Willard P. Puffett

MAPS, FIGURES 1 and 2,
FIELD FINAL REPORT, DATED MARCH 20, 1970

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
September 4, 1969

O. M. E.
RECEIVED
SEP 8
INITIALS | CODE
130
120
220

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, OME, Region I

Subject: Royalty Inspection
OME-6316 (Silver)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Montana
Contract 2178

I visited the Hilltop mine late in the afternoon of August 26, 1969, to learn if there had been recent production. The royalty period on production from the mine extends until December 24, 1974, or until the full amount of the Government's lien at 6-1/4 percent per annum is repaid.

The mine appeared to be deserted. The cable had been removed from the hoist and was spread out on the floor of the hoist room. The hoist had been taken away. The skip was suspended at the shaft collar by a mine rail that was laid across the shaft opening.

I learned in a telephone conversation with Mr. J. Howard Sims in Salmon, Idaho, that someone had taken the hoist, a bulldozer, and a compressor to satisfy a lien they had against the Lombardis.

Obviously, there has been no recent production. The Lombardis applied for additional OME assistance in March 1969. It seems highly doubtful that they are financially competent to undertake an exploration project in which OME participates.

Willard P. Puffett
Willard P. Puffett

Distribution:
OME(Orig.&1)
Docket
CPF

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/14/69		110
		220

Mr. Clemens A. Lombardi
110 North Main Street
Anaconda, Montana 59711

Re: OME-6316 (Silver) FEB 14 1969
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. Lombardi:

This is in reply to your letter of February 6, 1969, concerning your operations at the Hilltop Mine in Lemhi County, Idaho, and the possibility of obtaining further assistance to explore the property.

In order to determine if we could be of further help to you it would be necessary that you file a formal application for exploration assistance. You should furnish the information requested on the back of the application form in as much detail as possible, presenting your new proposal, with detailed cost estimates and information regarding work accomplished and results since termination of your former exploration contract.

It would not be necessary to repeat the history and background material given in your prior application, but refer to this information as appropriate. Copies of your correspondence with at least two banks, relating to your present request for a loan, must be included with a new application. Also, we would require assurance that you could pay your share of the costs for the work proposed under an exploration contract.

We are enclosing copies of current literature on the exploration assistance program and application forms. If you submit a new application, you may be assured it will be given prompt and careful consideration.

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
OME Region I w/cy incoming letter and sketch

FEJohnson/gla 2-14-69

Enclosures

Feb 6, 1969

OFFICIAL COPY
U. M. E.
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FEB 13 1969
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110

Clemens Lombardi
Box 1316

Dear Mr Johnson

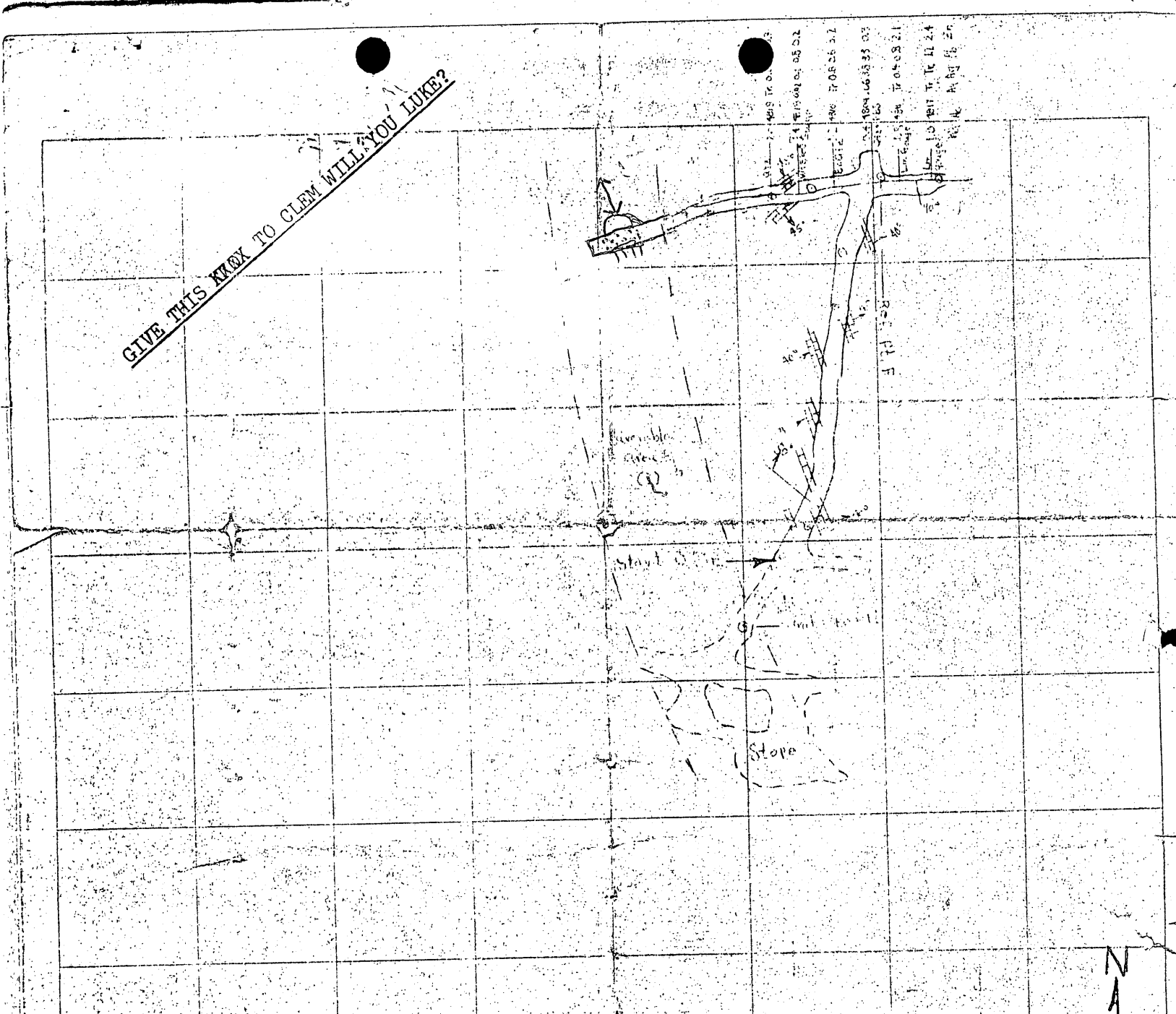
We have hit high grade Silver & lead ore, where I have the arrow pointed at, we hit mud or as you would say Dolomite from 2½ two 3½ feet wide and roughly 14 to 18 feet long on the South wall. We found the feeder Vein after we went though the Dolomite and on the bottom there is 4 to 6 in. high grade going South through wall. So it look like we have to Drill or drift on the feeder Vein.

And on the 500 Level we drift 18 feet South and got into ore it look like it might be the main hilltop Vein. I shout the mine down just about as I got in two it.

I was just wonder is there any possible change get a mother loan on the mine if you say no. I dont blame you.

I am going get my old Engenies
back least there honest and good.
I got the new forms from Mrs MacLaren
in Spokane. I Mac Laren pretty good guy.

GIVE THIS ~~KKRX~~ TO CLEM WILL YOU LUKE?



Simplified

BRUNTON PLAN MAP
300 Level

Hilltop Mine
Texas District, Lemhi County, Idaho
Scale 1"=40'

For Month of ~~August~~ Sept-Oct 1965
Docket No. OME-6316

Prepared by: Bill Hand

J. A. Gondron Co., Spokane

K·E ALBANENE 105M TRACING PAPER 50509

Clemens A. Lombardi
110 N. Main St.
Anaconda, Mont.
59711

BUTTE, MT
FEB 6
PM
1969
59701

U.S. Dept. of the Interior
Geological Survey
Washington, D.C. 20242

Att: Frank E. Johnson, Chief

MME FORM REFERENCE SLIP

REV. 2-5 OFFICE OF MINERALS EXPLORATION

TO: **Chief, OME**

1. **Re: OME-6316 (Silver-Gold)**
2. **Clemens A. and Arthur Lombardi**
Hilltop, et al., Claims
3. **Lemhi County, Idaho**
Contract 2178
4. DRMacLaren
5. **D. R. MacLaren**

FROM: **Field Officer, Reg. I**

DATE	INITIALS
1/21/69	

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 23 1969

INITIALS	CODE
gla	130
	120 ~~140~~
	110
Surname	220

FOR: Check items for action desired

____ Action ____ Reply for signature of
____ Approval ____ Investigate
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
____ Instructions **X** Your information

REMARKS: **Reply to our letter of 1/8/69 to**

AS&R Co.'s East Helena Smelter.

INT.-DUP. SEC., WASH., D.C. M56300-62

OME

U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
January 8, 1969

ORIGINAL COPY
A. M. E.
RECEIVED
JAN 13 1969
INITIALS | CODE
130
120
120
220

American Smelting & Refining Company
East Helena Plant
East Helena, Montana 59635

Re: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

We have been advised by Mr. Clemens A. Lombardi, 110 North Main, Anaconda, Montana, that since December 23, 1967, he has made three shipments of ore from the Hilltop mine, Lemhi County, Idaho. However, he has not sent us copies of any pertinent settlement sheets.

In order that we can determine how much, if any, royalty may be due the Government in accordance with the terms of an OME contract, it will be greatly appreciated if you would send us two copies each of any settlement sheets covering shipments from this property since December 23, 1967.

Sincerely,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls

cc: OME(2)
CPF

Director's Reading File

Mr. Johnson

About 19 tons I did not make any money on it, becouse I just got in two the ore. and it look dan good, I hit ore on the 500 level And the 300 level.

so nex spring I ~~could~~ should do good. I shipped two small load.

Clemens Lombardi

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 16 1958
INITIALS | CODE
130
~~110~~
~~130~~
220

ORIGINAL
COPY
O. M. E.
RECEIVED

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

December 4, 1968

Messrs. Clemens A. and
Arthur Lombardi
110 North Main Street
Anaconda, Montana 59711

Re: OMX-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since December 23, 1967 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since December 23, 1967 , has there been any production from the land subject to the contract? Yes ☑ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Clemens a Lombardi Title owner

Address 110 North Main Date

Anaconda, Montana

12-23-67

Dear Sir,

We have completed the footage we needed to hit ore, which we feel we have done. We don't as yet know how much ore but it does look promising.

Due to the weather and lack of funds to operate during wanted conditions we have postponed the mining of this ore until spring.

(not received yet) Enclosed is a piece of ore taken from the section we have hit.

Sincerly yours,

Clemens a Lombard

OFFICIAL COPY O. M. E. RECEIVED JAN 2 1968

INITIALS	CODE
gla	130
[illegible]	110
	130
	220

cc

My address is

Clemens a Lombard
110 North main
Anaconda, Montana 59711

copy to R.T.

do not send my mail to McKeon

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

December 11, 1967

Messrs. Clemens A. and
Arthur Lombardi
c/o Mr. John L. McKeon
McKeon and Brolin
Attorneys at Law
126 Oak Street
Anaconda, Montana 59711

Re: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 2 1968

INITIALS	CODE

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

1 copy only of Form 63 filed.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Thermofax copy to R-I
w/copy letter. 12/23/67

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **September 1966**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since **September 1966**, has there been any production from the land subject to the contract? Yes ☒ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

   Not shipped

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore	500	Tons	35.00 per ton	Leadore, Idaho
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☒

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name _____ Title _____

Address _____ Date _____

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/4		110
4/5	Coe	220
		120M
4/4	glu	130

APR 4 1967

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6316 (Silver and Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

On January 30, 1967, the Operator under the subject contract was informed that unless an acceptable Final Report was received within 30 days from that date, the balance of funds payable by the Government on the contract would be retained and applied against the preparation of the Operator's Final Report.

As an acceptable Final Report has not been received to date, the sum of $200.00 being held in "Suspense Account" for this contract may be released.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's reading file
Division
Economic Geology file
OME file
OME reading file
130
120-M

FEJohnson/bih 4/4/67

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/26/67		110
		120
1/20	Coe	220
		120M

Mr. Clemens A. Lombardi
110 North Main Street
Anaconda, Montana 59711

Re: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. Lombardi:

The affidavit dated January 17, 1967, stating that the west drift was cleaned out and rail laid to the face at 42 feet, sent to Mr. D. R. MacLaren, is being accepted as satisfactory support for your claim of completing the drift work to meet the contract requirements before December 24, 1965, the effective termination date of the subject contract.

With this acceptance your account now stands as follows:

		Accepted
Project I		$2,544.50
Project II		
184 ft. @ $34/ft	$6,256.00	
Consultant 7 days @ $65/day	455.00	
Assaying 6 samples @ $7/sample	42.00	
Total		$6,753.00
Total allowed		$9,297.50
Government participation		$4,648.75
Paid to Operator		-4,488.75
Balance net withheld		$ 160.00

43683

An Operator's Final Report has not been submitted in accordance with the terms of the contract as set forth in Article 5(a). Therefore, unless an acceptable Final Report is received within 30 days from the date of this letter, the balance of $160.00 being withheld will be retained and applied against the preparation of the Operator's Final Report.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geology file
Chief, Budget & Finance/Room 5417-Int.Bldg.
OME file
OME reading file
OME Region I

FEJohnson/bih 1/26/67

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/26		110
1/27/67	Kirkemo	120
		220

1/30/67

Memorandum

To: Files

From: Chief, Office of Minerals Exploration

Subject: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

The Report of Review issued in May 1966 on the subject contract indicated an overpayment made to the Operator in the amount of $367.00.

On the September-October 1965 voucher the Operator claimed payment for 187.0 feet of drifting and crosscutting. The Field Officer approved only 153 feet as meeting contract requirements based upon his measurements on November 3, 1966. However, the Operator was inadvertently paid for the full amount claimed.

The Field Officer notified the Operator on January 19, 1966, that some of the drift advance was unacceptable because it had not been cleaned out and rail had not been laid to meet contract requirements. He reminded the Operator that these requirements had been brought to his attention previously. The Operator also was requested to advise if any contract work had been performed between November 3, 1965, the date of the Field Officer's inspection, and December 24, 1965, the termination date of the contract. No reply was received.

On March 22, 1966, the Field Officer again wrote the Operator regarding the cleaning out of the drift and laying of rail. He also advised that the contract was terminated effective December 24, 1965, and requested the Operator's Final Report. No reply was received.

On June 13, 1965, a copy of the Report of Review issued in May 1966, was sent to the Operator by the Field Officer with a request for a refund of the overpayment indicated in the amount of $367.00. Since that date this matter has been the subject of correspondence between the Field Officer and the Operator and between the Chief, OME, and the Operator.

The Operator has maintained that the work for which he claimed payment under the terms of the contract was completed and, therefore, no refund was due the Government. However, the Operator has been negligent in replying to the Government's letters concerning this matter and in furnishing support for its claim. The situation has been further complicated by the remoteness of the property and its inaccessibility for several months of the year because of snow as well as poor access to the mine workings through a shaft, thus making it difficult for the Field Officer to visit the property at a mutually convenient time to verify the Operator's claim of completion of the work to meet the contract specifications.

In reply to the Field Officer's follow-up letter of June 13, 1966, the Operator under date of June 27, 1966, stated that the work in the 300 level had been completed. In response to a telephone call from the Operator, the Field Officer explained in detail regarding the matter of the overpayment in a letter dated June 21, 1966. As no response to this letter was received the Chief, OME, under date of August 1, 1966, requested a refund of the overpayment. On September 19, 1966, the Operator asked the OME for an explanation regarding the overpayment of $367.00 claimed by the Government.

Under date of September 27, 1966, a letter giving a detailed explanation of the accounting for the overpayment was sent to the Operator by the Chief, OME. The Operator replied on November 8, 1966, that he had completed the drifting to meet contract requirements before the contract was terminated on December 24, 1965.

On November 16, 1966, we requested an affidavit to support his statement that the work was completed before the termination date of the contract. Under date of November 28, 1966, the Operator furnished such an affidavit but it was returned to him because of errors.

We have now received an affidavit dated January 16, 1967, affirming that the west drift was cleaned out and rail laid to the face at 42 feet, which we have accepted as satisfactory support for the work claimed. The Field Officer under date of January 20, 1967, recommended that 31 feet of additional drift now be allowed for payment.

Under the circumstances we recommend withdrawal of our claim for refund in the amount of $367.00. The account thus stands as follows:

Reinstatement of 31 ft. @ $34/ft.	$1,054.00
Government participation at 50 percent	527.00
Amount paid to Operator	367.00
Balance withheld	$ 160.00

Although the Field Officer on June 13, 1966, recommended that the requirement for an Operator's Final Report be waived and on June 21, 1966, we concurred with this recommendation, in view of the circumstances in this case we now recommend that the $160.00 being withheld from payment to the Operator be retained and applied against the preparation of the Operator's Final Report, if an acceptable report is not received within 30 days from the date of our letter to the Operator requesting it.

Frank E. Johnson

Frank E. Johnson

cc: Director's reading file
Division file
Economic Geology file
Chief, Budget and Finance/Room 5417-Int. Bldg.
OME file
OME reading file
OME Region I

FEJohnson/bih 1/26/67

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
January 20, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 23 1967
MINERALS SCOPE
420 m
110
12K

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Enclosed are the original and a Thermo-Fax copy of a letter dated January 16, 1967, from Clemens A. Lombardi.

The mine was visited and the advance measured November 3, 1965, as reported in our memorandum of November 15, 1965. The contract terminated effective December 24, 1965, under the terms of item 4(a)(ii) of Amendment No. 3.

On January 19, 1966, because the mine was inaccessible due to snow, we wrote to the Operator to learn whether he had done any work since our November inspection. On March 22, 1966, we again wrote to the Operator telling him that, since we had received no reply to our January 19 letter, we could only assume that no further work had been done, and advising him that some of the drifting for which he had been paid would probably be disallowed for reasons described in our letters of February 10 and June 18, 1965, and January 19, 1966. Also, on March 22, 1966, we requested a Report of Review in which we accepted 153 feet of drift and crosscut.

The Report of Review showed that the Operator had been overpaid in the amount of $367.00. Refund of this overpayment was requested in our letters of June 13 and 17, 1966. In our letter of June 28, 1966, in response to a telephone call while I was in the field, the entire matter was again explained to the Operator. This letter was crossed in the mail by one dated June 27, 1965, in which the Operator stated in part: "That job on 300 level have be complete."

Your requests of August 1 and September 1, 1966, were not acknowledged until, in his letter of September 19, 1966, the Operator again stated in part: "Regarding * * * the overpayment, will you please explain how this could have happened when all work under contract was

recorded by our engineer * * * and paid out to our miners on contract." Your reply of September 27, 1966, explained in detail the footage for which payment had been made, the footage found to be acceptable, and the difference, but went unanswered until your final request for repayment dated October 25, 1966.

Finally, in his letter of November 8, 1966, the Operator accepted the deletion of 3 feet from the east drift, but claimed that: "* * * in December the 31' of Drift W was completed to meet contract requirements." Your reply of November 16, supplemented by my letter of November 22, 1966, requested documentary evidence that the 31 feet had in fact been completed in accordance with contract specifications. The enclosed notarized statement has been presented as such evidence.

I have worked with these people off and on for about 5 years--ever since receiving the Sims and Lombardi dba Jumbo Mining Corporation application dated October 11, 1961, and docketed OME-6185. They have always been difficult in the field of correspondence, and often it has been difficult to get them to understand verbal instructions and explanations. However, they have always appeared to be sincere in their attempts to get the job done even though their attempts have not always been successful. It is my considered opinion that their failures to reply to letters and to follow instructions is due more to ignorance than to any attempt at subterfuge.

It is recommended that the 31 feet disallowed for advance in the drift west be accepted as meeting the contract specifications. This leaves the record of overpayment at:

31' at $34.00/ft	$1,054.00
Government participation at 50%	527.00
Less: Amount withheld from settlement of Sept. 1964 voucher	200.00
	$ 327.00
Overpayment by audit	$ 367.00
Due Operator for 31' in W drift	327.00
Remaining overpayment	$ 40.00

It is recommended that of the $200.00 withheld from settlement of the September 1964 voucher, $40.00 be credited to the overpayment.

D. R. MacLaren

Enclosures

C O P Y C O P Y

Dear Mr. MacLaren,

We tried to find Mr. Stewart in Idaho but couldn't.

Billy Novack ran the hoist while we put the rail in and cleaned it out so he can vouch for the work being done on the 300' level, he also put a couple of shifts in below surface.

If you need anything else let us know.

Sincerely yours,

/s/ CLEMENS A. LOMBARDI

RECEIVED

JAN. 5, 1967

O.M.E.
SPOKANE, WASHINGTON

January 16, 1967

Dear Mr. MacLaren,

Between November 14 and November 27, 1965, we cleaned out the West drift and laid rail to the face at 42 feet, measured from the west side of the crosscut.

Sincerely yours,
Clemens A Lombardi

The work was done by Billy Novack and Clem Lombardi.

STATE OF MONTANA) SS
COUNTY OF DEER LODGE)

William Novack
William Novack
Clemens A Lombardi
Clemens A. Lombardi

On this 17th. day of January, 1967, before me, Ann Poli a Notary Public for the State of Montana, personally appeared William Novack and Clemens Lombardi known to me personally to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.

Ann Poli
Notary Public for the State of Mon
residing at Anaconda, Montana
My Commission expires
November 27, 1967

RECEIVED
JAN 19 1967
O.M.E.
SPOKANE, WASH.

Ome(2)

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
December 5, 1966

OFFICIAL COPY
O. & G.
RECEIVED
DEC 8 1966
RECORDS CODE

Mr. Clemens A. Lombardi
110 North Main Street
Anaconda, Montana 59711

Re: OME-6316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. Lombardi:

I regret that I must return the enclosed statement dated November 28, 1966, because there are two errors that make it unacceptable. They are:

1. Any addition or deletion made in long hand to a typed statement should be initialed by the signers of the statement.

2. The Notary Statement attests that "Harry H. Stewart and Clem Lombardie . . . acknowledged to me that she executed the same."

When I last inspected the work, the West Drift measured 47 feet but had not been mucked out beyond the slusher ramp and the track was found to end at 11 feet. What we require is a notarized statement signed by Harry H. Stewart and/or any other miners who might be involved, to the effect that between November 3, 1965, and December 24, 1965, he, and/or they, mucked the drift clean and laid rail from 11 feet to whatever distance from the west side of the crosscut such work was done.

If the documentation that we require is not clear to you, I suggest that you give me a call any day Monday through Friday between the hours of 9:00 a.m. and 5:30 p.m. Anaconda time and I will try to clarify things for you (Area Code 509-TE8-3361, Extension 121).

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosure

Director's Reading File

DRMa Laren/mls
cc: OME(2) w/cpys incoming let. and notarized statement
MacLaren
Voucher File

C O P Y C O P Y

Dear Mr. McClaren,

Our last assay showed:

Lead	.98	Our vein is $2\frac{1}{2}$' to 3' wide
Silver - 1 oz.		

Art and I are learning quite a bit about mining now. We are going to finish this drift this summer ourselves and drill the 500' level, thats why we have to save all the money we can and finish these jobs.

Sincerely yours,

/s/ ART & CLEMN LOMBARDI

C O P Y C O P Y

Dear Mr. McClaren,

Our last assay showed:

Lead .98 Our vein is $2\frac{1}{2}$' to 3' wide

Silver - 1 oz.

Art and I are learning quite a bit about mining now. We are going to finish this drift this summer ourselves and drill the 500' level, thats why we have to save all the money we can and finish these jobs.

Sincerely yours,

/s/ ART & CLEMN LOMBARDI

110 North Main Street
Anaconda, Montana 59711
November 28, 1966

Mr. D. R. MacLaren
Field Officer, OME
No. 157 Howard Street
Spokane, Washington 99204

Re: OMS-216 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

To Whom Concerned:

Between November 14 and November 27, Clem Lombardi and myself cleaned out the West Drift and laid rail to the face. After that we put in two more five foot rounds and the feeder vain opened to about two and a half feet. This work was done between those dates in the year 1965.

STATE OF MONTANA }
COUNTY OF DEER LODGE } SS

On this 28th day of November, 1966, before me, LEO P. BERRY a Notary Public for the State of Montana, personally appeared Harry H. Stewart and CLEM LOMBARDIE known to me personally to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.

/s/ Leo P. Berry
Notary Public for the State of Montana
residing at Anaconda, Montana
My Commission expires April 17, 1967

OME (2)

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
November 22, 1966

ORIGINAL COPY
NOV 25 1966
INITIALS | CODE

Mr. Clemens A. Lombardi
110 North Main Street
Anaconda, Montana 59711

Re: OME-6316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. Lombardi:

This is in further reference to Mr. Johnson's letter to you dated November 16, 1966.

In the event you have not kept formal payroll sheets or did not pay your miners or contract miners by check, etc., certified affidavits from the miners who worked between November 3, 1965, the date of my last inspection, and December 24, 1965, the date the contract terminated would also be acceptable. These affidavits need state only the dates when work was done and the nature of the work performed. Of course, they should be signed and notarized the same as any affidavit.

As I received no reply to my letters of January 19, March 22, and June 28, 1966, and since no vouchers were submitted for any advance beyond that which I measured November 3, 1965, there was no apparent reason for me to visit the property again.

The point that must be ascertained is whether or not the west drift was cleaned out and rail laid to the face. Affidavits from the miners could probably settle the matter without another inspection. However, if an inspection is necessary, there will have to be a hoistman and someone to precede me down the shaft and accompany me during the inspection. I may not be able to visit the property before it gets snowed in and in any case I shall make no plan until hearing from you. A prompt reply is urged.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls
cc: OME
Voucher File
MacLaren

Director's Reading File

OME

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
November 22, 1966

Mr. Clemens A. Lombardi
110 North Main Street
Anaconda, Montana 59711

Re: OME-6316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. Lombardi:

This is in further reference to Mr. Johnson's letter to you dated November 16, 1966.

In the event you have not kept formal payroll sheets or did not pay your miners or contract miners by check, etc., certified affidavits from the miners who worked between November 3, 1965, the date of my last inspection, and December 24, 1965, the date the contract terminated would also be acceptable. These affidavits need state only the dates when work was done and the nature of the work performed. Of course, they should be signed and notarized the same as any affidavit.

As I received no reply to my letters of January 19, March 22, and June 28, 1966, and since no vouchers were submitted for any advance beyond that which I measured November 3, 1965, there was no apparent reason for me to visit the property again.

The point that must be ascertained is whether or not the west drift was cleaned out and rail laid to the face. Affidavits from the miners could probably settle the matter without another inspection. However, if an inspection is necessary, there will have to be a hoistman and someone to precede me down the shaft and accompany me during the inspection. I may not be able to visit the property before it gets snowed in and in any case I shall make no plan until hearing from you. A prompt reply is urged.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls
cc: OME(2)
Voucher File
MacLaren

Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/16		110
"		120
11/16	cor	220

NOV 1 6 1966

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6316 (Silver-Gold)
Milltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Enclosed are copies of a letter dated November 8, 1966, from Mr. Clemens A. Lombardi concerning our claim for overpayment in the amount of $367.00 on the subject contract and of our reply of this date to Mr. Lombardi.

You will note that Mr. Lombardi now claims that the last 31 feet of Drift W was completed to contract specifications subsequent to your inspection of November 3, 1965, but prior to termination of the contract on December 24, 1965.

Before we can accept his statement it will be necessary to have documentary support as requested in our letter to Mr. Lombardi. If you have any suggestions for other acceptable support they should be given to Mr. Lombardi. Also, it may be necessary that you make another visit to the property when you are in its vicinity so as to inspect the completed work and report on its acceptability.

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
130

FRANK E JOHNSON

Frank E. Johnson

Enclosures

FEJohnson/bih 11/16/66

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/16		110
		120
		220

NOV 16 1966

Mr. Clemens A. Lombardi
110 North Main Street
Anaconda, Montana 59711

Re: OME-6316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. Lombardi:

This is in reply to your letter of November 8, 1966, concerning the Government's claim of overpayment on the subject contract in the amount of $367.00.

We note your comments regarding the last 3 feet of Drift E which did not meet the contract requirements and completion of the last 31 feet of Drift W prior to termination of the contract on December 24, 1965. We do not understand why you did not inform Mr. MacLaren of the completion of Drift W in reply to his letters to you of January 19, March 22, June 17, 1966, and our subsequent letters.

In view of the circumstances, it will be necessary that you furnish documentary evidence that the last 31 feet of Drift W were completed prior to December 24, 1965. Such evidence covering the period in which the work was performed should include copies of payroll sheets and checks in payment for labor or receipts and checks for payment of contract labor, certified affidavit from Bill Hand who supervised the work, and any other similar documents available to support your claim. Such evidence should be sent to Mr. MacLaren. It also may be necessary that he again inspect the work completed. We will notify him to contact you in this respect.

We hope we can bring this matter to a satisfactory conclusion without additional cost to you or the Government.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region I - w/cy inc. ltr.
120-M

FEJohnson/bih 11/16/66

23263

6316

OFFICIAL
COPY
O. M. E.
RECEIVED
NOV 14 1966
MAIL CODE
~~120~~
110
120K

November 8, 1966
110 North Main St.
Anaconda, Montana 59711

Mr. Frank E. Johnson
U.S. Dept. of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Dear Mr. Johnson:

This is in reply to your letter of September 27, 1966, concerning the Government's claim for refund in the amount of $367.00 for overpayment of its contribution to the costs under the subject contract.

The overpayment on this contract is as you stated for work which did not meet contract requirements. True the last 3 ft. of Drift E was not 5' x 7' as required but before the contract terminated in December the last 31' of Drift W was completed to meet contract requirements. It has not been inspected by Mr. D. R. MacLaren, OME Field Officer as of yet. Will be willing to meet Mr. MacLaren in Idaho for the inspection any time.

Hope this will square up the overpayment of Drift W and will send the other payment for Drift E as soon as I hear from you again.

Sincerely yours,

Clemens A. Lombardi

Clemens A. Lombardi

CL

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/24		110
		120
10/25	Col	220

OCT 25 1966

Mr. Clemens A. Lombardi
110 N. Main Street
Anaconda, Montana 59711

Re: OME-6316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. Lombardi:

Reference is made to our letter of September 27, 1966, concerning the Government's claim for refund in the amount of $367.00 for overpayment of its contribution to the costs under the subject contract.

In the second paragraph of our letter setting forth the disallowances for costs claimed for certain drifting and crosscutting, the phrase "Acceptable drifting and crosscutting" should have read "Unacceptable drifting and crosscutting."

Mr. MacLaren explained these disallowances to you on visits to your property on August 29, and November 3, 1965, and again in his letter of June 28, 1966, to you, c/o Mr. John L. McKeon.

You were given ample opportunity to correct the defects of the drifting and crosscutting so as to meet contract specifications. You also have had ample opportunity to refund the overpayment made to you of $367.00 for the work not conforming to the contract specifications.

Therefore, unless definite arrangements to liquidate this indebtedness are made by return mail, we have no alternative but to refer this debt to the General Accounting Office for collection.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geology file
Chief, Budget & Finance/Room 5408-Int.Bldg.
OME file
OME reading file
OME Region I
120-M

FEJohnson/bih 10/24/66

Copy to: Messrs. Clemens A. and
Arthur Lombardi
c/o Mr. John L. McKeon
126 Oak St., Anaconda, Montana

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/26		110
9/27	Kirkland	220
		220

SEP 27 1966

Mr. Clemens A. Lombardi
110 N. Main Street
Anaconda, Montana 59711

Re: OMX-6316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. Lombardi:

This is in reply to your letter of September 19, 1966, concerning the Government's claim for refund in the amount of $367.00 for overpayment of its contribution to the costs under the subject contract.

The overpayment on this contract is due to payments being inadvertently made to you for work which did not meet contract requirements as follows:

Work item	Paid for	Acceptable	Disallowed
X-cut N	125.0'	125.0'	--
Drift E	20.0'	17.0'	-3.0'
Drift W	42.0'	11.0'	-31.0'
Total	187.0'	153.0'	-34.0'

Unacceptable drifting and crosscutting:

34.0' @ $34 per ft.		$1,156.00
Underpayments Sept.-Oct. 1965 voucher		
19.6 ft. of crosscutting @ $34.00 paid for @ $660.40 instead of $666.40 -	$ 6.00	
October 1964 voucher - 8 hrs. of bulldozing paid for @ $144.00 instead of $160.00 -	16.00	22.00
Net amount payable		$1,134.00
Government participation @ 50 percent -		567.00
Amount withheld from settlement of September 1964 voucher -		200.00
Amount of overpayment due the Government		$ 367.00

23263

Mr. D. R. MacLaren, OME Field Officer, discussed this matter with you on several occasions and explained that payment could not be made for the advance in drifts, and crosscuts which did not meet the contract requirements. He also sent you several letters regarding this matter. A copy of his letter to you of June 28, 1966, which fully explains this situation is enclosed. The Government's Report of Review, a copy of which was sent to you by Mr. MacLaren on June 13, 1966, also covered this matter.

We are willing to allow you a reasonable length of time in which to refund the amount due the Government, provided a substantial down payment can be made, followed by a regular schedule of payments until this account is liquidated. Please give this matter your prompt attention.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to: Messrs. Clemens A. and Arthur Lombardi
c/o Mr. John L. McKeon
126 Oak Street
Anaconda, Montana

Enclosure

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region I w/cy inc. ltr.
Chief, Budget andFinance/Room 5408
120-M

FEJohnson/bih 9/26/66

Sept. 19, 1966
118 N. Main St.
Anaconda, Mont.

U. S. Dept. of the Interior
Office of Minerals Exploration
Washington 25, D. C.

OFFICIAL
COPY
O. M. E.
RECEIVED
SEP 23 1966
INITIALS CODE
110

Dear Sir:

Regarding the amount of said overpayment in the amount of $361.00, will you please explain how this could have happened when all work under contract was recorded by our engineer, Bill Hard, and paid out to our miners on contract. Please look into this further and let us know.

If this should have to be paid by us, as

I don't see why, since we didn't get the money ourselves, please let us know if it can be made by payments.

Sincerely yours,

Mail to: Clemens q Lombard.
Clemens A. Lombardi
110 N. Main St.
Anaconda, Mont. 59711

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/1		110
9/1/66	Kirkham	120
9/1	Cal	220
		120 M

SEP 1 1966

Messrs. Clemens A. and Arthur Lombardi
c/o Mr. John L. McKeon
Attorney at Law
126 Oak Street
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Clemens A. & Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

Reference is made to letters to you dated June 13, 17, and 28, 1966, from Mr. D. R. MacLaren, Field Officer, OME Region I, and to our letter to you of August 1, 1966, concerning an overpayment in the amount of $367.00 made under the subject contract.

Unless a refund of the amount due the Government is made within 30 days from the date of this letter, this account will be referred to the United States General Accounting Office for collection.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region I
Budget & Finance/Room 5408
120-M
FEJohnson/bih 9/1/66

Copy to: Messrs. Clemens A. and
Arthur Lombardi
1812 Haggin Avenue
Anaconda, Montana

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		110
8/1/66	Kirkbarner	120
8/1	cal	220
		120M

AUG 1 1966

Messrs. Clemens A. & Arthur Lombardi
c/o Mr. John L. McKeon
Attorney at Law
126 Oak Street
Anaconda, Montana

Re: OME-6313 (Silver-Gold)
Clemens A. & Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

Reference is made to Mr. D. R. MacLaren's letter to you of June 28, 1966, concerning the overpayment of $367.00 made to you under the subject contract.

You are requested to make prompt refund of the amount due the Government and avoid the necessity of referring this matter to another Federal agency for collection.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region I
Budget and Finance/Room 5408
Mr. Long/Solicitor/Room 6546
120-M

FEJohnson/bih 8/1/66

23263

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, OME	6/29/66	
Re: OME-6316 (Silver-Gold)		
2. Clemens A. & Arthur Lombardi		
Hilltop, et al., Claims		
3. Lemhi County, Idaho		
Contract 2178		
4.		
5. D. R. MacLaren		
FROM: Field Officer, Reg. I		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____
____ Approval ____ Investigate ____ Surname
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
____ Instructions X Your information

REMARKS:

Our letter of June 28, 1966, crossed Clemens A. Lombardi's letter of June 27, 1965, in the mail.

INT.-DUP. SEC., WASH., D.C. M56300-62

June 27, 1966 PM

Dear Sir

O.K. we got the letter you sent two here on June 17, 1966. that refer to $367.00.

that job on 30th level have be complete. so I dont see why I give you an of Refund. the part for of the drift I pay my self.

Yours truly

GEOLOGICAL SURVEY
So. 137 Howard Street
Spokane, Washington 99204
June 28, 1966

Messrs. Clemens A. & Arthur Lombardi
c/o Mr. John L. McNeon
Attorney at Law
126 Oak Street
Anaconda, Montana

Re: OMF-6316 (Silver-Gold)
Milltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

I am sorry that I was in the field when you telephoned the office regarding the overpayment of $367.00 which you have been requested to refund.

After measuring the total crosscutting and drifting on November 3, 1965, I advised Clemens Lombardi that the last 3 feet in the east drift was between 2½ and 3 feet wide and could not be accepted as meeting the contract specifications of 5' x 7' for all drifts and crosscuts. I also advised him that the west drift had not been mucked out and that the end of the track rails were found at 11 feet, which prohibited acceptance of more than that amount of drifting to the west. The requirement that drifts be mucked out and rail laid before any advance could be accepted is the subject of our letters of February 10, 1965, and June 4, 1965, and was discussed with Clemens Lombardi during inspection trips to the mine August 29 and November 3, 1965.

In letters dated January 19 and March 22, 1966, we notified you that under the terms of Amendment No. 3, Item 4(a)(ii), the contract was terminated effective December 24, 1965, and asked that you advise us as to what, if any, contract work had been done between the time of our November inspection and the December 24 termination date. No reply was received to either letter and it could only be considered that there had been no more work done. For this reason it was our intent that no payment be made on your September-October 1965 voucher until a Report of Review could be made and the status of funds due you or overpaid you would be established. As discussed on page 4 of the Report of Review, through a misunderstanding of our remarks on the September-October voucher, you were paid in November the sum of $573.20.

The Audit Findings on page 3 account for the funds actually paid, including the $373.20 paid in November, and the amount that should have been paid for work done in conformance with the contract specifications. According to the Report of Review, had the September-October voucher not been paid in the amount of $373.20, a small balance would probably have been due you.

I hope this clarifies the matter for you and that you will make a prompt refund of the $367.00 which you were inadvertently overpaid. Your check or money order should be made payable to the U. S. Geological Survey and mailed to this office.

Sincerely yours,

D. R. MacLaren
Field Officer, OMK
Region I

DRMcLaren/mls

cc: OMK(2)
Voucher File

Director's Reading File

MME FORM 6 REFERENCE-SLIP

REV. 2-5 OFFICE OF MINERALS EXPLORATION

TO:		DATE	INITIALS
1.	Chief, OME	6/29/66	
2.	Re: OME-6316 (Silver-Gold) Clemens A. & Arthur Lombardi Hilltop, et al., Claims		
3.	Lemhi County, Idaho Contract 2178		
4.			
5.	D. R. MacLaren		
FROM:	Field Officer, Reg. I		

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 1 1966

FOR: Check items for action desired

____ Action	____ Reply for signature of	____
____ Approval	____ Investigate	____ Surname
____ Comment	____ Recommendations	____ Signature
____ Conference	____ Rewrite	____ File
____ Instructions	X Your information	

REMARKS:

Our letter of June 28, 1966, crossed Clemens A. Lombardi's letter of June 27, 1965, in the mail.

Omer 2

June 27, 1965
6

Dear Sir

I H[illegible] the letter you sent two her o. June 17, 1966. that refer tim $367.00.

that job on 300 level have be complete. so I dont see why I you you a Refund. the Rest for of the Lift I pay my self.

Yours [illegible]

One (2)

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 30
INITIALS

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
June 28, 1966

Messrs. Clemens A. & Arthur Lombardi
c/o Mr. John L. McKeen
Attorney at Law
126 Oak Street
Anaconda, Montana

Re: OMR-6316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

I am sorry that I was in the field when you telephoned the office regarding the overpayment of $367.00 which you have been requested to refund.

After measuring the total crosscutting and drifting on November 3, 1965, I advised Clemens Lombardi that the last 3 feet in the east drift was between 2½ and 3 feet wide and could not be accepted as meeting the contract specifications of 5' x 7' for all drifts and crosscuts. I also advised him that the west drift had not been mucked out and that the end of the track rails were found at 11 feet, which prohibited acceptance of more than that amount of drifting to the west. The requirement that drifts be mucked out and rail laid before any advance could be accepted is the subject of our letters of February 10, 1965, and June 4, 1965, and was discussed with Clemens Lombardi during inspection trips to the mine August 29 and November 3, 1965.

In letters dated January 19 and March 22, 1966, we notified you that under the terms of Amendment No. 3, Item 4(a)(ii), the contract was terminated effective December 24, 1965, and asked that you advise us as to what, if any, contract work had been done between the time of our November inspection and the December 24 termination date. No reply was received to either letter and it could only be considered that there had been no more work done. For this reason it was our intent that no payment be made on your September-October 1965 voucher until a Report of Review could be made and the status of funds due you or overpaid you would be established. As discussed on page 4 of the Report of Review, through a misunderstanding of our remarks on the September-October voucher, you were paid in November the sum of $373.20.

The Audit Findings on page 3 account for the funds actually paid, including the $373.20 paid in November, and the amount that should have been paid for work done in conformance with the contract specifications. According to the Report of Review, had the September-October voucher not been paid in the amount of $373.20, a small balance would probably have been due you.

I hope this clarifies the matter for you and that you will make a prompt refund of the $367.00 which you were inadvertently overpaid. Your check or money order should be made payable to the U. S. Geological Survey and mailed to this office.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls

cc: OME(2)
Voucher File

Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		110
6/21/66	Kirkemo	120
		220

JUN 21 1966

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6316 (Silver-Gold)
Clemens A. & Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Enclosed is a copy of a letter dated June 13, 1966, to the Operator from the Field Officer, OME Region I, forwarding a copy of the Report of Review issued in May 1966 on the subject contract. Also enclosed is a copy of said Report of Review.

In his letter to the Operator the Field Officer requested prompt refund in the amount of $376.20 indicated in the Report of Review as representing an overpayment to the Operator of $367.00 and royalty due on production of $9.20. In a previous communication the Field Officer recommended waiving the requirement for the Operator's Final Report, in which we concur.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region I
120

FEJohnson/bih 6/20/66

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
June 13, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 15 1966
~~120 M~~
110
120K

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6316 (Silver-Gold)
Clemens A. & Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

In reference to the final paragraph of your June 3, 1966, memorandum, the Operator's Monthly Reports and maps were prepared by Bill Hand, Consultant, and adequately cover the project work. When I last met him, Hand made it clear that he was not interested in doing more work with the Operators and it is doubtful that any report which they might prepare would add the least bit to the information already in our files.

It is recommended that the requirement for an Operator's Final Report be waived.

D. R. MacLaren

D. R. MacLaren

Dme(2)

OFFICIAL
COPY
O. M. E.
RECEIVED
JUN 15 1966

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
June 13, 1966

Messrs. Clemens A. & Arthur Lombardi
c/o Mr. John L. McKeon
Attorney at Law
126 Oak Street
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Clemens A. & Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

Enclosed is a copy of a Report of Review relative to your OME contract. You will note on page 3 of the report that you have received overpayment in the amount of $367.00. The matter of royalty due on a shipment of ore in the amount of $9.20 is also due the Government and has been requested in our letters of January 24, and March 22, 1966, and in a letter dated April 25, 1966, from the Chief, Office of Minerals Exploration.

The total amount due the Government for refund of the overpayment and payment of royalty is $376.20. Your prompt payment of this amount is requested and will make it unnecessary for the Government to initiate the steps provided for in the final sentence of Article 7(b) on page 3 of the contract.

Checks or Money Orders should be made payable to the U. S. Geological Survey and forwarded to this office.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosure

DRMacLaren/mls

cc: OME(2)
Voucher File
CPF

Director's Reading File

OFFICE OF MINERAL EXPLORATION
U.S. GEOLOGICAL SURVEY

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 22 1966

INITIALS	CODE
Coe	270 P
	~~130~~ M
JG	~~110~~
HR	120 K

TO: Chief, Branch of Budget and Finance

FROM: D. R. MacLaren
Field Officer, Region 1

- ABSTRACT OF REMITTANCE -

Date	Amount	Bank, City and State	Name of Remitter	Docket & Contract Numbers	Purpose
Apparently 7/10/66	$9.20	Money Order Drawn on the First National Bank Great Falls, Montana through Buttrey Foods, Inc.	Arthur Lombardi	OME-6316 Contract 2178	Royalty

REMARKS: (List smelter or mill lot numbers covered by royalties)

See settlement sheet (Smelter Lot No. 1057, Mine Lot No. 1 - American Smelting & Refining Company, East Helena Plant, East Helena, Montana) forwarded with copies of our letter to the Lombardis to OME on 1/24/66.

6/16/66
Date Prepared

M. L. Smelser
Person Preparing Abstract

6/21/66
Date Received

Lorraine E. Edwards
Person Receiving Remittance

OME(2)

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 20 1966

INITIALS	CODE
	120 M
FJ	110
HK	120 K

GEOLOGICAL SURVEY
No. 157 Howard Street
Spokane, Washington 99204
June 17, 1966

Messrs Clemens A. & Arthur Lombardi
c/o Mr. John L. McKeon
Attorney at Law
126 Oak Street
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Clemens A. & Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

We have received your Money Order purchased at Buttrey Foods, Inc., drawn on the First National Bank, Great Falls, Montana, in the amount of $9.20, and dated 7/10/66, with which you returned our letter of June 13, 1966.

As our June 13 letter points out an overpayment on your OME contract as well as royalty due, and contains a request for prompt refund of the overpayment as well as payment of the royalty, it is attached to this letter for your files. The Money Order accounts for the royalty due.

The refund of the $367.00 overpayment remains due. Your prompt payment of this amount is again requested and will make it unnecessary for the Government to initiate the steps provided for in the final sentence of Article 7(b) on page 3 of the contract.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Attachment

DRMacLaren/mls
cc: OME(2)
CPF

Director's Reading File

Mel 2

OFFICIAL COPY
O. M. E.
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JUN 20 1966
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Mark

June 14, 1

Messrs. Clemens A. & Arthur Lombardi
1812 Haggin Ave.
Anaconda, Montana

Re: [illegible]-[illegible]16 (Silver-Gold)
[illegible] Arthur Lombardi
[illegible]ator, et al., Claims
[illegible] County, Idaho
Contract 2178

Gentlemen:

The enclosed letter, dated June 13, 1966, from D. R. MacLaren has been received in our office. I am forwarding it to you for your attention.

Very truly yours,

JOH[illegible]

JLN/mps
Enc.
cc: D. R. MacLaren

RECEIVED
JUN 16 1966
OME

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		110
6/3/66	Kirkemeier	120
6/3	Case	220
		120M

Memorandum

To: Field Officer, OME Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6316 (Silver-Gold)
Clemens A. & Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

As requested in your memorandum of March 22, 1966, a Report of Review covering the subject contract has been prepared. Two copies of the report are enclosed, one for your files and the other for the Operator.

If you concur in the facts as stated in the Report of Review, the Operator should be sent its copy of the report with a request for prompt payment to the Government in the amount of $376.20, covering overpayment of $367.00 and royalty of $9.20 due on production, and any other comments you may care to make. As evidence of your concurrence in the report, two copies of your letter of transmittal to the Operator should be furnished this office. If for any reason you do not concur, the two copies of the report should be returned with your comments.

When we receive the copies of your letter transmitting the Operator's copy of the Report of Review we shall transmit one of the copies of your letter to the Operator with a copy of the report to the Branch of Budget and Finance.

In your memorandum of March 22, 1966, you also recommended that the requirement for an Operator's Final Report be waived. Your statement that no funds for acceptable work are being withheld to cover the cost of the Operator's Final Report is not sufficient justification for waiving this requirement. If you believe that the information submitted in the Operator's monthly reports adequately covers the required information on the project and that a final report would not add materially to this information, the Operator's Final Report could be waived on this basis.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's reading file
Division file
Economic Geology file
OME file

Enclosures

OME reading file
Budget and Finance/Room 5408
130

FEJohnson/bih 6/3/66

23263

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

OFFICE OF THE DIRECTOR

MAY 27 1966

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 8 1966

Memorandum

To: Chief Geologist (262)
Through: Assistant Director

From: Chief Auditor

Subject: Internal Audit of Contract 2178
Docket No. OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho

Enclosed are four copies of the report of our cost review of the subject contract. This review was made at the request of the Chief, Office of Minerals Exploration.

William T. McClelland
William T. McClelland

Enclosure

NOTED
MAY 27 1966
HAROLD L. JAMES
Chief Geologist

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
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4/25	Outlaw	120
4/25	cal	220
		120-M

APR 25 1966

Messrs. Clemens A. & Arthur Lombardi
c/o Mr. John L. McKeon
Attorney at Law
126 Oak Street
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Clemens A. & Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

Your attention is called to the letters to you of January 24 and March 22, 1966, from Mr. D. R. MacLaren, Field Officer, OME Region I, concerning royalty in the amount of $9.20 due the Government on production during August 1965, from the property under the subject contract.

Please forward promptly your payment of the amount due to the Field Officer.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
B and F- Room 5408
Region I
OME 130

FEJohnson/bih 4/22/66

23263

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane, Washington 99204

April 20, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
APR 22 1966
INITIALS CODE
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120K

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al. claims
Lemhi County, Idaho
Contract 2178

A crosscut was driven through a mineralized vein, exposing it for 5 feet along the strike. The vein was further exposed for 20 feet easterly and 47 feet westerly, measured from the sides of the crosscut. Thus the vein was exposed for a total length of 72 feet. Within this distance, 7 samples were taken, 6 by the operator's consulting engineer and 1, at the breast of the west drift, by the OME representative. The locations, widths, and grades of the 7 samples are:

Location	Width feet	Oz/T Au	Oz/T Ag	Percent Pb	Percent Zn
Center of crosscut	0.4	0.06	3.8	3.3	0.3
5' east of crosscut	1.5	Tr	0.4	0.8	2.1
14' " "	1.0	Tr	Tr	1.2	2.4
5' west of crosscut	1.2	Tr	0.8	0.6	3.2
15' " "	1.4	0.02	0.2	0.8	0.2
24' " "	2.0	Tr	0.2	0.8	0.8
47' " " (face)	1.6	Tr	0.4	Tr	0.6

None of these samples indicate anything approaching ore-grade material. The vein in the gap between 24' and 47' west of the crosscut was no wider and no more mineralized than it appeared at those sample points. Were any ore to be mined from the vein within the limits of the OME

drift, it is certain that it would not be accepted at any smelter or concentrator. Therefore it is recommended that no certification of discovery be made.

There is some indication that ore might be encountered if the west drift were driven an additional 20 to 50 feet to follow the vein through the projected location of more favorable beds. These beds were receptive to the deposition of ore which has been stoped from the vein about 40 feet southerly from the start of the OME crosscut (see Hand's sketches with July and subsequent vouchers). Unfortunately a discovery cannot be certified on a "maybe if" basis. However, there is much evidence that this additional footage was not driven because of gross mismanagement on the operator's part. Therefore it is recommended that the operator be reminded of the pseudocertification included in Amendment No. 3 and his responsibilities thereunder.

We have twice requested payment of royalty due the Government on a shipment of 7.978 SDT of ore made from the Hilltop mine to AS&R, East Helena, the latter part of August, 1965, once in a letter dated January 24, 1966, and again in a letter dated March 22, 1966. Settlement sheets received from AS&R show the shipper to have been Al Dire and that settlement was in the amount of $183.90, of which $100.00 was an advance settlement. The royalty due and requested is $9.19. As yet we have received no reply to either request. Possibly a third request from your office will be more successful. For your files I am enclosing a copy of the settlement sheet and am holding a copy for our files.

Done

D. R. MacLaren

D. R. MacLaren

Enclosure

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO	DATE	INITIALS
1. CHIEF, OFFICE OF MINERALS EXPLORATION		
2. GEOLOGICAL SURVEY		
3. DEPARTMENT OF THE INTERIOR WASHINGTON, D. C. 20242		
4. Field Officer, OME Reg. 7 Spokane		
5.		

OFFICIAL COPY O. M. E. RECEIVED APR 25 1966

INITIALS	CODE

FROM: [illegible]

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS: Should have accompanied my memorandum of 4/20/66 re OME-6316 (Silver) Lombardi's, Hill Top ~~Mine~~ et al. Claims, Lewis Co. Idaho. Contract 2178.

INT.-DUP. SEC., WASH., D.C. M56300-62

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	✓
3/28	cRef	220
		170

MAR 28 1966

Memorandum

To: Chief Auditor

From: Chief, Office of Mineral Exploration

Subject: OME-6314 (Silver-Gold)
Clemens A. and Arthur Lombardi
Killing, et al., Claims
Lemhi County, Idaho
Contract 2170

Will you please prepare a Report of Cost Review in lieu of a final audit on the subject contract in accordance with the March 22, 1966, request (copy enclosed) of the Field Officer of Region I. The Field Officer recommends that the Operator's Final Report be waived, a recommendation in which we concur.

Proj. clue

FRANK E. JOHNSON

(FH)

Frank E. Johnson

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Branch of Budget and Finance w/cy of 3/22 ltr Oper. to Field Officer, Reg. I and cy of Field Officer's memo 3/22
Region I
Mr. Selfridge

GCSelfridge/mm (3/28/66)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	✓

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Will you please supply us with your recommendation concerning certification under the subject contract.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Selfridge (2)

GCSelfridge/mm (3/28/66)

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
March 22, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 24 1966

INITIALS	CODE
	110
	120
	~~110~~

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6316 (Silver-Gold)
Lombardi and Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Work under the subject contract was terminated effective December 24, 1965, under the terms and conditions of Amendment No. 3, dated November 6, 1965, Item 4(a)(ii).

The number of units of work completed by the Operator and accepted by the Field Officer as conforming to contract specifications were:

Project 1 -	Establishing soil grids, sampling, etc.	500 samples
	Commercial analyses of check samples (at $1.50 each)	37 "
	Bulldozing trenches	32 hours
	Assays (at $7.00 each)	7 samples
Project 2 -	Drift and/or crosscut	153 feet
	Consultant	7 days
	Assays	13 samples

Although an Operator's Final Report has been requested, none has been received and in view of many past difficulties in getting replies from this Operator and his persistence in ignoring requests and instructions, both written and oral, it is doubtful that one will be received, or if received, that it will contribute any new data of value. Moreover, in the past the Operator has been inadvertently overpaid for 14.4 feet of drifting as explained in Footnote 1, MME Form 61 for September and October 1965. For details regarding this, see our interim inspection report dated November 15, 1965. Incidentally, on that MME form the new work accepted by the Field Officer had a total cost value of $86.00, of which $43.00 was due the Operator; it was recommended that the entire $43.00 be withheld. However, I note that the report of fiscal transactions for November indicates that the Operator was paid $373.20. This would have been correct had no deletions been made from the Operator's claimed to

date for drifting. Possibly, the $373.20 is being held in a suspense account. In any case, no funds for acceptable work are being withheld to cover the cost of the Operator's Final Report, and therefore it is recommended that the requirement be waived.

A Report of Review, in lieu of a final audit, is in order and requested. For this purpose, the original copies of the final (September-October 1965) MME Forms 60 and 61, together with supporting documentation were forwarded to the Administrative Officer on November 15, 1965.

D. R. MacLaren

D. R. MacLaren

OME(2)

GEOLOGICAL SURVEY
No. 157 Howard Street
Spokane, Washington 99201
March 22, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
APR 24 1966
INITIALS | CODE
120 m

Messrs. Clemens A. & Arthur Lomardi
c/o Mr. John L. Erolin
McKeon and Erolin
Attorneys at Law
126 Oak Street
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

As we have received no reply to our letter of January 19, 1966, we can only assume that the west drift has not been mucked out and that rail has not been laid beyond the first 11 feet, and that some of the drifting for which payment has been made will probably be disallowed in a final audit. The probable disallowances and the reasons therefor are described in our letters of February 10 and June 18, 1965, and January 19, 1966.

Payment of royalty due the Government for a shipment of ore was requested in our letter of January 24, 1966. As no reply to this letter and no payment of royalty have been received to date, prompt payment of this royalty is again requested.

As the time within which to complete the work has passed, the contract is terminated effective December 24, 1965, under the terms and conditions of Amendment No. 3, Item 4(a)(ii), and a Final Report as described in the contract under Item 5(c) is in order and requested.

We urge your prompt attention to these matters.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

cc: Mr. John L. McKeon

DRMacLaren/mls
cc: OME(2)
CPF
Director's Reading File

OMe(v)

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 26 1966
CODE
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GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
January 24, 1966

Messrs. Clemens A. & Arthur Lombardi
c/o Mr. John L. McKeon
McKeon and Brolin
Attorneys at Law
126 Oak Street
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

On September 1, 1965, we received a copy of a letter dated August 30, 1965, addressed to the East Helena Plant of the American Smelting and Refining Company requesting them to send to this office royalty at 5 percent of the net proceeds on an ore shipment from the Hilltop mine.

In line with their policy of several years, the smelter does not withhold royalty payments although they will send us copies of the settlement sheet. This shows that the shipper was Al Dire and that after deducting for hauling, sampling, and treatment charges a net settlement of $185.90 was made, $100.00 as an advance settlement and $85.90 as final settlement. Under the terms of Article 6(b), 6(b)(1) and 6(c)(1) and (2) of this contract royalty in the amount of $9.20 is long over due.
Prompt payment of this royalty is requested.

Sincerely yours,

sent 1/27/66

D. R. MacLaren
Field Officer, OME
Region I

cc: Mr. John L. McKeon
OME(2) w/cys incoming let. of 1/20/66
from AS&R East Helena Plant
CPF

DRMacLaren/mls
Director's Reading File

Omc/2 B

AMERICAN SMELTING AND REFINING COMPANY

EAST HELENA PLANT

EAST HELENA, MONTANA

STANLEY E. LANE
MANAGER
E. A. HAGE
SUPERINTENDENT
C. G. DUGOOTER
CHIEF ACCOUNTANT

January 20, 1966

D. R. MacLaren, Field Officer, GSK
U. S. Department of the Interior
Geological Survey
So. 157 Howard Street
Spokane, Washington 99204

Re: Hilltop Mine

Gentlemen:

We have checked our records and find that we received one lot of material from the above mine.

Copies of the statement are attached.

Very truly yours,

C. G. DUGOOTER

Encls.

RECEIVED
JAN 24 1966

3

AMERICAN SMELTING AND REFINING COMPANY

EAST HELENA PLANT

EAST HELENA, MONTANA

STANLEY H. LANE
MANAGER

E. A. HAGE
SUPERINTENDENT

C. G. DEGOOYER
CHIEF ACCOUNTANT

January 20, 1966

D. R. MacLaren, Field Officer, GMK
U. S. Department of the Interior
Geological Survey
So. 157 Howard Street
Spokane, Washington 99204

Re: Hilltop Mine

Gentlemen:

We have checked our records and find that we received one lot of material from the above mine.

Copies of the settlement are attached.

Very truly yours,

C. G. DEGOOYER

Encls.

OME

OFFICIAL COPY
G. & E.
RECEIVED
27 1966
ZINTRANSCOMB

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
January 19, 1966

Messrs. Clemens A. & Arthur Lombardi
c/o Mr. John L. McKeon
McKeon and Brolin
Attorneys at Law
126 Oak Street
Anaconda, Montana

Re: OMR-6316 (Silver-Gold)
Clemens A. & Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

Under the terms and conditions of Amendment No. 3, item 4(a)(ii), this contract was terminated effective December 24, 1965.

An inspection of the work completed was made and the advance was measured on November 3, 1965, in the company of Bill Hand; Clemens Lombardi operated the hoist and was advised of the findings at that time.

Although the east drift measured 20 feet, as claimed, the final 3 feet was little more than 2 feet wide and does not meet the contract specifications that "drifts and crosscuts shall be 5' x 7' in cross section." Only 17 feet is therefore acceptable. Also this drift had considerable muck left on the floor, but Hand assured me that he had seen it when it was cleaned out and rail was in place.

The west drift measured 47 feet, but only 11 feet could be accepted as it was not mucked out beyond the slusher ramp. Also, after digging around under the slusher ramp, the rail was found to end at 11 feet.

The requirement that drifts must be mucked out and rail laid to the face before approval of the work can be given was mentioned in letters to you dated February 10 and June 18, 1965. In addition, this matter was explained orally to Clemens Lombardi and one of the contract miners during a visit to the property August 29, 1965. On this occasion I was given assurance that track would be laid to the face, then at 25 feet, before the next round would be drilled and blasted. Apparently, this had not been done, and following my November 3d

inspection, I was left no choice but to advise Clemens Lombardi that no vouchers for drifting, unaccompanied by a signed statement that the drift had been mucked out and rail had been installed to the face, could be approved until an on-site inspection could be made.

The last Progress Report and Voucher was received November 10, 1965, for work done in September and October. As the contract period has expired, kindly advise what, if any, contract work has been done since my inspection of November 3, 1965, at which time I was advised that a new crew of miners was expected to report the next day. If no reply is received within 30 days, we will assume that no change in the work status has taken place since November 3.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

cc: Mr. John L. McKeon

OME ✓
Voucher File
Director's Reading File

DRMacLaren/mls

OMe(2)

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
January 13, 1966

OFFICIAL COPY
S. M. F.
RECEIVED
JAN 17 1966

American Smelting & Refining Company
East Helena Plant
East Helena, Montana

Re: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

The Office of Minerals Exploration has recently been made an integral part of the U. S. Geological Survey. Part of our function deals with collection of royalties on production which may be due the Government from OME contracts.

In a letter dated August 30, 1965, Donald Holmes, 18 Gladstone Terrace, Walkerville, Montana, requested your Settlement Department to send us 5 percent of the net proceeds of an ore shipment from the Hilltop mine, along with two copies of the settlement sheet. We realize that you no longer make royalty payments for a shipper and have so advised the Operator cited above.

As we have not received copies of the settlement sheet from the Smelter, or any further word from the Operator, we have no means of determining whether or not Donald Holmes' shipment was accepted by the Smelter and what, if any, royalty may be due the Government.

It will be most helpful to us if you would send us copies of Mr. Holmes' settlement sheet and of any other shipments you may have received from the Hilltop mine since December 24, 1965.

Your cooperation in sending us copies of settlement sheets on many past occasions has been most helpful and is greatly appreciated.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls
cc: OME(2)
CPF

Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	130
11/22	Johnson	110
11/22	cae	220
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NOV 22 1965

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Referring to your memorandum of November 15, 1965, we would have no objection to withholding a reasonable amount from each voucher submitted by the subject contractor. It might be on the order of the amounts usually withheld for covering final field team reports.

(signed) FRANK E. JOHNSON

Frank E. Johnson

GCSelfridge/mm (11/19/65)
cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Selfridge (2)

23263

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
October 27, 1965

OFFICIAL
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O. M. E.
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NOV 1 1965
INITIALS | CODE
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120

Messrs. Clemens A. & Arthur Lombardi
c/o Mr. John L. McKeon
McKeon and Brolin
Attorneys at Law
126 Oak Street
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

I expect to arrive at the Hilltop mine about 10:30 or 11:00 a. m., November 3, 1965. I hope you or your representative will be present to accompany me underground.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls

cc: OME

Director's Reading File

OME

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 25 1965
INITIAL | DATE
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720

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
October 21, 1965

Mr. William M. Hand
Mining Engineer
30 So. Arizona Street
Dillon, Montana 59725

Re: OME-6316 (Silver-Gold)
Clemens A. & Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Bill:

Thank you for your letters of October 10 and 18, 1965, and excuse me for answering them both together.

As you know, to be acceptable, a voucher must include the Operator's Monthly Progress Report (MME Form 61) and Voucher (MME Form 60), a narrative report, and a progress map showing geology, assays, and the advance.

Most operators submit vouchers monthly, but are not necessarily obliged to. However, unless a project is in recess by contract amendment, a narrative report outlining the work completed during the month, the results of the work, any problems encountered and the cause of or reason for any temporary cessation of work should be submitted monthly.

I am always glad to receive information relative to going projects, and appreciate your feelings in the matter as expressed in your letters, but officially, I cannot ask you for a report as that is the operator's responsibility. Also, if the operator will not see to it that his consultant has access to the workings for purposes of measuring, mapping, sampling, and collecting other pertinent data, I do not see how he can prepare a narrative report that will contain much information.

Unofficially, I'd be happy to receive any data you can get as to how the work has been going on. I plan to attempt an interim, coming to the Hilltop from Challis about noon on November 3, but will not go on to Dillon.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Director's Reading File

DRMacLaren/mls
cc: OME w/cy incoming 10/18/65
(cy let. 10/13/65 forwarded to OME)
Voucher File; MacLaren

One

30 S. Arizona St.
Dillon, Montana
October 18, 1965

Office of Minerals Exploration
United States Department of the Interior
S. 157 Howard Street
Spokane, Washington 99204

Attention: Mr. MacClaren

Re: OME File
Milltop Mine
Lemhi County, Idaho

Dear Mac:

Just a note to say that I was in the Gilmore area yesterday and had left word tohave some one at the hoist at the Milltop and I would map the advance.

Apparently my message did not reach the party and as a consequence I returned without measuring.

I deeply regret this although I feel I had no alternative. So at this point I am bewildered as to what to do.

Information about is that there is advance to be measured and I have sample results to submit, but I question the feasibility of vouchering only the sample results.

Perhaps I should submit the monthly narrative report as best I can and let it go at that.

It is certainly not my wish to shirk my responsibilities and cause both you and the others troubles.

Tell you what! If I should submit the narrative only drop me a note - if not this letter requires no answer. Okay?

Sincerely yours,

/S/ Bill Hand

Bill Hand

RECEIVED
OCT 2 1965
O.M.E.
SPOKANE

Bme

OFFICIAL
COPY
O. M. E.
RECEIVED
OCT 15 1965
FILES CODE
120 ~~120~~

30 S. Arizona St.
Dillon, Montana 59725
October 10, 1965

Office of Minerals Exploration
United States Department of the Interior
S. 157 Howard Street
Spokane, Washington 99204

Re: OME 6316
Lombardi's Hilltop Mine
Lemhi County, Idaho

Gentlemen:

Just a note to say that I have not had the opportunity to inspect the above referred to this month yet. Will do so as soon as possible.

Therefore the Vouchers and narrative will be detained for the month of September.

Very truly yours;

/s/ Bill Hand

Bill Hand

P. S. HiMac!

Copy to:
John L. McKeon, Attorney in fact
Anaconda, Montana

RECEIVED
OCT 13 1965
O M E
SPOKANE, WASHINGTON

OME

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 15 1965

INITIALS	CODE
	120
	120

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
September 13, 1965

Messrs. Clemens A. & Arthur Lombardi
c/o Mr. John L. McKeon
McKeon and Brelin
Attorneys at Law
126 Oak Street
Anaconda, Montana

Re: Work Authorization
OME-6316 (Silver-Gold)
Clemens A. & Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

This will confirm oral authorization to drift along the vein cut near the end of the crosscut north on the 300 level, not more than 20 feet easterly nor 80 feet westerly.

When this work has been completed, if vein width and assays of samples taken as specified in the contract warrant it, additional drifting may be authorized. Without such authorization, confirmed in writing, any additional drifting may be for your own account.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: Mr. John L. McKeon

OME(2)
Voucher File
MacLaren
DRMacLaren/mls
Director's Reading File

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, OME	9/ 7/65	
2.		
3.		
4.		
5. D. R. MacLaren		
FROM: Acting Fld. Officer, OME, Reg. I		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Circulate

____ Conference ____ Rewrite ____ File COPY

____ Instructions X Your information O. M. E.

REMARKS: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

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SEP 9 1965

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INT.-DUP. SEC., WASH., D.C. M56300-62

12 Gladstone Terrace
Walkerville, Montana
August 30, 1965

American Smelting and Refining Company
East Helena Plant
East Helena, Montana

Attention: Settlement Department

ORE SHIPMENT INSTRUCTIONS

Gentlemen:

With reference to a truck load shipment of approximately fifteen tons recently sent to you from the Hilltop Mine near Gilmore, Idaho in the name of Lombardi and Holmes, I would like to ask that five (5%) percent of the net proceeds be sent direct to:

United States Department of the Interior
Office of Minerals Exploration
157 So. Howard Street
Spokane, Washington 99204

Would you also enclose two (2) settlement sheets?

The reason for this is that the mine is now under an OME contract that is described as follows:

Docket No. OME-6316
Contract No. 18-23-090-2178
Clemens A. and Arthur Lombardi

Very truly yours,

Donald Holmes

Copy to:
Office of Minerals Exploration
So. 157 Howard St
Spokane, Washington 99204

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SEP 1

OFFICIAL COPY
O. M. E.
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| 120M

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204

Date: 8/29/65

Memorandum

To: Compliance Officer

From: Acting Field Officer, Region I

Subject: Equal Employment Opportunity Under Government Contracts
OME-6316 (Silver-Gold)
Operator: Clemens A. & Arthur Lombardi
Name of Property: Hilltop, et al., Claims
County-State: Lemhi County, Idaho
Contract No. 2178

I have obtained the following information from my visit to the operating project under the subject contract:

1. Number of all employees 3
2. Number of women employees 0
3. Number of Negro employees 0
4. Number of other minority groups (Indian, Latin, Oriental, etc.) 0
5. Was employment through a union? No
6. Distance to the closest union headquarters 160 miles
7. Are the discrimination posters prominently displayed? No. Blown down - have been replaced.
8. If employment was through a union, was the union furnished Standard Form 38? --
9. If employment was not through a union, in what manner was employment made? Locally
10. Acts of intimidation matter has been discussed with Clemens Lombardi

OME (2)

Geological Survey
So. 157 Howard Street
Spokane, Washington 99204

AUG 24 1965

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 26 1965

INITIALS	CODE
	120
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Messrs. Clemens A. and
Arthur Lombardi
c/o Mr. John L. McKeon
McKeon and Brolin
Attorneys at Law
126 Oak Street
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Milltop, et al., Claims
Lemhi County, Idaho
Contract 2178

1 cy Bud. & Finance 8/26/65

Gentlemen:

The three MME Forms 60 and 61 and narrative report submitted as parts of your July voucher are returned herewith. They cannot be processed for the following reasons:

1. None of the MME Forms 60 and 61 have been signed, either by Clemens A. Lombardi and Arthur Lombardi as Operators or by John L. McKeon as Attorney-in-Fact.

2. On three MME Forms 60 the name of one of the "Operators" appears as "Clemens A. Lombardi" but after "Payee" the name appears as "Clemens Lombardi." On two MME Forms 61 the name of one of the "Operators" appears as "Clemens Lombardi" but after "Payee" the name appears as "Clemen A. Lombardi." On the third MME Form 61 the name of one of the "Operators" appears as Clemenes Lombardi" and after "Payee" as "Clemens A. Lombarde."

3. The final paragraph under "Operator's Monthly Report" on the reverse side of MME Form 60 states: "The Operator submits the original and three copies of each of the three sections of this report . . ." The forms returned herewith, in view of the name discrepancies noted in item 2 above, cannot constitute even an original and two copies.

4. The Operator's narrative report is not "illustrated and supported by engineering-geological maps or sketches" as required in the next to last paragraph under "Operator's Monthly Report" on the back of MME Form 60.

Although no additional MME Forms 60 and 61 are required, the three-month supply we sent you with your letter of June 18 may be exhausted. There is enclosed an additional three-month supply.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures

DRMacLaren/mls
cc: OME(2)
Voucher File

Director's Reading File

So. 157 Howard Street
Spokane, Washington 99204
August 13, 1965

OFFICIAL
COPY
O. M. E.
RECEIVED
AUG 16 1965

INITIALS	CODE
[illegible]	120
	120

Messrs. Clemens A. and Arthur Lombardi
c/o Mr. John L. McKeon, 126 Oak Street
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Hilltop, et al. Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

As nearly as I can tell the rather tight schedule that I must attempt to follow on my next trip into the Leadore area will make it necessary for me to inspect the progress at the Hill Top mine on Sunday, August 29, 1965.

I hope it will not inconvenience you to have a hoistman and someone to accompany me underground at that time. I expect to reach the property about noon.

Sincerely yours,

D. R. MacLaren
Acting Field Officer OME
Region I

cc: OME
Docket
Director's Reading File
DRM

MACLaren/et

JOHN L. McKEON

WILLIAM A. BROLIN

McKeon and Brolin
ATTORNEYS AT LAW
124 OAK STREET • TELEPHONE 563-5801
ANACONDA, MONTANA

June 21, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 30 1965

INITIALS	CODE
	130
	120

D. R. MacLaren
Acting Field Officer, OME
Region I
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6316 (Silver-Gold)
Hilltop, et.a., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. MacLaren:

This will acknowledge receipt of your letter of June 18, 1965. I am enclosing herewith an additional copy of the monthly narrative report as your requested.

I have consulted with the Lombardi brothers in regard to the statement contained in your letter: "Please advise me if I am correct in assuming that track has been laid to the end of the 55-foot total advance claimed in your May voucher."

The answer to this is yes, track has been laid to the end of the 55-foot total advance claimed in the May voucher.

I trust that this will suffice.

Very truly yours,

JOHN L. McKEON

JLM/mps
Encs.

OMe(2)

No. 137 Howard Street
Spokane, Washington 99204
June 18, 1965

Messrs. Clemens A. and
Arthur Lombardi
c/o Mr. John L. McKeon
McKeon and Brelin
Attorneys at Law
126 Oak Street
Anaconda, Montana

120 m
~~120~~

Re: OMS-6316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

We have received the original and two copies of your voucher for May 1965. As stated on the back of MMS Forms 60 and 61--the Operator's Monthly Voucher and Progress Report--the original and three copies of each form, narrative report, sketch, and any other supporting documentation are required.

Referring to the final sentence in my letter of February 10, 1965, and the final paragraph in your April Narrative Report, please advise me if I am correct in assuming that trench has been laid to the end of the 55-foot total advance claimed in your May voucher.

As soon as we receive the third copy of MMS Forms 60 and 61, the narrative report and map that make up your voucher for May, and a statement that the claimed advance includes trench, we will process the voucher for payment.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OMS
Region I

Enclosures

cc: OMS(2) w/cys incoming let. 6/5/65
MacLaren
Voucher File

Director's Reading File
Resources Research Branch Chief

DRMacLaren/mls

June 5, 1965

Dear Mr. MacLaren,

I hope that the enclosed papers are satisfactory.

Bill Hand went up to the mine but did not go underground due to the repairs that have to be made on the shaft.

Sincerely yours

/s/ Arthur Lombardi

RECEIVED
JUN 16 1965
P.R.B.

OME

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 9 1965
INITIALS CODE
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~~120~~
~~220~~

Mr. D. R. MacLaren
United States Department of the Interior
Office of Minerals Exploration
No. 157 Howard Street
Spokane, Washington 99204

File - Lombardi
OME-6316

Dear Mac:

Thanks so much for your letter of May 26. We are all disappointed that you will be unable to be the speaker at the June Banquet this year. However, it is certainly understood that you are in a "bind" and such an engagement is not possible at this time. Anyway, the next general meeting will probably be in October and we will tenatively schedule you for then.

Took a run down to Lead the last Monday. Still the same place and the same people. It sure is too bad that something couldn't started down there - the natives have stuck it out "long and faithful" and all those that I have done business with have been honest and didn't ask much so long as they got a little of something for what they put out.

Was at the Hilltop but there had been a mishap in the shaft and I'll be darned if I was going to crawl down that rickety ~~could~~ old thing. (I don't like it in the first place) ~~W~~ When they get it repaired I'll go down and catch things up.

Guess I ought to mention to you Mac, that I reported 14 - 15 feet of work that had been done and not vouchered before. And for which I had mapped. Anyway, I've sent the maps etc to Anaconda -- don't know what you will get.

While I grant you the chances keep growing slimmer all the time but so long as the Lombardi Contract is in force there is always a chance that a sufficient showing can be made to interest someone that can handle the mine and give it a better chance. Several have talked to me about it. One no less than Les Sheridan In Butte and he has the wherewithall.

Went up to see Howard's diggings -- he had a couple of men working but he wasn't there -- I've never learned whether his final report was acceptable.

Regards,

/s/ Bill

Bure

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 5 1965

INITIALS	CODE
ama	80C
[illegible]	120
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No. 137 Howard Street
Spokane, Washington 99201
March 3, 1965

Mr. Clemens A. Lombardi
120 W. Front
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. Lombardi:

Under the terms of Amendment No. 4 work may be resumed any time prior to May 15, 1965. There is no need to change the date as mentioned in your letter of February 15, 1965.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: John L. McKeon

OME w/cy incoming let 2/26/65 ✓
Voucher file
MacLaren

DRMacLaren:mls

Director's Reading File

Resources Research Branch Chief

Ome

Feb. 2[illegible], 19[illegible]5

Dear Mr. MacLaren,

We would like to have a change made in the dates of operation. Instead of resuming work on or before May 15, we would like to [illegible] started on or before April 15.

We have signed all the copies and they are inclosed. If the change in dates is not possible we will accept the changes as they are now.

Sincerely yours,

/s/ Clemens A. Lombardi

Clemens Lombardi

MME FORM 6 REFERENCE SLIP

REV. 59 OFFICE OF MINERALS EXPLORATION

TO: Chief, Div. of Exploration Operations

1.

2.

3.

4.

5. D. R. MacLaren

FROM: Acting Fld. Officer, Reg. I

DATE	INITIALS
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MAR 5 1965	
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FOR: Check items for action desired

X Action ____ Reply for signature of

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: OME-6316 (Silver-Gold)
Lombardi & Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178
Transmittal of the Gov't, Audit, and Fiscal

Section copies of Amend. No. 4.

INT.-DUP. SEC., WASH., D.C. M56300-62

OME(2)

OFFICIAL COPY
O. M. E.
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FEB 12 1965
INITIALS CO. E
800
120
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So. 157 Howard Street
Spokane, Washington 99204
February 12, 1965

Messrs. Clemens A. and
Arthur Lombardi
c/o Mr. John L. McKeon
McKeon and Brolin
Attorneys at Law
126 Oak Street
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2176

Gentlemen:

Enclosed are the original and four copies of a proposed Amendment No. 4 signed by the Acting Director for the Government.

If the proposed amendment is satisfactory, please sign all five copies, retain the Operator's copy, and return the other copies to this office.

If any part of the proposed amendment is not satisfactory, return all copies unsigned to this office together with the proposed changes for consideration by OME.

In a telephone conversation with Mr. McKeon on February 10, 1965, the purpose of the amendment was explained. Mr. McKeon was also advised that your January 1965 Progress Report and Voucher cannot be processed for payment until a map or sketch mentioned on the back of the OME Form 60 under the THIRD part of the Operator's Monthly Report has been received. As the unit price for crosscutting and drifting includes the installation of track, payment can be approved only for that portion of the 22 feet claimed for which track is in place. A statement as to how much track has been installed is therefore requested.

Sincerely yours,

R. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures
cc: Mr. John L. McKeon

Director's Reading File
Resources Research Branch Chief
OME(2)
Voucher File
MacLaren

DRMacLaren:mls cc:

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/3	Murphy	120M
	Selfridge	130
		800
2/4	Johnson	110
		100
2/4	Coe	220
		120M

FEB 4 1965

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Exploration Operations

Subject: OMK-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

With reference to your memorandum of January 19, 1965, enclosed are the original and four copies of proposed Amendment No. 4, signed by the Acting Director for the Government. Also enclosed is an extra copy for field use.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by the Operator. Thereafter, please distribute the copies in the usual manner.

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

You will note that the provisional certification in Amendment No. 3 remains in effect under Amendment No. 4. This will be the last recess extension and we will not extend the completion date.

George C. Selfridge (gla)

Enclosures

FMMurphy/gla (2-3-65)
cc to: Director's Reading File
Review Committee
Docket ✓

23263

Docket Copy

Note in covering letter this is last extension and no extra completion date.

DRAFT FMMurphy/mm
1/26/65

EXPLORATION CONTRACT
CLEMENS A. AND ARTHUR LOMBARDI
GME-6316

AMENDMENT NO. 4

It is agreed this _____ day of _____, 1965, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Clemens A. and Arthur Lombardi, Partners, hereinafter referred to as the "Operator," that Exploration Contract 2178 (GME-6316), dated December 24, 1963, as amended, is further amended as follows:

1. In Amendment No. 3 the following changes are made.

(a) Item 1(a) is revised to read:

Work under the contract shall be suspended during the period beginning October 11, 1964, and ending not later than May 15, 1965.

(b) Item 4(a)(i) is revised to read:

Effective October 11, 1964, if the work has not been resumed on or before May 15, 1965.

(c) Item 4(a) is revised to read:

The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the contract, except as provided for in Amendment No. 3 as modified by this Amendment No. 4.

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Acting Director, Office of
Minerals Exploration

By _____
Clemens A. Lombardi

By _____
Arthur Lombardi

Title _____

UNITED STATES
DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION
South 157 Howard St.
Spokane, Washington 99204
January 19, 1965

OFFICIAL COPY
O. M. E.
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JAN 22 1965
INITIALS | CODE
ams | 800
Murphy | 120
120

Memorandum

To : Chief, Division of Field Operations

From : Acting Field Officer, Region I

Subject: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

There has been no advance underground, provided for in Project 2, since June 1964. During that month an advance of 38.4 of an authorized 120 feet was reported in the Operator's Progress Report for June. The Operator's Narrative Report for that month stated that the muck was scraped by a slusher, indicating that no track had been emplaced up to that time; no other work under Project 2 has done.

As Project 1 work was about to be started, no recess was requested until October 13, 1964, after the Project 1 soil sampling and trenching had been completed. Amendment No. 3 provides for a recess from October 11, 1964, to "not later than December 31, 1964," and includes a mandatory termination if work has not been resumed by December 31, 1964.

In a letter dated December 31, 1964, written by William M. Hand, consultant for the Operator, but signed by John L. McKeon, attorney-in-fact for the Operator, the points are made that: The writer was unable to visit the property owing to drifted snow; that the Operator told him that during December track had been laid in the crosscut; and that the slusher had been reset. Clemens Lombardi also told Hand that a new compressor had been set in place and that the hoist had been made operational. However, no advance had been attempted.

On January 10, 1965, prior to visiting the Sims' project, I had the good fortune to meet in Leadore with one of two young men who had visited the Hilltop mine the previous day by means of a snowscooter. He reported that snow has drifted to the eaves of the garage building and the hoist house but was vague as to how deep the snow was about the shaft. However, he confirmed that without a doubt even a four-wheel drive vehicle equipped with chains could not get up to the mine until drifting snow could be bulldozed from the road.

Before going to Sims' place I wanted to check the location and condition of the road into the Silver Moon property (OME-6381) which I hoped to visit the next day. Again, I was fortunate, not only in meeting the Silver Moon people who were dozing snow off the trail to their property, but at the same time in meeting Ed Corbett who had put in the track and moved the slusher at the Hilltop. He confirmed that there was all that had been done and was vague as to whether snow stopped the work at that time or whether he had been told only to lay the track.

It would seem that laying track is actually a job that should have been done as crosscutting progressed, although I see no reason why slushing for stretches is not good operating procedure. However, these people have dallied so long, albeit because they could not or would not (who can say) straighten out their financial difficulties, that I cannot help but feel that bringing in the compressor, laying the track and advancing the slusher at this late date was done merely to establish a resumption of work prior to December 31, 1964. Of course, I cannot make any such accusation, but I cannot help but feel that way.

According to several people, Clemens Lombardi was living in Leadore for 2 or 3 weeks during December, but no one seems to know just why or what he was doing at the mine.

I am too close to this situation and its frustrations; therefore, if you believe it expedient to consider laying 38 feet of track in a crosscut that was driven in June as constituting resumption of work by December 31, it is recommended that the recess, with a mandatory termination date and a pseudocertification, be extended to March 31, 1965. It is not recommended that the date for completion be extended at this time.

D. R. MacLaren

January 15, 1965

OFFICIAL
COPY
O. M. E.
RECEIVED
JAN 25 1965
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Dear Mr. Mac Laren,

This letter is in regard to the progress made at the mine.

During the month of December we put in 43 feet of rail, water lines and air lines, in preparation for starting the 31st of December.

Along with extremely bad weather and a shortage of funds we have had to move a little slower than we had anticipated.

I know that you are a little disgusted with us because of the amount of time it has taken us but our funds were limited. We feel that we can go ahead now and complete the job.

I have three men living on the hill plus myself. We are puttingthe drift in on the 300 level. ?

I hope that this will meet with your approval.

Sincerely yours,

/s/ Arthur L. Lombardi

RECEIVED
JAN 22 1965
O M E

MME FORM 6 REFERENCE SLIP

REV. 2-5 OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: Chief, Div. of Exploration Operations	12/1/64	
1.		
Re: OME-6316 (Silver-Gold) Lombardi & Lombardi Hilltop, et al., Claims Lemhi County, Idaho Contract 2178		
2.		
3.		
4.		
5. D. R. MacLaren	12/3	120M
FROM: Acting Fld. Officer, Reg. I		120

OFFICIAL FILE COPY

O. M. E.

RECEIVED DEC 3 1964

DATE	INITIALS	CODE

FOR: Check items for action desired

X Action ____ Reply for signature of

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: Transmittal of the Gov't., Audit, and Fiscal Section's copies of Amend. No. 3. We presume that signatures by the Lombardis are acceptable even though John L. McKeon has been given Special Power of Attorney to execute all documents in re. the subject contract.

UK

OME

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 23 1964

DATE	INITIALS	CO
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		~~150~~
11/24	[illegible]	120m

No. 157 Howard Street
Spokane, Washington 99204
November 19, 1964

Mr. William M. Band
30 So. Arizona Street
Dillon, Montana 59725

Re: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. Band:

I have just come through the pile of prior material to your letter of November 12, 1964, with which you enclosed one copy of "Partial Plan Map - Hilltop Mine" to supplement the October Narrative Report and Voucher. As a copy of the map must accompany each copy of the voucher and as I have no facilities to reproduce the map, will you please send three more copies of the map.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: John L. McKeon
Attorney-at-Law
Anaconda, Montana

✓ OME w/cy incoming
Voucher file

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

30 S. Arizona St.
Dillon, Montana 59725
November 12, 1964

United States Department of the Interior
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6318
Hilltop Mine
Lemhi County, Idaho

Gentlemen:

Enclosed is one copy of "Partial Plan Map - Hilltop Mine" which I am submitting to supplement October 1964 Vouchers and Narrative Report. The print shows the location of the samples taken.

Should additional prints be required they can be provided.

Very truly yours,

Bill Hand

Bill Hand

Copy to Mr. John L. McKeon
126 Oak Street
Anaconda, Montana

OME

So. 157 Howard Street
Spokane, Washington 99204
November 13, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 16 1964

DATE	INITIALS	CODE
11/16	[illegible]	800
11/19	[illegible]	120
		120

Mr. John L. McKeon
McKeon & Brolin
Attorneys at Law
126 Oak Street
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2170

Dear Mr. McKeon:

In accordance with the request contained in the letter dated October 13, 1964, from William M. Rand, engineer for the subject Operator, enclosed are the original and four copies of Amendment No. 3, signed by the Acting Director for the Government.

If the proposed amendment is satisfactory, please sign all five copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of any proposed changes for consideration.

Sincerely yours,

Mary L. Smelser
For: D. R. Maclaren
Acting Field Officer, OME
Region I

Enclosures
cc: Clemens A. and
Arthur Lombardi
107 N. Hickory
Anaconda, Montana

MLSmelser:mls cc: OME
Maclaren
Director's Reading File
Resources Research Branch Chief

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/6	Murphy	120 M
	GLC	130
11/6	Johnson	110
	[illegible]	100
11/6	Cole	220
		120 M

NOV 6 - 1964

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Exploration Operations

Subject: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

With reference to your memorandum of October 20, 1964, enclosed are the original and four copies of Amendment No. 3 signed by the Acting Director for the Government. Also enclosed is an extra copy for field use.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by the Operator. Thereafter, please distribute the copies in the usual manner.

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

George C. Selfridge (gla)

Enclosures

MMerrithew/mm (11/6/64)
cc: Director's Reading File
Review Committee
Docket

232.63

DRAFT 10/27/64
FMMurphy/mm

6:6 ~~Sec~~ ~~136~~ 136M

EXPLORATION CONTRACT
CLEMENS A. AND ARTHUR LOMBARDI
OME-6316

AMENDMENT NO. 3

It is agreed this _____ day of _____, 1964, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Clemens A. and Arthur Lombardi, Partners, hereinafter called the "Operator~~s~~," that Exploration Contract 2178 (OME-6316), dated December 24, 1963, as amended, is further amended effective October 11, 1964, as follows:

1. (a) Work under the contract shall be suspended during the period beginning October 11, 1964, and ending not later than December 31, 1964.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred ~~if~~ there had been ~~xx~~ no suspension of the work.

(d) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the ~~xx~~ project work.

2. The time fixed in the contract for completion of the work is extended from 18 to 24 months.

3. The maximum period for royalty payments and for the lien to secure payment thereof fixed in Article ~~xx~~ 6b(2) of the contract is extended from ~~xx~~ ten (10) years to eleven (11) years from the date of the contract.

4. It is the essence of this amendment that the work be resumed before the termination of the period herein fixed for suspension, and completed before the period fixed for completion; and if not so resumed and completed in the manner required by the contract, the following provisions shall thereupon become effective:

(a) The contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated as follows:

(i) Effective October 11, 1964, if the work has not been resumed on or before December 31, 1964.

(ii) Effective December 24, 1963, if the work has been started but not completed on or before that date.

(b) The Government will only contribute to allowable costs incurred prior to the relevant date set forth in 4(a) above.

(c) The Operator shall promptly perform all winding-up and settlement actions provided for in the contract, including the rendering of the final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain its interest in the land), shall pay to the Government the royalty provided for in the contract in the same manner and amount, for the same period, and subject to the same provisions as provided for in the contract as amended herein as if a certification of possible

production has been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the contract with respect to a certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

(e) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the contract, except as provided for in this Amendment No. 3.

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Acting Director, Office of Minerals Exploration

By _____
Clemens A. Lombardi

By _____
Arthur Lombardi

Title _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
October 20, 1964

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 22 1964

DATE	INITIALS	CODE
10/22	[illegible]	800
		120
		120

Memorandum

To: Chief, Division of Exploration Operations

From: Acting Field Officer, Region I

Subject: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Enclosed are two copies of a letter dated October 13, 1964, from William M. Hand, engineer for the subject Operator, in reply to my letter of October 9.

In accordance with Hand's request, it is recommended that an amendment be prepared authorizing a recess starting October 11 and ending on or before December 31, 1964. It is also recommended that the amendment include a mandatory termination date of October 11 unless work is resumed by December 31. This will allow ample time for Hand to complete his appraisal of the Project 1 soil sampling and trenching and will give the Operators ample time to straighten out their problem of equipment attachment if they have any real desire to do so. A pseudocertification to protect the Government's investment is also recommended as there are no grounds on which to base a certification of discovery at the present time.

I have talked at length with Ken Bagdon, chemist for Pioneer Geochemical Surveys in Spokane, largely because of the wide and irregular variations between the field and laboratory assays. He says that they have found conclusively that true field assays do not give consistent or satisfactory results. This is due to many factors over which field control is difficult to maintain, such as constant moisture content of the various samples without a satisfactory drying procedure; gradual changes in the pH and purity of the reagents; and contamination due to water or other agents used to clean tubes and other equipment. In effect, in order to carry out field determinations that will mean anything, a field laboratory with much of the equipment and facilities found in a commercial or company laboratory should be set up.

I do not believe that OME should rule out the geochemical approach to exploration under favorable conditions therefor. Its value, when properly carried out, has been proven in too many cases.

However, I believe that in the future all geochemical analyses should be made by commercial assayers unless the Operator has a well-equipped laboratory of its own, which will be rare. In the long run this will result in more meaningful results and will therefore be less expensive actually than would be the cost of nondefinitive or just plain inaccurate analyses.

In view of Hand's letter, I will reinstate the Q check analyses which were deleted from the last voucher but will not reinstate the second D-108 analysis.

D. R. MacLaren

Enclosures

Copy

30 S. Arispna St.
Dillon, Montana 59725
October 13, 1964

United States Department of the Interior
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6316 Gold and Silver
Lombardi Bros.
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Attention: Mr. R. R. MacLaren, Field Officer

Dear Mr. MacLaren:

Thank you for your letter of October 9. I am indeed sorry that the questions on the samples (geochemical) are necessary. You are justified in asking.

You will note above sample Q103 there is a small number 89. This occurred in several instances particularly in the 25 foot sample spacings. It seemed the first six lines of samples with 50-foot centers worked very well but the remainder of the project samples could not easily be fitted into it. Nevertheless, the samples and postings concur with the field notes. Q-89 is followed consecutively in a northerly direction to Q-95 and so on.

My notes do not show that I submitted two D-108 soil samples but I definately recall that sorting through the more than 650 samples confusion and error are certainly possible. My explanation is that I personally took the original sample at station D-108. Toward the latter part of the sampling program several of the D-line samples were retaken by error since only every other sample was marked in the field.

I recall the duplicated sample results comming to me for posting and I could not then nor can I now explain the difference in metal content. My only guess is that it was due to a lessening in soil moisture. Certainly I can't be sure of this.

Yes! As it stands as of this moment I qu estion the feasibility of further pursuing Project 1. The trenches disclosed little, fact is, it is hard to believe that the Hilltop Mine production was well over a million dollars from what can be seen in the trenches.

I find the geology very complex and mystifying. Apparently ore will deposit in very special places under very special conditions. Certainly a better attempted understanding is in the best interests of the Lombardi Bros. and the Government.

During my tenure at the Hilltop Mine I used every available moment to collect as much associated information as possible. At the moment this is being studied. An indefinate and tenative appointment has been made with Mr. Ruppel to talk to him by phone. Once the study is complete I shall call Mr. Ruppel in an attempt to confirm or discard my findings.

You are notified that the dozer trenching was completed in the evening of October 6. The writer inspected and accepted the trenching on October 10. Sampling, so far as could be justified, was accomplished on the latter date. The properly split samples were sent to Goodall Bros. at Helena on October 12 -- the results are pending. It will indeed be a surprise if any indicate ore.

C-O-P-Y

Yes! I too, think that a request for recess should be prepared saying that ~~work~~ work will be resumed on or before December 1, 1964.

While this date seems unreasonably distant, many things should be considered. Some of them are enumerated below.

1. Complete the interpretation of the geologic data on hand.
2. Discuss conclusions with Mr. Ruppel.
3. Possibly call in another geologist.

4. Prepare a plan of exploration.
5. Ask for ammendment to include such work.
6. Seek authorization to do work.

7. Assemble the necessary crew.
8. Assemble the needed additional equipment.

Referring to the last paragraph of your letter mentioning the probability that part of the voucher funds will be withheld pending resumption of work, I deeply regret that this is necessary because the decision seems to follow immediately to "wait and see what happens".

The immediately above coupled with the "shock" that these are not 50-50 at all but more accurately 33% - 67% with the operator assuming the latter has a definate depressing effect on the program.

If I can be of further assistance please do not hesitate to call on me.

Sincerely yours,

William H. Hand, Engr. Lombardi Bros.

Copy to:
John L. McKeon - Anaconda

RECEIVED
OCT 16 1964
OME
BOISE, WASHINGTON

CAAA -

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 12 1964

DATE	INITIALS	CODE
10/12	Ontlaure	120 M
		120

No. 157 Howard Street
Spokane, Washington 99204
October 9, 1964

Mr. William H. Hand
30 N. Arizona Street
Dillon, Montana 59725

Re: OME-6316 (Silver-Gold)
Clemens A. and Arthur Contardi
Milltap, et al, Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. Hand:

The list of check assays made by Pioneer Geochemical Surveys included sample numbers Q-89 through Q-95, none of which are included on the map which accompanied the amended narrative report and the July 1964 voucher. On that map the southwesternmost soil sample station indicated on the Q line is 103. The same list includes two check analyses of sample number D-108.

It occurred to me that the Q samples in question might have been O samples or possibly C samples. The southwesternmost sample station indicated on the map is O-103.5.

With the thought that there might be a typographical error, I telephoned Mr. Hagdon of Pioneer who checked his work sheets and the sample identifications. He confirmed that two samples were labeled D-108 and that the Q's were "marked by a circle with a short line at the bottom."

Possibly, you made a list of the samples sent to Pioneer from which you can make the appropriate corrections, but rather than hold up the voucher, I will forward it with the above Q assays and one of the D-108 assays, eight in all, deleted.

It is doubtful that more work will be authorized under Project 1 and that Project 2 work will be resumed in the immediate future. It therefore appears that a request for a recess is in order. If you will notify me of the date the authorized trenching is completed and the date on or before which work can be resumed, I will request that an amendment be prepared.

As is customary in this situation, part of the funds due on this voucher will probably be withheld pending resumption of the work.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: John L. McKeen
Attorney at Law
Anaconda, Montana

cc: CAAA (2)
Voucher file
MacLaren

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

TO

DYNE
RECO
OCT 75
OH

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
September 14, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 16 1964

DATE	INITIALS	CODE
9/16	on leave	120
		120

Memorandum

To: Chief, Division of Exploration Operations

From: Acting Field Officer, Region I

Subject: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Enclosed is a Thermo-Fax copy each of a letter dated September 6, 1964, and an outline of the letter dated September 7, 1964, from Bill Hand, engineer for the subject Operators. This is in reply to my letter of September 3 to him, a copy of which we sent you accompanied by a Request for Amendment dated August 12, 1964.

Because there appeared to be some doubt in Hand's mind as to the advisability of the drilling, I called him on the telephone September 13 for clarification. I told him that, as he has indicated in items 3 and 4 of the outline of this letter, a case could probably be made either for or against the proposal but that I could not advise him either way, and asked him whether or not he wanted his proposal considered. The Operators have left the technical decisions entirely up to him and will accept any recommendation he makes.

Hand said in confidence that he has doubts as to the Operators' abundance of funds and has decided that the additional cost of supervision which would be for their sole account would make the cost of the amendment too much for the value of the information that might derive from the drilling. Moreover, he is not willing to obligate any funds for this work until he has sufficient funds in hand to pay all costs as they come due. He fears that this may tax the Operators' resources. For these reasons, he asked that the Request for Amendment be withdrawn and that trenching under Project 1, Phase 3, be approved.

Limited approval for trenching has been given and confirmed in the enclosed Work Authorization.

D. R. MacLaren

D. R. MacLaren

Enclosures

Mc(2)

So. 157 Howard Street
Spokane, Washington 99204
September 14, 1964

Mr. William M Rand
30 S. Arizona Street
Dillon, Montana 59725

Re: Work Authorization
OMS-6316 (Silver-Gold)
Clemens A. & Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. Rand:

From our telephone conversation of September 13, 1964, it is understood that you wish to withdraw the "Request for Amendment" dated August 12, 1964.

This will confirm oral authorization given at that time to start bulldozing trenches at the approximate locations shown on the "Surface Plan Map - Geochemical Anomalies - Scale 1" = 100' - July 1964" which accompanied the Request for Amendment. However, the authorization is given with the understanding that trench E shall be bulldozed first; and only if this trench discloses one or more strong mineralized structures, trench D shall be bulldozed next; only if trench D discloses the same or other such structures, trench C may be bulldozed. If trench E does not disclose a strong mineralized structure, it may be followed by bulldozing trench C, and trench D shall be skipped. No other trenches are authorized at this time.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: John L. McKeon
McKeon & Brolin
Attorneys at Law
124 Oak Street
Anaconda, Montana

cc: OME(2)
Voucher file
MacLaren

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

Me

30 S. Arizona St.
Dillon, Montana
September 6, 1964

United States Department of the Interior
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6316
Lombardi Bros.
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Attention: Mr. D. A. MacLaren, Acting Field Officer

Dear Mr. MacLaren:

I genuinely appreciate your comments and thoughts of your letter of September 3. Thank you ver much!

Yes! Financial responsibility in this project or others is indeed necessary, fact is, it is a primary responsibility. By all means the total costs as per the contract must be maintained - certainly no increase is justified, particularly at this time.

In the past I have felt it necessary to inform either one or the other of the Lombardi Bros. of the anticipated costs of preforming the work in the form of an estimate. Possibly this is in order now.

Before going into that perhaps a brief look at the Anomaly map could indicate a guess as to what might be entailed in the way of underground work. First, if it were necessary to ~~cept~~ spot the underground work from the information presently available, I would recommend the following:

1. Sink a 100 feet shaft at coordinates E5600,N5460. Because - a. this is the strongest anomaly b. collar elevation has the lowest elevation c. is reasonably near other anomalies.

2. Drift ~~North~~ West 250 feet on anomoly I to E5300 N5460. Because - a. relief would provide an additional 150 feet of back making a total 250 feet b. would ~~provide~~provide an underground expression of the cause of the anomoly c. would provide an indication of what the anomalies mean, i.e. do ~~hot~~ ~~epost~~ spots in contour (geo-chem) indicate the occurrance of ore shoots or vein widening - ~~ho~~ or what?

3. Crosscut North 400 feet or to N5860 E5300. Because - a. to test out underground mineralized strength of adjacent anomalies.

Now first of all, I'm not asking to do this, although I've spotted exploration on a lot less information. Anyway, a glance at the above indicates 100 feet of shaft ~~check~~ work and 600 feet or rather 650 feet of drifts and XC's. The first is 50 feet more than the contract allows. So I concur with you that underground work and including the 215 feet of shafting should not be altered.

As I am sure you are aware, the possibility is ever present that the drill as proposed will disclose nothing in the way of ore; and on the other hand it may well disclose ore and conceivably even a small but valuable open pit deposit. It should tell the ~~ch~~ following:

a. Continuity of ~~ore~~ structure.
b. ~~Strength~~ Strength of mineralization.
c. Character of secondary deposition, such as are the walls mineralized

[illegible] 1964

[illegible], whether the program is to continue after an adverse drilling program will have [illegible] decided at a later date. I personally believe that the drilling has merit and will greatly increase the chances of ~~success~~ success. I feel this way about it; if sufficient ore could be exposed to warrant even a small operation employing even 10 ~~em~~ men to show a profit, everyone including the government would be well served.

Now to the estimated costs of actually doing the work. Assume work to begin September 20, 1964.

DOZER WORK

September 21 thru 24 32 hrs. dozer hire at $20/hr.	$640.00
" " " " 4 shifts observer pay at $16 + 20%/ day	76.80
" 25 " 26 16 hrs. dozer hire at $20/ hr.	320.00

September 28 thru ~~30~~ Oct. 1 — Map trenches, spot proposed holes
Trench sample struc. in trenches. Pack, cut & ship samples

September 25 thru Oct. 1 — 6 shifts Observer pay @ $16.+20% sh.+ 1½time	124.80
Sept. 21 thru Oct. 1 — 12 days away from home living adj. for observer at $5 per day	60.00
Assaying 100 Samples at [illegible] each	700.00
~~Retainer and~~ Sept. 21 thru Oct. 1 Retainer and ~~living~~ expenses for [illegible] as Engr.	$300.00
Total for dozing and [illegible]	$2,2[illegible].60 ~~$[illegible]~~

DRILLING

October 2 thru Oct. 8—48 hrs. drilling @ 15 feet/ hr. & $2.30/ft 720 ft drilling at $2.30/ft.	$1,656.00
Oct. 2 thru Oct. 8 145 geo chem samples run for total heavy metals(720/5')	
20 hand samples assayed for Au,Ag,Pb,Zn	
Pd. for in labor & mat.as follows:	
6sh. assayer Oct.2 @ thru 8 @$16 + 1½time over time+20%	124.80
Plus 10% for use of labor account	12.48
6 days living away from home adj. @ $5/day	30.00
Assay supplies - Reagents & fuel	20.00
Oct. 9 thru Oct. 15 - 48 hrs. drilling @ 15'/hr.& $2.30/ft 720 ft. drilling at $2.30/ft.	$1,656.00
Oct. 9 thru Oct. 15 -Assay 145 geo Chem samples & 40 Hand samples Au,Ag,Pb,Zn	
Pd. for in labor & Mat. as above Oct.2 thru 8 period	187.28
Oct. 16 thru Oct. 22 - 560 feet drilling at $2.30/ft.	$1,288.00
Oct. 16 thru Oct. 22 - Assay 112 Geo chem samples ~~xx~~40 hand samples as above	
Pd. for ~~xxxx~~ in labor & mat as in Oct.2 thru 8 period	187.28
~~Retainer & expenses for Phil Hand Engr.~~	~~$[illegible]~~
Oct. 23 thru 29th Clean up all analytical work tear down and move out assay lab. Pd. in labor and mat.as Oct.2 thru 8 period	187.28
Contingencies occurring during phase 3	150.00

~~Interpreting Drilling~~

Oct. ~~27~~ 30 thru Nov. ~~1~~ 6 — Office ~~xx~~ work/ Posting, tracing, interpreting recommending for all of phase 3.	
6 days assistant time @ $16 per day + 1½ over 40 hrs +20%	124.80

[illegible] 31
[illegible] 9, 1964

Oct. 1 thru Nov. 1 Retainers Bill Hand as Engr. Also Expenses ——— 550.00

TOTAL COST OF DRILLING $ 6,186.40

Total cost of Phase 3 $ 8,02[illegible].72

In summary:

DOZER WORK

48 hrs. dozer work at $ 20/hr.	$960.00	960.00
10 shifts assistant observation & sampling $26.10/ shift		$261.00
100 samples at $7 ea.		700.00
4.6154 days engr. work abs[illegible] at $[illegible]/day		300.00
Total cost of dozer work		$ 2,2[illegible].6

Drilling

2,000 ft. drilling at $2.[illegible]/ft.	$4,00[illegible]
402 - cold sol'n total heavy metal geochem tests, only @.50	[illegible]
100 - assays and analysis for Au, Ag, Pb, Zn at $5.4812/ assay	54[illegible]
6 - days Assistant's office work-[illegible] etc. @ $22.83/day	13[illegible]
30416[illegible] days Engr. work at $[illegible]/day	55[illegible]
Contingencies	150.00
Total cost of Drilling	6,186.40

8408.00

TOTAL COST OF PHASE 3 $8,408.00

I am also obligated to inform my clients that they must have the following resources available on the indicated dates:

Due on:	
Sept. 24	$ 716.80
Oct. 1	804.80
Oct. 1 Assaying (part in advance)	700.00
Oct. 8	1,[illegible]
Oct. 15	1,343.28
Oct. 22	1,475.28
Oct. 29	337.28
Nov. 6	687.28
	$8,4[illegible].00

Also that if the amendment is accepted and the air work is preformed on schedule they can reasonably expect that $4,204.00 will be returned to them about Dec. 15th.

I note on page 2 of the contract under general provisions that it is the Operator's responsibility to provide the technical and supervisory skills necessary to complete the work. As such, some of the above may not be applicable. However, such work is necessary and of course must be paid for by the Lombardi Bros.

Mr. MacLaren, the "quicky" cold solution test for heavy metals was what I had in mind to test the cuttings for latent values and determine which cuttings should be subjected to detailed assaying. Not the total heavy metals and the lead alone.

[illegible] S. Arizona St.
[illegible], [illegible]tana
[illegible]ember 7, 1974

United States Department of the Interior
Office of Minerals Exploration
No. 1[illegible]7 Howard Street
Spokane, Washington 9[illegible]

Amendment of Contract [illegible] to provide [illegible]
Enclosed letter from Bill [illegible] to [illegible],
[illegible] office
[illegible] Hilltop Mine, [illegible] County,

Dear Mr. MacLaren:

OUTLINE OF ENCLOSED [illegible]

1. Staying within limits of contract [illegible] is definately necessary.
2. From estimates, underground work [illegible] be required.
3. Drilling will provide:
   a. Knowledge of cont[illegible] structure.
   b. Strength of Mineral [illegible] relative [illegible] values contained.
   c. Character of [illegible] deposition.
   d. [illegible] from dozer cuts
4. Drilling will also cause.
   a. This required ammend[illegible]
   b. Disruption of the [illegible]
   c. Information may be [illegible] than now indicated.
   d. Incurrs an increased [illegible]
   e. Time to be consumed at [illegible] critical time of year.
   f. Excessive financial [illegible] operators. Too much money too little [illegible]

5. Have ammended dozer work upward from [illegible] to 40 hrs.
6. Have sent Lombardi Bros. detailed estimates of cost prior to work in past.
7. Have likewise estimated costs of dozer [illegible] and [illegible]
   a. Cost of [illegible] ——— $[illegible]
   b. Cost of Drilling, [illegible] ——— [illegible]
   c. Total Estimated cost of Phase [illegible] ——— $8,408.0[illegible]
8. Have given weekly costs of Phase [illegible] to [illegible] Bros.
   a. Costs seem unduly burdensome.
9. Under Gen. Provisions of Contract may not be able to include cost of engr. & assistant.
   a. Please so inform.
10. GeoChem testing limited to available total heavy metals in cold soln.
   a. Not total heavy metals and total lead resulting from pyro fusion.
   b. Not the same analyses as conducted during Hilltop GeoChem program.
11. Is drilling program worth it?
   a. You might well be most worthy of a correct decision.
   b. Would reduced risk warrant drilling.
12. Cordially solicit your comments on drilling. Will consider them carefully.

Mr. MacLaren! Could you tell me if the dozer cuts as posted on the Anomaly map are satisfactory aside from the fact that they are extended beyond the 100 feet from the property line limitation?

Is it allright to ignore anomalies VII and VIII pending results of work in that general area or must they be dozer cut now?

Please excuse the typing.

Sincerely,

[illegible]
Bill [illegible]

Copy to McKeon

[illegible], 196[illegible]

It is my understanding that the Bunker Hill Company has used this technique in their exploration program with very satisfactory results. The equipment and much of the reagents along with the skills are available. Again, I say, I had in mind the quickly available total heavy metals extracted in a cold solution. Not the tests we conducted in the geochemical survey. The latter are far more detailed and time consuming.

With the foregoing in mind, I think we have an excellent opportunity to draw on your vast knowledge of the habits of such occurances as at the Milltop to determine whether such an ammendment to include drilling is feasable. Certainly it is a disruptive sort of a thing. As I stated in the foregoing, it is limited in the information it can give. It is costly and somewhat time consuming at a critical time of the year. It could not help but unduely tax the operators financially.

Most certainly, I would consider any comments you may have to offer very carefully. And as I said earlier, I have spotted exploration on much less information than we presently have. The money involved, time required and the difference in risk are the things to be considered.

Please excuse the very poor typing and poor arrangement of this letter. Time sometimes, is hard to come by for me. I'm sure you are "in the same boat".

I can well imagine that to study out and get the details of this letter will be most discouraging and time consuming for you. Therefore, a summary is attached.

Again, thanks so much for your comments, they are appreciated and highly regarded.

Sincerely,

Bill Hand, Engr. for Lombardi Bros.

Copy to:
John L. McKeon
Anaconda

OME

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 14 1964

DATE	INITIALS	CODE
9/14	on leave	120 m
		120

So. 157 Howard Street
Spokane, Washington 99204
September 10, 1964

Mr. William H. Hand
30 S. Arizona Street
Dillon, Montana 99725

Re: OME-6316 (Silver-Gold)
Clemens A. & Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. Hand:

I plan to be in Dillon the nights of September 26 and 27, 1964, and hope we can get together to discuss the Lombardi project. As these are weekend evenings and as I will be in the field most of Sunday, I thought I should let you know in advance.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: John L. McKeon
McKeon and Brolin
Attorneys at Law
126 Oak Street
Anaconda, Montana

OME

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

MME FORM 6 REFERENCE SLIP
REV. 2-5 OFFICE OF MINERALS EXPLORATION

TO: Chief, Div. of Exploration Operations

	DATE	INITIALS
1.	9/9/64	
2.		
3.		
4.	9/11	on leave
5.		

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 11 19

DATE	INITIALS	C

FROM: D. R. MacLaren
Acting Fld. Offr., Reg. I

FOR: Check items for action desired

____ Action ____ Reply for signature of
____ Approval ____ Investigate
____ Comment ____ Recommendations
____ Conference ____ Rewrite
____ Instructions X Your information

Surname
Signature
____ File

REMARKS: OME-6316 (Silver-Gold)
Clemens A. & Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Transmittal of correspondence re. geochemical assaying by a commercial assayer as provided for in the contract.

Orre

64

30 S. Arizona St.
Dillon, Montana 59725
September 4, 1964

United States Department of the Interior
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204

Re: [illegible]MS-6316
Clemens & Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Attention: Mr. D. R. MacLaren

Gentlemen:

I keeping with the terms [illegible] referred to contract, check samples were submitted to a commercial assayer.

Unfortunately, the samples were misplaced in transit and did not arrive at the assayer until August 28 at which time I was informed that the concern did not do such work.

However, it was suggested that I contact a Los Angeles concern. I've written this concern air mail and am awaitting an answer.

I am aware that the concern running the test must qualify as a "commercial assayer" and as such it may require some time to locate the same.

I can assure you the delay is unwanted.

I am enclosing herewith confirmatory correspondence. I ask that you return the letter from the Montana Laboratories.

Very truly yours,

/s/ Bill Hand
Bill Hand

Copy to:
Mr. John L. McKeon
Anaconda

30 S. Arizona St.
Dillon, Montana
September 1, 1964

Smith-Emery Company
781 E. Washington Blvd.
Los Angeles, California

Attention: Mr. G. L. Cheney, Chief Chemist

Gentlemen:

Recently I wrote Mr. Degenhart, manager of the Montana Laboratory Company in Philipsburg directing him to run some 20 to 40 soil samples for lead (total lead). Today he answered me saying that he is not equiped to do such work and recommended I contact you.

I am limited to submitting the samples to those concerns qualifying as commercial assay labs.

As such I am if you would send me a list of the work that you you do along with the prices of each item - that is as far as possible.

Would you also quote me the charges to analise 39 samples and also the charges to analise 22 samples.

Very truly yours,

William M. Hand

AND ANALYTICAL WORK

ORE TESTING AND SAMPLING

MONTANA LABORATORY CO.

W. L. DEGENHART, MANAGER

PHILIPSBURG MONTANA

August [illegible]

William M. Hand
30 S. Arizona St.
Dillon, Montana

Dear Mr. Hand:

We have just received your samples, Aug. 28th, and from the date of your letter cannot imagine where they have been.

I am writing to advise you that the type of work you require is not in our regular line of assaying. We do not report anything in that small quantities for our work with ores. The smallest being [illegible] or 1 lb per ton of ore. Our solutions and equipment are set up on that basis. To handle your samples would require a special proceedure for us. We would not be able to handle this for some time, possibly 30 days, or more.

I suppose that you are in somewhat of a hurry for your results so will have to suggest that you contact another laboratory to do it for you. We suggest:

Smith-Emery Company
781 E. Washington Blvd.
Los Angeles, California

Mr. G. L. Cheney, Chief Chemist

Their regular price is $[illegible] per sample for Lead determinations but they may give you a better rate on the number you have.

We will hold the samples here until we receive further instructions from you.

Sorry if this causes you inconvenience.

Yours very truly,

/s/ W. L. Degenhart
W. L. Degenhart

DEG:

[illegible] S. Arizona St
Billings, Montana
August 19, 1964

Montana Laboratories, Inc.
Philipsburg, Montana

Gentlemen: Re: [illegible] 4316

My instructions read as follows: "Approximately 10% of the soil samples shall be split and one split shall be sent to a commercial assayer to be tested for its parts per million lead content."

Accordingly, I am sending you one split of each sample "to be tested for the parts per million lead content"

I will be glad to make an advance to you in order to guarantee the fee if you wish.

You are further instructed to note your procedure carefully since at a later date it may become important.

Assuming every thing to be within reason, I will remit the charges by return mail upon receipt of your certificate.

It will be necessary to remit the results in six (6) copies, if you please.

Very truly yours,

William M. Hand

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SEP 8 1964
OMB

MME FORM 6 REFERENCE SLIP

REV. 2-5 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Div. of Exploration Operations	9/8/64	
2.		
3.		
4.		
5. D. R MacLaren		
FROM: Acting Fld. Offr., Reg. I		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Attached are bids from three independent contractors for the proposed rotary or percussion drilling.

INT.-DUP. SEC., WASH., D.C. M56300-62

COPY

OFFICIAL FILE COPY O. M. E RECEIVED SEP 10 1964		
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		~~120~~

30 S. Arizona St.
Dillon, Montana
September 4, 1964

Mr. John L. McKeon
McKeon & Drolin
Attorneys At Law
126 Oak St.
Anaconda, Montana

Re: Bids for drilling
OME-6316
Clem and Art Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. McKeon:

Pursuant to OME's letter by Mr. MacLaren of August 18, 1964, bids were invited and the following have been recieved.

August 26 — R. V. Campbell, Salmon, Idaho $2.30 per foot
Rotary or percussion at his option

Sept. 1 — Lee Smith, 645 Kentucky Ave, Dillon, Mont. $12.00 per foot
Percussion - ½ down or entire amount bonded.

Sept. 3 — Wrehle Drilling Co. Anaconda, Mont. - Did not care to bid.

Sept. 3 — M. L. Patterson, 509 Kentucky Ave. Dillon -$2.38 per foot
Percussion Drill, job set up so it can be finished within thirty days from the time of starting.

I discussed the project with each of them who bid and related to each substancially the same information. So each should have had adequate information.

Owing to the Labor Day weekend immediately ahead, I am taking the liberty of sending the bids and a copy of this letter directly to OME in Spokane. I trust this will be satisfactory.

I am informed that the requested amendment to the OME contract can not be processed until the bids are in the Spokane office.

Very truly yours,

Bill Nami, Mng. Engr. Lombardi Bros.

Enclosures:
1 - Bid Invitation - Aug. 23, 1964
4 - Bids as recieved & outlined above.

P.S. If it is possible, I would appreciate OME's returning the bids since I do not have copies of them.

9

INVITATION OF BID on Rotary or Percussion Drilling

August 23, 1964

From:
Lombardi Bros.
c/o John L. McKeon
126 Oak Street
Anaconda, Montana

To:
[illegible] Smith
[illegible] Montana Ave.
[illegible], Montana

Gentlemen:

Re: Exploration Hilltop Mine - Lewis County, Idaho
OME 6316

Pursuant to OME regulations we are inviting your bid on some twenty one hundred (2100) feet of rotary or percussion drilling to explore anomalous areas disclosed in a geochemical survey.

Requirements of the drilling are: 1. Holes are to be inclined to a maximum of 60° from the horizontal. 2. Drilling equipment must be capable of drilling to a depth of 70 feet. 3. Equipment must be capable of working on 30% slopes. 4. Record of the holes in the form of a log must be maintained by the driller in a form approved by Lombardi Bros. or their agent. 5. Driller shall have sample collecting device. ~~6. Driller~~ 6. Driller shall collect and mark samples in not greater than ten(10) foot intervals or at lesser intervals as may be required by Lombardi Bros. or agent. 7. Sample cuttings shall be recover dry as far as possible. 8. Holes to be not less than 2½ inches in diameter. 9. Deliver the marked samples in good order along with a copy of the drill hole record log to Lombardi Bros. or Agent; the distance not to be greater than to Lead Ore, Idaho. 10. Rock character — hard limestone.

The following are provided by Lombardi Bros.: 1. Access roads to the general drilling site, not to the specific sites, over which a passenger car can traverse. 2. Dozer cuts approximating rough roads not having grades in of 30% and less. 3. Access roads to dozer cuts having a grade not easily traversed by two-wheel drive vehicles. 4. Drill hole spotting.

Estimated Starting date: September 20, 1964

Drilling site location: This is most easily described as beginning at Lead Ore, Idaho. From here it is necessary to travel by paved road approximately 14 miles East. From here, when traveling in an easterly direction, one must turn right and travel a poorly maintained dirt road passable by heavy equipment to the Hilltop Mine a distance of approximately four (4) miles. For all practical purposes the drilling site is a near the Hilltop Shaft.

Suggested equipment: six hundred (600) cubic feet of free air displacement air compressor, drilling gear containing or equivalent to 3 inch to 3½ inch [illegible] rock drill, Air swivel to provide cutting removal air, Sample cutting, cutting collector, [illegible] small track [illegible] tractor to provide convenient moves.

Bids are earnestly solicited and if the driller does not have the equipment he may choose to provide himself with by rental or other means.

it

Very truly yours,
CLEMENS A. AND ARTHUR LOMBARDI

/s/ Bill Hand
By Bill Hand

3. Reserve rights to reject any and all bids.

September 1
~~August~~, 1964.
[illegible]
[illegible], Montana

Lombardi Bros.
c/o John L. ~~Bill~~ Nelson
126 Oak Street
Anaconda, Montana 59711

Re: Invitation of Bid ~~August~~ 23, 1964
Rotary or Percussion drilling
Hilltop Mine, Lemhi County, Idaho

Gentlemen:

After carefully considering all aspects of the program referred to above, my bid is:

$12.00 ~~[illegible]~~ per foot of drilling. ROTARY DRILLING

I understand that I must stand the cost of moving to the site and moving away again, the cost of all materials, equipment and supplies and other costs pertaining with a hope and understanding that this work is exploratory in nature and must be conducted toward that end.

P.S. one half down or entire amount bonded

Very truly yours,

/s/ Lee Smith

August 26, 1964

Lombardi Bros.
c/o John L. ~~M~~ McKeon
126 Oak Street
Anaconda, Montana 59711

Re: Invitation of Bid-August 23, 1964
Rotary or Percussion drilling
Hilltop Mine, Lemhi County, Idaho

Gentlemen:

After carefully considering all aspects of the program referred to above, my bid is:

$ 2.30 per foot of drilling. Rotory or Percussion at my option.

I understand that I must stand the cost of moving to the cite and moving away again, the cost of all materials, equipment and supplies and other costs pretaining with a keen apprehension that the work is exploratory in nature and must be conducted toward that end.

Very truly yours,

/s/ R. V. Campbell

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1964

OMB

August 3, 1964

Lombardi Bros.
c/o John L. [illegible] McKeon
126 Oak Street
Anaconda, Montana 59711

Re: Invitation of Bid-August 23, 1964
Rotary or Percussion drilling
Hilltop Mine, Lemhi County, Idaho

Gentlemen:

After carefully considering all aspects of the program referred to above, my bid is:

$2.38 per foot of drilling.

I understand that I must stand the cost of moving to the site and moving away again, the cost of all materials, equipment and supplies and other costs pertaining with a keen apprehension that the work is exploratory in nature and must be conducted toward that end.

Percussion drill, job set up so it can be finished within thirty days from the date of starting

Very truly yours,

/s/ [illegible]

[illegible] Kentucky Ave.
Billon, Montana

RECEIVED

[illegible] 1964

C O P Y C O P Y

Anaconda, Mont.

Sept. 3, 1964

Mr. Bill Hand
30 S. Arizona St.
Dillon, Montana

Dear Bill:

Thank you very much for your invitation to bid your project but at this time we could not commit ourselves to any more work until after December 1st. Our schedule up to that time is full to capacity.

Thanks again.

/s/ BUS

by M. W. WROBLE DRILLING CO.

Me

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O. M. E.
RECEIVED SEP 8 1964

DATE	INITIALS	CODE
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		120

No. 157 Howard Street
Spokane, Washington 99204
September 3, 1964

Mr. William H. Band
30 S. Arizona Street
Dillon, Montana 59725

Re: ~~OME 6736 (Silver-Gold)~~
Clemens A. & ~~Arthur Lombardi~~
Milltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. Band:

I have completed a detailed review of your proposal for an amendment to the Lombardi contract. The trenching followed by drilling of the several anomalies merits consideration, but the estimated cost of the proposed changes presents a problem. An increase by amendment of the total cost of a project is most difficult, if not impossible, to get approved.

The maximum cost for Project I, Phases 3 and 4, including an estimate of 20 samples from the shafting that the contract presently provides, is $30,490.00. Except for $75.00 for check assays by a commercial laboratory of soil samples, funds provided for Phases 1 and 2 have been exhausted, and I doubt the expediency of reducing either the 600 feet of drift and crosscut or the remaining 230 samples (20 allotted to shafting) provided for in Phase 5. That leaves the $30,490.00 in Phases 3 and 4 as the only available source of funds for your proposal. The total cost shown on your request is $30,000.00 with no provision for assaying.

I doubt that the 86 hours for bulldozing should be reduced; indeed it may well be shaving the time pretty close. A trial run reducing the drilling to 2,000 feet and the shafting to 215 feet helps some and, indeed, is necessary when provision for sampling is included. The cost of geochemical assaying, in less than lots of 50 samples, quoted by Pioneer Geochemical Surveys, Inc., in Spokane is $1.10 for lead and $1.00 for zinc. Each of these charges includes not only the cost of preparation and assaying but a commercial profit. When the work is done by an Operator, he has but one preparation (grinding, screening, etc.) for both determinations and no commercial profit. Therefore, the cost allowed by a contract would be somewhat reduced. As an

estimated fair price, I have used $0.95 for geochemical determination of lead and zinc in the following table and have estimated what is close to the minimum feasible number of samples:

Contract Provides

Phase 3

100 hrs dozing at $20/hr	$ 2,000.00
50 assays at $7 each	350.00
Total—Phase 3	$ 2,350.00

Phase 4

50 hrs dozing at $20/hr	$ 1,000.00
300 ft shafting at $90/ft	27,000.00
20 assays at $7 each	140.00
Total—Phase 4	$28,140.00
Total—Phases 3 and 4	$30,490.00

Proposed Amendment

Phase 3

36 hrs dozing at $20/hr	$ 720.00
100 assays at $7 each	700.00
2,000 ft drilling at $4/ft	8,000.00
205 C.C. assays at $0.95	194.75
55 assays at $7 each	385.00
Total—Phase 3	$ 9,999.75

Phase 4

50 hrs dozing at $20/hr	$ 1,000.00
215 ft shafting at $90/ft	19,350.00
20 assays at $7 each	140.00
Total—Phase 4	$20,490.00
Total—Phases 3 and 4	$30,489.75

As stated in the second paragraph of this letter, the total estimated cost of the proposed changes in Phases 3 and 4 cannot exceed the present total costs for these two phases without a resulting increase in the total cost of the contract. Therefore, the trial units of any item indicated above in the column headed "Proposed Amendment" can be increased only if there is a corresponding reduction in the units of one or more other items and/or the unit prices. Similarly, any increase in a unit price shown above would have to be offset by a

decrease in one or more other unit prices and/or units of work. Only in this way can the total cost of the project be maintained.

As I have reduced the proposed number of feet of drilling and shafting, have used an arbitrary number of geochemical assays, and have set an estimated price for geochemical assaying for lead and zinc, I would appreciate your comments as to the acceptability of these proposed units and unit prices, or any changes you might wish to suggest, before forwarding your proposal for consideration by OME.

Nothing in this letter should be considered as in any way an assurance that your proposal will be accepted, as that decision is made by OME.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:ry

cc: John L. McKeon
McKeon and Brolin
Attorneys at Law
126 Oak Street
Anaconda, Montana

✓ OME(1) w/ cy incoming corre.
MacLaren

Director's Reading File
Resources Research Branch Chief

JOHN L. McKEON

WILLIAM A. BROLIN

McKeon and Brolin
ATTORNEYS AT LAW
DALY BANK BLDG
ANACONDA, MONTANA

August 14, 1964

Office of Minerals Exploration
157 Howard Street
Spokane, Washington

Re: Docket No. OME-6316
Contract No. -- -- -- 2178
Contract Starting Date 5/15/64
Hilltop et al Claims
Texas District, Lemhi County, Idaho

Gentlemen:

I enclose herewith a request for Contract Amandment prepared by engineer Bill Hand.

I trust that all is in order, but if there are any questions, will you please correspond with Mr. Hand, sending me a copy.

Very truly yours,

/s/ John L. McKeon

JOHN L. McKEON

JLM/ms
Encs.

REQUEST FOR CONTRACT AMENDMENT

To:
Office of Minerals Exploration
157 Howard Street
Spokane, Washington

Re:
Docket No. OME-0316
Contract No. -- -- --- 2178
Contract Starting Date 5/15/64
Hilltop et al Claims
Texas District, Lemhi County, Idaho

August 12, 1964

For reasons set forth in "Report of Results and Recommendations of Geochemical Survey" it is hereby respectfully requested that the above referred to contract be amended as follows:

Re: Page 3 of contract Project 1, Phase 3 second sentence be changed to read: Not more than 36 hours of Bulldozing shall be allowed under this phase of the contract and not more than 150 samples shall be assayed.

To still further explore the favorable areas, rotary or percussion drilling shall be carried on from the dozer trenches in areas indicated by geochemical anomalies or structure. Samples of the cuttings are to be taken at not more than 10 foot intervals. All samples are to be run by geochemical means and those indicating high results be submitted to assay.

Sample results may be determined in a field lab using standard accepted methods of fire assay and chemical methods.

Not more than 2,071 lineal feet of drilling shall be allowed under this contract.

Re: Page 3 -- Phase 4 -- Paragraph 3-- Sentence 3.

Not more than 50 hours of bulldozer work shall be preformed and not more than 222.2 lineal feet of shaft shall be sunk under this Phase 4.

Re: Page 5 -- Estimated Cost of the Work -- Fixed Unit Costs -- 4th entry

Bulldozing trenches, accessroads, and leveling shaft sites

86 hours at $20/hour	$1,720.00	
2,071 feet of rotary or precussion Drilling 0.04/ ft.	$8,280.00	($8,280.00)
222.2 feet of shafting at $90/ft.	$20,000.00	

Respectfully submitted,
CLEMENS A. LOMBARDI and
ARTHUR LOMBARDI

John L. Hickson
Per: John L. Hickson
Attorney-in-Fact

Approved:

William M. Hand
William M. Hand

Report of Results and Recommendations
of
Geochemical Survey
Project 1, Phase 1 and 2

From:
Clemens A. and Arthur Lombardi
c/o John L. McKeon, 126 Oak Street
Anaconda, Montana 59711

Docket No. GME-6316
Contract No. 14-23-090-2178
Contract Amount $86,670
Contract Starting Date 5/15/64
Hilltop et al Claims
Texas District, Lemhi County
Idaho

To:
Office of Minerals Exploration
157 Howard Street
Spokane, Washington

5/12/64

Apparent Geology in General

It is regretted that as of this writting, the writer has not had the opportunity to talk with Mr. Edward T. Ruppel of the USGS who is understood to be working in the area of Lead Ore, Idaho.

As such, the following are the writer's observations only and are certainly subject to correction and ammendment.

It is the general understanding that the sediments in much of the Texas District are the Jefferson Formation comprised of thick to thin bedded limestones having a total thickness in the order of 1,400 feet.

Certainly, the general apparence of the limestones to the north-east of the Hilltop suggests a far more thin bedded character than those at the Hilltop proper. In general the beds dip about 20° east and strike about north and south.

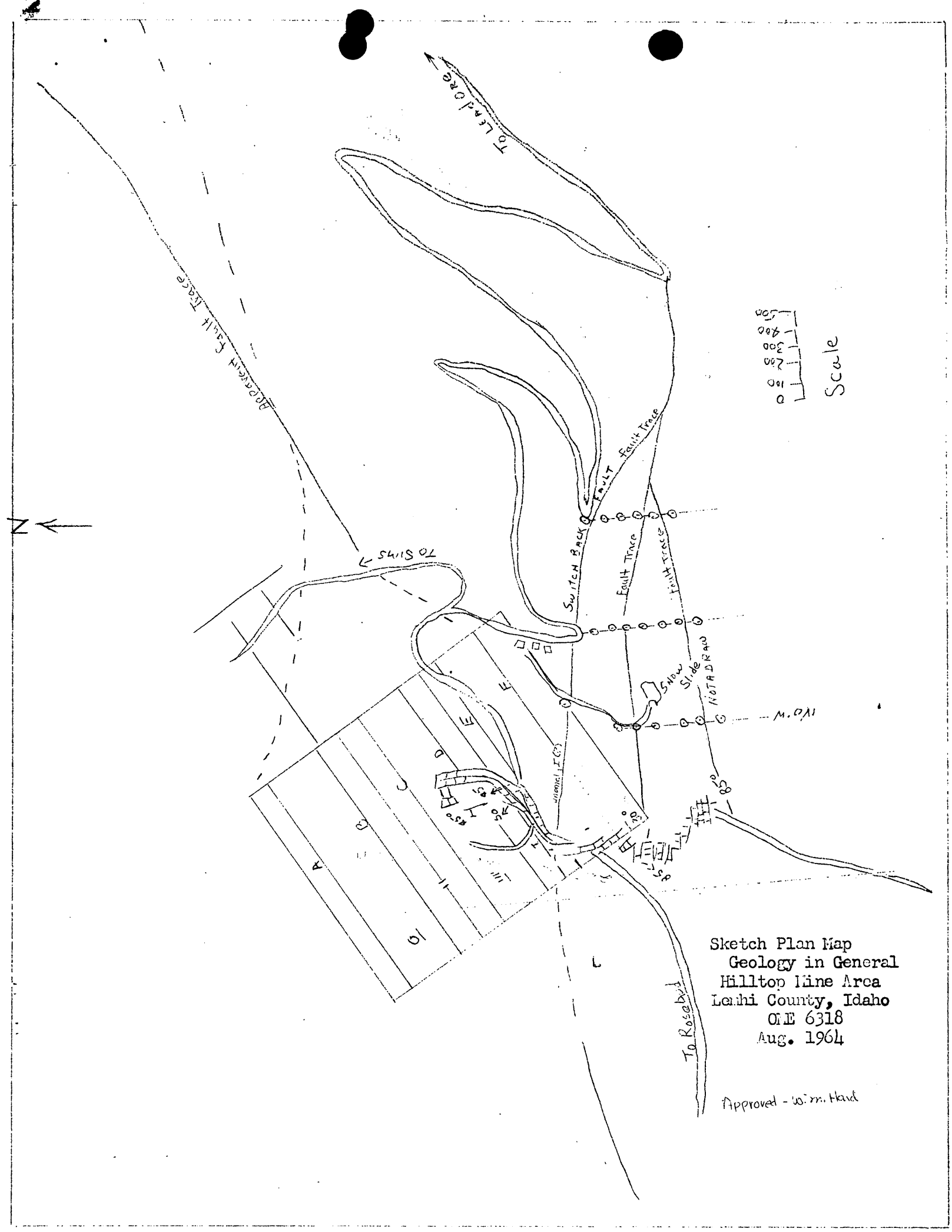
Major east-west tectonic action is suggested from areal photos. Possibly thrusts although this is questioned because of the indicated high dip. The structures seem to characteristically split on the westerly ends possibly due to the intersection of more competent rocks. The splits seem to trend east-west, north-west and north-south forming what appears to be the three main systems of viens encountered.

From what the writter could determine or observe not all the systems are mineralized at least to the extent of making ore. The most mineralized are the east-west and north west systems. With the north-south system weakly mineralized.

The accompanying sketch might more graphically illustrate the general geology.

Geochemical Results

As has been previously stated, the analysis of soil were such that two results were obtained. One, for total heavy metals using metallic zinc as an assumed indicator for all base metals and the second for lead only. These results indicate total metal as distinguished from available metal in a cold solution. As such, they are not necessarily comparable to results from nearby areas of other surveys.



Sketch Plan Map
Geology in General
Hilltop Mine Area
Lemhi County, Idaho
OME 6318
Aug. 1964

The results of some seven hundred (700) samples were posted on 40-scale field sheet and profiles were drawn to indicate the high results. It was hoped that this proceedure would indicate the surface expression of the structures. Apparently because of the limited knowledge of what was assumed to be the major structural trends, this procedure showed little or no systematic pattern and was abandoned and the results contoured.

This indicated a more general pattern but something that was more realistic and systematic. Then too, study of a nearby survey tended to indicate that contours would disclose structures such as intersections of structures and give somewhat of an indication of relative horizontal displacement.

As evidenced by the numerous and haphazard prospect holes present, prospecting by purly physical means is both difficult and impractical. On the whole, it was felt that geochemical work was both practical and of great value. Of the eight anomalies picked up, only one was indicated by surface expression. This was anomaly number I. Anomalies II, III, IV, V, VI, VII, and VIII were not apparent.

It is interesting to note also that the surface expression of the main Hilltop vien that was worked underground did not display a significant geochemical showing on the surface. Perhaps it is a conjecture but if this vien of relatively weak mineralization, was sufficient to drive men to expend their time and efforts then any one or perhaps all the eight structures indicated might well yield a return for the efforts.

The position of the Hilltop vien was projected from the [illegible] underground workings to the surface. The Texas Fault encountered underground was also projected to the surface; it seemed to have little or no effect on the anomalies.

Undoubtedly very weak anomalies could be disclosed on the west central portion of the area but it is the feeling of the writer that it would be far better to "go from the known to the unknown" and expend time and effort for the present on the east side exclusively.

It is further suggested that anomalies VII and VIII be left dormat for the present pending further results on the adjacent property.

Certainly geochemical anomalies indicate mineralization but it may be very very weak compared to mineralization required to make ore. At best these anomalies indicate 0.1% metal and actually nothing short of 15% metal is required to make ore at this property under present conditions.

The facts seem to indicate that geochemical prospecting followed by dozer trenching followed by crosscutting tend to ignore the immediately above paragraph to some extent. Actually, in the writer's opinion, the area is weakly mineralized and lacks much of the ore-indicative alteration. This seems borne out in the results at the adjacent property.

With the above in mine it is proposed that the anomalies be traversed by some three (3) to five (5) dozer trenches from 600 feet to 900 feet in length. The trenches should be roughly horizontal, have roughly a north-south direction and the finished trenchs provide passable roads.

The [illegible] cuts should be then examined for mineralization causing the anomaly. Since the soil cover is quite thin in this area, attaining solid rock should not be difficult.

At this point, reference to "Surface Plan Map - Geochemical Anomalies" is suggested.

Further, it is proposed that from these dozer trenches rotary or percussion drill holes be drilled to approximately 70 feet or to the depth indicated and if at all possible at an angle of 60° or so [illegible] from the horizontal.

By this method, samples of the hole would be recovered from cuttings. The cuttings then would be sujected to a total heavy metal-cold solution geochemical analysis and only those samples displaying high results or showing base metals be submitted to regular commercial analysis.

By supplementing the program with this drilling it is felt that those anomalies emanating from weak mineralization would be so indicated and the expensive underground work would be invaluably guided. Then too, the results from an adjacent property indicate that supplemental work of this kind might well have been of great value while certainly this could not have been forseen at the initiation of the program.

It is difficult and probably impossible to estimate at this time the number and total footage that should be drilled. It is felt however that the drilling should not be carried on beyond a maximum of 2,100 feet total combined footage.

The procedure proposed in drilling is to drill substancially as indicated on the Anomaly Map. Possibly some holes might well be eliminated following the dozer trenching but for those that show values sufficiently strong to warrant it, supplemental holes should be drilled to determine structure dip and strike as well as sample the structure elsewhere.

In the analysis of the geochemical results, it was deemed necessary to draw cross sections through the anomalies. Prints of these sections are provided which show the indicated structure dip, anomaly width and surface of the ground.

Dozer Trench-Road	Approx. Begin pt. Coord.	Approx. End Pt. Coord.	Approx. Length in Feet	Approx. No. Holes Proposed	Ref. Plate	Approx. Hole Depth
A(5100)	N6000	N5200	800	9	X Sec. E5100 -Plan Map-	70'
B(E5250	N5800	N5200	600	Deter. Later	Plan&Sec.	Deter. Later
C(E5400)	N6100	N5200	900	8	" "	70
D(E6300)	N6300	N5400	900	Deter. Later	Plan	Deter. Later
E(E5700)	N6300	N5500	800	4	X-sec. & Plan	70'
			4,900'			

Tabulation of Proposed Trenching and Drilling

In orderthat the drilling be carried on continuously and with as little as possible delay, it is felt that a field assay lab should be set up in Lead Ore, Idaho to assay for gold, silver, lead, zinc and copper. Such labs have been taken to the field before by the writer and yielded highly satisfactory results. This will permit "next day" service on the cutting analysis.

It is respectfully requested that the Government accept these results and at the same charges as a regular commercial lab. The analytical work will be under the supervision and direction of the writer.

RECEIVED
AUG 17 1964
OME
SPOKANE, WASHINGTON

Respectfully submitted,

William M. Hand

William M. Hand, Prof. Engr.
969E (Mont)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
September 1, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 4 1964

DATE	INITIALS	CODE
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Memorandum

To: Chief, Division of Exploration Operations

From: Acting Field Officer, Region I

Subject: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

The enclosed Thermo-Fax copy of a letter dated August 21, 1964, from William H. Hand to John L. McKeon is in reply to my letter of August 11, 1964, to McKeon. Also enclosed is a Thermo-Fax copy of a letter dated August 26, 1964, from McKeon to me.

Apparently, my use of the phrase "validity of the assaying" was unfortunate and has been understandably misinterpreted. I was in no sense questioning the accuracy of the results as submitted or of the capability of either Hand or his assayer. I have talked to Hand several times and know him to have an excellent reputation as a mining engineer; I have also visited his field laboratory in Lemadore and talked with his assayer. There is no reason to doubt the capability of either one. My intent was to find out if the ppm lead values could be determined more closely than in steps of 100 ppm, and thereby more clearly validate which Project I, Phase 2 soil samples were taken at locations as defined in the contract. With steps of 100 ppm the anomalies are broad areas rather than lines. The contract permits 6 samples northeasterly and 6 southwesterly from the "anomaly line."

As Hand points out in paragraph 6, page 1, of this letter, the contract "does not state the sensitivity explicitly to which samples shall be analyzed." His reason for not attempting to make color determination closer than 100 ppm lead is reasonable. Except for those samples along lines G. H, and L which are either 150 feet from Phase 1 lines or 50 feet from Phase 2 lines and therefore do not meet contract specifications, all other Phase 2 samples may be justified as being along a line extending from not more than 6 samples northeast to not more than 6 samples southwest of anomalous bands or zones in which there is probably more than one high

"anomaly line." If this interpretation is reasonable and correct, which I believe it is, 296 Phase 2 samples and 211 Phase 1 samples totaling 507 conform to contract specifications. Therefore, I have accepted for payment the 500 samples claimed in the Operator's July 1964 voucher.

It seemed advisable to clear up Hand's misunderstanding as soon as possible. This was done by telephone August 31, 1964.

D. R. MacLaren

Enclosures

JOHN L. McKEON

WILLIAM A. BROLIN

McKeon and Brolin
ATTORNEYS AT LAW
124 OAK STREET * TELEPHONE [illegible]
ANACONDA, MONTANA

One

August 6, 1964

D. R. MacLaren
Acting Field Officer
Region I
Office of Minerals Exploration
No. 157 Howard Street
Spokane, Washington

Re: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. MacLaren:

I enclose herewith the material furnished me by Bill Hand which is in response to your rejection of our earlier claim. Your letter of August 11, 1964 was forwarded by me to Mr. Hand for his knowledge on the contract.

I am enclosing herewith the letter which I received from Mr. Hand and hope that this will remove any questions as to the purpose of this contract.

While I do not pretend to understand the reasons for Mr. Hand's loss, I know that some problems are developing. I trust that this will not become extended and it is my sincere hope that we can all work together to accomplish the purpose of the OME Contract.

I understand that the time for the payments have been extended, so I cannot understand why only one payment was received.

Very truly yours,

JOHN L. McKEON

JLM/ms
Enc.

One

30 S. Arizona St.
Dillon, Montana
August 21, 1964

Mr. John L. McKeon
McKeon & Brolin, Attorneys at Law
126 Oak Street
Anaconda, Montana 59711

Re: CME-6316
Hilltop
Contract 2178

Dear Mr. McKeon:

The following are my remarks in reference to Mr. MacLaren's letter of August 11, 1964.

Errors are present on forms MMB 60 and 61 for July, 1964. I did not realize the costs are reported accumulative. The corrected forms are herewith.

Now as to the "Grid Sampling and Testing." Actually, grid sampling is incorrect. Traverse sampling is a term better used. Close examination of the print submitted disclosed that some samples were inadvertently omitted in the transformation from the work sheets to the submitted map. The omissions have been included and herewith is Plate 1 ammended. Plate 1 also shows the approximate contact boundaries along with an outline of the areas in which samples were to be applicable under the terms and provisions of the Contract 2178. Those samples within 100 feet of the exterior boundaries of the claims have been taken from the total.

I interpret "in quartsite" as meaning that the solid rock (bed rock) underlying the sample site must be quartsite and not quartsite float boulders.

As is indicated on Plate 1, 201 samples are in phase 1, 371 in phase 2. The above, I assume, satisfies the questions arising out of paragraph 1, page 2.

Now as to Mr. MacLaren's question of the validity of the "assaying," which he refers to in paragraph 3 page 2. Page 1 of the Contract under general provisions does not state the sensitivity explicitely to which samples shall be analysed. It says that "Soil sampling shall be analysed by the field geologist for parts per million in lead content." On page 3, paragraph 2 under Phase 2 it states that "Under Phases 1 and 2 not more than 500 soil samples shall be taken and tested in the field _ _ _ _"

This definitely indicates that the samples were to be run in the field and not in a commercial lab where more finite values can be achieved. I don't question that the USGS have established that almost any limestone will contain at least 5 parts per million of lead. If such are the limestones in this area, the lead did not show up in the soil. However, let us assume that the limestone does contain 10 ppm lead and that errosion and transportation has removed 50% of the metal and by immobility 50% remain. Would not then, the errosion of some several hundred feet of limestone deposit a blanket of anomolus plumbus soil in which values in excess of 100 ppm and more would only indicate significant geochemical highs. I took the samples for one comparable survey prior to this experience and in this case the metal was lead. The samples of this survey were run by the Montana Bureau of Mines and Geology and were analyzed in even 100 ppm intervals. The texts and the research that was completed in order for me to set up the procedure in many cases suggested such interval breaks.

To my knowledge, the only field method for analyzing soil for lead, or at least the most practical is the colorometric dithizone method, and it is my opinion an attempt to read the colors in the field at less than 100 ppm breaks would be risky and the results unreliable. Certainly if the USGS did develop field analysis to tolerances of less than [illegible] ppm, Mr. Bob Lawson of the Bureau of Mines and Geology on his attendance to a seminar in Denver recently did not make the procedure known to me and I went through his files carefully.

Therefore, I do not agree with Mr. Maclaren that lead analysis of a tolerance under 100 parts per million is necessary or desirable. Perhaps Mr. Maclaren is disappointed that the area is so weak in lead. Indeed, the area had better not be high in lead, else an OME contract should not have been allowed.

Now with reference to paragraph 4, page 2. Let us establish at this point that it is wild and dangerous to compare the results derived from total heavy metals with those from lead alone - - 1st step in the analytical procedure was take a measured amount (not a weighed amount) and pyrofuse it to accomplish decomposition and solution. The latter diluted to a definite known amount. From this aliquots were taken both for total heavy metals and lead alone.

Now here we depart, in the case of the lead analysis the zinc and copper are complexed by potassium cyanide leaving only the lead to react with the dithizone-carbontetrocloride.

The lead in such a solution causes a definite pink color, the intensity of which is an indication of the amount present. The important thing here is that color intensity is the indicator and we are dealing for all practical purposes with only one metal.

For qualitative purposes standards are established using known quantities lead in the form of reagent grade lead nitrate. These standards are subjected to the same quantity of reagents and procedure as are the samples and a blank is run to establish zero lead.

The latter is necessary because the best grade of reagents, and as a matter of fact the world as a whole, is contaminated with total heavy metals.

Now, in the case of total heavy metals, the indicator is the reverse. The aliquot is subjected to a much simpler procedure wherein dithizone dissolved in toluene is added in small increments until the solution becomes slightly blue. For the purpose of total heavy metals, a known quantity of zinc equal to 1000 ppm is used to set up the standard.

In summation, zinc is usually the most apparent indicator or indeed the most abundant metal in soils. It is assumed in this case that all heavy metals will react to the extent of zinc. This is not necessarily so and you may indeed get results where ppm of lead may exceed that of total heavy metals. I'm surprised such cases wern't more prevalent.

2. It certainly is apparent that at best, geochemical results cannot be compared and analyzed as can ordinary chemical analysis conducted in tolerances of parts per thousand.

3. It is apparent also that soil assaying 10 oz./ton in silver is certainly possible and in cases probable and as such would indicate 300 ppm. Just what would be shown in total heavy metals and lead alone I am not to say, but the results could be amazing. All contingencies such as this are probable.

4. The important thing is that the prime requirement of this type of geochemistry is that values attained be indicative of change. The exact analysis, as is the case of lead here, is not necessary.

5. If the above is not in keeping with good chemical practice, then certainly establish quantitative chemical analysis are in question.

I keep one set os financial records and likewise I keep one set of engineering records. The records in the form of maps, etc. that were submitted, I know I trust, and intend to use where applicable. As such, the total heavy metals were posted along with the other "dope" so that the record is complete. The total heavy metals are not called for in the contract and therefore, might well be ignored by OME in their examination. However, it is conceded that results in geochemical work for lead alone as indicated here were anticipated and as a result, the total heavy metals work was added as a supplement. The question has arrisen as to the variation in the ratio of lead to zinc in the soil. I do not, as a matter of personal policy, in any way confuse these facts, assembled in the field, with what I think they should be - that's dangerous, particularly since we are dealing with minute amounts of metal, not detectable megascopically. In short, I don't know why this happened but I have unlimited faikth that the samples were taken and analyzed properly, also indicated properly. I am not about to concern myself with the details of a few irradictic samples that occurred in a survey of well over 600 samples.

However, I might say this, that upon contouring the anomalus areas, a pattern and system seemed to evolve that made sense. These results are presently in OME's office and possibly by this time an opportunity has been had to satisfactorily answer these questions.

Still one more thing, for the purposes of my efforts, this is not a theoretical college research program. Our main and only purpose there is, is to find ore - not to develpp it. I do not wish to display false colors and admit that I have not, to this day, developed or found a pound of ore using geochemistry in this form - I am not an expert in it with vast experience. I do claim this, the sampling, analysis and posting were carried out in good form and I irrevocably stand behind it to that end.

Finally, to the last paragraph on page 2. True, this had not been done. Some 38 samples were mailed. I cannot concur that the results of these samples will have a profound effect, or indeed any effect, upon the acceptability of the results submitted on Plate 1. I find no threats that the findings will validify or void the field job.

Now, finally to the only paragraph on page 3. The results herein set forth are indeed valid and as such payment by OME will be made.

Mr. MacKeon, I do not argue that OME is justified in their complaints listed on page one. The remainder is government red tape, harrassment and truly baseless. Time is of extreme essence on this project since I'm sure that the first snow of Fall fell August 19th. The immediately above hurts this program beyond words because it throws a doubt in the minds of the operators as to what the whole thing is about. Needless to say, it thereby decreases the Value of OME immeasurably -- can't get the job done. A slow job is always an expensive one.

I get the impression that the office of Minerals Exploration feels that the government is "being taken" on this work. For their information I wish to submit that I have received from or billed Lombardi Brothers for $2,947.64, much of it for labor of others and supplies. This includes a very small portion of what was spent accomplishing the footage in the Hilltop shaft, amounting to some $[illegible],000. Accordingly, OME will have contributed some $1,634.05. Uncle Sam is getting a real fair "shake."

I appeal to you as their attorney to immediately institute legal action if the enclosed material is not processed for payment within a reasonable period of time.

I notice I have mentioned Mr. MacLaren's name without realizing it. I deeply regret this. I do not wish to involve any personalities.

Very truly yours,

Wm. M. Hand

6 mc

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 21 1964
DATE

8/21 800
~~8/21 120 mc~~
8/21 on hand 120

So. 157 Howard Street
Spokane, Washington 99204
August 18, 1964

Mr. John L. McKeen
McKeen & Brolin
Attorneys at Law
126 Oak Street
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Clemens A. & Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. McKeen:

With my letter of August 11, 1964, we returned all copies of the Operator's July voucher, progress report, narrative report, and map. On page 2 of our letter we noted certain peculiarities regarding the results of the geochemical assays and suggested that certain specific samples be checked by a commercial assayer as provided for in the contract.

Until the map is returned and the check assay results are available, we will not be able to process the requested amendment. It will also be necessary for you to submit bids from three independent drilling contractors for the proposed rotary or percussion drilling. The bids should be for each type of drilling.

Sincerely yours,

D. E. MacLaren
Acting Field Officer, OME
Region I

cc: William H. Rand
50 S. Arizona St.
Dillon, Montana 59725

cc: OME w/cy incoming
Voucher file
MacLaren

Director's Reading File
Resources Research Branch Chief

DEMacLaren:mls

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/18	Talbot	800
	On leave	130
8/18	Johnson	110
	[illegible]	100
8/18	[illegible]	220
		120 m

AUG 18 1964

Memorandum

To: Acting Field Officer, Region I

From: Acting Chief, Division of Exploration Operations

Subject: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

With reference to your letter of August 11, 1964, to the Operator, consultants' services are a separate item on MME Form 60 but should be distributed to items of work on MME Form 61 in accordance with the second paragraph of instructions on the reverse side of the form.

s/F. M. Murphy

FMMurphy/mm
8/18/64
cc: Director's Reading File
Review Committee
Docket

23263

Ohne

OFFICIAL FILE COPY O. M. E. RECEIVED AUG 13 1964		
DATE	INITIALS	CODE
8/13	Ed	800
		120
		120

No. 157 Howard Street
Spokane, Washington 99204
August 11, 1964

Mr. John L. McKeon
McKeon & Brolin
Attorneys at Law
126 Oak Street
Anaconda, Montana

Re: OMB-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. McKeon:

We are returning herewith all copies of MME Forms 60 and 61 for July 1964 for completion as follows:

MME Form 60, Operator's Monthly Voucher, opposite "crosscutting" should show none under "Monthly Total," $1,305.60 under "Previously Reported" and $1,305.60 under "Totals to Date;" opposite "Outside Consultants" the voucher should show none under "Monthly Total," $162.50 under "Previously Reported" and $162.50 under "Totals to Date."

MME Form 61, Operator's Progress Report, opposite "crosscutting" should show none under "Units this Month," 38.4 under "Units to Date" and $1,305.60 under "Costs to Date;" opposite "Miscellaneous," the Progress Report should show consultant (see your June MME Form 61), and under "Units this Month" it should show none, under "Units to Date" - 2.5, and under "Costs to Date" - $162.50.

Your claim for Grid Sampling and Testing is properly indicated, but when the above items are added, the "Total to Date" at the bottom of each form will be increased and will be the amount actually claimed through July.

Although I have stated that your claim for Grid Sampling and Testing is properly indicated on the forms, I cannot reconcile the 500 determinations claimed with the terms and conditions of the contract. Also, the results of the pyx assays as shown on the map accompanying the narrative report raise some question as to the validity of the assaying. Each question will be discussed separately.

Samples taken along lines A, B, C, D, E, and F fall under Phase 1 specifications which state that no sample is to be taken within 100 feet of an exterior boundary or in quartzite. If there is no quartzite within the claims, a statement to that effect should be made in the narrative report -- if there is, it should be shown on the map. Of the total of 258 samples shown on the map as being taken under the provision of Phase 1, 33 are shown as having been taken within 100 feet of the exterior boundary. Thus, I can account for only 225 soil samples under this phase. Moreover, it appears that Phase 1 samples were omitted between B-144 and B-147, C-86 and C-92, and D-108 and D-111.

As the specifications under Phase 2 restrict sampling under this phase to areas of high anomalies found in Phase 1, question of validity of the assaying should now be considered.

The first peculiarity regarding the assay results is that the lead values are, for the most part, either 0, 100, 200, or 300 parts per million. Trace analyses made by the U. S. Geological Survey indicate that almost any limestone will contain at least 5 parts per million lead and because of the immobility of the lead, the overlying soil is usually higher. Results much closer than 100 parts per million lead are obtainable and indeed are necessary to indicate the location of structures that might be ore bearing, and in this case to determine where Phase 2 sampling is justified.

Another peculiarity of the assay results is indicated along lines D, G, and E from samples 104 to 108, inclusive. In this area we find, along line D that each of the 5 samples contain as much lead as they do total heavy metals; that is, lead is the only heavy metal present. In the same zone along line G, only 100 feet away, the total heavy metals contain no lead. Finally, in the same zone along line E, although there is some variation in the total heavy metal content, each sample contains 200 ppm lead.

In Exhibit A, the first paragraph under General Provisions provides that approximately 10 percent of the soil samples be split and one split be sent to a commercial assayer to be tested for its parts per million lead content. Apparently, this has not been done. It is suggested that of the 22 samples accounted for under Phase 1 to be so checked, the following be included:

D-104	E-106
D-105	E-107
D-106	E-108
D-107	E-109
D-108	E-110

It is hoped that this check will result in confirming the validity of the presently available assays. If they do not result in a reasonable check, it may not be possible to accept for payment by OME any of the Phase 1 sample assaying and it will be equally difficult to justify any of the Phase 2 samples.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures
cc: Clemens A. and
Arthur Lombardi
107 W. Hickory
Anaconda, Montana

OME
Voucher file
MacLaren

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

JOHN L. McKEON

WILLIAM A. BROLIN

McKeon and Brolin
ATTORNEYS AT LAW
DALY BANK BLDG.
ANACONDA, MONTANA

August 14, 1964

Office of Minerals Exploration
157 Howard Street
Spokane, Washington

Re: Docket No. OME-6316
Contract No. -- -- -- 2178
Contract Starting Date 5/15/64
Hilltop et al Claims
Texas District, Lemhi County, Idaho

Gentlemen:

I enclose herewith a request for Contract Amandment prepared by engineer Bill Hand.

I trust that all is in order, but if there are any questions, will you please correspond with Mr. Hand, sending me a copy.

Very truly yours,

JOHN L. McKEON

JLM/ms
Encs.

OME

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 13 1964

DATE	INITIALS	CODE
8/13		800
8/14		120
		120

Co. 157 Howard Street
Spokane, Washington 99202
August 11, 1964

Mr. John L. McKeon
McKeon & Brolin
Attorneys at Law
126 Oak Street
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2170

Dear Mr. McKeon:

This refers to your undated letter, received August 7, 1964, in which you request a recess period ending not later than August 19, 1964, for the purpose of completing analysis of the sampling results. Presumably, the recess would start July 27, 1964. As this period is only about 3 weeks, it is not believed that an amendment will be necessary. Should I be advised differently by OME, such an amendment will be prepared and forwarded to you.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME w/cy incoming
MacLaren

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

OME
SPOKANE, WASHINGTON

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 18 1964

DATE	INITIALS	COD.
		~~120~~
7/6	Murphy	500

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204

Date: ~~6/11/64~~

Memorandum

To: Files

From: Acting Field Officer, Region I

Subject: Equal Employment Opportunity Under Government Contracts
OME-6316 (Silver-Gold)
Operator: Clemens A. & Arthur Lombardi
Name of property: Hilltop, et al., Claims
County-State: Lemhi County, Idaho
Contract No.: 2178

I have obtained the following information from my visit to the above operating project:

1. Number of all employees — 4
2. Number of women employees — 0
3. Number of Negro employees — 0
4. Number of other minority groups (Indian, Latin, Oriental, etc.) — 0
5. Was employment through a union? — No
6. Distance to the closest union headquarters. — 124
7. Are the discrimination posters prominently displayed? — Yes
8. If employment was through a union, was the union furnished Standard Form 38? — --
9. If employment was not through a union, in what manner was employment made? — Locally

(Miner contracted with Operator and hires locally.)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
May 19, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 21 1964

DATE	INITIALS	CODE
5/21	[illegible]	800
		120
5/21	Murphy	500

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Enclosed are two Thermo-Fax copies of a letter dated May 16, 1964, from William M. Hand, Engineer, in reply to my letter of May 13, 1964, to the Operator.

Had it been known that the easternmost "crosscut" south on the 500 level was actually a winze as is shown on Hand's section, the location of the southerly drill hole would have been approximately as requested by the Operator in his May 11th letter.

In accordance with the Delegation of Authority set forth in OME Circular 4 dated April 19, 1960, I have prepared and sent to John L. McKeon, Attorney-in-Fact for the Operator, a proposed amendment authorizing this change. An extra copy of the proposed amendment is enclosed. OK?

D. R. MacLaren

D. R. MacLaren

Enclosures

Mce(2)

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 21 1964

DATE	INITIALS	CODE
5/21	[illegible]	800
5/25	[illegible]	500

No. 137 Howard Street
Spokane, Washington 99204
May 19, 1964

Mr. John L. McKeon
McKeon & Evalin
Attorneys at Law
126 Oak Street
Anaconda, Montana

Re: CMK-6316 (Silver-Gold)
Clemence A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2176

Dear Mr. McKeon:

Enclosed are the original and four copies of a proposed Amendment No. 2 to the above-cited contract signed for the Government by the Acting Field Officer, Region I. This amendment has been prepared in accordance with a request made by the Lombardis in a letter dated May 13, 1964.

If the proposed amendment is satisfactory, please sign all five copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of any proposed changes for consideration.

With our letter of May 5, 1964, we sent you the original and four copies of a proposed Amendment No. 1, but as yet it has not been returned. Until Amendment No. 1 has been returned, executed by you as Attorney-in-Fact or by the two Lombardis as partners, the contract will remain in default and no claim for reimbursement of incurred costs can be accepted.

Sincerely yours,

D. N. MacLaren
Acting Field Officer, CMK
Region I

Enclosures

cc: Clemence A. and
Arthur Lombardi
107 N. Hickory
Anaconda, Montana

Director's Reading File
Resources Research Branch Chief

cc: CMK(2)
MacLaren
DNMacLaren:mls

[illegible]
[illegible]
May [illegible], 196[illegible]

United States Department of the Interior
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204

Attention: Mr. D. F. MacLaren

Lombardi Bros.
Re: OME-0316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

Your letter of May 13, 196[illegible] has been referred to me for handling.

First of all, it might be well [illegible] to mention that I have examined the Contract and think that the description [illegible] is well laid-out and will yield a minimum of information. Except for the concerned drill hole I see no other necessary changes. I even regret the necessity of this change.

Now to the two points requiring clarification.

1. No — a crosscut was not driven to the point where the x-ray drill hole is presently located. Therefore, the present existing opening is an underhand stope only. Yes definitely, the problem would not exist had the crosscut been driven first and the winze second. And certainly, a staging to drill the [illegible] from timber is very practical. The winze would of course be on [illegible] to dispose of muck. Clearly, Mr. [illegible] there is no crosscut to drill from.

2. First off, I [illegible] for the use of the differing coordinates. I accept your sketches and will use them in future references. On sill work, a 5' x 8' crosscut would not likely hole into the winze to the west because of the difference in elevation. It would definitely hole into the drift to the east. As to the moderately dipping fault shear, this structure is not readily apparent, if at all present, in the winze and as such I would [illegible] be very strong or significant. Assuming no extensive stoping in this area, several sets of timber should be sufficient to catch up the weakened areas.

I deeply regret the required maps did not accompany the request. They will in the future.

Referring to the enclosed reading of an existing 40 scale attached to the contract and which is enclosed, you will note Sec. A - A' which indicates the relative hole positions. Also, according to the application, the reason for the drill hole is to determine the existance of the main vein on the indicated projection toward the southeast. Under the amended hole location, intersection should occur at about 70 to 80 as I have it projected. Since the total depth of the hole is 100 feet, I believe the amended position is satisfactory.

Incidently, I brought a Brunton line from the crosscut to the vein to the drill hole spotting and the hole is presently spotted in the underhand stope at least 8 - 10 feet below track level.

Should any additional clarification be required, do not hesitate to call on me. If you choose, you may call me collect 406/683-4420. I am usually home after 5:00 P.M.

Very truly yours,

William M. Bond

N5900

Figure 1

Ome (2)

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 15 1964

DATE	INITIALS	CODE
5/18	[illegible]	800
		120
5/19	Murphy	500

So. 157 Howard Street
Spokane, Washington 99204
May 13, 1964

Messrs. Clemens A. and
Arthur Lombardi
107 N. Hickory
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

Before processing the amendment requested in your letter of May 11, 1964, there are two points that require clarification.

1. The enclosed sketch has been traced from the map of the 500 level which accompanied your application. What follows is, of course, based upon the assumption that the map is essentially correct. Your map does not indicate any underhand stoping in the crosscut from which the X-ray hole is to be drilled, but from the first paragraph of your letter presumably such stoping has been done. If this is correct, was not the crosscut driven to the indicated face prior to the stoping? If this also is correct, then why cannot the drill be set up on stulls at a height to permit following the hole, if successful, as presently provided? Possibly, the stulls would need to be supported by vertical posts and inclined braces at each end. If this can be done, the possible problem of creating a bad caving situation described under item 2 below would be greatly reduced. Later, if crosscutting is indicated, muck therefrom could be used as stope fill on which track could then be laid.

2. I have plotted the location of the proposed hole collar at the coordinates you give in your third paragraph, except that the east coordinates should be about 5944 and 5940 for the specified and requested holes, respectively, instead of 6130 and 6140 which would place the hole a considerable distance beyond the end of the level. You will note that there is between the proposed hole and the near wall of the present crosscut a pillar only 3 to 4 feet thick. Should it be necessary to follow the drill hole with a 5' x 7' crosscut, the thickness of this pillar will be reduced. Also, according to your map, there is a moderately dipping fault zone near the face of the present crosscut. Because of the faulting, it is very possible that blasting in your proposed crosscut would

greatly weaken or break down this pillar leaving an opening or weak zone 8 to 10 feet wide.

Possibly the maps with your application are not too accurate in this area as there is a side note stating: "Rough outline of working driven in 1962." Had an accurate map of the area in question accompanied your request we could process it immediately but based upon what information we have, the above points should be clarified.

We would appreciate any comments Mr. Hand might care to make and suggest that they be accompanied by an accurate sketch if the one enclosed is in error.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OSE
Region I

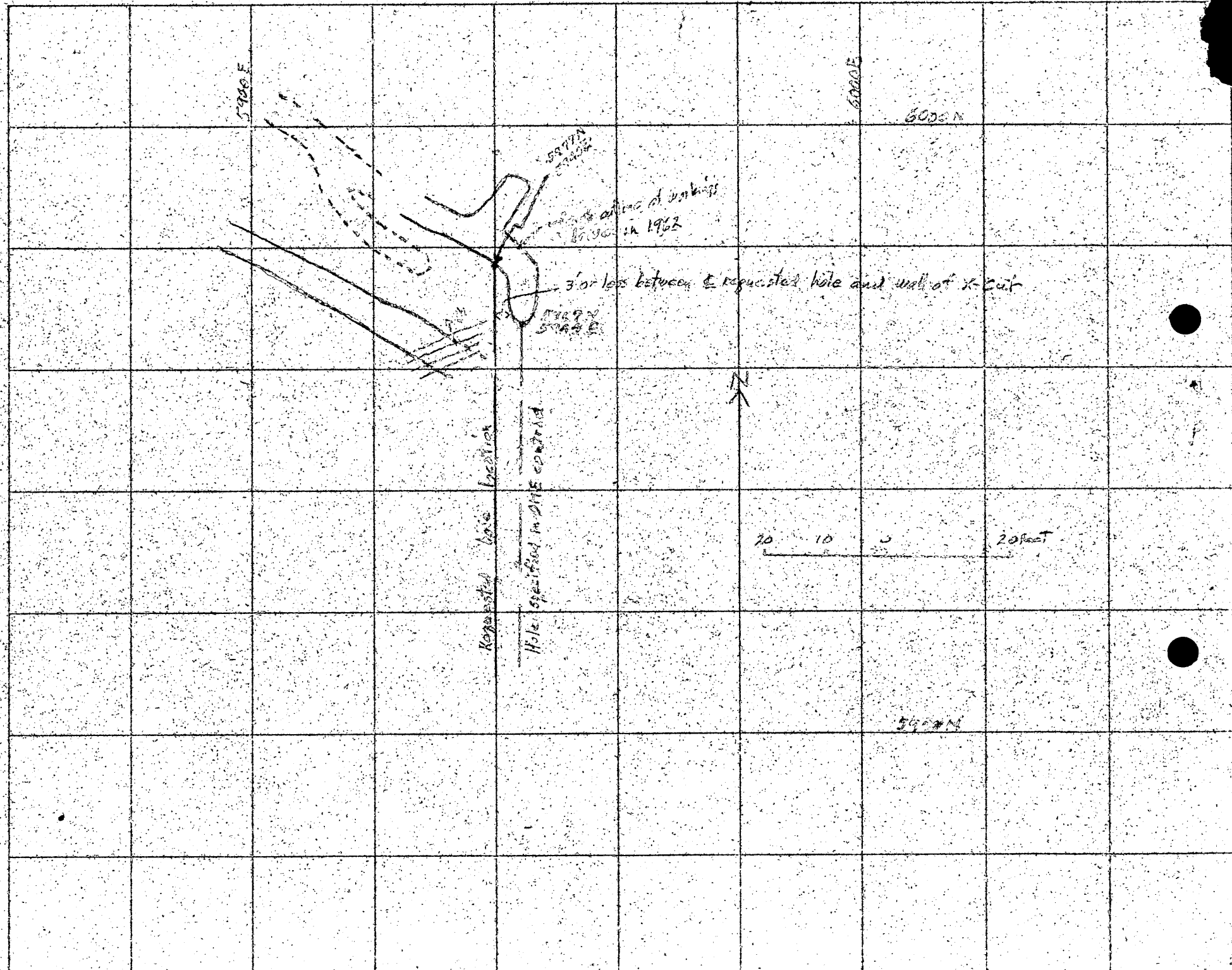
Enclosure

cc: John L. McKeon w/cy incoming

OSE(2) w/cys incoming
MacLaren w/cy "

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls


5900 E
6000 E
6000 N
5900 N
3' or less between ℄ requested hole and wall of X-cut
N
20 10 0 20 feet
Requested hole location
Hole specified in DHE contract

One (2)

[redacted]
[redacted]
[redacted]

Department of the Interior
Bureau of Minerals Exploration
S. 157 Howard St.
Spokane, Washington

Re: [redacted]
[redacted]
[redacted]
[redacted]

[redacted]

Gentlemen:

Upon inspection of the site for the proposed drill hole on the 500 level it was noted that the hole is spotted approximately ten (10) feet below drill level.

Provisions of the contract state that a crosscut may have to follow the drill hole. Owing to the inadvisability of a sub level crosscut it would seem to make it almost impossible to conduct the work in accordance with Article 3 (a) of the contract.

As an alternative we request permission to move the hole from its present approximate coordinates of N 5[illegible], [illegible] to [illegible] N[illegible](approximately) a distance of some fourteen (14) feet horizontally and some ten (10) feet vertically.

Positioned as such, it is believed that the hole will miss the adjacent drift and serve the purpose for which it was intended.

Very truly yours,

/s/ Clemens A. Lombardi
[redacted]

/s/ Arthur Lombardi
[redacted]

Amendment proposed and approved by:

/s/ William M. Hand
[redacted] (Hand)
Mining Engineer

OMe

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 14 1964

DATE	INITIALS	CODE
5/13	Murphy	500

No. 157 Howard Street
Spokane, Washington 99204
May 12, 1964

Mr. John L. McKeon
McKeon & Brolin
Attorneys at Law
126 Oak Street
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. McKeon:

I regret the delay in acknowledging your letter of April 21, 1964, with which you enclosed an original and copy of a Special Power of Attorney executed by the subject Operator. It was necessary to obtain clarification on one point from our Washington, D. C. office.

Since checks for the Government's participation are customarily mailed to the address indicated on the Operator's Monthly Voucher, MMK Form 60, this should be stated at the top of each such form as follows:

"Operator's Name: Clemens A. and Arthur Lombardi
c/o John L. McKeon, 126 Oak St.
Anaconda, Montana"

Also, the original and all copies of MMK Forms 60 and 61 should be executed as follows:

"Clemens A. and Arthur Lombardi

Per: [Your signature] Title: Attorney in fact"

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: Clemens A. and
Arthur Lombardi
107 N. Hickory
Anaconda, Montana

Director's Reading File
Resources Research Branch Chief

cc: OME
CAAA
Voucher file
MacLaren

DRMacLaren:mls

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 7 1964

DATE	INITIALS	CODE
5/7		800
5/11	Murphy	500

No. 137 Howard Street
Spokane, Washington 99204
May 5, 1964

Mr. John L. McKeon
McKeon & Brelin
Attorneys at Law
126 Oak Street
Anaconda, Montana

Re: OMM-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. McKeon:

In accordance with your request of April 16, 1964, enclosed are the original and four copies of Amendment No. 1, signed by me as Acting Field Officer, Region I.

If the proposed amendment is satisfactory, please sign all five copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of any proposed changes for consideration.

Sincerely yours,

D. R. Maclaren
Acting Field Officer, OME
Region I

Enclosures

cc: Clemens A. and
Arthur Lombardi
107 N. Hickory
Anaconda, Montana

cc: OME(2)
Maclaren
Director's Reading File
Resources Research Branch Chief

MLMwelser:mls

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/1	Talbert	800
5/1	Murphy	500
	Hawker	500
	GCS	130
5/1	Johnson	110
		~~100~~
5/4	Coe	220
		500
	Long	140

Appr. Sol. Off.

MAY 4 - 1964

Memorandum

To: Acting Field Officer, Region III *

From: Chief, Division of Field Operations

Subject: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

INTERIOR DEPT.
MAY 4 - 1964
SOLICITOR

On an April 27 reference slip, covering a copy of an April 21 letter from John L. McKeon and an April 16 power of attorney executed by the subject Operator, you ask "May I advise Mr. McKeon that checks for work performed under the contract can be sent to him?"

FROM SOLICITOR

MAY 4 1964

By copy of this memorandum the Department's Fiscal Section is being requested to forward to Mr. McKeon all checks which may be payable to the subject Operator. However, inasmuch as checks are customarily mailed to the address indicated on the Operator's Monthly Voucher, MME Form 60, it is suggested that you advise Mr. McKeon that the Operator's name and address at the top of each such form should be stated as follows:

FOR SIGNATURE

"Clemens A. and Arthur Lombardi
c/o John L. McKeon, 126 Oak St., Anaconda, Montana"

The power of attorney specifically authorizes Mr. McKeon to execute all documents pertaining to the exploration contract. Accordingly, he also should be advised that the original and all copies of MME Forms 60 and 61, contract amendments, and other documents relating to the contract should be executed as follows:

"Clemens A. and Arthur Lombardi

Per: [signature] Title: Attorney in fact"

EDTalbert/ama 5-1-64

George C. Selfridge

RECEIVED
MAY 4 1964
ASSOC. SOLICITOR
MINERAL RESOURCES

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

* Mr. Connor's secretary requested by phone to forward immediately by air mail to Reg. I. Talbert 5/5/64

43683

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLOR[ATI]ON

TO: Chief, Div. of Fld. Operations	DATE	INITIALS
1.	4/27/64	
2.		
3.		
4. D R MacLaren (signature)		
5. D. R. MacLaren		

FROM: Acting Fld. Officer, Reg. I

OFFICIAL FI[LE]
O. M.
RECEIVED APR

DATE	INITIA[LS]
Surname	
Signature	
File	

FOR: Check items for action desired
X Action ____ Reply for signature of
____ Approval ____ Investigate ____
____ Comment ____ Recommendations ____
____ Conference ____ Rewrite ____
____ Instructions ____ Your information

REMARKS: OME-6316 (Silver-Gold)
Lombardi & Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

May I advise Mr. McKeon that checks for work performed under the contract can be sent to him?

JOHN L. McKEON

WILLIAM A. BROLIN

McKeon and Brolin
ATTORNEYS AT LAW
104 OAK STREET • TELEPHONE [illegible]
ANACONDA, MONTANA

LE COPY
E
29 1964
LS CODE
800
120
500

April 21, 1964

D. R. MacLaren
Acting Field Officer, OME
Region I
United States Department of the Interior
Office of Mingrals Exploration
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. MacLaren:

I enclose herewith an original and duplicate original Special Power of Attorney executed by Clemens A. Lombardi and Arthur Lombardi which nominates me as their attorney in all matters pertaining to the mining loan they have received. I trust that this will be sufficient for the purposes of causing all vouchers and drafts to be sent to this office and also allowing the undersigned to execute checks, drafts, and the necessary statements for work performance and things of that nature.

I have been informed by the Lombardies that they have retained an engineering firm from Dillon, Montana, Bill Hann, to commence work on the mining claim, and I am informed at this time that they are already engaged in removing snow from the road in order to speed up the process of entering the area to perform the contract. Their agreement with Bill Hann stipes that the work be done as expeditiously as possible.

We will deeply appreciate your assistance in getting the matter started, that is, in seeing that we properly execute the work claims and things of that nature and that everything is in order.

We deeply appreciate the kindness and courtesies you have shown at all times in this matter.

Very truly yours,

John L. McKeon

JOHN L. McKEON

JLM/mps
Encs.

JOHN L. McKEON

WILLIAM A. BROLIN

McKeon and Brolin
ATTORNEYS AT LAW
184 OAK STREET • TELEPHONE 563-5201
ANACONDA, MONTANA

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 10 1964

DATE	INITIALS	CODE
6/10	[illegible]	800
[illegible]	Murphy	300

June 5, 1964

D. R. MacLaren
Acting Field Officer
Region I
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington

Re: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. MacLaren:

I am returning herewith executed Amendment No. 1 and Amendment No. 2 to the above captioned contract.

Please accept my apologies for the delay in returning these to you, but I left my office on the 25th of April and only returned on June 2, and consequently, these amendments sat on my desk unopened until my return. The delay in executing these documents was not occasioned by the Lombardis in any manner, and I must take full responsibility for the delay in this matter. I was engaged in a political race throughout the state and if you could see the back log in my office today, I am sure you would agree that I should have had my head examined for allowing the office to fall so far behind.

I sincerely hope there are no problems over this delay and if you have any difficulty, please call my office collect as I feel very bad about not having returned these documents promptly to you.

Very truly yours,

JOHN L. McKEON

JLM/mps
Encs.

REQUEST FOR
RECESS OF OME CONTRACT

To:
United States Department of the Interior
Office of Minerals Exploration
157 Howard Street
Spokane, Washington

During the Month of August 1964
Contract Starting Date 5/15/64
Docket No. OME-6316
Contract No. ------- 2178
Contract Amount $86,670
50% Gov't Part. $43,335
Gold & Silver

From:
Clemens A. and Arthur Lombardi
c/o John L. McKeon, 126 Oak St.
Anaconda, Montana

The Hilltop Mine
Texas District, Lemhi County, Idaho

It is respectfully requested that the above referred to contract be recessed until not later than August 15, 1964 to permit complete analysis of the sampling results.

Then too, it is considered pertinent that a very comparable contract is in effect on an adjoining property and this time lapse will permit considerations of ammendments to this contract designed to make it more effective.

Respectfully submitted,
CLEMENS A. &ARTHUR LOMBARDI
Per
John L. McKeon
John L. McKeon, Attorney-in-fact

Approved by:
William M. Hand
William M. Hand, Prof. Engr.

RECEIVED
AUG 7 1964
OME
SPOKANE, WASHINGTON

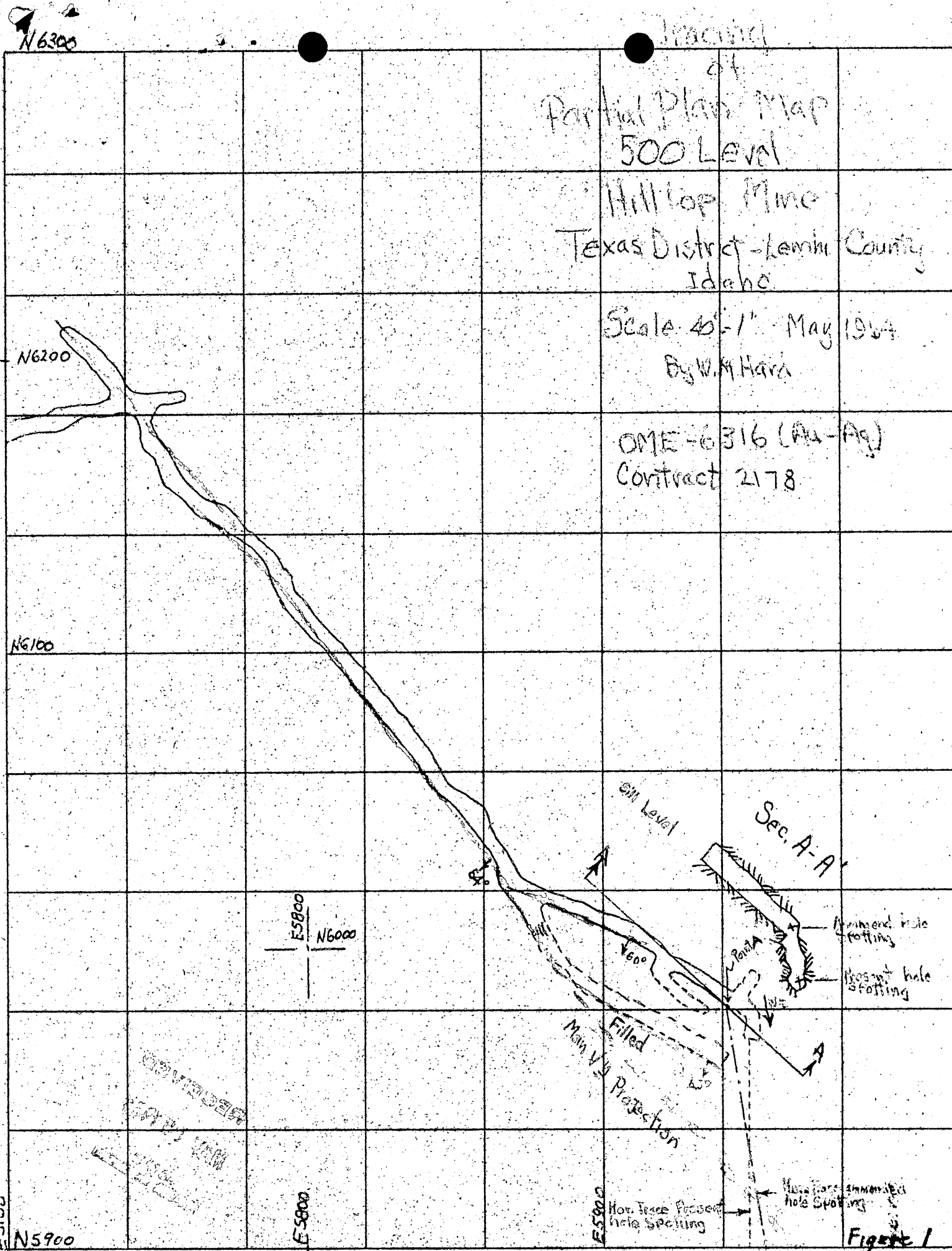

Tracing of
Partial Plan Map
500 Level
Hill Top Mine
Texas District - Lemhi County
Idaho
Scale 40'-1" May 1964
By W. M. Hara
OME-6316 (A1-A9)
Contract 2178
N6300
N6200
N6100
N5900
E5800
N6000
E5800
E5800
Sill Level
Sec. A-A
Hammered hole spotting
Present hole spotting
Point
Filled
Main Vein Projection
Now Trace Hammered hole Spotting
Now Trace Present hole Spotting

Figure 1

SPECIAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that we, CLEMENS A. LOMBARDI and ARTHUR LOMBARDI, of 107 N. Hickory Street, Anaconda, Montana, do hereby make, constitute and appoint, and by these presents have made, constituted and appointed JOHN L. McKEON, Attorney at Law, 126 Oak Street, Anaconda, Montana, of the Law Firm of McKeon & Brolin, 126 Oak Street, Anaconda, Montana, as our true and lawful attorney for us and in our name, place and stead, to manage, hold and do in our stead, all things which we ourselves could lawfully do in accordance with the government loan we have received from the United States Department of the Interior, Office of Minerals Exploration, and for which we have entered into Contract 2178 with the United States Department of the Interior, Office of Minerals Exploration, being their file No. OME-6316 (Silver-Gold), Hilltop, et al. Claim, Lemhi County, Idaho.

Specifically, GIVING AND GRANTING to the said JOHN L. McKEON the power to execute any and all checks, drafts, or evidences of work and labor performed on said mining claim and to execute any and all receipts due under said mining claim and to execute any and all checks which we may receive from the United States Government as payment under said contract and loan, and to manage all things necessary in the performance of said contract relative to executing any and all documents, drafts, checks, papers or instruments necessary to be executed on our part, and to do in our name and stead anything pertaining to said contract above-mentioned whatsoever requisite and necessary to be done in the premises as fully and to all intents and purposes as we might personally do if executing the same.

We further direct that all notices, checks, claims, drafts or instruments whatsoever pertaining to said loan be mailed by the United States Department of the Interior, Office of Minerals Exploration, to the said JOHN L. McKEON, at the following address: McKeon & Brolin, Attorneys at Law, 126 Oak Street, Anaconda, Montana.

IN WITNESS WHEREOF, we have hereunto set our hands this 16th day of April, A.D., 1964.

Clemens A. Lombardi
CLEMENS A. LOMBARDI

Arthur Lombardi
ARTHUR LOMBARDI

STATE OF MONTANA)
: ss.
County of Deer Lodge)

On this 16th day of April, A.D., 1964, before me, Leo P. Berry, a Notary Public for the State of Montana, personally appeared CLEMENS A. LOMBARDI and ARTHUR LOMBARDI, known to me to be the persons whose names are subscribed to the within instrument and who acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Leo P. Berry
Notary Public for the State of Montana
Residing at Anaconda, Montana
Commission expires: April 17 1967

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/30	Murphy	500
	Kiernan	500
4/30	Talbert	800
	GCS	130
4/30	Johnson	110
4/30	Lucas	100
		220
		500

APR 3 0 1964

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho

In accordance with the Operator's request of April 16, 1964, enclosed are the original and four copies of Amendment No. 1 for your signature for the Government. Also enclosed is an extra copy for field use.

If the proposed amendment is satisfactory to you and the Operators, all five copies should be signed by the Operators. Thereafter, please distribute the copies in the usual manner.

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

George C. Selfridge (gla)

Enclosures

MMerrithew/mm
4/30/64
cc: Director's Reading File
Review Committee
Docket

43683

FMMURPHY/mm
4/23/64

~~800~~
~~120~~
500

EXPLORATION CONTRACT
CLEMENS A. AND ARTHUR LOMBARDI
OME-6316

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1964, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Clemens A. and Arthur Lombardi, Partners, hereinafter called the "Operator," that Exploration Contract 2178 (OME-6316), dated December 24, 1963, is amended effective the date of the contract as follows:

1. In Article 1(a) of the contract, the date for starting the work is extended from March 15, 1964, to May 15, 1964.

This amendment shall not be construed to increase the fixed unit cost of any item of work, the estimated total cost of the project, or the aggregate total amount which the Government may be required to contribute.

THE UNITED STATES OF AMERICA

By _____
Acting Field Officer, Region I
Office of Minerals Exploration

By: _____
CLEMENS A. LOMBARDI

By: _____
ARTHUR LOMBARDI

Title _____

JOHN L. McKEON

WILLIAM A. BROLIN

McKeon and Brolin
ATTORNEYS AT LAW
124 OAK STREET * TELEPHONE 800-6001
ANACONDA, MONTANA

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 22 1964

DATE	INITIALS	CODE
4/20	[illegible]	800
4/22	[illegible]	500

April 16, 1964

D. R. MacLaren
Acting Field Officer, OME
Region I
United States Department of the Interior
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. MacLaren:

We hereby apply for an amendment to the contract above referred to asking that the portion of the contract which provides that work was to be commenced on the mines by March 15, 1964 be deleted and that in lieu of the March 15, 1964 date, the date of May 1, 1964 be substituted as the commencement date for work under the contract.

We make this application for amendment to the contract due to the fact that it was an impossibility of fact to commence work on the mine by March 15, 1964 due to the inclement weather conditions which prevailed in this area this spring. The main obstruction to commencing work at the contract date was the fact that the roads were completely inaccessible due to the heavy snows and, consequently, it was impossible to move necessary machines, supplies and personnel to commence work and performance of the contract.

The preliminary work relative to commencement has all been completed and we anticipate that the weather conditions will be favorable by May 1, 1964 so that work can commence on that date. The necessary arrangements for personnal and technical assistants have been completed and we anticipate no further difficulty in commencing performance of the contract as of the May 1, 1964 date with the fond hope that weather conditions are favorable.

Your favorable action on this request will be deeply appreciated as we are very anxious to see that the contract is not in default and to perform our agreement.

RECEIVED

/s/ Clemens A. Lombardi
CLEMENS A. LOMBARDI

Arthur Lombardi
ARTHUR LOMBARDI

JLM/mps

(Mine 12)

OFFICE
RECEIVED
DATE
4/15
4/16 Murphy 800 300

So. 157 Howard Street
Spokane, Washington 99204
April 15, 1964

Messrs. Clemens A. and
Arthur Lombardi
157 N. Hickory
Anaconda, Montana

Re: ~~OMX-6316 (Silver-Gold)~~
Milltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

An attempt was made to visit the Milltop mine the afternoon of April 7, 1964, at which time all access roads were found to be drifted with snow and impassable.

As the work was not started by March 15, 1964, as provided for in the subject contract, the contract is in default. If you will advise us as to why work was not started and designate a date on or before which work will begin, we will prepare an amendment extending the starting date.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OMX
Region I

cc: Mr. John L. McKeon
McKeon & Brolin
Attorneys at Law
126 Oak Street
Anaconda, Montana

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls OMX(2) MacLaren

Ome

OFFICIAL FILE COPY
O.M.E.
RECEIVED APR 1 1964

4/1 800
~~4/2 Murphy 500~~

No. 157 Howard Street
Spokane, Washington 99204
March 30, 1964

Messrs. Clemens A. and
Arthur Lombardi
107 N. Hickory
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Gentlemen:

I plan to be in the Salmon area the week of April 6, 1964, and will make an inspection of the OME work either during the afternoon of April 7 or the morning of April 8.

Sincerely yours,

D. R. Maclaren
Acting Field Officer, OME
Region 1

cc: Mr. John L. McKeen
McKeen & Brolin
Attorneys at Law
126 Oak Street
Anaconda, Montana

DRMaclaren:mls
cc: OME(2)
Maclaren
Director's Reading File
Resources Research Branch Chief

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
February 4, 1964

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Enclosed are the Government, Audit, and Fiscal Section's copies of the above-cited contract signed by Clemens A. and Arthur Lombardi.

John L. McKeon, attorney for the Lombardis, telephoned the Spokane office relative to the contract and mentioned that the time for completion of the work "would be entered as 12 months." As 18 months was the estimated time required to complete Project 1, I advised him to insert 18 and to have the Lombardis initial the insertion.

D. R. MacLaren

Enclosures

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 6 1964

DATE	INITIALS	CODE
O.K — 2/6	FMM	50U

(Pu ~)

OFFICIAL FILE COPY
C.
RECEIVED FEB 3 1964

DATE		
2/6		800
~~2/7~~	Murphy	500

No. 157 Howard Street
Spokane, Washington 99204
February 4, 1964

Mr. John L. McKeon
McKeon & Brolin
Attorneys at Law
126 Oak Street
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho
Contract 2178

Dear Mr. McKeon:

We are enclosing a three-month supply of Operator's Monthly Voucher and Progress Report, MMX Forms 60 and 61. The original and three copies of the completed report forms as well as the narrative, maps, assays, and all technical data, should be submitted for each month in which costs have been incurred under the contract. However, in the event that you do not wish to submit a voucher for any month, the narrative report for the work done in that month is required. Delay in processing can be avoided if reports are submitted promptly to this office.

Also enclosed are three copies of Standard Form 38, entitled "Notice to Labor Unions or Other Organizations of Workers--Nondiscrimination in Employment." In accordance with Executive Order 10925, which is Exhibit B of your contract, you should complete one copy and send it to any labor union that may be involved in your OME contract work and should post one or more copies in conspicuous places available to employees or applicants for employment.

In addition, there is enclosed a poster which should be kept exhibited in a conspicuous place available to both employees and applicant for employment.

Sincerely yours,

D. N. Maclaren
Acting Field Officer, OME
Region I

Enclosures

Director's Reading File
Resources Research Branch Chief

DNMaclaren:mls

cc: OME (2)
Maclaren

P.S. The enclosures would ordinarily be sent to the Operator but are being sent to you in accordance with your recent telephoned request. Before you can execute any vouchers we must have a letter from the Lombardis authorizing you to do so.

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 4 1964

DATE	INITIALS	IDE
2/13	Lac	200

FEB 4 3 22 PM '64
GSA-WASH 3
COMMUNICATIONS

AXXXXXXXK079

AXXXXXXXK080

XDXXXXXXK081

FWB-046

SF064 WWAAF FSP 18 I-MME

SPOKANE WASH 2-4-64 1159U

MR. GEORGE C SELFRIDGE CHIEF DIV OF FIELD OPERATIONS OFFICE OF MINERALS EXPLORATION WASHINGTON DC

RE OME-6316 (SILVER-GOLD), CLEMENS A. AND ARTHUR LOMBARDI, HILLTOP, ET AL., CLAIMS, LEMHI COUNTY IDAHO, SIGNED CONTRACT RECEIVED THIS OFFICE FEBRUARY 4, 1963.

D R MACLAREN ACT FIELD OFFICER OME REGION 1

OME-6316 ET AL. 4 1963

BJR 1200U

JOHN L. McKEON

WILLIAM A. BROLIN

McKeon and Brolin
ATTORNEYS AT LAW
124 OAK STREET * TELEPHONE 563-6001
ANACONDA, MONTANA

Mme(2)

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 6 1964

DATE	INITIALS	CODE
2/7	Murphy	500

February 3, 1964

D. R. MacLaren
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6316 (Silver-Gold)
Hilltop, et al., Claims.
Lemhi County, Idaho

Dear Mr. MacLaren:

Relative to the above captioned matter I enclose herewith four executed copies of the exploration contract between the United States of America and Clemens A. Lombardi and Arthur A. Lombardi. We have retained the operator's copy for our use.

In accordance with our telephone conversation of Friday, January 31, 1964, I have entered onto the contract that the work will begin on or before March 15, 1964, and shall be completed within 18 months from the date of the contract. I have caused both partners to initial the insertion of 18 months.

I assume that with the execution of this contract my clients will be able to commence operation as soon as possible under the contract. If there is anything further for them to execute or any forms which they should have for sending in reports to you, will you please send them to me at your convenience? If they must wait until a particular time to commence operation, will you please advise as to when they may commence their operations?

Trusting that all is well with you, I am,

Very truly yours,

JOHN L. McKEON

JLM/mps
Enc.

OFFICIAL FILE COPY
O M E
RECEIVED FEB 1 1964
DATE
2/3 Murphy

So. 157 Howard Street
Spokane, Washington 99204
January 30, 1964

Messrs. Clemens A. and
Arthur Lombardi
107 N. Hickory
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho

Gentlemen:

On January 6, 1964, the original and four copies of a proposed contract for the subject project was forwarded to you for signature.

If the contract is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME
MacLaren

Director's Reading File
Resources Research Branch Chief

MLSmelser:mls

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/24	Murphy	500
	Jeffrey	120
1/24	Johnson	110
	[illegible]	100
1/24	Cal	220
		500

JAN 24 1964

Mr. John L. McKeon
McKeon and Brolin
124 Oak Street
Anaconda, Montana

Re: OMK-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho

Dear Mr. McKeon:

In reply to your letter of January 20, 1964, to Mr. Dakan, the referenced application is the only one pending from the subject Applicants. The estimated total cost of the work under the proposed contract is $86,670.00, with Government participation at 50 percent of this cost, or a total of $43,335.00.

Sincerely yours,

George Fumich, Jr.

Acting Director

FMM/mm 1-24-64
cc to: Director's Reading File
Docket
Region I w/cy incoming letter

23263

JOHN L. McKEON

WILLIAM A. BROLIN

McKeon and Brolin

ATTORNEYS AT LAW

124 OAK STREET * TELEPHONE 563-5201

ANACONDA, MONTANA

2

January 20, 1964

500

Allen S. Dakan, Chief
Division of Administrative Management
Office of Minerals Exploration
Department of Interior
Washington 25, D. C.

Re: OME-6316 (Silver-Gold)
C. A. Lombardi & Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho

Dear Mr. Dakan:

Mr. Lombardi has brought to this office the contracts relative to his loan application which I forwarded to your office on July 6, 1963.

Will you please advise the undersigned directly if the total loan for Mr. Lombardi is in the sum of $43,000.00 and whether or not any further loan applications are pending.

After receipt of this information, I will be in a position to return the contracts.

Very truly yours,

John L. McKeon

JOHN L. McKEON

JLM/mps

Why this letter if he has copies of the proposed contract? Jayson.

So. 157 Howard Street
Spokane, Washington 99204
January 6, 1964

7/9 Murphy 500

Messrs. Clemens A. and
Arthur Lombardi
107 N. Hickory
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
Hilltop, et al., Claims
Lemhi County, Idaho

Gentlemen:

Enclosed are the original and four copies of a proposed contract for the subject project. The contract consists of MME Form 51 (5 pages), Annex I (1 page), Exhibit A (6 pages), Exhibit B (1 page), and 2 maps (plates 1 and 2). All copies have been signed by the Acting Director for the Government.

If the terms and conditions of the proposed contract are satisfactory, insert in Article 1(a) the date on or before which work will commence. This date must not be prior to the date of the contract. Then sign all copies, keep the Operator's copy, and return the other copies to this office.

The 6¼ percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

If the contract is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

R. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures

cc: OME
MacLaren
Director's Reading File
Resources Research Branch Chief
MLSmelser:mls

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/19	Murphy	500
12/19	on leave	500
	on leave	800
12/20	Selfridge	130
12/20	on leave	110
"	Frank	100
12/24	Cal	220
		500

DEC 24 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho

Enclosed are the original and four copies of a proposed contract for the subject project. The contract consists of MME Form 51 (5 pages), Annex I (1 page), Exhibit A (6 pages), Exhibit B (1 page), and 2 maps (Plates 1 and 2). An extra copy of the contract is also enclosed for field use. All copies have been signed by the Acting Director for the Government. You should insert the date for commencement of the work.

You will note that we have used a figure of $34.00 per foot for drifting which approximates the breakdown cost submitted with your examination report. Although we allow $38.00 per foot under the adjacent J. Howard Sims property (OME-6286), this Operator was starting a new property, whereas the Lombardis have all the equipment needed on hand; hence their costs should be lower. In any case, each contract should be based on actual conditions which vary from mine to mine even in the same general area.

If the proposed contract is satisfactory to you and the Applicants, all five copies should be signed by the Applicants. Thereafter, please distribute the copies in the usual manner.

Please advise the Applicants that the 6¼ percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

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

George C. Selfridge (glc)

Enclosures
FMMurphy/mm 12/19/63
cc: Director's Reading File
Review Committee
Docket

43683

DRAFT 12/11/63
FMMurphy/mm

Note - Maps for contract are being printed, the ones attached show the claims and work in the Hilltop mine.

~~800~~
120
500

MME Form 51
June 1963

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME-6316	Silver-Gold	14-23-090-	Lemhi	Idaho

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Clemens A. and Arthur Lombardi, Partners

,

whose mailing address is 107 N. Hickory, Anaconda, Montana, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within _____ months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $86,670 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $43,335 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.-- Simple interest at the rate of _____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

Owner

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

None

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) Final report.--Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with three copies of a final report (in addition to the final monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as two copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the preparation or completion of same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used in integrated manufacturing or fabricating operations (for instance if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such pruchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(h) Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals and metals mined or produced from the land.

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The Office of Minerals Exploration may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

_____

_____

_____

_____

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

_____
(Operator)

By_____

By_____

Title_____

I,_____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____ of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 31011

DRAFT 12/11/6[illegible]
FMMurphy/mm

EXPLORATION CONTRACT
CLEMENS A. AND ARTHUR LOMBARDI
CMR-~~6286~~ 6316

ANNEX I

The land referred to in Article 2 of the contract consists of two (2) patented and four (4) unpatented lode mining claims, including all rights pertaining thereto, in secs. 1 and 2, T. 13 N., R. 26 E., Boise Meridian, Texas mining district, Lemhi County, Idaho.

The claims are recorded in the Lemhi County Courthouse, Salmon, Idaho, as follows:

Patented

Claim	Survey No.
Alex Stevens No. 2	3198
Rose Bud	1680

Unpatented

Claim	Book	Page
Hilltop No. 1	3	39
" No. 2	3	40
" No. 3	3	41
" No. 4	3	42

The outer boundary of the claim group is shown in green on map Plate 2, entitled, "Claim Map and Soil Sample Grid . . .," attached hereto and made part hereof. The claims are owned by the Operator.

EXPLORATION CONTRACT
CLEMENS A. AND ARTHUR LOMBARDI
OMK-XXXX 6316

EXHIBIT A

The purpose of this project is to explore by geochemical soil testing, bulldozing trenches, shafting, XXX drifting, crosscutting, and X-ray size core drilling, for silver-gold bearing ore bodies occurring along shear zones in thin bedded to massive dolomite and limestone country rock of Paleozoic age which underlie the project area.

General Provisions

Soil sampling shall be analyzed by the field geologist for parts per million of lead content. Approximately 10 percent of the soil samples shall be split and one split shall be sent to a commercial assayer to be tested for its parts per million lead content.

All significantly mineralized areas traversed in the trenches, shafts, drifts, or crosscuts shall be sampled by cutting channels normal to the ~~[illegible]~~ trend of the deposit at intervals of not more than 10 feet. Each sample shall be split as necessary and then assayed for gold, silver, lead, and zinc. The Operator shall store one split of each sample from whatever source in a suitable container properly identified as to the location where the sample was obtained.

Significantly mineralized core from the X-ray drilling shall be split and one split assayed for gold, silver, lead, and zinc. The other split shall be stored in proper sequence with the unmineralized core in suitable core boxes. The stored core and other samples shall be made available for Government inspection and possible use. XXXX With prior Government approval, the Operator may dispose of the stored core and samples.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly reports, which shall also include maps or sketches showing the work completed during the reporting period. The maps shall show the location and p.p.m. analyses of soil samples and the general geological formations and structures traversed by the trenches, shaft, drifts, crosscuts, and X-ray drilling, and the location and values of the samples.

The Operator shall provide such supervisory and technical services as may be required to complete the work in a satisfactory manner.

A D-8 caterpillar dozer or equivalent unit of any other make shall be used to bulldoze trenches, construct access roads to shaft sites, and to level the shaft sites.

No work under this contract shall be performed closer than 100 feet to the outer boundary of the claim area.

The location, direction, and extent of each work item shall be subject to Government approval.

The work shall be divided into Projects and Phases. The Operator shall complete all of Phases 1 and 2 of Project 1 and the crosscut and core drill hole in Phase 1 and 2 respectively, of Projects 2, and thereafter as much of each project as is approved and confirmed in writing by the Government.

Description of the Work

Project 1

Phase 1

On the south end line of Alex Stevens No. 2, Hilltop No. 1 and Hilltop No. 2 claims, starting not closer than 100 feet to the southwest

corner of Alex Stevens No. 2, mark 5 base points at approximately 300-foot intervals. From each base point establish lines on a bearing of about N. 49° E. and mark sample stations at 50-foot intervals along each line. At those sample stations that are not closer than 100 feet to an exterior property boundary or in quartzite take a soil sample from the cuttings of a soil auger driven to at least a 2-foot depth. It is estimated that 210 soil samples will be tested in the field and that 20 check samples will be analyzed by a commerical assayer under this phase. The location of the lines and stations are shown on Plate 2 referred to in Annex I.

Phase 2

In the area of high anomalies found in Phase 1, establish secondary base lines 100 feet apart and mark sample stations at 25-foot intervals, 6 northeasterly and 6 southwesterly from the anomaly line. Samples shall be taken at these stations in the manner specified in Phase 1. ~~If additional closer-spaced sampling appears desirable, such samples may be taken.~~

Under Phases 1 and 2 not more than 500 soil samples shall be taken and tested in the field and not more than 50 analyses for trace amounts of lead shall be made by a commercial assayer.

Phase 3

To further explore favorable areas indicated by Phase 1 and Phase 2 work, trenches shall be bulldozed to bedrock at locations mutually agreed upon by the Operator and the Government. Not more than 100 hours of bulldozing shall be allowed under this phase of the contract and not more than 50 samples shall be assayed.

Phase 4

Access roads shall be bulldozed to 2 or 3 of the favorable mineralized areas indicated by the Phases 1 through 3 work and at mutually agreed upon locations, bulldoze shaft sites and sink shafts. Each shaft shall follow the dip of the mineralized shear zone [redacted] and shall not exceed a lineal distance of 150 feet measured from the shaft collar.

The shafts shall be single compartment and not less than 5' x 6' in cross section in the clear of timber. The shafts shall be timbered as necessary and conform with the mine safety regulations of the State of Idaho.

A portable headframe, a hoist with a 20 cu. ft. skip bucket, and an air compressor with receiver tank shall be installed at the shaft. In the shaft, skip rails shall be not less than 25 lbs., air lines not less than 2" and water lines not less than 3/4" diameter. Not more than 50 hours of bulldozer work and not more than 300 lineal feet of shaft shall be sunk under this Phase 4.

Phase 5

From the bottom of the shafts drifts shall be driven to explore the lateral extent of favorable mineralized zones intersected. No single drift shall be driven for a total distance of more than 200 feet measured from the side walls of the shaft. Short crosscuts, each not to exceed 25 feet in length, may be driven from the drifts into the hanging walls and footwalls at locations mutually agreed upon by the Operator and the Government.

The drifts and crosscuts shall be 5' x 7' in cross section

in the clear of timber and shall be timbered as necessary using standard 8" x 8" drift sets or equivalent round timber. The drifts shall be ventilated using 12" diameter ventline. Mine rails shall be not less than 25 lbs., air lines not less than 2" and water lines not less than 3/4" in diameter. delete

Not more than 600 feet of drifts and crosscuts shall be driven under this Phase 5 and not more than ~~250~~ 200 samples shall be assayed for their silver, gold, lead, and zinc content under Phases 4 and 5 of this project.

Project 2

Phase 1 - 300 Level

Following along existing DDH No. 1, drive a crosscut approximately 120 feet long, 5' x 7' in cross section in the clear of timber. If a potential mineral-bearing vein is encountered in the zone indicated by the drill hole to be between 107 and 118 feet, drift not to exceed a total of 180 feet easterly and/or westerly from the crosscut. to explore the walls for possible replacement deposits in favorable locations mutually agreed upon by the Operator and the Government. It is estimated that 50 feet of crosscuts from the new drift will be required.

Phase 2 - 500 Level

To explore for the easterly extension of the main vein drill one horizontal X-ray core size hole 100 feet south from the face of the south crosscut at the east end of the north branch drift (Plate 1). If this drill hole encounters the extension of the main vein and the latter contains significant silver values relative to the base metal values, follow the drill hole with a crosscut not to exceed 100 feet in length.

If channel samples cut across the vein confirm the significance of the silver values relative to the base metal values, drift along the vein easterly and/or westerly a total of not more than 150 feet. To explore the walls for possible replacement deposits in favorable beds, crosscuts up to 10 feet long may be driven at locations mutually agreed upon by the Operator and the Government. It is estimated that 25 feet of such crosscutting may be required.

Phases 1 and 2 may be carried on concurrently. Specifications regarding timbering and size of timber, ~~air and water lines, and mill~~ shall be the same as those for Project 1, Phase 5.

Not more than ~~775~~ 625 feet of drift and/or crosscut and not more than 200 samples shall be analyzed for their silver, gold, lead, and zinc content under Phases 1 and 2 of this project.

The locations of the work under Project 2, Phases 1 ~~XXX~~ and 2 are ~~shown~~ indicated in red on ~~map~~ Plate 1, entitled, "Reconnaissance Geologic Map, Composite Plan, Hilltop Mine . . .," attached hereto and made part hereof.

Estimated Costs of the Work

Fixed Unit Costs

Project 1

Establishing soil grids, sampling, and field testing of samples	
500 samples at $3.60/sample	$1,800.00
Commercial analyses of 50 check samples for trace amounts of lead at $1.50/sample	75.00
Bulldozing trenches, access roads, and leveling shaft sites	
150 hours at $20/hour	3,000.00
300 lineal feet of shafting at $90/ft.	27,000.00

600 feet of drifting and crosscutting @ $34.00/ft.	$20,400.00
400 feet of timbering in drifts and crosscuts @ $7.50/ft.	3,000.00
Assays for gold, silver, lead, and zinc content of 250 samples @ $7.00/sample	1,750.00
Total estimated cost of Project 1	$57,025.00

Project 2

100 ft. X-ray size core drilling @ $8.25/ft.	$ 825.00
625 ft. of drift and/or crosscut @ $34.00/ft.	21,250.00
580 ft. of drift timbering @ $7.50/ft.	4,350.00
28 days consultant at $65.00/day	1,820.00
200 samples assayed for gold, silver, lead, and zinc at $7.00/sample	1,400.00
Total estimated cost of Project 2	$ 29,645.00

SUMMARY

Total estimated cost of Project 1	$ 57,025.00
Total estimated cost of Project 2	$ 29,645.00
Total estimated cost of Project	$86,670.00
Government's participation at 50%	$43,335.00

One

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
December 5, 1963

OFFICIAL FILE COPY
O. M. E
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DATE		
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	Murphy	500

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Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: Application examination, OME-6316 (Silver-Gold)
Clemens A. and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho

INTRODUCTION

Clemens A. and Arthur Lombardi of Anaconda, Montana, applied for OME aid to explore for silver and gold ore on the Hilltop Group of Claims situated in Lemhi County, Idaho. Six of the claims involved were included in a prior application under Docket No. OME-6185, Sims and Lombardi d.b.a. Jumbo Mining Company, which was withdrawn before processing had been completed. Subsequently, J. Howard Sims, under Docket No. OME-6286, submitted an application and is presently conducting an exploration project on claims adjacent on the north to the Hilltop Group.

Relative to the subject application a visit was made to the property August 11, 1963, accompanied by Phil Shockey, the applicants' consultant, and two Korean trainees, Mahn Sup Kim and Se In Chang. The Lombardis were at the mine, as was Wilson A. Barnes, prospector and miner.

During a general discussion prior to entering the mine to inspect work done at the east end of the 500 level since my examination relative to the prior application, it developed that on two occasions the hoist operator, whether one of the Lombardis or Barnes was not clear, had let the skip with people in it drop a few tens of feet. On another occasion, preparatory to lowering individuals, the cage was intentionally dropped to check the clutch and brake; this time the clevis connecting the cable to the skip broke. There are no dogs or other safety devices on the skip; I therefore refused to ride in it and inquired as to the condition of the shaft timbers and ladders. The Lombardis assured me that they were in good shape, but both Shockey and Barnes said that sections of ladder between the 400 and 500 levels were missing. I then told the Lombardis that I

12/12/63

Mr. Selfridge -

How does specifications and work descriptions compare with those under project 6286? O.K.

What are the results of the work to date on project 6286? -

Can work on project No. 1 and No. 2 be performed concurrently? Yes

Minor questions on costs and work indicated on draft. -

FEJohnson

Why should we use 3f [illegible] [illegible] 33.41-8

will use 3f - Work on 200 and 300 levels will cost more than Project No. 1 work. FEJ

doubted that I would enter the mine but that, in any case, first I wanted to check the locations of some of the soil sample stations on Sims' property. According to Barnes and a later conversation with one of the Lombardis, they misunderstood my intentions and when we returned 20 to 30 minutes later had left the Hilltop.

Further discussion with Shockey and Barnes in an attempt to determine how much of the proposed surface work could be considered as exploration and how much could only be considered as prospecting brought forth a statement from Barnes that he was dealing with Tidal Wave Mining Corp. of Pocatello, Idaho, who had expressed a desire to lease his claims. Asked if he would indicate where his claims were located, he said that they included "most of the claims recently staked by Lombardi" and indicated an area including parts or all of Hilltop Claims 5 through 12, Mill Site, and Homestake No. 1 and No. 2. The following day in Shockey's office Finley Stroup, prospector and miner, appeared on other business. Knowing that he knew Barnes and the area in question, Shockey asked if he had knowledge of the location of Barnes' claims. He virtually repeated what Barnes had told us. Accordingly, Shockey agreed that he should check the courthouse records in an effort to clear up the matter. He also said he would go down the shaft and map the new workings at the east end of the 500 level.

On September 24, 1963, Clemens Lombardi brought to the Spokane office an amended application, deleting the questionable claims and correspondingly reducing the proposed work and the total cost. The amended application is the subject of this report.

Location, accessibility, and geology have all been discussed in Docket No. OME-6185, Field Examination Report, January 22, 1962, and Re-examination Report, August 8, 1962. Therefore, only a summary of these topics with such additional information as bears directly on this application will be presented here.

PROPERTY

The property is in secs. 1 and 2, T. 13 N., R. 26 E. B.M., about 65 miles from Salmon, Idaho, the nearest supply point. The nearest shipping point is Armstead, Montana, some 65 miles distant (pl. 1).

The applicants own 2 patented and 4 unpatented claims recorded at the county courthouse, Salmon, Idaho, as follows (pl. 2):

Patented

Claim	Survey No.
Alex Stevens No. 2	3198
Rose Bud	1680

Unpatented

Claim	Book	Page
Hilltop No. 1	3	39
No. 2	3	40
No. 3	3	41
No. 4	3	42

The Hilltop mine has been developed by a surface adit and an inclined shaft from which five levels have been turned. Two of these levels, the 400 and the 500, were visited December 12, 1961, and are described in an examination report dated January 22, 1962. During the summer of 1962, two X-ray diamond drill holes were drilled northerly from the 300 level and the 500 level was extended easterly through the Idaho fault.

Surface facilities include several bunkhouses, a shop with usable living quarters, headframe and ore bin, electric hoist powered by gasoline-driven generator, 10,000 gallon water tank, portable 310 cfm compressor, and lamp battery charger panel with gasoline-driven 6 KW generator.

Surface workings other than at the mine are not as numerous as those on the Sims claims adjacent to the northeast. Just to the southeast of the Alex Stevens No. 2 near the southwesterly end line of the Hilltop No. 5 claim is a dump and caved crosscut called the Snowslide mine. On Hilltop No. 2 are 2 caved tunnel portals and 1 small ore pile. Where the latter came from is not known. Although there may be some, no old workings were known on the Hilltop No. 3 and No. 4 or on the Rose Bud.

GEOLOGY

The history and geology of the Texas (Gilmore) District is described by J. B. Umpleby in "Geology and ore deposits of Lemhi County, Idaho," U. S. Geological Survey Bulletin 528 (1913), in a DMEA Field Team Final Report, Docket No. 2868 (Lead-Zinc), Roger Pierce, Gilmore Mine, Geilmore (Texas) Mining District, Lemhi County, Idaho (1958), and in the examination reports cited in the Introduction to this report.

Rocks in the area are Paleozoic sediments comprising quartzite of Ordovician age and thin-bedded dolomitic limestone ranging in age from Ordovician to Silurian. The contact between these rock types follows a draw that crosses the westerly part of the Hilltop No. 2; quartzite is to the northwest and west of the dolomitic limestone series (pl. 2). The sedimentary rocks have been intruded by dikes of quartz porphyry and are cut by a large number of fissures which strike northerly, approximately parallel to the bedding. In general, the beds dip about 45° easterly, whereas the fissures dip westerly.

Veins are formed in north-trending faults and along bedding-plane slips. Those in the faults are in 2 sets, 1 moderately flat-dipping, the other dipping steeply to vertical. Breccia zones are developed along certain beds and locally contain ore bodies. Generally speaking and probably oversimplified, the formation of ore shoots has been controlled by the intersection of mineral-bearing segments of faults and beds favorable to replacement.

On the applicants' claims there has been little found in the way of old workings to prove the presence of possible ore-forming structures. The best and most developed structure is that in the Hilltop mine. On the Hilltop No. 2 Claim are two tunnels, both old and caved at their portals, at which the remains of the dumps show occasional pieces of sulfide-bearing rock. Southwesterly of the tunnels there is an old and small pile of material said to be ore grade. No workings have been found near this ore pile and as it is along an old road, it is locally believed to have been left there after some mishap to a haulage vehicle. Southeast of the Alex Stevens No. 2 Claim is a caved portal and a dump said to be the Snowslide mine. Geochemical work carried on in that area by another operator is said to have indicated the presence of mineral-bearing structures, however, specific results of this work are not available.

None of these places were visited as it was considered that time would be spent more advantageously attempting to determine the probable area of claim conflict than to visit reportedly caved workings.

When the inspection of the 500 level was last made on December 13, 1961, the vein split near the east end of the workings and the northerly split, much the stronger of the two, was followed by a drift which was caved about 65 feet beyond the split. During 1962, the cave was caught up and the drift was advanced for a total of about 110 feet from the split. The cave and part of the new drift was in a zone 15 to 20 feet wide called the Idaho fault. According to Shockey's map of this area, there has been little, if any, offset of the vein which makes me wonder if the so-called fault is nothing more than deep weathering of more permeable beds. This is further suggested by the fact that, although the zone dips moderately to steeply southeasterly, only beds dipping 32° to 67° southeasterly are mapped on the 400 level, and no comparable fault zone is mapped on any of the levels above the 500. In any case, east of the zone the drift encountered ore-bearing beds from which 40.26 dry tons of ore were mined. Settlement sheets indicate that this ore contained 0.06 ounce gold and 12.4 ounces silver per ton, 15.6 percent lead and 5.2 percent zinc. On the 300 level, 2 X-ray diamond drill holes were drilled along known ore-receptive beds, 1 for 120 feet to the northeast, the other for 87 feet to the southwest. The southwesterly hole was barren, but the northeasterly hole cut a zone of weak sulfide mineralization from about 107 to 118 feet. Three samples between 107 and 115 feet had a weighted average content of only Tr gold and 0.27 ounce silver per ton, but this zone may very well indicate a structure parallel to the Hilltop vein that may have made ore shoots elsewhere along its length.

CONCLUSIONS

Although few old workings have been found on the applicants' property, there is much evidence of considerable past activity on the Sims claims adjacent to the northeast. This may be in part because the Sims area is lower in altitude and therefore more readily accessible, and in part because on the applicants' claims efforts were concentrated on the development and mining of the Hilltop vein. It is difficult to believe that the Hilltop vein marks the southwesterly limit of possible ore-bearing ground. This concept becomes even more difficult to accept in view of the reported promising results of soil sampling immediately adjacent to the Alex Stevens No. 2 Claim. Moreover, soil sampling on the Sims property indicated the locations of at least 4 and possibly 6 mineralized structures along which ore shoots might be found.

In the Hilltop mine one X-ray size hole diamond drilled northeasterly on the 300 level indicated the possible existence of a hitherto unknown vein along which ore shoots might be found and drifting easterly on the 500 level indicated that the Idaho fault(?) does not mark the easterly limit of ore possibility along the Hilltop vein.

It is concluded that the chance of finding new ore bodies by the applicants' proposed soil sampling followed by trenching and, if justified, continued by underground exploration is good. It is further concluded that the chance of finding new ore bodies by the work proposed on the 300 and 500 levels of the Hilltop mine are better than fair.

RECOMMENDATIONS

After the usual assay and price adjustment but before smelter and other charges, the AS&R East Helena Plant Settlement Sheet indicated a total value for the 40 tons shipped from the 500 level of $1,417.24. The combined gold-silver value being $620.20 and the lead value being $797.04. No payment was made on the zinc or copper, and had either or both been included, the total value of the base metals would have made up even more of the total value than the indicated 56 percent. Assays of 24 channel samples taken on various levels in the Hilltop mine show an average content of 21.0 ounces silver per ton, 21.59 percent lead and 8.18 percent zinc. Based on the same assay and price adjustments used in the cited settlement sheet, ore of this grade is worth $23.67 per ton in silver and $30.31 per ton in lead, indicating that the lead values make up 56 percent of the total value. Gold values are not too significant in past records of shipments (p. 11 of the original application) so again, inclusion of zinc would place the base metal value at more than 56 percent of the total.

In considering whether these relative values will disqualify as a silver project the proposed work on the 300 and 500 levels, kindly refer to the following in Docket No. OME-6185, Sims and Lombardi:

Memo, August 24, 1962, Griswold to A.F.O.

Letter, September 21, 1962, A.F.O. to Sims,
item 3 on last page.

Under Docket No. OME-6307, in your memorandum of July 11, 1963, mention is made in the third paragraph that ". . . we would do no work within 200 feet of either end line . . ." However, in the Sims contract (OME-6286) it is stated in the second paragraph on page 2 of Exhibit A: "No work under this contract shall be performed at locations closer than 100 feet to the outer boundary of the claim area." In both cases the structures tend to strike diagonally across the long axes of the claims and to have swings in strike. As the Lombardis seem to have an "on-again-off-again" relationship with Sims and as both parties employ the same consultant, it is recommended that the near-boundary exclusion be for 100 feet if a contract is approved.

The applicant does not control the land on either side of the Hilltop No. 3 or Hilltop No. 4 claims. Sims' Glendale claim is southeast of and adjacent to the former and the McClellan claim, also owned by Sims, is southeast of and adjacent to the latter. The contact between the quartzite and the dolomitic limestone series is just west of the Hilltop No. 3 and is believed to cross the Hilltop No. 4. As ore has not been found in the quartzite, the ground to the northwest of these claims is of little importance; the applicants cannot acquire control of either the Glendale claim or the McClellan claim.

A program comprising two multistage subprojects is recommended. Winzing and drifting, if justified by soil sampling and trenching, is recommended at this time as topography may make adit drifting impractical.

Subproject 1 - Soil sampling and supplemental exploration

Phase 1

On the south end line of Alex Stevens No. 2, Hilltop No. 1 and Hilltop No. 2 claims, starting not closer than 100 feet to the southwest corner of Alex Stevens No. 2, mark 5 base points at approximately 300-foot intervals. From each base point establish lines on a bearing of about N. 49° E. and mark sample stations at 50-foot intervals along each line. At those sample stations that are not closer than 100 feet to an exterior property boundary or in quartzite take a soil sample from the cuttings of a soil auger driven to at least a 2-foot depth. It is estimated that 210 soil samples will be tested in the field and that 20 check samples will be analyzed by a commercial assayer under this phase.

Phase 2

In the area of high anomalies found in Phase 1, establish secondary base lines 100 feet apart and mark sample stations at 25-foot intervals, 6 northeasterly and 6 southwesterly from the anomaly line. Samples shall be taken at these stations in the manner specified in Phase 1. If additional closer-spaced sampling appears desirable, such samples may be taken.

Under Phases 1 and 2 not more than 500 soil samples shall be taken and tested in the field and not more than 50 analyses for trace amounts of lead shall be made by a commercial assayer.

Phase 3

To further explore favorable areas indicated by Phase 1 and Phase 2 work trenches shall be bulldozed to bedrock at locations mutually agreed upon by the Operator and the Government. Not more than 100

hours of bulldozing shall be allowed under this phase of the contract and not more than 50 samples shall be assayed.

Phase 4

Access roads shall be bulldozed to 2 or 3 of the favorable mineralized areas indicated by the Phases 1 through 3 work and mutually agreed upon locations, bulldoze shaft sites and sink shafts. Each shaft shall follow the dip of the mineralized shear zone and shall not exceed a lineal distance of 150 feet measured from the shaft collar.

The shafts shall be single compartment and not less than 5' x 6' in cross section in the clear of timber. The shafts shall be timbered as necessary and conform with the mine safety regulations of the State of Idaho.

A portable headframe, a hoist with a 20 cu. ft. skip bucket, and an air compressor with receiver tank shall be installed at the shaft. In the shaft, skip rails shall be not less than 25 lbs., air lines not less than 2" and water lines not less than 3/4" diameter. Not more than 50 hours of bulldozer work and not more than 300 lineal feet of shaft shall be sunk under this Phase 4.

Phase 5

From the bottom of the shafts drifts shall be driven to explore the lateral extent of favorable mineralized zones intersected. No single drift shall be driven for a total distance of more than 200 feet measured from the side walls of the shaft. Short crosscuts, each not to exceed 25 feet in length, may be driven from the drifts into the hanging walls and footwall at locations mutually agreed upon by the Operator and the Government.

The drifts and crosscuts shall be 5' x 7' in cross section in the clear of timber and shall be timbered as necessary using standard 8" x 8" drift sets or equivalent round timber. The drifts shall be ventilated using 12" diameter ventline. Mine rails shall be not less than 25 lbs., air lines not less than 2" and water lines not less than 3/4" in diameter.

Not more than 600 feet of drifts and crosscuts shall be driven under this Phase 5 and not more than 250 samples shall be assayed for their silver, gold, lead and zinc content under Phases 4 and 5 of this subproject.

Subproject 2 - Hilltop Mine

Phase 1 - 300 Level

Following along DDH No. 1, drive a crosscut approximately 120 feet long, 5' x 7' in cross section in the clear of timber. If a potential mineral-bearing vein is encountered in the zone indicated by the drill hole to be between 107 and 118 feet, drift not to exceed a total of 180 feet easterly and/or westerly from the crosscut. To explore the walls for possible replacement deposits in favorable locations mutually agreed upon by the Operator and the Government. It is estimated that 50 feet of crosscuts will be required.

Phase 2 - 500 Level

If any work is to be done with OME assistance on this level, it is concluded that the proposed southerly X-ray hole will cut the main vein within 100 feet and that the other 2 proposed holes do not have much merit. The proposed southeasterly hole will be entirely in ground between the two vein splits. Moreover, if the southerly hole is sufficiently encouraging, the main vein would be better explored by drifting and crosscutting. The proposed northeasterly hole will explore possibly favorable beds but at constantly increasing distances from the potential ore-producing structure. This branch vein would be better explored by 150 feet of drifting and/or crosscutting (fig. 1).

To explore for the easterly extension of the main vein drill 1 horizontal X-ray core size hole 100 feet south from the face of the south crosscut at the east end of the north branch drift (fig. 1). If this drill hole encounters the extension of the main vein and the latter contains significant silver values relative to the base metal values, follow the drill hole with a crosscut not to exceed 100 feet in length.

If channel samples cut across the vein confirm the significance of the silver values relative to the base metal values, drift along the vein easterly and/or westerly a total of not more than 150 feet. To explore the walls for possible replacement deposits in favorable beds, crosscuts up to 10 feet long may be driven at locations mutually agreed upon by the Operator and the Government. It is estimated that 25 feet of such crosscutting may be required.

Phases 1 and 2 may be carried on concurrently. Specifications regarding timbering, size of timber, air and water lines, and rail shall be the same as those for Subproject 1, Phase 5.

Not more than 775 feet of drift and/or crosscut and not more than 200 samples shall be analyzed for their silver, gold, lead, and zinc content under Phases 1 and 2 of this subproject.

COSTS

Subproject 1

Because of the proximity of this property to that being explored by Sims and because of the nearly identical program that is recommended under this subproject, it is recommended that all costs except bulldozing be the same as those in Contract 2167. Estimated time required to complete Phases 1 through 5: 18 months

Fixed Unit Costs

Establishing soil grids, sampling, and field testing of samples	
500 samples at $3.60/sample	$ 1,800.00
Commercial analyses of 50 check samples for trace amounts of lead at $1.50/sample	75.00
Bulldozing trenches, access roads, and leveling shaft sites	
150 hours at $20/hour	3,000.00
300 lineal feet of shafting at $90/ft	27,000.00
600 feet of drifting and crosscutting at $38/ft	22,800.00
400 feet of timbering in drifts and crosscuts at $7.50/ft	3,000.00
Assays for gold, silver, lead, and zinc content of 250 samples at $7/sample	1,750.00
Total cost of Subproject 1	$59,425.00
Government participation at 50%	$29,712.50

Under ONE-52 66 - Quinton Sparks bill of August 29, 1963, charges $20.00/hr for 108 hours of D-8 dozer work

Subproject 2

CORE DRILLING

No bids for X-ray diamond drilling were submitted and it is doubtful that any drilling company would bid on only 100 feet of hole. With no provision for mobilization and demobilization $7.50 per foot for drilling plus an incidental allowance of $0.75 per foot are believed to be not too far out of line. At 20 feet of hole per day, plus 1 day to set up and remove drill, estimated time required is 6 days.

100 feet X-ray size core drilling at $7.50/ft	$750.00
Incidental allowance for mobilization, engineering, core boxes, etc., per foot of core drilling, 100 ft at $0.75/ft	$75.00

DRIFTING

775 ft of drift, at 1 shift/day, 22 days/month, and a rate of advance of 5 ft/day, estimated time required 155 days or 7.02, say 7 months.

1. Independent Contracts — None

2. Labor and Supervision

2 miners at $20/shift	$40.00
1 helper at $19/shift	19.00
1 hoistman at $20/shift	20.00
Total	$79.00
FICA and other insurance at 15%	11.85
	$90.85

At 5 feet per shift — $18.17/ft

3. <u>Operating Materials and Supplies</u> (per 5-foot round)

35 lbs 40% powder at $30/cwt	$10.50
18 caps, 0-10 delay at $0.045 ea	0.81
18# connecting wire at $2/lb	0.25
Air line, 2" w/fittings	
575 ft at $0.50/ft	
(less 50% - no salvage)	0.95 ?
Air hose, 2" w/fittings	
150 ft at $1.12/ft	1.05
Water line, 3/4" w/fittings	
575 ft at $0.20/ft	0.38 ?
(less 50% - no salvage)	
Water hose, 3/4" w/fittings	
150 ft at $1.03/ft	1.00
Gasoline, 30 gal at $0.31/gal	9.30
Oil, grease, etc., 10% of fuel	0.93
Miscl. small tools	0.50
Rail, 25# plus fish plates,	
bolts, spikes, etc., at $160/T	3.32
(less 50% - no salvage)	
Ties, 3-3/4 at $0.40 each	1.50
Steel, 1 replaced each	
300 ft at $16, 90 ft/round	4.80
Bits, 1 replaced each	
300 ft at $20, 90 ft/round	6.00
Sample sacks	0.20
Total	$41.49

Per 5-foot round $8.30/ft

4. Operating Equipment

Owned by Applicant	Present fair market value	Allowed deprec/mo
*Hoist	$ 900.00	$ 15.00
*Hoist motor (gas driven)	1,200.00	20.00
*310 cfm compressor	5,400.00	90.00
*900 ft, $1\frac{1}{2}$" cable	1,200.00	20.00
7 mine cars	700.00	11.67
2 Jackleg drills	900.00	15.00
6 KW generator (gas driven) w/charger panel	200.00	3.33
		$175.00/mo

For 7 mos. $1,225.00

*Arthur Lombardi in a telephone conversation 11/17/63 said he had just bought these items.

To be rented	Monthly rental
4-wheel drive truck or Jeep	$300.00
B-12, Mancha mucking machine	300.00
	$600.00

For 7 mos. 4,200.00

Total operating equipment $5,425.00

At 775 ft drift and X-cut $7.00/ft

$33.47

5. Rehabilitation and Repairs

Repairs necessary to make shaft and manway safe (1 job) $600.00

6. New Buildings None

7. Miscellaneous

Consulting Engineer-Geologist		
4 days/mo at $50/day	$1,400.00	
4 days per diem/mo at $15/day	420.00	
Assays for gold, silver, lead, and zinc content of 200 samples at $7/sample	1,400.00	$3,220.00
Total cost/ft for drifting and/or crosscutting		$33.47/ft

It is recommended that the Subproject 1 unit cost of $38/ft for drifting be used. ?

TIMBERING

It is estimated that three-quarters of the drifts and crosscuts will require timber and that 1 shift will stand, block, and lag 3 sets or 15 feet. At 580 feet of timber, 38.7 days or 1.7 say 2 months will be required.

1. Independent Contracts — None

2. Labor and Supervision

2 miners at $20/day	$40.00
1 helper at $19/day ?	19.00
1 hoistman-timber framer at $20/day	20.00
Total	$79.00
FICA and other insurance at 15%	11.85
	$90.85
At 15 feet timber	$6.06/ft

3. Operating Materials and Supplies

232 posts, 10"x10"x7'	=13,533 bf	
116 caps, 10"x10"x6'6"	= 6,283 bf	
232 collar braces 4"x6"x4'2"	= 1,933 bf	
1,700 lagging 2"x12"x5'	=17,000 bf	
	38,749 bf	
at $75/M	$2,906.00	
Plus 10% blocks, wedges, etc.)	290.60	$3,196.60
At 580 feet of timber		$5.51/ft

4. through 7. None

Total cost for timbering $11.57/ft

It is recommended that the Subproject 1 unit cost of $7.50 be used. ✓

RECAPITULATION

100 ft X-ray size core drilling at $7.50/ft	$ 750.00
Incidental allowance 100 ft at $0.75/ft	75.00
625 ~~775~~ ft of drift and/or crosscut at $38/ft	~~29,450.00~~
580 ft of drift timbering at $7.50/ft	4,350.00
28 days consultant at $50/day	1,400.00
28 days per diem at $15/day	420.00
200 samples assayed for gold, silver, lead, and zinc at $7/sample	1,400.00
Total cost - Subproject 2	$37,845.00
Government's participation at 50%	$18,922.50
Subproject 1 - total cost	$59,425.00
Subproject 2 - total cost	37,845.00
Total cost of project	$97,270.00
Government's participation at 50%	$48,635.00

D. R. MacLaren

Enclosures
Distribution:
OME(3); USGS(SRO)
Docket; MacLaren

(Excerpt of Memorandum to File by Mr. Selfridge concerning telephone call on 11/18/63 to Mr. McLaren. Complete memorandum dated 11/19/63 filed in OME-6324, Clayton Silver Mines.)

With regard to Pacific Minerals & Chemical Co., Inc., OME-6141, he stated that the recess started on October 11 as he had visited the property on the 10th and the diamond driller was folding up.

Mr. McLaren examined the Lombardi property on August 11. There is a claim conflict and the Applicant plans to submit a new application.

Mr. McLaren asked what if the Operator at the Grand Deposit Mining Company, OME-6263, had already sold the pipe and rail. The writer informed Mr. McLaren that the Government would participate to 50 per cent of the mat. He has already written to Mr. Bauer to learn the status of these types of equipment.

Mr. McLaren asked if it would be all right for him to take leave between December 26, 1963, and January 3, 1964, to accompany his boy on a visit to certain schools. The writer informed him that he could think of no reason why he shouldn't be able to do this. In this connection, the writer informed Mr. McLaren that we would like to write as many contracts as warranted before early January. He also suggested that we might use the services of the Bureau of Mines to do some field work in order to give Mr. McLaren an opportunity to write up his reports. Mr. McLaren stated that his last trip had involved 3100 miles and that he would not be going into the field again until after the holidays. He further stated that there were three or possibly four projects that warranted OME assistance and that after clearing a couple of vouchers he would start to write up the favorable reports.

Mr. McLaren also asked if we had received a copy of a letter from Mr. James A. Williams, Director, Division of Mines and Minerals, State of Alaska. The writer informed him that the inquiry had been referred to the Legal Division for comment and that we would answer from here.

George C. Selfridge

GCSelfridge/gla (11-19-63)
cc to: Director's Reading File
Docket OME-6324
Copies of page 2 in Dockets OME-6141, OME-6263, and OME-6316
M&R, Region I file
Mr. Selfridge

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/5	Murphy	500
11/5	Onsleve	500
11/5	Talbot	800
	[illegible]	130
11/5	Johnson	110
	[illegible]	100
11/6	[illegible]	220
		500

NOV 6 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6316 (Silver-Gold)
C. A. Lombardi and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho

Please advise the status of the subject application which was referred to Region I on July 23.

George C. Selfridge (gca)

MMerrithew/mm
11/5/63
cc: Director's Reading File
Review Committee
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/22	Murphy	500
	on leave	500
	Selfridge	130
7/23	Johnson	110
"	Ferry	100
7/24	gab	220
		500

AIRMAIL

JUL 23 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6316 (Silver-Gold)
C. A. Lombardi and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho

The captioned application is referred to Region I for review, a field examination if deemed advisable, and recommendations.

Under Item 7, Estimate of Cost, the applicant's reason for not detailing costs is not acceptable. Our files must show a breakdown of proposed costs which indicate that the unit costs in a proposed contract are reasonable and do not exceed any costs estimated by an applicant. Therefore, if you conclude an exploration contract is warranted, the applicant should be requested to submit a breakdown of the costs and submit bids for the proposed geochemical sampling and bulldozer trenching if they are included in the recommended work.

With regard to the proposed work it appears that Phase 1 and 2 of surface exploration and Phase 1 of underground exploration are designed to explore new areas. However, most of Phase 2 exploration of the Hilltop mine proper and all of Phase 3 are considered development work.

George C. Selfridge (gla)

Enclosures

FMMurphy/ama 7-22-63

cc:
Docket
Director's Reading File
Review Committee

P. S. With reference to Phase II, the three exploration items listed below "Underground" in your letter of September 21, 1962, to Mr. Sims (OME-6185) are still considered favorably unless conditions have changed.

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/22	Murphy	500
	Ontiveros	500
	Lodge	120
7/23	Johnson	110
"	Fumich	100
		220
		500

AIRMAIL

JUL 23 1963

Mr. Clemens A. Lombardi and
Mr. Arthur Lombardi
107 N. Hickery
Anaconda, Montana

Re: OME-6316 (Silver-Gold)
C. A. Lombardi and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho

Gentlemen:

Your application for financial assistance in exploring the Hilltop, et al., claims has been reviewed by the Division of Minerals of the Office of Minerals Exploration and referred to Mr. D. R. MacLaren, Acting Field Officer, Region I, South 157 Howard Street, Spokane 4, Washington.

The regional office will notify you in case additional information concerning the application is needed.

Sincerely yours,

George Fumich, Jr.

Director

FMMurphy/ama 7-22-63

cc:
Docket
Director's Reading File
Region I

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/23	Murphy	500
	[illegible]	500
	Selfridge	220
7/23	Johnson	110
"	[illegible]	100
7/23	Cole	220
		500

JUL 23 1963

Hon. Lee Metcalf
United States Senate
Senate Office Building
Washington 25, D. C.

Re: OME-6316 (Silver-Gold)
C. A. Lombardi and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho

Dear Senator Metcalf:

This is in response to your letter of July 19, 1963, relating to the status of the referenced application for exploration aid.

The application was received here in Washington on July 17, 1963, and has been referred to our Region I for additional information and discussion with the Applicants.

As requested, we are returning the two letters from Mr. John L. McKeon.

Sincerely yours,

George Fumich, Jr.
Director

Enclosures

FMMurphy/ama 7-23-63

cc:
Docket
Director's Reading File
Region I w/enclosures

43683

HENRY M. JACKSON, WASH., CHAIR
CLINTON P. ANDERSON, N. MEX.
ALAN BIBLE, NEV.
FRANK CHURCH, IDAHO
ERNEST GRUENING, ALASKA
FRANK E. MOSS, UTAH
QUENTIN N. BURDICK, N. DAK.
LEE METCALF, MONT.
CARL HAYDEN, ARIZ.
GEORGE MCGOVERN, S. DAK.
GAYLORD NELSON, WIS.
THOMAS H. KUCHEL, CALIF.
GORDON ALLOTT, COLO.
LEN B. JORDAN, IDAHO
MILWARD L. SIMPSON, WYO.
E. L. MECHEM, N. MEX.
PETER H. DOMINICK, COLO.
JERRY T. VERKLER, STAFF DIRECTOR

United States Senate
COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 22 1963

DATE	INITIALS	CODE
7/22	Irwin & Murphy	500

19 July 1963

Office of Minerals Exploration
Department of the Interior
Washington 25, D. C.

Gentlemen:

I shall appreciate whatever favorable consideration you might find it possible to give the application of Clemens A. Lombardi and Arthur Lombardi for federal assistance in financing exploration for mineral reserves.

A letter from Mr. John L. McKeon of the firm of McKeon and Brolin, Anaconda, Montana, regarding this matter is enclosed. I shall appreciate the return of the enclosure when it has served its purpose.

Very truly yours,

Lee Metcalf

Encl.

wrote Sen. Metcalf 7/23/63
Murphy

OME - 6316

McKeon and Brolin
ATTORNEYS AT LAW
124 OAK STREET * TELEPHONE 563-5201
ANACONDA, MONTANA

July 12, 1963

Hon. Lee Metcalf
Senate Office Building
Washington 25, D.C.

Dear Senator:

I enclose herewith a copy of a letter I have written to the Office of Minerals Exploration, Department of Interior, conveying to that office the application of Clemens A. Lombardi and Arthur Lombardi for federal [illegible] under the provisions of Title 30, Chapter III of Federal Regulations.

The applicants are twin brothers who have done considerable work on the mining claim and at one time had previously applied for a loan which was denied, but which they refused due to the fact that they had a partner at that time who seemed to want to use the loan in a manner the Lombardis did not feel was proper. They have now dissolved [illegible] third party and are extremely interested in again proceeding with the application and in securing the loan.

While the property involved, or the mining claim, is just over the [illegible] near Salmon, Idaho, the Lombardis are native sons of this area and their family has lived in Montana and in Anaconda for many years. They are [illegible] one of the oldest families in Anaconda and are acknowledged [illegible] the local Italian community as well as being very highly regarded. [illegible] is an extremely large family now and with marriages would [illegible] with over 100 members.

[illegible] extremely interested, personally, in seeing that this loan [illegible] and would even take a trip to Washington, if necessary, to [illegible] the approval of the loan. I am informed that the government has already examined the property so that there should not be [illegible] having investigations thereon.

I want you to know that I will consider it a very personal [illegible] and will render all assistance possible in endeavoring to [illegible] of this loan. If there is anything I can do on this end please [illegible] I will be more than willing to follow any suggestions.

[illegible] will do all possible to assist in this matter and [illegible] have a lasting appreciation for your [illegible]

Very truly yours,

JOHN L. McKEON

July [illegible], 1951

The Office of Mineral Exploration
Department of Interior
Washington [illegible], D.C.

Gentlemen:

I enclose herewith the application of [illegible] Lombardi and Arthur Lombardi for [illegible] assistance in financing exploration for mineral reserves pursuant to Title [illegible], Chapter [illegible] of the Code of Federal Regulations.

I would deeply appreciate if you would be so kind as to acknowledge receipt of this material directly to the undersigned. Also, while I believe the application is complete in every aspect, should we have omitted any pertinent information, or should you have further inquiry, would you please communicate the same to the undersigned?

The approval of this loan application is extremely important to the applicants and your assistance in expediting the processing would be deeply appreciated.

Very truly yours,

JOHN [illegible] LIBERSON

JLM/mps
Enc.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/22	Murphy	500
	Grant	500
	Lefebvre	120
7/23	Johnson	110
	[illegible]	100
7/23	cal	220
		500

JUL 23 1963

Hon. Mike Mansfield
United States Senate
Senate Office Building
Washington 25, D. C.

Re: OME-6316 (Silver-Gold)
C. A. Lombardi and Arthur Lombardi
Hilltop, et al., Claims
Lemhi County, Idaho

Dear Senator Mansfield:

This is in response to your letter of July 18, 1963, relating to the status of the referenced application for exploration aid.

The application was received here in Washington on July 17, 1963, and has been referred to our Region I for additional information and discussion with the Applicants.

As requested, we are returning the two letters from Mr. John L. McKeon.

Sincerely yours,

George Fumich, Jr.

Director

(pl)

Enclosures

FMMurphy/ama/gla (7-22-63)
7-23-63
cc to: Director's Reading File
Region I w/enclosures
Docket

23263

J. W. FULBRIGHT, ARK., CHAIRMAN

JOHN SPARKMAN, ALA.
HUBERT H. HUMPHREY, MINN.
MIKE MANSFIELD, MONT.
WAYNE MORSE, OREG.
RUSSELL B. LONG, LA.
ALBERT GORE, TENN.
FRANK J. LAUSCHE, OHIO
FRANK CHURCH, IDAHO
STUART SYMINGTON, MO.
THOMAS J. DODD, CONN.
GEORGE A. SMATHERS, FLA.

BOURKE B. HICKENLOOPER, IOWA
GEORGE D. AIKEN, VT.
FRANK CARLSON, KANS.
JOHN J. WILLIAMS, DEL.
KARL E. MUNDT, S. DAK.

CARL MARCY, CHIEF OF STAFF
DARRELL ST. CLAIRE, CLERK

United States Senate

COMMITTEE ON FOREIGN RELATIONS

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 22 1963

DATE	INITIALS	CODE
		500

July 18, 1963

Mr. George Fumich, Jr., Director
Office of Minerals Exploration
Department of the Interior
Washington, D. C.

Dear Mr. Fumich:

Enclosed is a letter and attachment I have received from Mr. John L. McKeon of Anaconda, Montana, concerning the application of Clemens A. Lombardi and Arthur Lombardi for assistance in financing exploration for minerals research.

You will note that the Lombardis have previously been in contact with the Department, and a loan was approved at that time. Apparently this loan was refused because of organizational difficulties, and they are now seeking favorable consideration for a new loan. I would appreciate your giving me an up to date report on the status of this application. Please return the enclosures after they have served their purpose.

Thanking you and with best personal wishes, I am

Sincerely yours,

Mike Mansfield

JOHN L. McKEON

WILLIAM A. BROLIN

McKeon and Brolin

ATTORNEYS AT LAW

124 OAK STREET * TELEPHONE 563-5201

ANACONDA, MONTANA

July 12, 1962

Hon. Mike Mansfield
Senate Office Building
Washington 25, D.C.

Dear Mike:

I enclose herewith a copy of a letter I have written to the Office of Minerals Exploration, Department of Interior, [illegible] that office the application of [illegible] A. Lombardi and [illegible] Lombardi for financial assistance under the provisions of Title 30, Chapter III [illegible] Regulations.

The applicants are twin brothers who have done considerable work on this mining claim and at the time had previously applied for a loan which was granted, but which then refused due to the fact that they had a third partner at that time who seemed to want to [illegible] manner in which the Lombardis did not feel was proper. They have now rid themselves from this third party and are extremely interested in proceeding with the application and in securing the loan.

While the property involved, or the mining claim, is just over the border near Salmon, Idaho, the Lombardis are native sons of this city and their family has lived in Montana and in Anaconda for many years. They are probably one of the oldest families in Anaconda and are acknowledged leaders in the local Italian community as well as being very highly regarded. The family is an extremely large family now and with marriages would probably number well over 100 members.

I am extremely interested, personally, in seeing that this loan is approved and would even take a trip to Washington, if necessary, to attempt to facilitate the approval of the loan. I am informed that the government field men have already examined the property so that there should not be any great delay in having investigations thereon.

I want you to know that I will consider it a very personal accomodation if your office will render all assistance possible in endeavoring to secure approval of this loan. If there is anything I can do on this end please let me know and I will be more than willing to follow any suggestions.

I know that you will do all possible to assist in this matter and you may rest assured you will have my undying appreciation for your efforts.

Very truly yours,

JOHN L. McKEON

JLM/mas

McKeon and Brolin
ATTORNEYS AT LAW
124 OAK STREET • TELEPHONE 563-5201
ANACONDA, MONTANA

July 12, 1963

Hon. Mike Mansfield
Senate Office Building
Washington 25, D.C.

Dear Mike:

I enclose herewith a copy of a letter I have written to the Office of Minerals Exploration, Department of Interior, conveying to that office the application of Clemens A. Lombardi and Arthur Lombardi for federal assistance under the provisions of Title 30, Chapter III of Federal Regulations.

The applicants are twim brothers who have done considerable work on this mining claim and at one time had previously applied for a loan which was granted, but which they refused due to the fact that they had a third partner at that time who seemed to want to use the loan in a manner in which the Lombardis did not feel was proper. They have now dissolved themselves from this third party and are extremely interested in again proceeding with the application and in securing the loan.

While the property involved, or the mining claim, is just over the border near Salmon, Idaho, the Lombardis are native sons of this city and their family has lived in Montana and in Anaconda for many years. They are probably one of the oldest families in Anaconda and are acknowledged leaders in the local Italian community as well as being very highly regarded. The family is an extremely large family now and with marriages would probably number well over 100 members.

I am extremely interested, personally, in seeing that this loan is approved and would even take a trip to Washington, if necessary, to attempt to facilitate the approval of the loan. I am informed that the government field men have already examined the property so that there should not be any great delay in having investigations thereon.

I want you to know that I will consider it a very personal accomodation if your office will render all assistance possible in endeavoring to secure approval of this loan. If there is anything I can do on this end please let me know and I will be more than willing to follow any suggestions.

I know that you will do all possible to assist in this matter and you may rest assured you will have my undying appreciation for your efforts.

Very truly yours,

JOHN L. McKEON

JOHN L. McKEON

WILLIAM A. BROLIN

McK[illegible] and B[illegible]

ATTO[illegible] AT LA[illegible]

[illegible] OAK STREET [illegible]

ANAC[illegible] A [illegible]

[illegible] office of
[illegible] f[illegible] the
[illegible] assis-
[illegible] rations.

[illegible] work
[illegible] than which
[illegible] third
[illegible] which
[illegible] selves
[illegible] with

[illegible] the
[illegible] ity and
[illegible] They
[illegible] wledged
[illegible] garded.
[illegible] prob-
[illegible] members.

[illegible] s
[illegible] attempt
[illegible] ent field
[illegible] any great
[illegible] s there

[illegible] dation
[illegible] secure
[illegible] ase let me
[illegible]

July 12, 1963

The Office of Minerals Exploration
Department of Interior
Washington 25, D.C.

Gentlemen:

I enclose herewith the application of Clemens A. Lomberdi and Arthur Lomberdi for federal assistance in financing exploration for mineral reserves, pursuant to Title 30, Chapter III of the Code of Federal Regulations.

I would deeply appreciate it if you would be so kind as to acknowledge receipt of this material directly to the undersigned. Also, while I believe the application is complete in every aspect, should we have omitted any pertinent information, or should you have further inquiry, would you please communicate the same to the undersigned?

The approval of this loan application is extremely important to the applicants and your assistance in facilitating the processing would be deeply appreciated.

Very truly yours,

JOHN L. McKEON

JLM/mps
Enc.

July 12, 1963

The Office of Minerals Exploration
Department of Interior
Washington 25, D.C.

Gentlemen:

I enclose herewith the application of Clemens A. Lombardi and Arthur Lombardi for federal assistance in financing exploration for mineral reserves, pursuant to Title 30, Chapter III of the Code of Federal Regulations.

I would deeply appreciate it if you would be so kind as to acknowledge receipt of this material directly to the undersigned. Also, while I believe the application is complete in every aspect, should we have omitted any pertinent information, or should you have further inquiry, would you please communicate the same to the undersigned?

The approval of this loan application is extremely important to the applicants and your assistance in facilitating the processing would be deeply appreciated.

Very truly yours,

JOHN L. McKEON

JLM/mps
Enc.

July 17, 1963

Clemens A. Lombardi
and
Arthur Lombardi
107 N. Hickery
Anaconda, Montana

Subject: OME - 6316

Dear Mr. Lombardi:

Your application for exploration assistance, dated July 9, 1963 submitted to our office at Washington, D. C. has been assigned Docket Number OME - 6316.

Please identify all future correspondence relating to you application by this docket number.

Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

Copy to:

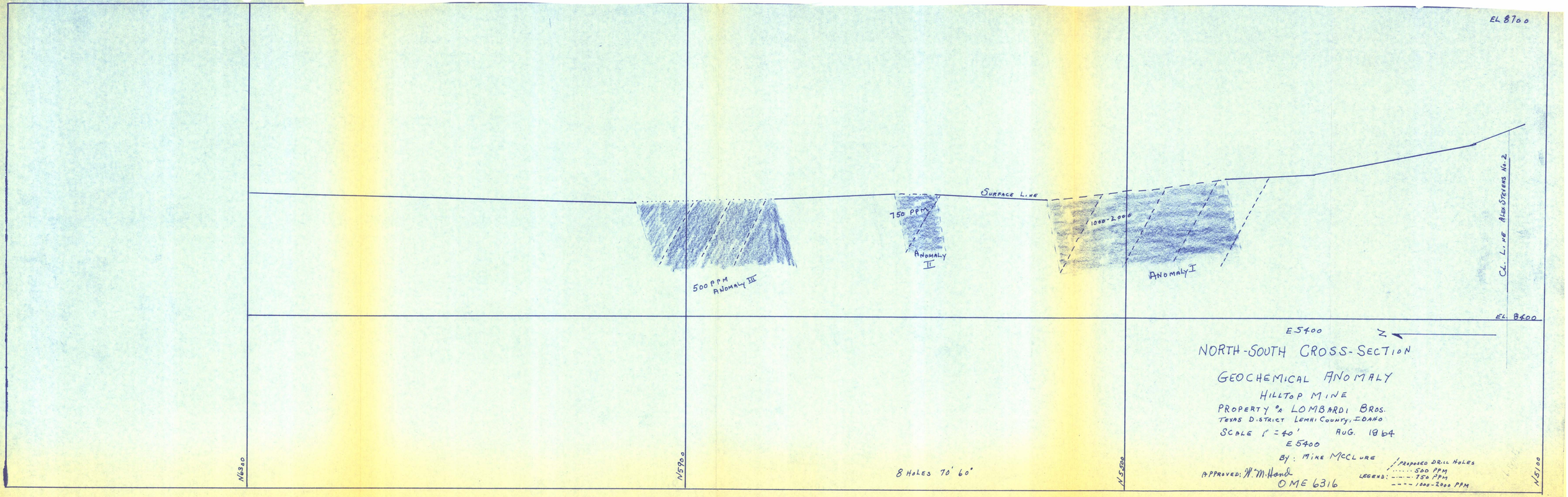
Region I

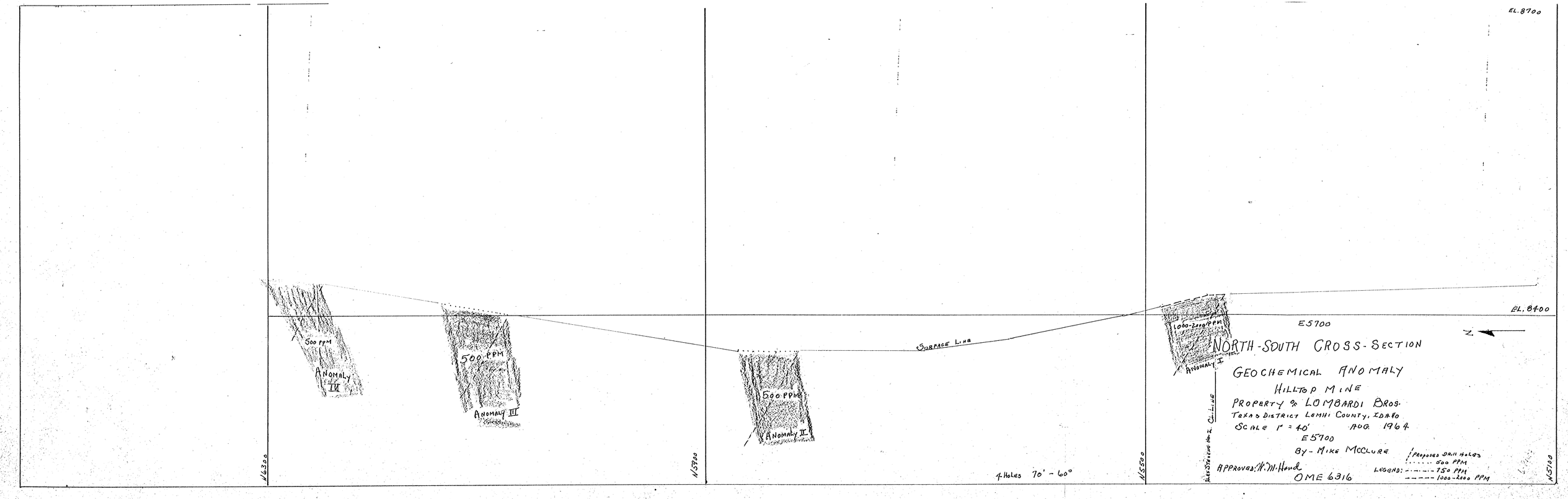
O.M.E. Region 1. Location Map

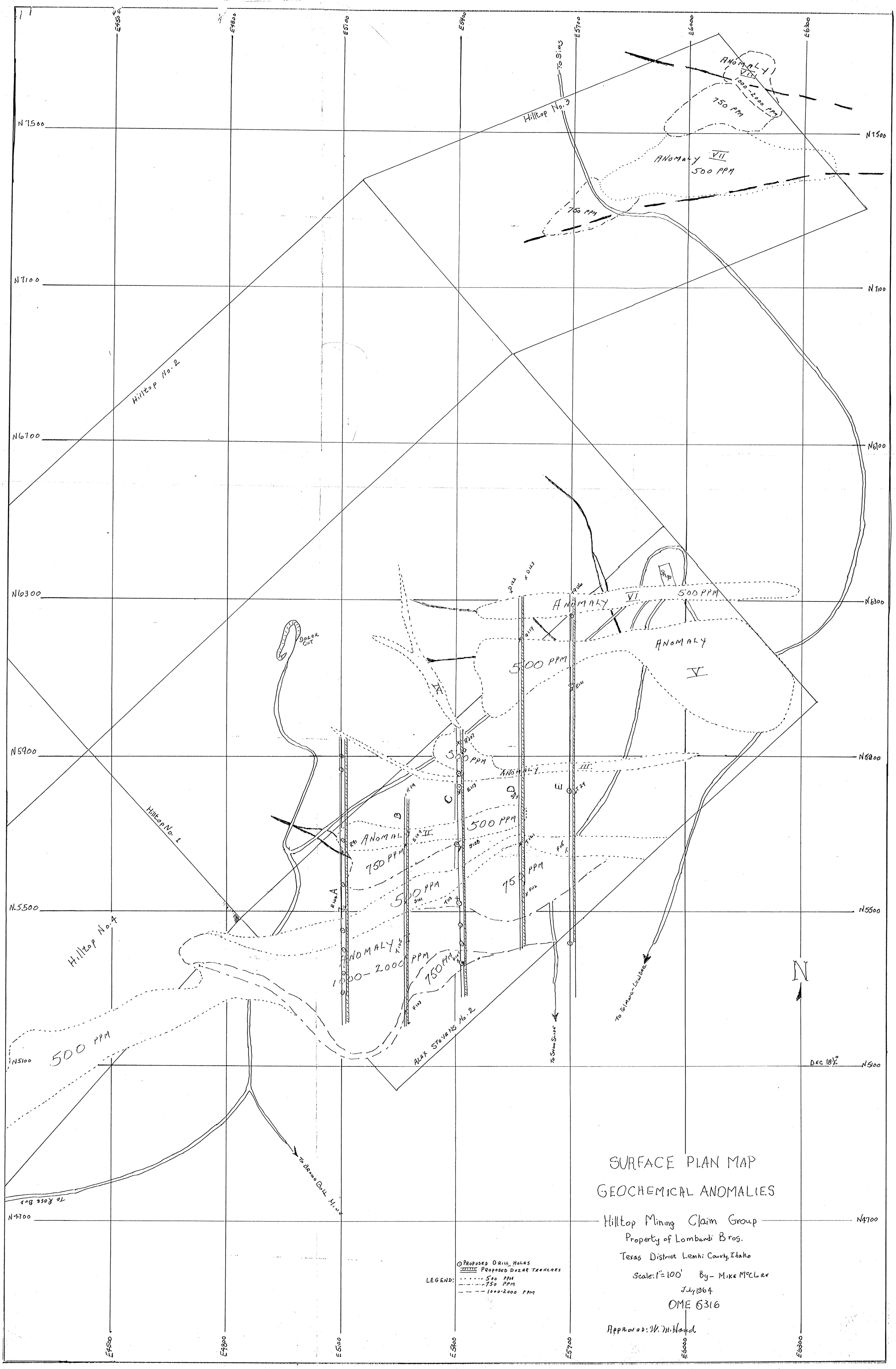
25 0 25 50 100 Miles

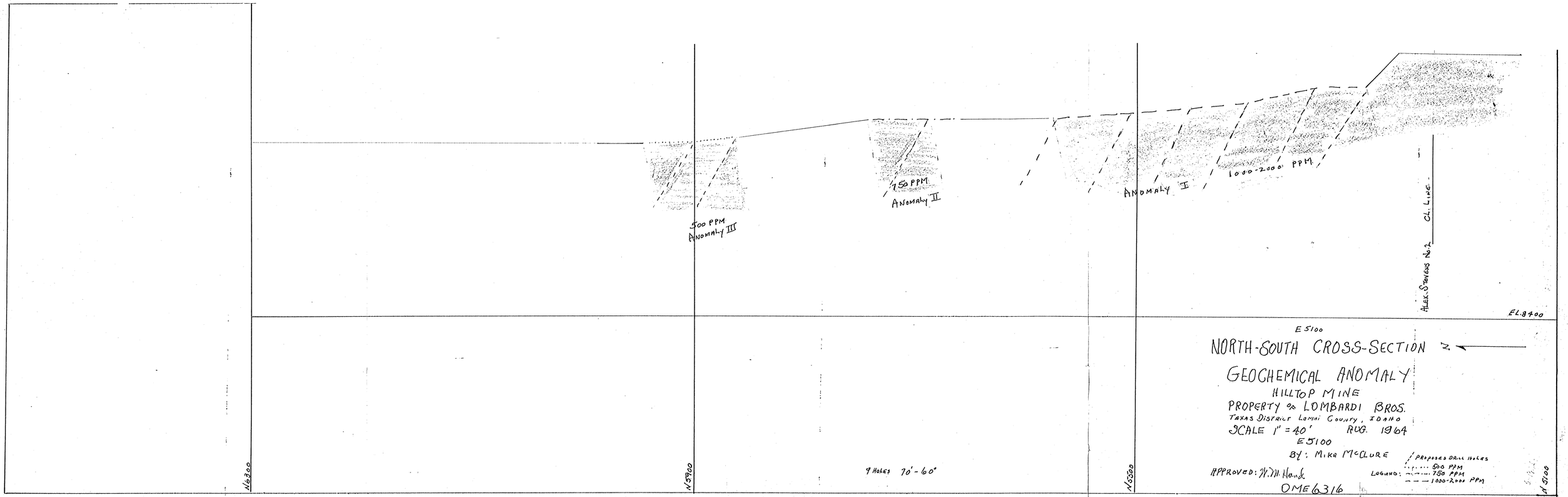
• Hilltop Claims

OME-6316 Plate 1


EL 8700
SURFACE LINE
750 PPM
ANOMALY II
1000-2000
ANOMALY I
500 PPM
ANOMALY III
CL. LINE ALBE STEVENS No. 2
EL. 8400
E5400
N
NORTH-SOUTH CROSS-SECTION
GEOCHEMICAL ANOMALY
HILLTOP MINE
PROPERTY OF LOMBARDI BROS.
TEXAS DISTRICT LEMHI COUNTY, IDAHO
SCALE 1" = 40'
AUG. 1964
E5400
BY: MIKE MCCLURE
APPROVED: H. M. Hand
OME 6316
LEGEND:
PROPOSED DRILL HOLES
500 PPM
750 PPM
1000-2000 PPM
N6300
N5900
8 HOLES 70' 60°
N5500
N5100


EL. 8700
EL. 8400
E5700
N
NORTH-SOUTH CROSS-SECTION
GEOCHEMICAL ANOMALY
HILLTOP MINE
PROPERTY OF LOMBARDI BROS.
TEXAS DISTRICT LEMHI COUNTY, IDAHO
SCALE 1" = 40'
AUG. 1964
E5700
BY - MIKE MCCLURE
APPROVED: W. M. Hand
OME 6316
LEGEND:
Proposed Drill Holes
500 PPM
750 PPM
1000-2000 PPM
Surface Line
Anomaly I
Anomaly II
Anomaly III
500 PPM
500 PPM
500 PPM
1000-2000 PPM
4 Holes 70' - 60°
N6300
N5900
N5500
N5100


SURFACE PLAN MAP
GEOCHEMICAL ANOMALIES
Hilltop Mining Claim Group
Property of Lombardi Bros.
Texas District Lemhi County, Idaho
Scale: 1" = 100'
By - Mike McClure
July 1964
OME 6316
Approved: W. Midland
LEGEND:
Proposed Drill Holes
Proposed Dozer Trenches
500 PPM
750 PPM
1000-2000 PPM
Hilltop No. 1
Hilltop No. 2
Hilltop No. 3
Hilltop No. 4
Alex Stevens No. 2
To Sims
To Gilmore-Leadbre
To Sims Slides
To Brown Bell Mine
To Rose Bud
Dozer Cut
Anomaly VII
Anomaly VI
Anomaly V
Anomaly III
Anomaly II
Anomaly I
N
N7500
N7100
N6700
N6300
N5900
N5500
N5100
N4700
E4500
E4800
E5100
E5400
E5700
E6000
E6300
Dec 18½


500 PPM
ANOMALY III
750 PPM
ANOMALY II
ANOMALY I
1000-2000 PPM
ALEX. STEVENS No. 2
CL. LINE
EL. 8400
E 5100
NORTH-SOUTH CROSS-SECTION
GEOCHEMICAL ANOMALY
HILLTOP MINE
PROPERTY OF LOMBARDI BROS.
TAKNS DISTRICT LEMHI COUNTY, IDAHO
SCALE 1" = 40'
AUG. 1964
E 5100
BY: MIKE McCLURE
APPROVED: W. M. Hook
OME 6316
PROPOSED DRILL HOLES
LEGEND:
500 PPM
750 PPM
1000-2000 PPM
N 6300
N 5900
9 HOLES 70'-60'
N 5500
N 5100

SEP 14 1965

9 1

AMERICAN SMELTING & REFINING CO.
AST HELENA PLANT
EAST HELENA, MONTANA

Form No. 1

Shipper: AL DIRE
Mine: HILL TOP
Class: CRUDE Shipping Point: LEADORE, IDAHO
Smelter Lot. No. 1057 Mine Lot No: 1

TRUCK 5.8 16940

Assays	Gold Oz. Per Ton	Silver Oz. Per Ton	Wet Lead %	Copper %	Zinc %	Arsenic %	Antimony %	Bismuth %
A.S.& R.Co.	0.105	8.9	16.0	0.05	8.3	0.25	0.33	
Shipper								
Umpire								
Settlement								

Assay Deduction	Percent Pay	METAL	Pay Quotation	Quotation Deduction
	100	Gold	31.818.25	
1.0	100	Silver	1.289	.01
1.5	90	Lead	.16	.0225
		Copper		

H_2O	Wet Weight	Dry Weight	Dry Tons	Wet Tons
58.00	16,940	15,957	7,978	8,470
	16,940	15,957	7,978	8,470

Date of Arrival: August 20, 1965

Settlement Assay		Total Content	Assay Ded.		Percent Pay		Pay Content	Pay Quotation	Quot. Ded.	Net to Shipper
10.50	Gold	.84			100.00		.84	31,818.25		26.73
890.00	Silver	71.01	100.00		100.00		63.03	1.289.00	10.00	80.62
1,600.00	Lead	2,553.20	150.00		90.00		2,082.45	160.00	22.50	286.34
5.00	Copper	7.98					.00			

Special $10.00

Dry Tons X Total Contract Deductions $10.00	ST 6	7,978.74S	10.00	393.69S
Sampling $5.00				79.79◇
Lbs. of Pb (Pay Content)				5.00◇
Lbs. of Cu. (Pay Content)				
Tons of Pb & Cu X Bullion Frt. Act.	PR			
Tons of Pb & Cu X Bullion Frt. Cont.				
Sub-Total				
Wet tons X Frt. Rate	ST 5			308.90S
Sub-Total				
Advances $100.00				100.00◇
Hauling Lindsay Truck Line $125.00	ST 5			125.00◇
Umpires				
Net proceeds	-183.90			
Smelt Rep				
Net Proceeds	9.19 50			83.90*
Due	$9.20			

PAID

LABOR ADJUSTMENTS CHARGES

EAST HELENA RATE	CONTRACT RATE	DIFFERENCE	CHARGES

SEP 26 1968

9 86

AMERICAN SMELTING & REFINING CO.
EAST HELENA PLANT
EAST HELENA, MONTANA

Form No. 1

Shipper: CECELIA LOMBARD
Mine: HILL TOP
Class: CRUDE Shipping Point: LEADORE, IDAHO
Smelter Lot. No. 906 Mine Lot No: 2

TRUCK 4.8 7300

Assays	Gold Oz. Per Ton	Silver Oz. Per Ton	Wet Lead %	Copper %	Zinc %	Arsenic %	Antimony %	Bismuth %
A.S.& R.Co.	0.160	5.8	8.8	0.45	5.30			
Shipper								
Umpire								
Settlement								

Assay Deduction	Percent Pay	METAL	Pay Quotation	Quotation Deductic
	91.14	Gold	39.96	
1.0	100	Silver	2.23775	.01
1.5	90	Lead	.125	.0275
		Copper		

Date of Arrival: SEPTEMBER 3, 1968

H_2O	Wet Weight	Dry Weight	Dry Tons	Wet Tons
48.00	7,300	6,949	3,474	3,650
	7,300	6,949	3,474	3,650

Settlement Assay		Total Content	Assay Ded.		Percent Pay		Pay Content	Pay Quotation	Quot. Ded.	Net to Shipper
16.00	Gold	.56			91.14		.51	34960.00		20.38
580.00	Silver	20.15	100.00		100.00		16.68	2237.75	10.00	37.16
880.00	Lead	611.57	150.00		90.00		456.59	125.00	27.50	44.5
45.00	Copper	31.27					.00			
50.00		36.83					.00			

Base Charge $14.50
Labor .17
$14.67

Dry Tons X Total Contract Deductions $14.67	ST 6	3,474.80S	14.67	102.06S
Sampling $10.00				50.98
Lbs. of Pb (Pay Content)				10.00
Lbs. of Cu. (Pay Content)				
Tons of Pb & Cu X Bullion Frt. Act.	PR			
Tons of Pb & Cu X Bullion Frt. Cont.				
Sub-Total				41.08S
Wet tons X Frt. Rate	ST 5			
Sub-Total				
Advances				
Hauling @ $11.00 – $40.15 & $16.61 Due from Lot 1 Lindburg Truck Line $15.68 not Paid.	ST 5	Applied to hauling $41.08		
~~Umpires~~				
Net Proceeds				— 0 —

LABOR ADJUSTMENT CHARGES

EAST HELENA RATE	CONTRACT RATE	DIFFERENCE	CHARGES
3.729	3.70	.029	64

OCT 18 1968

10 16

AMERICAN SMELTING & REFINING CO.
EAST HELENA PLANT
EAST HELENA, MONTANA

Form No. 1

Shipper: CECELIA LOMBARD
Mine: HILL TOP
Class: CRUDE Shipping Point: LEADORE, IDAHO
Smelter Lot. No. 979 Mine Lot No: 3

TRUCK 4.3 19550

Assays	Gold Oz. Per Ton	Silver Oz. Per Ton	Wet Lead %	Copper %	Zinc %	Arsenic %	Antimony %	Bismuth %
A.S.& R.Co.	0.030	4.4	5.5	0.05	5.1			
Shipper								
Umpire								
Settlement								

Assay Deduction	Percent Pay	METAL	Pay Quotation	Quotation Deduction
	91.14	Gold	40.39	
1.0	100	Silver	2.211	.01
1.5	90	Lead	.125	.0275
		~~Copper~~		

H_2O	Wet Weight	Dry Weight	Dry Tons	Wet Tons
43.00	19,550	18,709	9,354	9,775
	19,550	18,709	9,354	9,775

Date of Arrival: SEPTEMBER 17, 1968

Settlement Assay		Total Content	Assay Ded.		Percent Pay		Pay Content	Pay Quotation	Quot. Ded.	Net to Shipper
3.00	Gold	.28			91.14		.26	40,390.00		10.50
440.00	Silver	41.16	100.00		100.00		31.81	2,211.00	10.00	70.01
550.00	Lead	1,029.01	150.00		90.00		673.54	125.00	27.50	65.6
5.00	Copper	9.36					.00			

Special rate this lot only.

Dry Tons X Total Contract Deductions	ST 6			148.188
Sampling $5.00				5.00
Lbs. of Pb (Pay Content)				
Lbs. of Cu. (Pay Content)				
Tons of Pb & Cu X Bullion Frt. Act.	PR			
Tons of Pb & Cu X Bullion Frt. Cont.				
Sub-Total				
Wet tons X Frt. Rate	ST 5			
Sub-Total				
Advances				
Hauling $33.06 Lindsay Truck Line	ST 5			33.06
Umpires				
Net Proceeds				.00

EAST HELENA, MONTANA

8 11C

Shipper: CECELIA LORBEER

Mine: HILL TOP

Class: CRUDE Shipping Point: LEADORE, IDAHO

Smelter Lot. No. 833 Mine Lot No: 1

TRANSPT. 5.6 20750

Assays	Gold Oz. Per Ton	Silver Oz. Per Ton	Wet Lead %	Copper %	Zinc %	Arsenic %	Antimony %	
A.S.& R.Co.	0.055	5.65	8.7	0.05	8.7	0.30	0.16	
Shipper								
Umpire								
Settlement								

Assay Deduction	Percent Pay	METAL	Pay Quotation	Quotation Deduction
	91.14	Gold	39.59	
6.0	100	Silver	2.236	.01
1.5	90	Lead	.125	.0375
		Copper		

Scale	Wet Weight	Dry Weight	Dry Tons	Wet Tons
20750 20750	20,750	19,588 19588	9,794 9.794	10,375 10375

Date of Arrival: AUGUST 21, 1968

Settlement Assay		Total Content	Assay Ded.		Percent Pay		Pay Content	Pay Quotation	Quot. Ded.	Net to Shipper
5.50	Gold	.54			91.14		.49	39.590.00		19.40
5.00	Silver	5534	100.00		100.00		4534	2,236.00	10.00	101.37
270.00	Lead	1,704.16	150.00		90.00		1,254.30	125.00	27.50	123.76
5.00	Copper	9.79					.00			

Base Charge $14.50

Dry Tons X Total Contract Deductions $14.50	ST 6	9,794.00 S	14.50	244.53 S
Sampling $5.00				142.01 S
Lbs. of Pb (Pay Content)				5.00 S
Lbs. of Cu. (Pay Content)				
Tons of Pb & Cu X Bullion Frt. Act.	PB			
Tons of Pb & Cu X Bullion Frt. Cont.				97.52 S
Sub-Total				
Wet tons X Frt. Rate	ST 5			
Sub-Total				
Advances		(3114.13)		
Hauling @ $11.10 Lindburg	ST	APPLIED TO THE HAULING		97.52 S
Umpires				

Net Proceeds

9 86

EAST HELENA, MONTANA

Shipper: CECELIA LOMBARD
Mine: HILL TOP
Class: CRUDE Shipping Point: LEADORE, IDAHO
Smelter Lot. No. 206 Mine Lot No: 2

TRUCK 4.8 7300

Assays	Gold Oz. Per Ton	Silver Oz. Per Ton	Wet Lead %	Copper %	Zinc %	Arsenic %	Antimony %	[illegible] %
A.S.& R.Co.	0.160	5.8	8.8	0.45	5.30			
Shipper								
Umpire								
Settlement								

Assay Deduction	Percent Pay	METAL	Pay Quotation	Quotation Deduction
	91.14	Gold	39.96	
1.0	100	Silver	2.23775	.01
1.5	90	Lead	.125	.0275
		Copper		

Date of Arrival: SEPTEMBER 3, 1968

H_2O	Wet Weight	Dry Weight	Dry Tons	Wet Tons
48.00	7,300	6,949	3,474	3,650
7,300		6,949	3,474	3,650

Settlement Assay		Total Content	Assay Ded.		Percent Pay		Pay Content	Pay Quotation	Quot. Ded.	Net to Shipper
16.00	Gold	.56			91.14		.51	39,960.00		20.38
5.80.00	Silver	20.15	100.00		100.00		16.68	2,237.75	10.00	37.16
3.50.00	Lead	611.57	150.00		90.00		45659	125.00	27.50	44.52
45.00	Copper	31.27					.00			

Bear Chrg $14.50
Labor .17
$14.67

LABOR ADJUSTMENT CHARGES

EAST HELENA RATE	COLUMBIA FALLS	DIFFERENCE	CHARGES
3.7099	3.70	.029	6¢

Dry Tons X Total Contract Deductions $14.67	ST 6	3,474.80S 6	14.67	102.06S
Sampling $10.00				50.98 ◇
Lbs. of Pb (Pay Content)				10.00 ◇
Lbs. of Cu. (Pay Content)				
Tons of Pb & Cu X Bullion Frt. Act.				
Tons of Pb & Cu X Bullion Frt. Cont.				
Sub-Total				41.08S
Wet tons X Frt. Rate	ST 5			
Sub-Total				
Advances				
Hauling @ $11.00 – $40.15 & $16 from lot 1 hauling $15.68 net		Applied to hauling $11.08		
Umpires				
Net Proceeds				

10 [illegible]

EAST HELENA, MON[illegible]

Shipper: CECELIA LOMBARD
Mine: HILL TOP
Class: CRUDS, Shipping Point: LEADORE, IDAHO
Smelter Lot. No. 979 Mine Lot No:

TRUCK [illegible] 19550

Assays	Gold Oz. Per Ton	Silver Oz. Per Ton	[illegible] %	Copper %	Zinc %	Arsenic %	Antimony %	[illegible]
A.S.& R.Co.	0.030	[illegible]	[illegible]	[illegible]	5.1			
Shipper								
Umpire								
Settlement								

Assay Deduction	Percent Pay	METAL	Pay Quotation	Quotation Deduction
	[illegible]	Gold	40.39	
1.0	[illegible]	Silver	2.211	.61
1.5	[illegible]	Lead	1.25	.0275
		~~Copper~~		

H_2O	Wet Weight	Dry Weight	Dry Tons	Wet Tons
43.00	19,550	10,709	9,354	9,775
	19,550	10,709	9,354	9,775

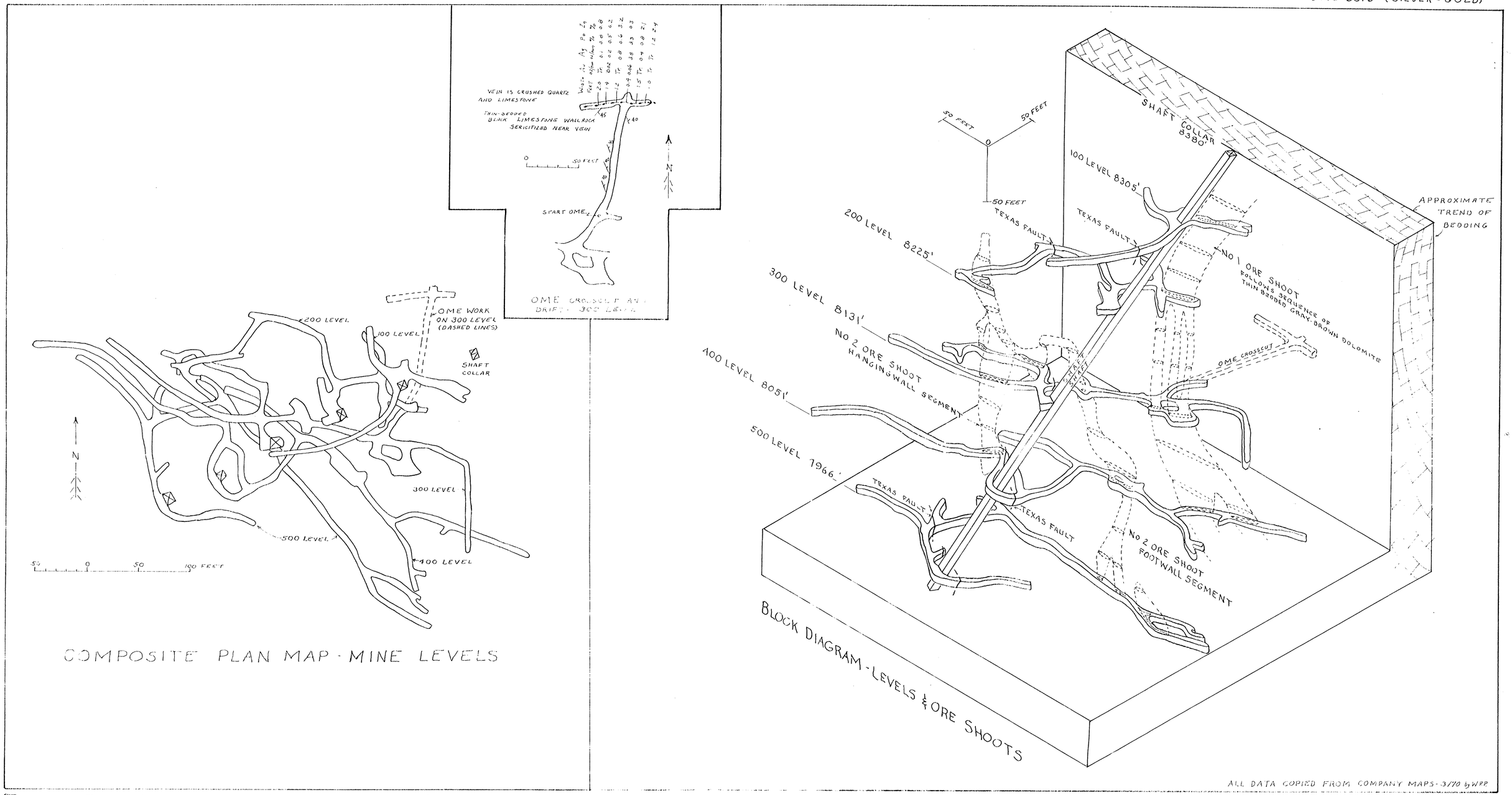
Date of Arrival: SEPTEMBER 17, 1968

Settlement Assay		Total Content	Assay Ded.		Percent Pay		Pay Content	Pay Quotation	Quot. Ded.	Net to Shipper
3.00	Gold	.28			91.14		.26	40,390.00		10[illegible]
440.00	Silver	41.16	100.00		100.00		31.81	2,211.00	[illegible]	70[illegible]
550.00	Lead	[illegible]	150.00		96.00		[illegible]	125.00	[illegible]	65.[illegible]
5.00	Copper	3.36								

Special rate this lot only.

Dry Tons X Total Contract Deductions	[illegible]	[illegible]
Sampling $5.00		5.00
Lbs. of Pb (Pay Content)		
Lbs. of Cu. (Pay Content)		
Tons of Pb & Cu X Bullion Frt. Act.	[illegible]	
Tons of Pb & Cu X Bullion Frt. Cont.		
Sub-Total		
Wet tons X Frt. Rate	[illegible]	
Sub-Total		
Advances		
Hauling $33.06 Lindley [illegible]	[illegible]	
Umpires		
Net Proceeds		

On



ALL DATA COPIED FROM COMPANY MAPS - 3/70 by WPR

FIGURE 2 - MAPS OF UNDERGROUND WORKINGS, HILLTOP CLAIMS, et al, SECS 1 & 2, T13N., R26E, LEMHI COUNTY, IDAHO

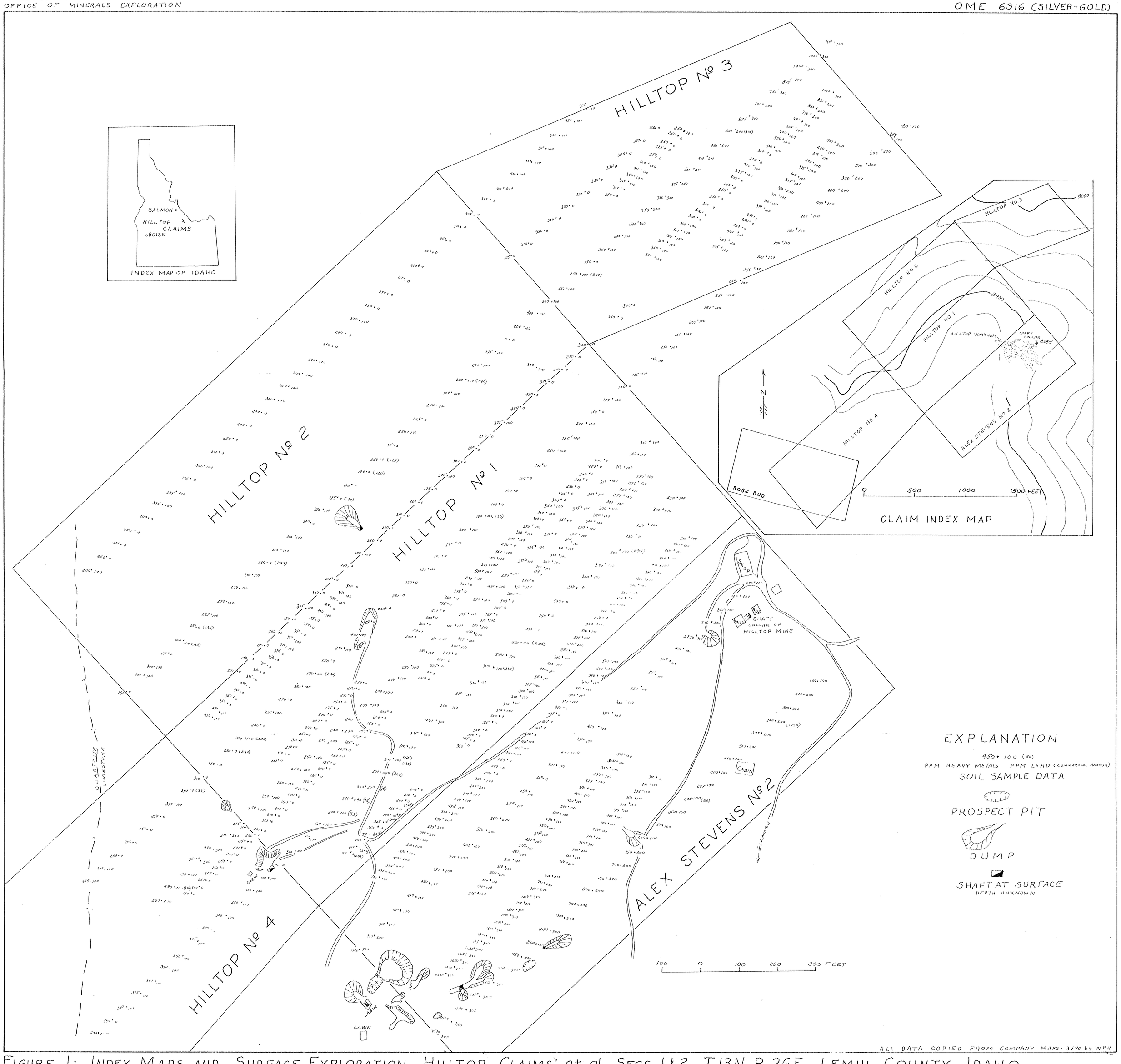
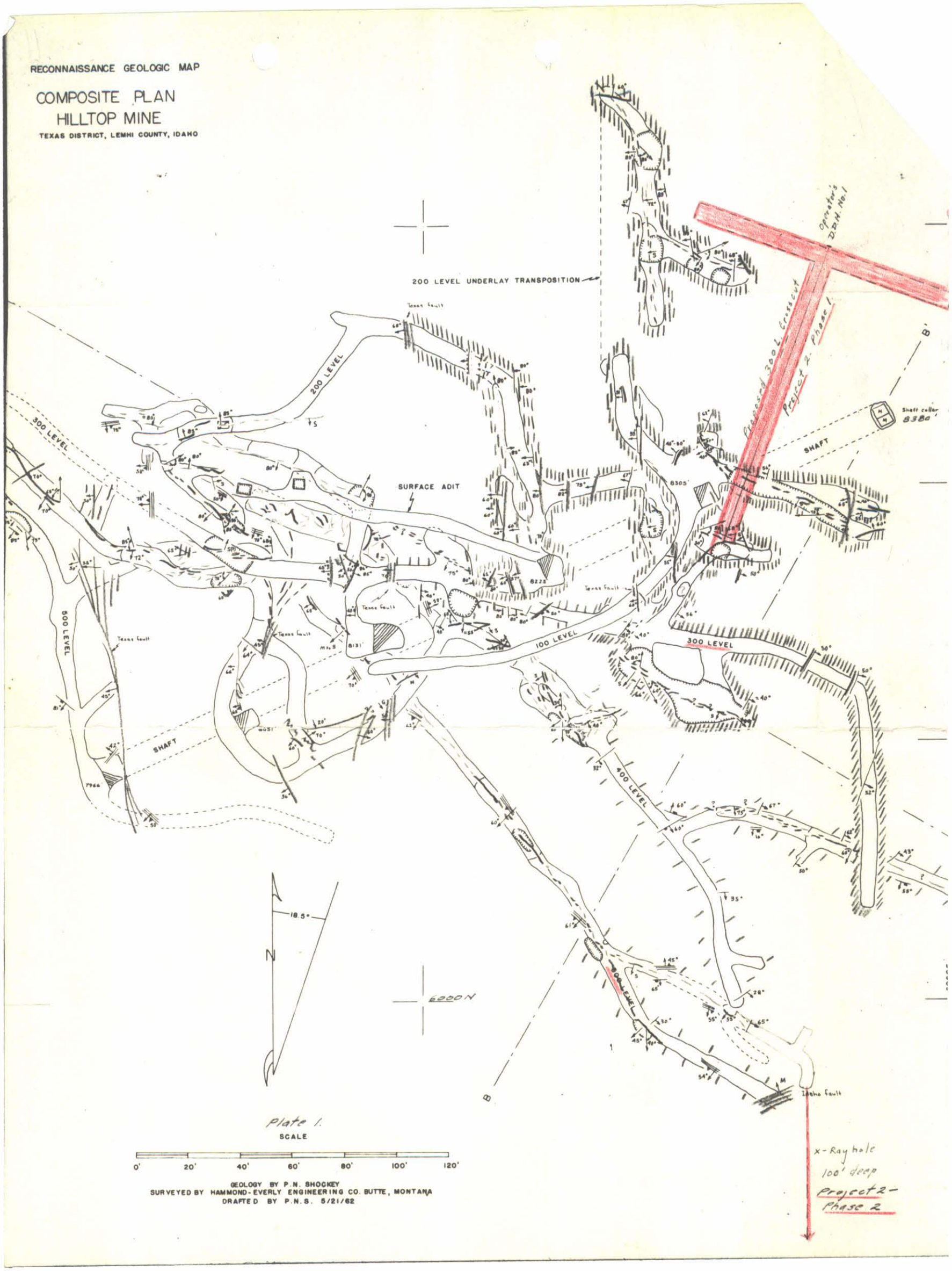


FIGURE 1- INDEX MAPS AND SURFACE EXPLORATION, HILLTOP CLAIMS et al, SECS. 1 & 2, T.13N., R.26E., LEMHI COUNTY, IDAHO

RECONNAISSANCE GEOLOGIC MAP

COMPOSITE PLAN
HILLTOP MINE

TEXAS DISTRICT, LEMHI COUNTY, IDAHO



GEOLOGY BY P.N. SHOCKEY
SURVEYED BY HAMMOND-EVERLY ENGINEERING CO. BUTTE, MONTANA
DRAFTED BY P.N.S. 5/21/62

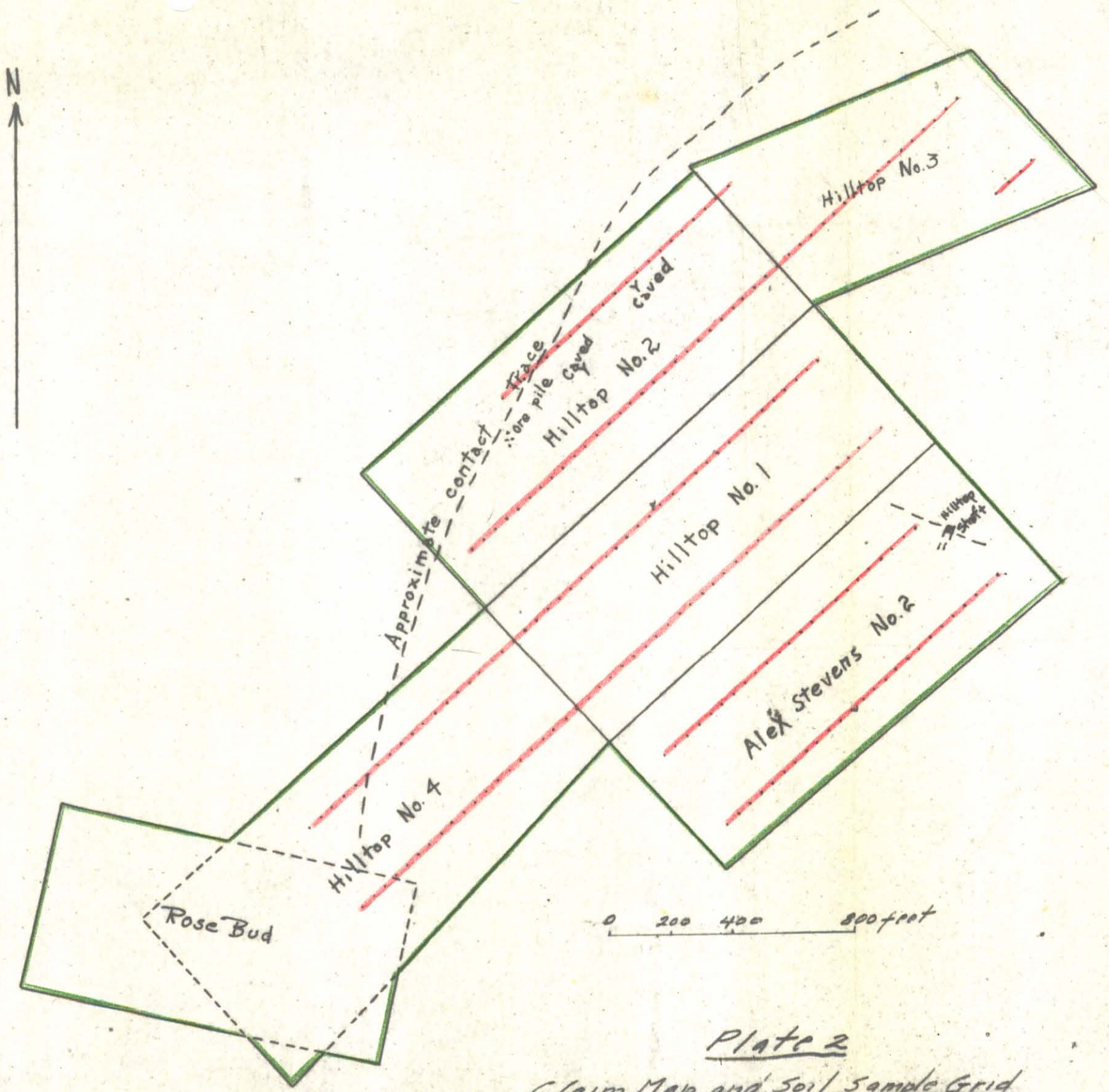


Plate 2

Claim Map and Soil Sample Grid
Lombardi and Lombardi
Hilltop Claim Group
Lemhi County Idaho

OME-6316