Yes Audited

No Certified

WO ANALYSIS SHEET - DMEA PROJECT

Analysis as of 12/15/1954
Incl. Voucher for

Yes Actual Cost

Agreed Unit Costs

Name Irene Sykes

Docket No. DMEA-2381

State Nevada

Commodity Tungsten

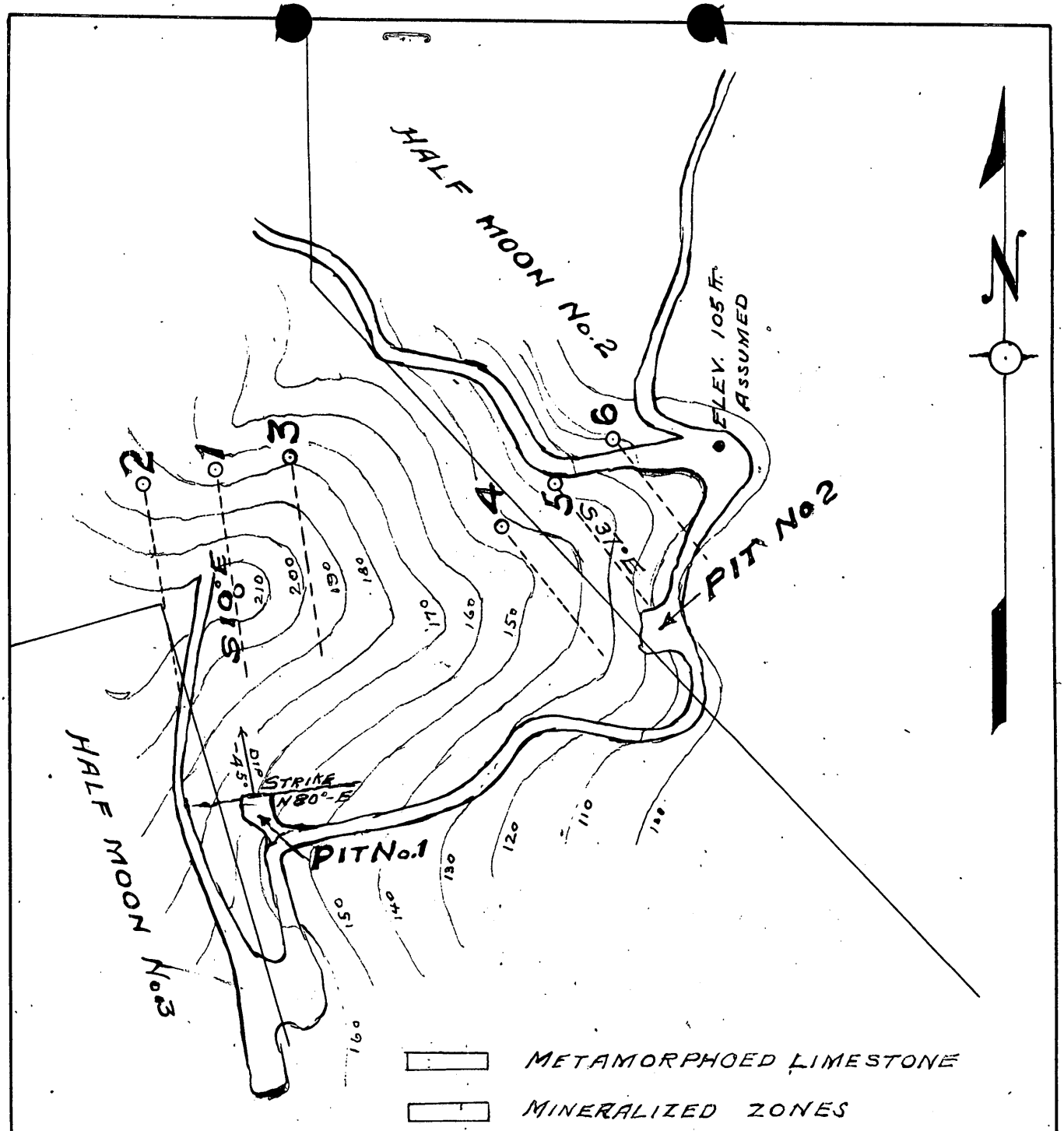
Idm-E No. 366

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) Diamond	1,025'	7,175.00	375'	7.00 ft. 2,628.50	4,374.72 11.67 ft
Surface Excavation		880.00		400.00	665.79
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Supervisin, samling, assaying, Rentals		2,545.00		2,012.01	
Totals		10,600.00		5,040.51	5040.51

Contract terminate by mutual agreement.

Prepared by Keating. TLC

71626



MAP TO ACCOMPANY INTERIM REPORT
ON THE SYKES PROPERTY DMEA-2381
I.D.M.E 366
AUGUST & SEPTEMBER 1952.
SCALE 1 IN. = 100 FT.
C.A. Liddell, ENGINEER

SHEET No. 1.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

2381

I have reviewed the Monthly Reports of:

Irene S. Sykes

1239 So. Beverly Glen Boulevard

Los Angeles 24, California

pertaining to Exploration Project Contract No. Idm-E366, Docket No. DMEA-2381, for the period August 18, 1952 to December 31, 1952, covering a project of exploration for Tungsten.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with Government representative who visited and examined the project, and a determination of the reasonableness and propriety of the cost.

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

a. the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowances thereunder;

b. the Monthly Reports were supported by documentary proof of the costs incurred under the contract;

c. major portion of costs covered contract drilling ($2,628.50) and labor supervision and consultants ($1,560.00).

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

Total cost as billed by contractor	$5,319.51
Exceptions:	
Herewith schedule attached	279.00
Total accepted cost	$5,040.51

The contract calls for a 75 per cent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Three Thousand Seven Hundred Eighty and 38/100 Dollars

- $3,780.38

is considered valid and proper.

George Mavor

January 20, 1953

George Mavor
Auditor

Jan. Audit

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

Irene S. Sykes

Schedule of Exceptions

(2) Labor, supervision, consultants

Bulldozing (labor charge)	$ 625.00	
Labor	24.00	
Supervision	1,175.00	
Geologist	15.00	
	1,839.00	
Less: Maximum allowed under contract	1,560.00	$279.00

Contract terminated January 14, 1953

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 2/4/53

REFERRED TO:

1. ~~Operating Committee~~
2. ~~Miss Lanahan, Rm. 4538~~
3. code 400 - Rm. 3538
4.

FOR:

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

REMARKS: Field Report and Denial
For Agenda 2/6/53

Check (X) before the items needing attention.

George C. Selfridge
Initials of sender.

GPO 16—63815-1

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 2/4/53

REFERRED TO:

1. ~~Mr. Johnson Rm 4624~~
2. ~~Pod. 200~~
3. 400
4.

FOR:

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

REMARKS: .....

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

GPO 16—63815-1

B. Weinstein

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

ACCOUNTS JAN 27 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month ~~January 1953~~ [illegible], 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: [illegible] % Amount, $[illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						WSM
Drilling	[illegible]	[illegible]	[illegible]			
Bulldozing		[illegible]	[illegible]			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	[illegible]	[illegible]	[illegible]			
Supervision	[illegible]	[illegible]	[illegible]	-279.00	Disallowed by Report of	
Technical Services	[illegible]	[illegible]	[illegible]		examination at termination	
(3) Operating Mat'ls. and Supplies:					of Contract 1/14/53.	
Timber		[illegible]	[illegible]			
Explosives		[illegible]	[illegible]			
Pipe						
Track	[illegible]	70.50	71.40			
[illegible]	[illegible]	65.76	90.76			
[illegible]		30.97	30.97			
(4) Operating Equipment:						
Rental	[illegible]	[illegible]	[illegible]			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		[illegible]	[illegible]			
Sampling and Analysis	32.00	[illegible]	58.[illegible]			
Payroll Taxes						
Liability Insurance	[illegible]	[illegible]	[illegible]			
[illegible]	15.07	[illegible]	65.35			
(8) Contingencies (specify):		[illegible]	[illegible]			
Totals	$2700.31	2619.20	5319.51	2421.31		5040.51

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

Date 1,13,53 *Payee Irene S Sykes
Irene S, Sykes

Per _____ Title Owner

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

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

(Instructions on reverse)

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

$ 1815.98

Signature _____
(Authorized Certifying Officer)

Date _____ Vou. No. SF-Omce-[illegible]

(See other side)

Rec 1-52

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idr-5366 in accordance with the terms of the contract.

Signature A. C. Johnson A. C. Johnson Title Chief, Mining Div. Region III Date January 23, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller H. C. Miller Title Executive Officer DMEA Field Team Region III Date January 26, 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS JAN 27 1953 Defense Minerals Administration

OPERATOR'S UNIT COST AND PROGRESS REPORT

FEB 1953

Month of December 195 2 Docket No. DMEA 2381 Contract No. Idm-E366
Operator's Name Irene S. Sykes Minerals Tungsten
Address 1239 S. Beverly Glen Blvd., Los Angeles, Calif.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core				$2,628.50	375'	$7.00	640'	$7.00
Churn								
Auger								
Stripping								
Trenching				400.00	-	-	-	-
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

Date Jan. 13, 1953 Operator Irene S Sykes

Per Title Owner

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

REMARKS: Sub-contract at $7.00 ft. for core drilling.

Bulldozer at $10.00 hr. for trenching. This cost applied to labor allowance in contract.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

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

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

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

Month of [illegible], 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: [illegible]% Amount, $[illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	[illegible]		[illegible]			
Bulldozing	[illegible]	[illegible]	[illegible]			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision	170.[illegible]	70.[illegible]	[illegible]			
Technical Services	10.[illegible]		10.[illegible]			
(3) Operating Mat'ls. and Supplies:						
Timber	[illegible]		[illegible]			
Explosives		15.[illegible]	15.[illegible]			
Pipe						
Track	14.50	[illegible]	70.50			
[illegible]	23.49	[illegible]	65.70			
[illegible]	25.12	[illegible]	30.97			
(4) Operating Equipment:						
Rental	50.[illegible]	150.[illegible]	[illegible]			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:	[illegible]		[illegible]			
Repairs to Equipment		[illegible].11	[illegible].22			
Sampling and Analysis						
Payroll Taxes		[illegible].16	[illegible].16			
Liability Insurance	[illegible]		[illegible]			
(8) Contingencies (specify):	[illegible]	[illegible]	107.[illegible]			
[illegible]	[illegible]	1.[illegible]	[illegible]			
TOTALS	$1200.14	1419.06	$2619.20			

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

Date [illegible] *Payee [illegible]

Per [illegible] Title [illegible]

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

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

(Instructions on reverse)

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

$900.10

Signature [illegible]
(Authorized Certifying Officer)

Date [illegible] Vou. No. SF-DMEA-32

(See other side)

Nov. 52

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature R. C. Johnson R. C. Johnson Title Chief, Mining Div., Region III Date January 20, 1953.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date January 26, 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEMA
Defense Minerals Administration
RECEIVED
NOV 5 1952
11/12/52

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1952 Docket No. DMEA 2381 Contract No. Idm-E-366
Operator's Name Irene S. Sykes Minerals Tungsten
Address 1239 So. Beverly Glen Blvd, Los Angeles 24, California
Contract Amount, $ 10,600.00 Government Participation: 75 % Amount, $ 7,950.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing			225.00			
Crosscutting		225.00				
Drifting			84.00			
		84.00				
(2) Labor and Supervision:						
Labor			750.00			
Supervision	500.00	250.00				
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber			15.25			
Explosives		15.25				
Pipe						
Track			42.21			
Gasoline	14.21	28.00	56.00			
Min. light batt. &		56.00				
(4) Operating Equipment:						
Rental Truck	100.00	50.00	150.00			
Purchase						
Depreciation		5.85	5.85			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment			26.11			
Sampling and Analysis	6.00	20.11				
Payroll Taxes			52.14			
Liability Insurance		52.14				
Water		12.50	12.50			
(8) Contingencies (specify):						
TOTALS	620.21	798.85	1419.06			

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

Date Oct. 6, 1952 *Payee Irene S. Sykes

Per _____ Title Owner, Operator

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

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

(Instructions on reverse)

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

$ 465.16

Signature _____
(Authorized Certifying Officer)

Date OCT 30 1952 Vou. No. SF-DMEA-24-(B)

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Ion-1366 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Region III Date Oct. 20, 1952.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker for H. C. Miller Title Executive Officer DMEA Field Team Region III Date Oct. 23, 1952

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104 (Rev.)
(April 52)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 5 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

11/3/52

Month of August, 10-31, 1952 Docket No. DMEA 2381 Contract No. 1Gm 5-806
Operator's Name Irene S. Sykes Minerals Tungsten
Address 1550 So. Beverly Glen Blvd, Los Angeles, 24, California
Contract Amount, $ 10,000.00 Government Participation: 75 % Amount, $ 7,500.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	[illegible]					
Drifting						
Trenching equip.	84.00					
(2) Labor and Supervision:						
Labor						
Supervision	250.00					
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	15.85					
Pipe						
Track						
Gasoline	50.00					
Lin. 11.26 bat. $22	50.00					
(4) Operating Equipment:						
Rental Truck	60.00					
Purchase	none					
Depreciation						
(5) Initial Rehabilitation and Repairs	8.85					
(6) New Bldgs., Improvements, etc.	none					
(7) Miscellaneous:	none					
Repairs to Equipment						
Sampling and Analysis	27.11					
Payroll Taxes						
Liability Insurance	26.16					
Motor housing	10.00					
(8) Contingencies (specify):						
TOTALS	799.85					

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

Date Oct. 6, 1952 *Payee Irene S. Sykes

Per _____ Title Owner/Operator

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

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

(Instructions on reverse)

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

$ 599.14

Signature _____ Acting Officer
(Authorized Certifying Officer)

Date _____ Vou. No. SF-DMEA-24

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature A. C. Johnson Title Chief, Proj. Div. Date Oct. 20, 1952.

A. C. Johnson

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Region III

Executive Officer

Signature [illegible] Title DMEA Field Team Date Oct. 23, 1952

S. Ricker for H. C. Miller Region III

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 6 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name Irene [illegible]s Minerals
Address [illegible] Beverly Glen Blvd., Los Angeles 24, California

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting		None						
Crosscutting	Foot	[illegible]	[illegible]	[illegible]	[illegible]	7.7[illegible]	Preliminary operations to diamond drilling not broken down in contract.	
Raising		None						
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping	Bcm	[illegible]	450	[illegible]	450	0.2[illegible]		
Trenching	Foot	[illegible]	[illegible]	[illegible]	[illegible]	2.7[illegible]		
Test Pits	None	None						
Roads and Trails								
TOTAL DISTRIBUTED COSTS		[illegible]		[illegible]				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		None						[illegible]
Initial Rehabilitation and Repairs		[illegible]		[illegible]	Adit [illegible]			
New Buildings, Improvements, etc.		None			and Gas Pump			
TOTAL COSTS		[illegible]		[illegible]				

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

Date October [illegible] 1952 Operator [illegible]

Per ..... Title Owner

REMARKS: [illegible] for [illegible] a [illegible] distribution of costs over the various operations since much of preliminary work was done for which no provision was made under the government contract. No charge to the government for this work is being set up.

For Sept. MF 104 A see Geological maps

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

Reno, Nevada

October, 6, 1952

Mr. L. C. Miller
Executive Officer, DMEA Field Team
Region III
United States Department of the Interior
Defense Minerals Exploration Administration
1017 Flood Building, 870 Market Street
San Francisco 2, California.

Subject:- Docket [illegible] -2381 (Tungsten)
Contract [illegible]
Iron Spikes Property
Esmeralda County, Nevada

Dear Mr. Miller:-

You will find herewith the original and four copies each, of forms [illegible]-10[illegible] and [illegible]-104[illegible] of two monthly reports covering the last half of August as the work started on the 18th, and the month of September.

Our Supervising engineer Mr. C. A. Liddell, will complete the geology maps and reports in the next few days and mail these directly to Mr. C. F. Johnsons office in Reno, there to be included with these reports and sent on to you.

As discussed with Mr. Johnson today in his office in Reno, we wish to recess the work under the contract for possibly [illegible] to [illegible] days before diamond drilling, to enable us to further explore the property by following the ore bodies now exposed.

The folding and faulting in this area makes it preliminarily difficult to be certain of direction and since the allowance for diamond drilling is limited to [illegible] there is certainly no margin for error. We just want to proceed with caution.

I hope the forgoing meets with your approval and that you will find all of the reports in order.

Wherever I failed to obtain a receipt I have sbmitted my cancelled check to substantiate the payment, with the exception of the cross cutting work done by the Mountain States Ureinium Co. This account has not been paid. Mr. Wilson is holding this account untill the money to reimburse me has been received from the DMEA Governmentpayment.

We will of course inform your office before the diamond drilling is started. We plan to contract this work with the Continnental Drilling Company of Los Angeles and will submit their proposal for approval by your office.

Sincerely Yours,

Irene S. Sykes

INTERIM REPORT FOR AUGUST AND SEPTEMBER 1952
on the
SYKES PROPERTY

I D M E 366

First a survey was made of the designated area and a topographical map was made on a scale 1 in. = 100 feet with contours at 10 foot intervals.

Bulldozer work was done to determine the strike and dip of the vein exposed in Pit No.1 and the extent of the mineralized zone.

Lamping was done after dark to determine the mineralized areas and the geology was studied in the day time.

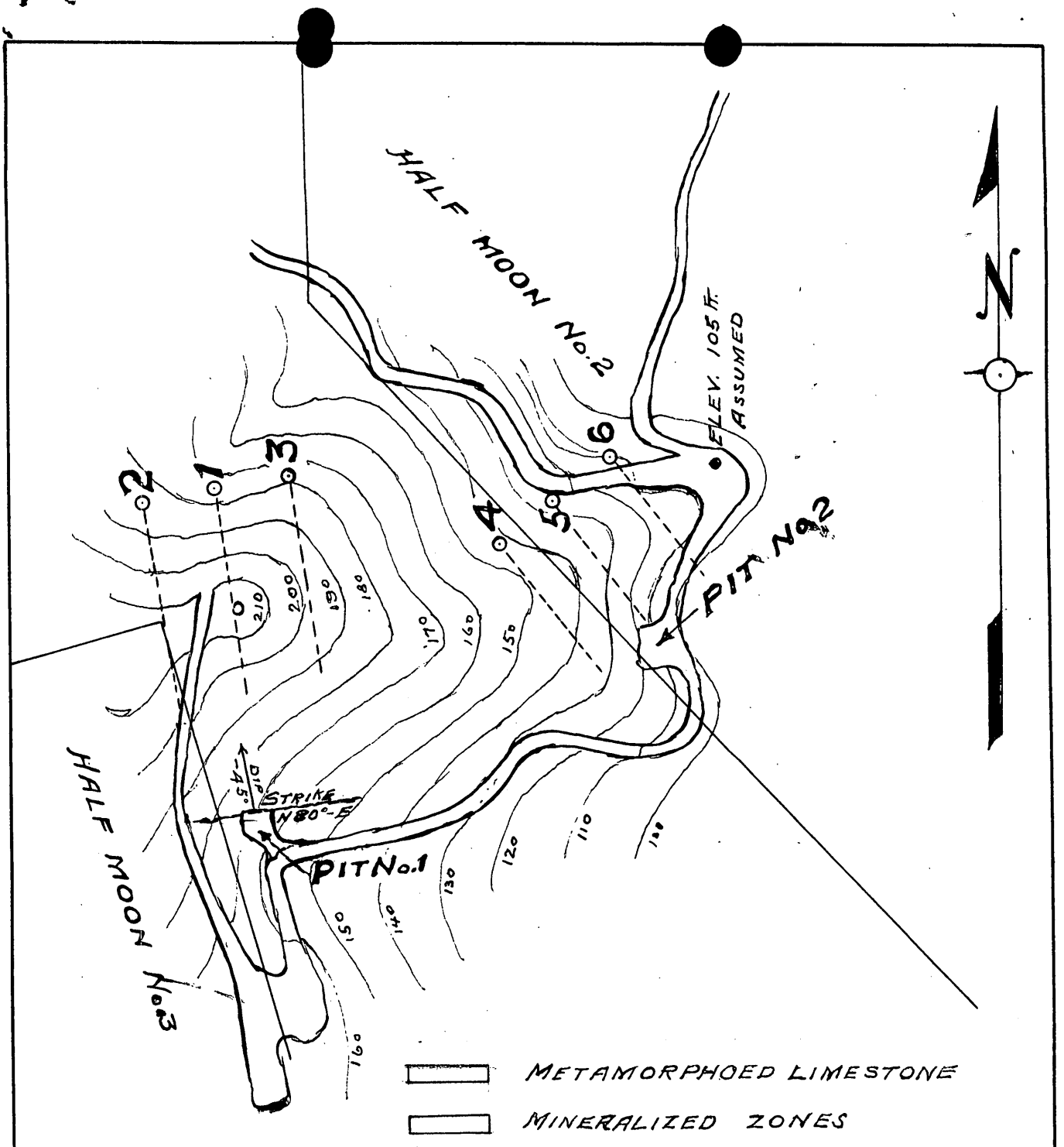
26 samples were taken. The WO_3 content of the samples, that represented an average value of the mineralized zone, ranged from 0.10% to 0.50%. The WO_3 content of some picked samples was considerably higher.

From this information Holes 1, 2, 3, 4, 5 and 6 were spotted to determine the downward continuation of the mineralized zone. These holes have been approved by the engineer of the Bureau of Mines.

The drilling will constitute the second phase of the contract.

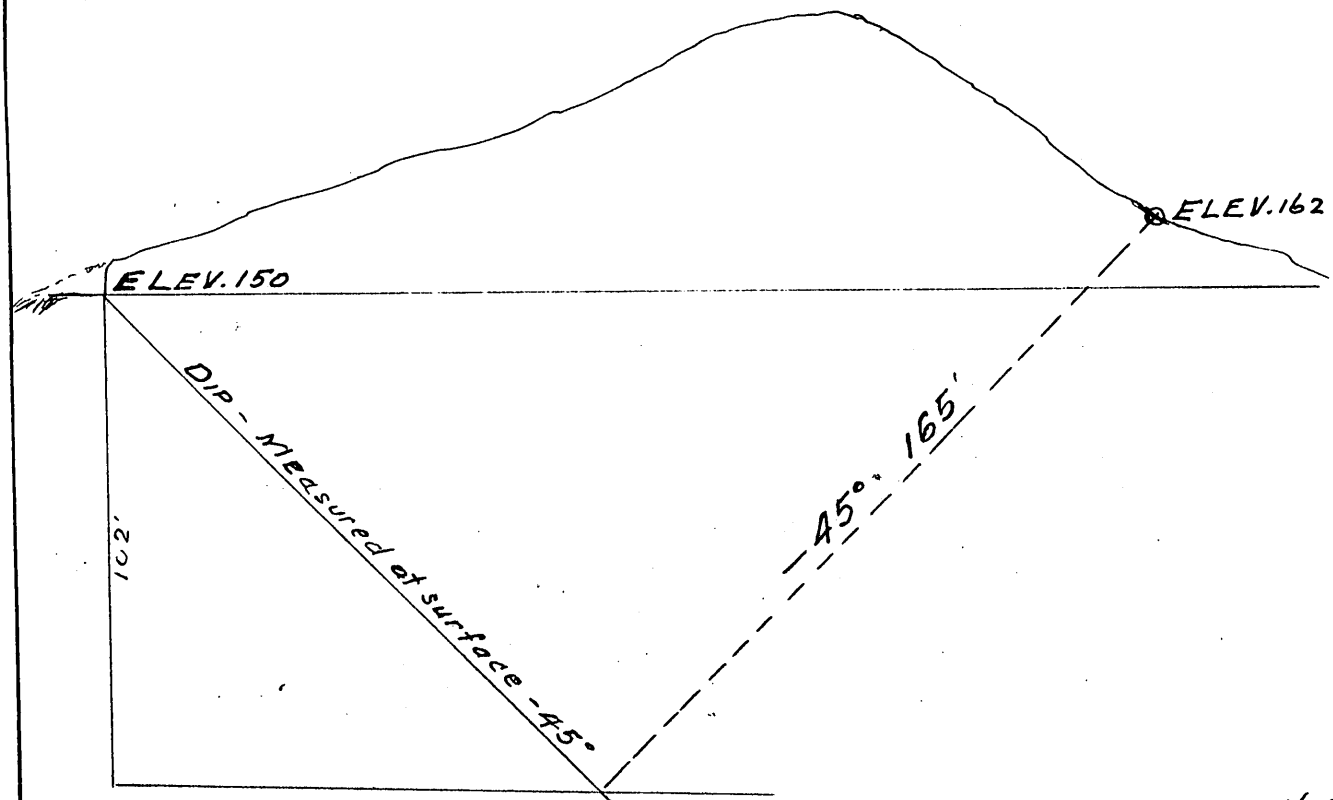
C. A. Liddell

C. A. LIDDELL
- Engineer -

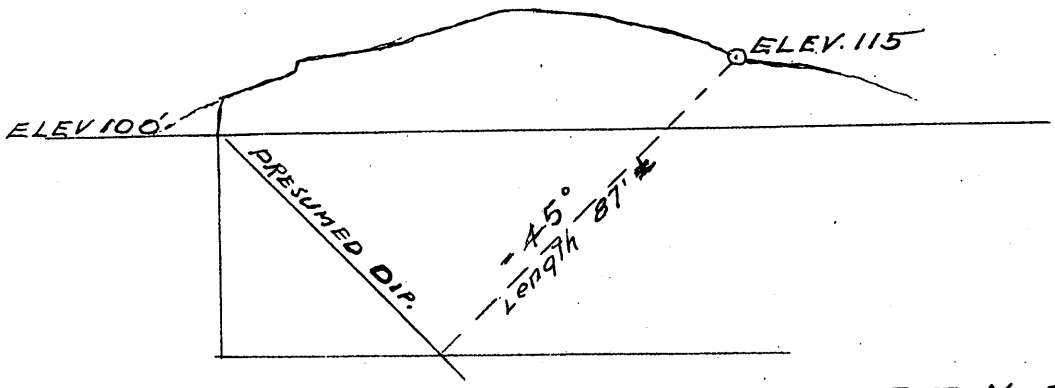


MAP TO ACCOMPANY INTERIM REPORT
ON THE SYKES PROPERTY
I.D.M.E 366
AUGUST & SEPTEMBER 1952.
SCALE 1 IN. = 100 FT.
C.A. Liddell, ENGINEER

SHEET No. 1.



Section through Hole No. 1 to explore orebody exposed in PIT No. 1
Looking S. 80° W.



Section through HOLE No. 5 to explore below PIT No. 2
Looking S. 40° W.

I.D.M.E 366.

Map to accompany progress report

U.S. Government Contract No. 2381

Esmeralda County, Nevada.

for August and September 1952.

Scale 1 in. = 40 Feet.

By C. A. Liddell Project Engineer.

SHEET No. 2

400

JUN 8 1953

Mrs. Irene Sykes
1239 S. Beverly Glen Boulevard
Los Angeles 24, California

Re: Docket No. DMEA 2361 - Tungsten
Irene Sykes
Rock Hill property
Esmeralda County, Nevada
Contract No. Idm-3366

Dear Mrs. Sykes:

This is with reference to the subject Exploration Contract between you and the Government.

The final audit of the contract expenditures and the final reports of the Operator and of the Field Team have been received and accepted by this Administration. Of the total amount of $6,760.00 approved under Stage I of the contract (total contract $10,600.00), the sum of $5,040.51 was expended, 75 percent of which, or $3,780.38, represented the Government's share. There were no unused materials, supplies, or equipment to be disposed of for the joint account of the Operator and the Government.

The exploration work was not carried out in a competent manner. The contract was terminated by agreement January 14, 1953.

Because the results of the exploration were unfavorable, it is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to Article 7 (d) of the Contract which requires the Operator to "keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract."

Your interest in the Exploration Program of the Defense Minerals Exploration Administration and your willingness to participate therein are appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

FAHutledge:foc
6-5-53

cc: Docket
Code 400
FT. REG. III
Adm. Read. File

cc: Oper. Comm.
R.W. Geehan, USBM
D.M. Lemmon, USGS

June 5, 1953

MEMORANDUM

To: Administrator, DMEA

From: Iron and Ferro-Alloys Division, DMEA

Subject: Memorandum of Non-Discovery
Docket No. DMEA 2381 - Tungsten
Irene Sykes
Rock Hill property
Esmeralda County, Nevada
Contract No. Idm-E366

This Division hereby concludes that the work done upon the subject property, as described under Stage I of the contract, has resulted in no discovery or development from which commercial production may be made.

A description of the property, the work done, and the results obtained follows:

1. The property on which the exploration was conducted is known as the Rock Hill tungsten mine and consists of nine continguous unpatented lode mining claims in Sec. 34, T. 4 N., R. 36 E., M.D.B. & M. The property is located approximately 20.6 miles south of Mina, Nevada.

2. The commodity sought was tungsten which occurs mainly as scheelite, but with very minor hubnerite, disseminated in tactite. The tactite has been formed by the metamorphism of a series of interbedded sandstone, limy slate, and impure limestone and dolomite. Quartz veins are numerous and are believed to be genetically related to the granitic intrusion that is responsible for the formation of the tactite. The quartz veins contain little or no tungsten, but near their inte r sectionswith favorable beds, the surrounding rock contains a small amount of scheelite. The mineralized tactite is hard and dark green in color.

3. A two-stage exploration program was approved under the above-referenced contract. Stage I consisted of two trenches and 5 diamond drill holes not to aggregate in excess of 640 feet. Stage II consisted of two additional trenches and 3 diamond drill holes totaling 385 feet.

4. The first stage of the exploration work was not completed and the exploration work was not carried out in a satisfactory manner. Core and sludge recoveries were poor and the reports submitted by the Operator did not show the amount or location of the surface trenching. Samples taken by the Operator were not representative of the material that could be mined.

5. Although the objectives of the exploration work were not reached, the preliminary information obtained indicated that the second stage of the program was not warranted. No ore reserves were apparent. The mineralized areas are either too low grade or too small to constitute workable ore deposits.

6. The contract was terminated by mutual agreement January 14, 1953.

7. The Government disbursed, as its share of the expenditures, $3,780.38. Total expenditures were $5,040.51. There were no unused materials, supplies, or equipment to be disposed of for the joint account of the Operator and the Government.

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

FARutledge:foc
6-5-53

cc: Docket
Code 400
Adm. Reading File
Operating Comm.

Office of
Executive Officer
DMEA Field Team
Region III

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

April 8, 1953

Memorandum

WSM

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2381 (Tungsten)
Irene Sykes, Rock Hill Property, Esmeralda County, Nevada,
Contract Idm-E366

Reference is made to your subject letter, dated March 2, 1953, requesting a final field team report and a final Operator's report on the Rock Hill Property.

Attached are four copies of the field team's final report entitled "Contract No. Idm-E366, DMEA-2381, Mrs. Irene Sykes, Rock Hill Mine, Esmeralda County, Nevada," by Benjamin H. Sheahan, Mining Engineer, U. S. Bureau of Mines, dated March 6, 1953.

Attached also are four copies of the Operator's final report. We find, however, that one of the four copies is not complete as it includes only the engineer's report with no copies of the diagramitic log of drill hole 1-A, diagramitic log of drill hole No. 2, and assay map cut No. 2.

Furthermore, it is noted on page 3 of Mr. Penhoel's report that three papers are attached to his report. We did not receive any copies of item (1) C. A. Liddell survey with diamond drill holes Numbers 1-2-3-4-5 and 6 plotted; with the approximate location of hole 1-A plotted later.

Mr. Johnson called Mrs. Sykes' attention to the missing parts of her final report on March 16, but to date none of the missing papers have been received. Rather than hold up sending in

Reviewed by
DMEA OPERATING COMMITTEE

4-17-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

FINAL REPORT

Contract No.: Idm-E366

DMEA-2381, Mrs. Irene Sykes, Rock Hill Mine

Esmeralda County, Nev.

Benjamin H. Sheahan, Mining Engineer
U. S. Bureau of Mines

March 6, 1953

4-17-53

FINAL REPORT

Docket No.: DMEA-2381 (Tungsten) March 6, 1953

Name and address of operator: Mrs. Irene Sykes
1239 S. Beverley Glen Blvd.,
Los Angeles 27, Calif.

Name and location of property: Rock Hill Mine,
Esmeralda County, Nev.

The property is located in sec. 34, T. 4 N., R. 36 E., M.D.B.&M. To reach the property from Mina, Nev., follow U. S. Highway 95 south 20.6 miles. The site of the exploration work is one-half mile west of the highway (see fig. 1).

Contract No: Idm-E366

SUMMARY

Exploration work with Government assistance was commenced in August 1952. The proposed work was divided into two stages:

Work authorized under Stage 1 was to consist of two parts:

1. Surface trenching in the mineralized zone; and (2) by 640 feet of core drilling.

Stage 2 was never started.

The operator's engineer prepared a topographic map showing the location of proposed drill holes which was submitted for approval in September 1952.

The drilling operation was conducted by an independent contractor. The operator reported that 375.5 feet of core drilling was completed. No ore was discovered. The only tungsten mineralization reported by the operator was from hole No. 1X where an 0.18 percent tungsten trioxide assay was obtained.

Exploration work was terminated on December 15, 1952, at the request of the operator.

The engineer[1] inspected the property on December 11, 1952. Available reports and correspondence were studied to complete this final report.

CONCLUSIONS

The operator did not conduct the exploration work competently.

The first stage of the exploration work was not completed. The objectives were not reached; however, preliminary information obtained from this work indicated that the second stage of the exploration work was not warranted.

RECOMMENDATIONS

1. Additional exploration work is not warranted.
2. DMEA should certify that the project was not successful.
3. Production is not economically feasible.
4. The operator should submit a complete final report. He should also be advised to retain records for a period of three years.

DESCRIPTION OF WORK COMPLETED

Exploration work comprised surface trenching, some road work, and diamond drilling. A topographic map was prepared by the operator's engineer showing the location of proposed diamond drill holes. Three holes were drilled at the property. Hole 1X was not drilled according to plan.

Hole No.	Depth/feet	Remarks
1X	50.0	No ore discovered
2	160.5	Do, hole did not reach objective.
3	165.0	No ore discovered
Total	375.5	feet reported by operator (see fig. 2)

1/ B. H. Sheahan, Mining Engineer, U. S. Bureau of Mines.

Exploration work was started on August 18, 1952. The operator, Mrs. Irene Sykes, reported that exploration work was stopped on December 15, 1952. The contract was signed on July 5, 1952 and was terminated on January 14, 1953.

DESCRIPTION OF GEOLOGY

The rocks of the area are interbedded sandstone, limy slate and impure limestone and dolomite which have been locally metamorphosed.

Map (fig. 2) was assembled from data submitted by the operator and from an interim examination by the inspecting engineer[2].

ESTIMATE OF ORE RESERVES

Measured . . . . . None
Indicated . . . . None
Inferred . . . . . None

The occurrence of tungsten mineralization is widespread; however, the mineralized areas are either too low grade or too small to constitute ore deposits.

Information obtained from core drilling reported by the operator and a log of a part of hole No. 2 by the engineer follows:

Hole No.	Depth/feet	Remarks
1X	0 - 9	Limestone - brecciated
	9 - 11	Tactite assay 0.18 percent WO_3
	11 - 50	Metamorphosed limestone with tactite. Core hauled to Los Angeles (From L. C. Penhoel, supervisor & geologist, Operator's final report)
2	0 - 26	(Core hauled to Los Angeles, Calif. by L. C. Penhoel) metamorphosed limestone. No plus 0.10% WO_3
	26 - 36	Core logged by inspecting engineer Dec. 11, 1952. Blue metamorphosed limestone 26 feet to 160.5 feet).

2/ B. H. Sheahan, Mining Engineer, U. S. Bureau of Mines, Interim Report dated Dec. 15, 1952. (Contract Idm-E366).

Hole No.	Depth/feet	Remarks
2 (cont'd.)	36 - 66	Blue, grey and buff colored limestone
	66 - 97	Blue gray shaly limestone
	97 - 108	Fractured grey limestone
	108 - 127	No core recovery - few chips grey limestone
	127 - 160.5	Blue to grey fractured limestone Core recovery averaged less than 10 percent (Mr. L. C. Penhoel reported less than 0.10 percent WO_3 on all core and sludge samples)
3	165	Depth reported by operator and diamond driller. The operator did not submit a log of this hole. Results are unknown, but were apparently discouraging.

Map (fig. 3) attached to this report showing topography, surface geology, sample locations and analyses were included with the engineer's[3] and geologist's[4] examination report. This map was assembled by a geologist[5] employed by the operator and was submitted with the operator's application for an exploration loan. Samples were taken by engineers[6] of the Bureau of Mines and were listed with analyses on this map (fig. 3).

EXPENDITURES

Total approved	$10,600.00
Total cost of project	5,319.51
Government's share of cost	3,989.63
Government's share unexpended . .	3,960.37
Value of production during operations:	None

3/ R. R. Trengove, mining engineer, U. S. Bureau of Mines.
4/ R. G. Reeves, geologist, U. S. Geological Survey.
5/ D. L. Davis: Report on Cobalt-Tungsten Associates Mine, Esmeralda Co., Nev.
6/ R. R. Trengove and John D. Warne: Report of examination, Rock Hill Tungsten Deposits, Esmeralda County, Nevada, March 13, 1952 (DMEA-2381).

Diamond drilling was done by the Continental Drilling Co. The price per foot was $7.00 for drilling BX, AX, or EX size core. This independent subcontract was signed on November 26, 1952.

The diamond drill contractor terminated drilling operations at the request of the operator. The operator was charged only for the footage of core drilling completed.

EFFICIENCY OF OPERATIONS AND COMPETENCY OF OPERATOR

The overall efficiency of the exploration operation was poor. The operator was not competent, yet attempted to conduct and supervise the exploration work part of the time.

The operator failed to notify the Mining Division of the U. S. Bureau of Mines when the drilling operation was started. On Dec. 10, 1952 the operator notified the Chief, Mining Division, Region III that no core or sludge was being recovered. The operator sent the supervisor-geologist to Los Angeles, Calif., to log and have the core from hole No. 1X assayed, while diamond drilling operations were conducted at hole No. 2, and hole No. 3.

The operator's final report was not complete as it did not include the log of hole No. 3. According to the driller's daily report, hole No. 3 was drilled to a depth of 165 feet. The casing was pulled and the drill was moved on Dec. 15, 1952.

The narrative reports submitted by the operator did not show the amount or location of the surface trenching. Samples taken by the operator were not representative of material that could be mined.

Exploration work conducted at an adjoining property by a private

concern was unsuccessful.

EQUIPMENT PURCHASED FOR PROJECT

The operator's monthly report and voucher lists the following item:

1 Mineral light with batter and filter.
Condition fair

Purchase price listed: $56.00
Salvage value: estimated 40.00

Recommended disposition: Operator should purchase this item.

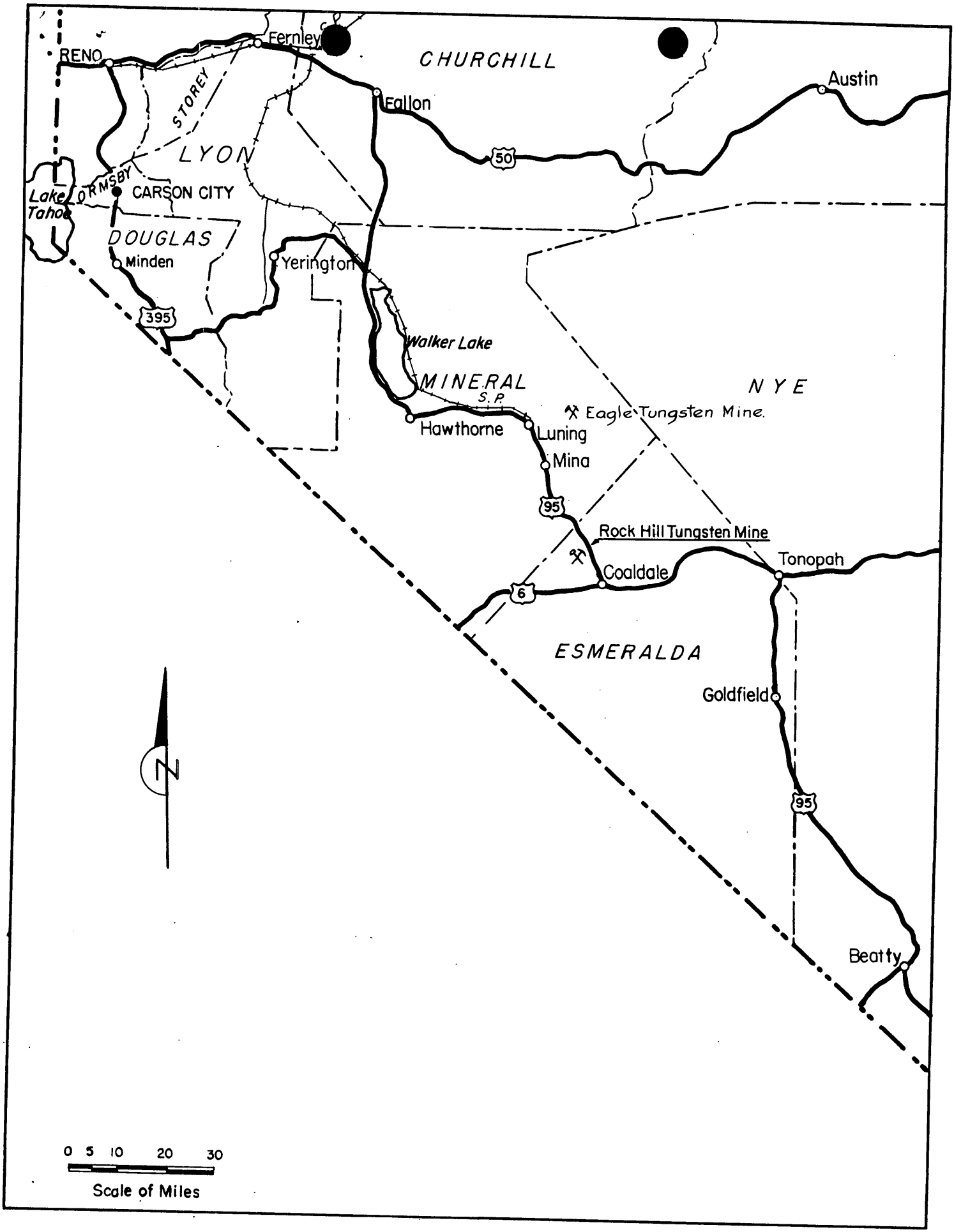
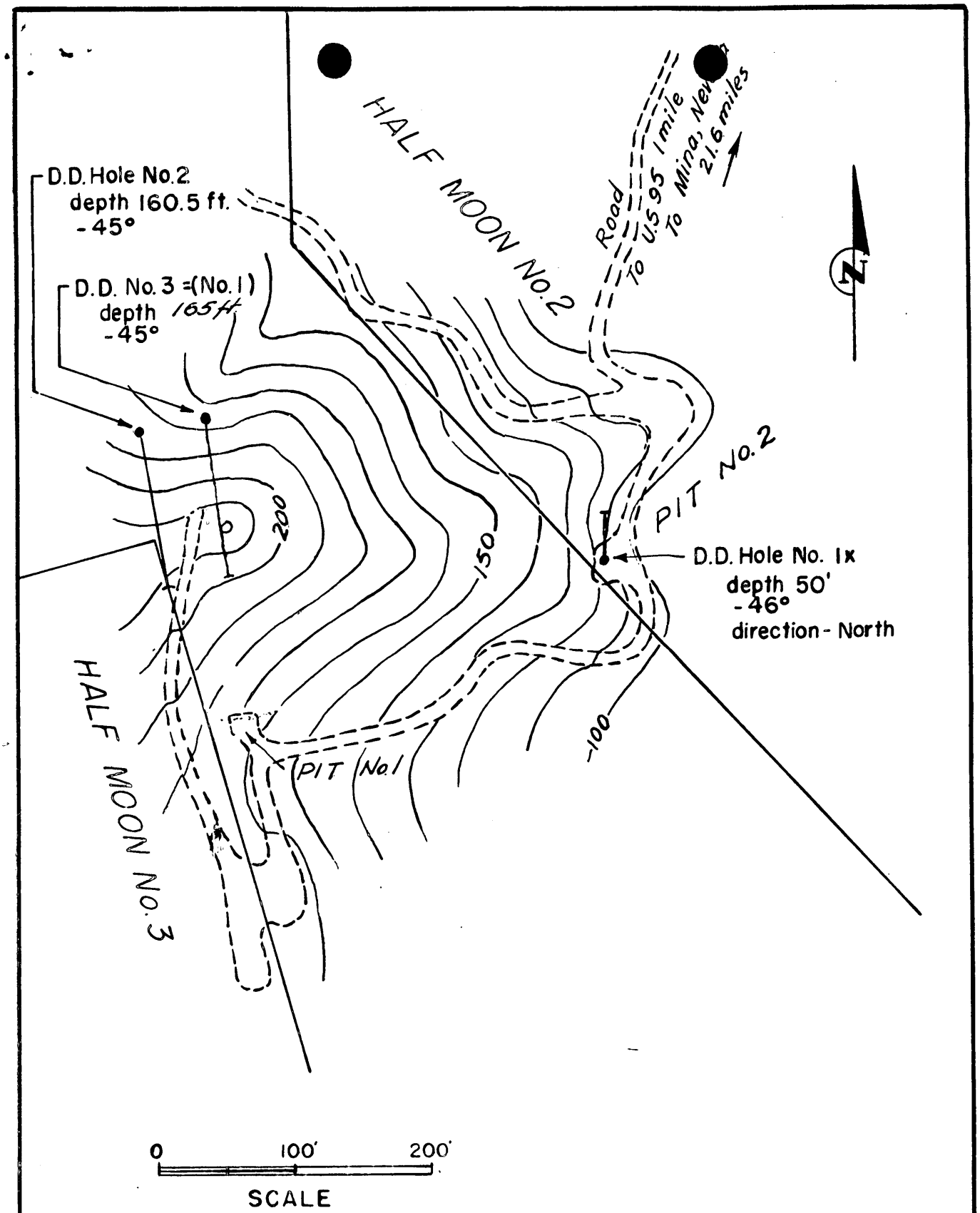


Fig. 1 Location Map



Topographic Map showing location of Diamond Drill holes.
(From maps submitted by Operator)

IRENE S. SYKES PROPERTY, ESMERALDA COUNTY, NEVADA
DMEA 2381 (tungsten)- Contract Idm-E 366 FIGURE 2

CONTINENTAL DRILLING COMPANY

DAILY DRILL REPORT

LOCATION Rock Hill Mines

DATE Dec. 9

HOLE NO. 3 Shift Day

END OF SHIFT _____ Ft. _____ In.

START OF SHIFT _____ Ft. _____ In.

DRILLED _____ Ft. _____ In.

FROM	TO	FORMATION	CORE

REMARKS

Moving to Hole # 3

Matthews DRILLER

CONTINENTAL DRILLING COMPANY

DAILY DRILL REPORT

LOCATION Rock Hill Mines

DATE Dec. 10

HOLE NO. 3 Shift Day

END OF SHIFT 30 Ft. 6 In.

START OF SHIFT 0 Ft. In.

DRILLED 30 Ft. 6 In.

FROM	TO	FORMATION	CORE
0	30	Volc. ash	

REMARKS

Set 6' BX Casing

Drilled AX

Hole caving, cemented

Hole - to soft to core

10 hr. shift

Matthews DRILLER

CONTINENTAL DRILLING COMPANY

DAILY DRILL REPORT

LOCATION Rock Hill Mines

DATE Dec. 11

HOLE NO. 3 Shift

END OF SHIFT 70 Ft. In.

START OF SHIFT 30 Ft. 6 In.

DRILLED 39 Ft. 6 In.

FROM	TO	FORMATION	CORE
30	70	Volc ash	6

REMARKS

Drilled 16' cement
Hole Caving Cemented to 30'

10 hr. shift

Matthews DRILLER

CONTINENTAL DRILLING CO.

DAILY DRILL REPORT

LOCATION Rock Hill Mines

DATE Dec. 12

HOLE NO. 3 Shift Day

END OF SHIFT 108 Ft. In.

START OF SHIFT 70 Ft. In.

DRILLED 38 Ft. In.

FROM	TO	FORMATION	CORE
			5.6
70	108		

REMARKS

Drilled Cement from 36 to 70'
Hole caving, lost water at 98'
Cement hole
11 hr. shift

Matthews DRILLER

CONTINENTAL DRILLING COMPANY

DAILY DRILL REPORT

LOCATION Rock Hill Mines

DATE Dec 13

HOLE NO. 3 Shift Day

END OF SHIFT 146 Ft. In.

START OF SHIFT 108 Ft. In.

DRILLED 38 Ft. In.

FROM	TO	FORMATION	CORE
108	146		4.2

REMARKS

Drilled cement 84' to 108'
Formation soft, broken
lost water at 134.8
Hole caving

12 hr shift

Matthews DRILLER

CONTINENTAL DRILLING COMPANY

DAILY DRILL REPORT

LOCATION Rock Hill Mines

DATE Dec. 14

HOLE NO. 3 Shift Day

END OF SHIFT 165 Ft. In.

START OF SHIFT 146 Ft. In.

DRILLED 19 Ft. In.

FROM	TO	FORMATION	CORE
146	165		2.4

REMARKS

Set 146' EX Casing
Finished hole at 165'
Pulled Casing

12 hr shift

Matthews DRILLER

CONTINENTAL DRILLING COMPANY

DAILY DRILL REPORT

LOCATION Rock Hill Mines

DATE Dec 15

HOLE NO. _____ Shift _____

END OF SHIFT _____ Ft. _____ In.

START OF SHIFT _____ Ft. _____ In.

DRILLED _____ Ft. _____ In.

FROM	TO	FORMATION	CORE

REMARKS

Pulled AX Casing and EX Casing
Moved drill to road
loaded

11 hr. shift

Matthews

DRILLER

IRENE B. SHEPARD, SYRES
[illegible]
LOS ANGELES 24, CALIFORNIA

January [illegible], 1953.

Mr. [illegible] Johnson
Bureau of Mines
United States Department of the Interior
Reno, Nevada

Reference: 381
Contract Idm R-566
Tungsten

Dear Mr. Johnson:

Attached hereto you will find the legal description of the diamond drilling and the water rights of the property under the above contract.

On Wednesday of this week I called on Mr. Miller in San Francisco and arranged with him for the cancellation of the contract. He's the shorts [illegible] with the auditor. Mr. Miller and I discussed from him that Mr. Miller [illegible] to be [illegible] and would have [illegible] within [illegible].

I inquired [illegible] disposition of the [illegible] it was of no value to him, [illegible] not to go to the expense of shipping them.

I assure you [illegible] under the circumstances [illegible] contracted. I respectfully request that there is to be no further work on this [illegible].

Sincerely,

Irene B. Shepard

IRENE SHEPPARD SYKES
1239 SO. BEVERLY GLEN BOULEVARD
LOS ANGELES 24, CALIFORNIA

January 16, 1955.

Mr. C. F. Johnson
Bureau of Mines
United States Department of the Interior
Reno, Nevada.

Docket 2381
Contract Idm T-366
Tungsten

Dear Mr. Johnson :

Attached hereto you will find the logs on the diamond drilling and the assay maps of the property under the above contract.

On Wednesday of this week I called on Mr. Miller in San Francisco and arranged with him for the cancellation of the contract. I left the reports MF 104 and MF 104-A with the auditor Mr. Mavor and I understood from him that Mr. Miller planned to be in Reno Monday and would take the reports with him .

I inquired of Mr. Miller regarding the disposition of the cores and sludge and since it was of no value as to scheelite it was decided not to go to the expense of shipping them.

I am sure you will agree with Mr. Miller under the circumstances that the contract be discontinued. I am certainly relieved that there is to be no further waste of this money.

Sincerely,

Irene S. Sykes

ESTABLISHED 1916

EISENHAUER LABORATORIES

ENGINEERING DIVISION
316 SOUTH SAN PEDRO STREET
LOS ANGELES 13, CALIFORNIA

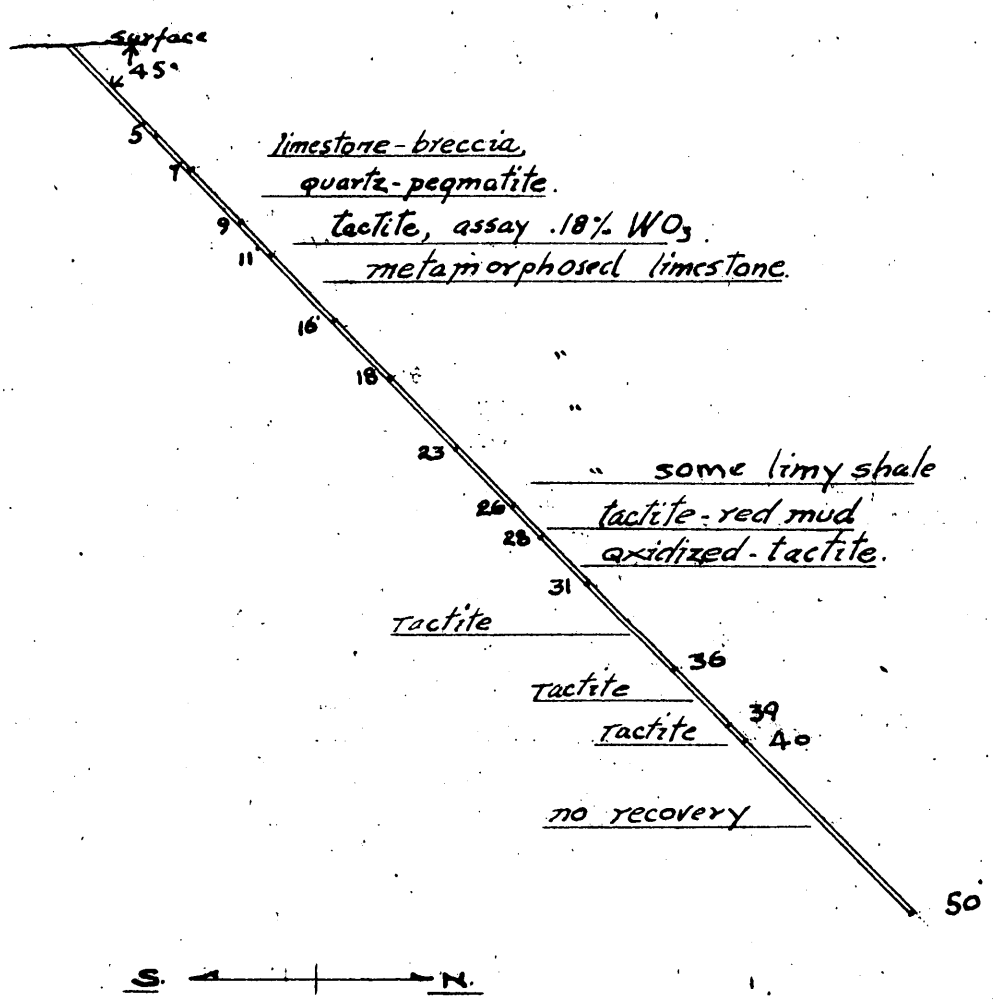
ED. EISENHAUER, JR.
L. C. PENHOEL

PHONE: VANDIKE 9328

FILE NO. 163.

Irene S. Sykes,
IDME. 366.

LEGEND.			
FOOTAGE	DIAM. CORE	% CORE	WO_3* LESS .1% ✓
5'-7'	1-1/16"	75	✓
7'-9'	"	75	✓
9'-11'	"	30	.18
11'-16'	"	90	✓
16'-18'	1-3/16"	25	✓
18-23'	"	50	✓
23-26'	"	85	✓
26'-28'	"	10	✓
28'-31'	"	30	✓
31'-36'	"	50	✓
36-39'	"	80	✓
39-40'	"	40	✓
40'-50'	"	—	✓



D. D. HOLE 1-A.

L. C. Penhoel
1/9/53.

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ENGINEERING DIVISION
316 SOUTH SAN PEDRO STREET
LOS ANGELES 13, CALIFORNIA

ED. EISENHAUER, JR.
L. C. PENHOEL

PHONE: VANDIKE 9328

FILE NO. 163.

Irene S. Sykes
I. D. M.E. 366.

LEGEND			
FOOT-AGE.	CORE DIAM.	% CORE	DESCRIPTION
1-5	1¾"	75	SILICIFIED LIMESTON BRECCIA
5-6	"	50	TACTITE - OXIDIZED.
6-7	"	—	" "
7-11	"	60	METAMORPHOSED SCHIST
11-14	"	40	SILICIFIED LIMESTONE
14-15	"	60	SLATE
15-17	"	30	ALTERED LIMESTONE
17-19	"	30	" "
19-21	"	90	LIME SHALE
21-26	1⅛"	5	OXIDIZED LIME SHALE
26-28	"	50	SILICEOUS "
28-30	"	25	SLATE
30-31	"	40	"
31-35	"	5	" QUARTZ STRINGERS
35-36	"	50	SLATE
36-38	"	45	"
38-40	"	45	"
40-44	"	—	
44-49	"	5	SLATE
49-55	"	—	
55-61	"	30	SLATE

LEGEND			
FOOT-AGE	CORE DIAM.	% CORE	DESCRIPTION
61-66	1⅛"	10	SLATE
66-71	"	25	"
71-76	"	15	"
76-83	"	4	"
83-90	"	4	"
90-97	"	4	"
97-103	"	10	LIME SCHIST
103-108	"	5	" "
108-128	"	—	
128-132	"	10	SLATE
132-140	"	10	" QUARTZ SEAM
140-155	"	10	" ALTERED LIMESTONE
155-160	"	10	" " "
			NO WO_3 PLUS .1% TO 160'.
			SLUDGE 142-147 REACTED
			FOR LIMESTONE AND PAN-
			NED CONSIDERABLE IRON
			PYRITE.
			SLUDGE, -160, SAME AS
			ABOVE.

D.D. HOLE 2.

DIP 45°, BEARING S 10° E, DEPTH 160'.

L. C. Penhoel
1/9/53.

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ENGINEERING DIVISION
316 SOUTH SAN PEDRO STREET
LOS ANGELES 13, CALIFORNIA

ED. EISENHAUER, JR.
L. C. PENHOEL

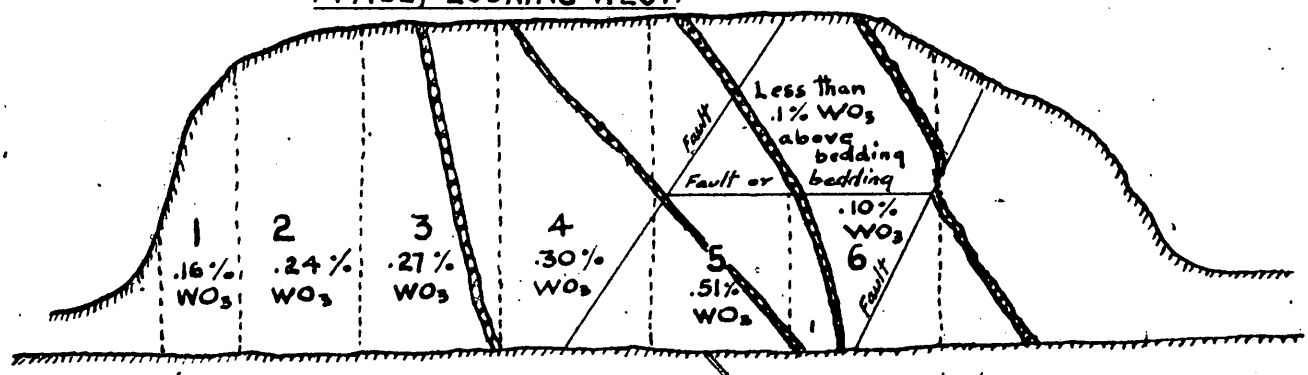
PHONE: VANDIKE 9328

FILE NO. 163.

Irene S. Sykes.
I.D.M.E. 366.

Assay Map - Cut No. 2.

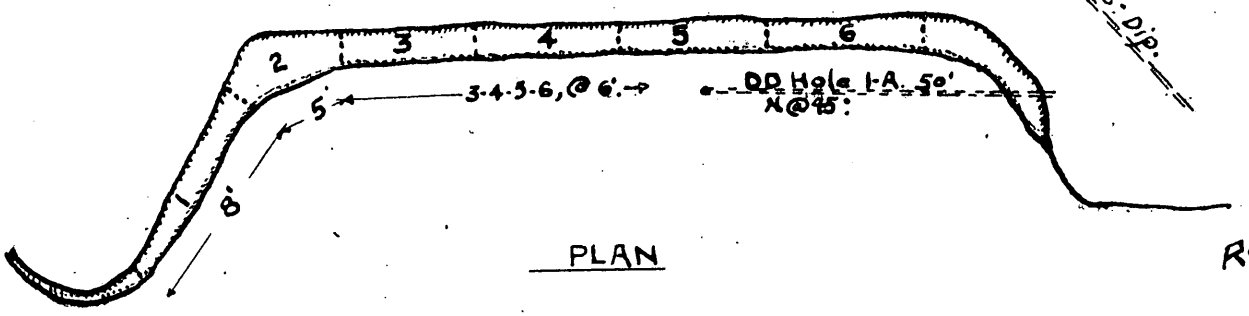
FACE, LOOKING WEST.



Sample #1.- ht. 8' - W 8', soft weathered Lms.
2- " 8' - " 5', gray Lms - tactite.
3- " 8' " 6', " " "
4- " 7' " 6', iron stained weathered tactite - high grade seam at bottom.
5- " 5' " 6' tactite.
6- " 5' " 6' limy slate, some tactite.
Quartz-pegmatite veins.

2' tactite, assay .18% WO3

DD Hole 1A 50'. Bearing N@45°. Dip.



PLAN

Road

L. C. Penhoel
1/9/53

ESTABLISHED 1916

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ENGINEERING DIVISION
316 SOUTH SAN PEDRO STREET
LOS ANGELES 13, CALIFORNIA

ED. EISENHAUER, JR.
L. C. PENHOEL

PHONE: VANDIKE 9328

January 8, 1953.

FILE NO.103.

Irene S. Sykes,
1239 South Beverly Glen Blvd.,
Los Angeles 24, California.

Account; Rock Hill Tungsten Property,
Esmeralda County, Nevada.

Progress Report, IDME 366.
November-December 1952 and January 1953.

Foreword;

The field work as owner's engineer in the IDME 366 diamond drill program, started on December 3,1952 at which time hole 1-A was completed and drilling hole 2 was in progress.

On December 5, Mr. C.A.Liddell, the retiring owner's engineer, was confered with at the property.

Mr. Liddell turned over maps and verbally reviewed information obtained by engineers of the Bureau of Mines and himself upon which the drilling program to drill 6 holes, with a total footage of 1000 feet, was recommended.

With the exception of hole 1-A, the holes are plotted as shown on Plate NO.1 of Mr. Liddell's survey,print of which is attached.

All of the holes with the exception of hole 1-A, are of the nature of crosscuts to intersect the downward projection of possible ore.

On December 4 surface areas were gone over, both during the day and after dark with a violet-ray lamp.

On December 5, samples were taken from areas where work had been done and exposures indicated that ore might be developed. Six of these samples were taken from Cut NO.2 and one from Cut NO.1.

Due to stormy weather the work was done under difficulty and on the afternoon of December 5, weather conditions became so bad that it was decided to return to Los Angeles with the core of the first 35 feet from hole 2, arrange for core and sludge boxes and return prepared to take up residence and record the work and results of drilling.

On December 9, before arrangements were completed to return to the property, the contractor reported that in hole 3 it was impossible to obtain a satisfactory core or sludge sample.

ESTABLISHED 1916

EISENHAUER LABORATORIES
ENGINEERING DIVISION
316 SOUTH SAN PEDRO STREET
LOS ANGELES 13, CALIFORNIA

ED. EISENHAUER, JR.
L. C. PENHOEL

PHONE: VANDIKE 9328

January 9, 1957.

FILE NO.163.

Under the conditions that one or more of the remaining holes would probably be in shattered ground and with a difference of opinion, that ~~that~~ the results from the drilling, even if completed, would justify the expenditure, it was recommended that Mr. Johnson of the Reno office be notified. The result was that Mr. Cheean was sent to the property and he agreed, that every thing considered, the contractor should be excused for noncompliance for reasons beyond his controland the contractor waiving any claim except for the completed footage drilled, moved his rig off the property on Dec. 15.

Core and sludge samples and the driller's log of hole 3, are being sent direct to the Reno office.

Summary;

The immediate area within which the drill holes have been located is principally made up of metamorphosed limestone with much folding and some faulting.

Local areas show brecciated white lime in dense blue silicified limestone. In shattered areas impure limestones weather to dust. Other areas have been altered to tactite.

Scheelite at times occurs in the quartz-pegmatite veins and in the hard siliceous blue limestone adjacent to the walls of the quartz veins for one or more feet. The more prominent occurrence of scheelite is in the tactite rock

The quartz veins are numerous, often only a few feet apart. Their general strike is east and west with dips at high angles to the north. Widths, where viewed, are rarely more than 8 to 12 inches wide. They represent the more fluid constituent of pegmatite dikes and probably were the channels from the granite for the scheelite mineral solutions.

From evidence shown by rock in the dump from the "old shaft", reported to be 300 feet deep, there is a bed of micaceous schist, of unknown thickness, between the granite and the limestone.

This schist shows little or no scheelite and it is probable that there was no deposition of scheelite until the solutions reached and passed into the limestones.

It is probable that more important concentrations of scheelite exist closer to the contact of the limestone and schist or if the schist is absent, closer to the contact with the granite. That is; more scheelite, all other favorable conditions being equal, would be depositid from the mineral

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316 SOUTH SAN PEDRO STREET
LOS ANGELES 13, CALIFORNIA

ED. EISENHAUER, JR.
L. C. PENHOEL

PHONE: VANDIKE 9328

January 9, 1958.

FILE NO.163.

bearing quartz-pegmatite channels close to the contact than at distances until until finally the solutions are barren of mineral.

Recommendations;

It is recommended that exposure of scheelite in present trenches or pits be studied and with additional trenching, if deemed necessary, select a place that would warrant a limited amount of prospecting in the nature of test pits or shaft work on the ore.

With compressor and tools on the property the funds left from the uncompleted diamond drill program could be used to advantage to conclude if more extensive exploration work was justified.

Attached to this report are the following papers;

(1) C.A.Liddell survey with DD holes NO's 1-2-3-4-5 and 6 plotted;with the approximate location of hole 1-A plotted later.

(2) Diagramitic log of hole 1A and hole 2.

(3) Sketch, Assay Map showing location and description with WO_3 content of samples taken December 5, 1957.

Respectfully submitted,

L. C. Penhoel

L.C.Penhoel

~~A two stage exploration program was approved under the Executive order. Stage I consisted of two trenches and 5 drill holes not to aggregate in excess of 640 feet. Stage II consisted of two additional trenches and 3 drill holes ~~not to exceed a total of~~ totaling 385 feet.~~

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

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

May 13, 1953

WSM

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2381 (Tungsten)
Irene Sykes Property, Esmeralda County, Nevada
Contract Idm-R366

Reference is made to your subject letter dated April 27, 1953, requesting me to take appropriate action regarding the disposition of one mineral light supposedly purchased by Mrs. Sykes under the above cited contract so you may close your files on her operations.

In reply to my letter to Mrs. Sykes, dated April 30, 1953, a carbon copy of which was sent to DMEA, Mrs. Sykes by letter (undated) received in this office on May 5, informs me that Mr. Sheahan was mistaken when he reported that one mineral light having a salvage value of $40 remained to be disposed of. She wrote that at the time of signing the contract she owned eight mineral lights and that the day Mr. Sheahan visited the property she left two lamps with the drillers who locked them in the tool shed when they left. The tool shed was later broken into and both lamps stolen. The item of $56 claimed by Mrs. Sykes was for repairs to one of the lamps - a replacement of a battery and the repair of a broken filter. That is what she reported on her MF-104 form and not the purchase of a lamp. This repair and replacement item, she wrote, can be verified by taking the matter up with the Black Lite Company, 7354 Santa Monica Boulevard, Los Angeles, from which firm, she wrote, she never purchased a lamp.

The eight lamps she owned were purchased from the Ultra Violet Products Company, South Pasadena, which firm, she wrote, will verify the purchases and the dates.

In view of the apparent fact that there was no mineral light purchased under the contract, I am today, in accordance with

DMEA Memorandum 30, Supplement No. 1, Item 2, issuing a waiver of the Government's intrest in all property purchased under the contract. The original and two copies of the waiver are enclosed; the other three copies are being distributed to the usual parties, of which Mrs. Sykes is one.

Accordingly, the books on this contract may now be closed.

H. C. MILLER

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

Attachment

Copy to: Finance Officer, Region III
A. C. Johnson, Reno
E. H. Bailey, USGS
George Mavor

Division Copy

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

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

To: Mrs. Irene Sykes
1239 So. Beverly Glen Boulevard
Los Angeles 24, California

Operator under Exploration Project
Contract Idm-2566, Docket No.
DMEA-2381, dated July 3, 1952.

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, under the terms of the above described contract, hereby waives its interest in all property acquired under that contract.

Dated May 13, 1953

THE UNITED STATES OF AMERICA

By H. C. Miller

H. C. Miller

Executive Officer,
DMEA Field Team, Region III
Title

Copy to: Operating Committee, DMEA, Washington (3)
Finance Officer, Region III
A. C. Johnson, Reno
E. H. Bailey, USGS
George Mayer

400

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

May 13, 1953

WSM

Mrs. Irene Sykes
1239 So. Beverly Glen Boulevard
Los Angeles 24, California

Re: Docket DMEA-2381 (Tungsten)
Irene Sykes Property
Esmeralda County, Nevada
Contract Idm-E366

Dear Mrs. Sykes:

I was glad to get your undated letter received in this office on May 5, in reply to my letter to you dated April 30, 1953, concerning one mineral light erroneously reported as having been purchased under the above captioned contract. We regret that this matter came up as when Mr. Mavor returned to San Francisco yesterday we found that what you claimed on your MF-104 was not reimbursement for a mineral light but rather a battery and repair to a filter. Accordingly, I am today preparing a waiver of the Government's interest in all property acquired under the contract. Your copy of the waiver is attached.

Sincerely yours,

H. C. MILLER

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

Attachment

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

HCMiller:mpp
Files
Chron.

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

Office of
Executive Officer
DMEA Field Team
Region III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 4 1953

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

April 30, 1953

WSM

Mrs. Irene Sykes
1230 S. Beverly Glen Boulevard
Los Angeles 24, California

Re: Docket DMEA-2381 (Tungsten)
Irene Sykes Property
Esmeralda County, Nevada
Contract Idm-2346

Dear Mrs. Sykes:

The Washington Office of the Defense Minerals Exploration Administration has notified this office that to date we have issued no official waiver of the Government's interest in property acquired under the above-captioned contract. This should have been done sometime ago, but for one reason or another I never got at it.

Operating under your contract, you purchased a mineral light with battery and filter at a cost of $56.00. Mr. E. H. Sheahan, in his final report on your operation, dated March 6, 1953, reported that the light had a salvage value of $40.00 and recommended that the Operator (you) should purchase this item.

Under the terms of your contract, it was your duty to make the best possible disposition of property in which the Government had an equity, for the benefit of the Government. Every effort should have been made to sell the property at a price higher than you are willing to pay.

Will you kindly let us know what efforts you made to dispose of the mineral light and the offers that were made for it. Also, let us know what you are willing to pay for it.

Sincerely yours,
H. C. MILLER

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

Copy to: DMEA, Washington, D. C.
E. H. Bailey, USGS
A. C. Johnson, Reno
George Mavor

AIR MAIL

APR 27 1953

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

Re: Docket No. DMEA 2381 - Tungsten
Irene Sykes
Rock Hill Property
Esmeralda County, Nevada
Contract No. Idm-E366

Dear Mr. Miller:

In reviewing the Field Team's Final Report on the above-referenced project, we note that disposition has not been made of an item of equipment, one mineral light.

It will be appreciated if you will arrange with Mrs. Sykes for appropriate action so that we may close our files on this operation.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

A. R. Kinkel, Jr.
Member, Geological Survey

J. H. Hedges
Member, Bureau of Mines

FARutledge/ls
4/22/53

cc: Docket
FT, Reg. 3
Code 400
Adm. Reading File
D. M. Lemmon, USGS
R. W. Geehan, USBM
Operating Committee

MAR 2 1953

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

Re: Docket No. DMEA 2381 - Tungsten
Irene Sykes
Rock Hill Property
Esmeralda County, Nevada
Contract No. Idm-E366

Dear Mr. Miller:

Reference is made to the subject contract for which a final audit has been received. It will be appreciated if you will furnish this office with a final Field Team report and a final Operator's report. If no final report has been received from the Operator, Mrs. Sykes should be requested to furnish such a report as specified in Article 7(b) of the contract in order that this docket may be closed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

FARutledge/ls
2/27/53

cc: Docket
FT, Reg. 3
Admn. Read. File
Code 400
Oper. Committee
D. M. Lemmon, USGS
R. W. Geehan, USBM

400

Office of
Executive Officer
DMEA Field Team
Region III

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

February 27, 1955

WSM

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-8361 (Tungsten), Irene Sykes, Rock Hill Property, Esmeralda County, Nevada, Contract Idm-8566

Reference is made to your subject letter, dated February 12, concerning the footage drilled on this property.

Attached is a copy of a memorandum from A. G. Johnson, dated February 24, which I believe gives the information you desire.

Mr. Sheahan's final report will be sent to you as soon as received.

H. C. MILLER

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

Attachment

Copy to: E. K. Bailey, WSMS

COPY

Reno, Nevada

February 24, 1953.

Memorandum

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

From: Chief, Mining Division, Region III

Subject: Docket DMEA-2381 (Tungsten), Irene Sykes, Rock Hill Property, Esmeralda County, Nevada, Contract Idm-E366

This propject was closed out in the San Francisco Office. The MF-104 and MF-104A forms were brought in my office, by you, for my signature with the exception of one that was later sent to my office for signature.

Mr. Sheahan visited the property on December 11, 1952, and at that time one hole had been drilled to a depth of 40 feet and another hole had been drilled to a depth of 160½ feet. The drill was set up on a third hole where actual drilling was in progress. This hole was evidently completed to a depth of 165 feet, as shown by the Continental Drilling Company's daily reports. According to the driller's log EX casing was set to 146 feet and the hole was finished at a depth of 165 feet. The hole was completed and AX and EX casing was pulled and drill moved on December 15, 1952.

The 10 foot discrepancy is probably due to the first hole, as the engineer that Mrs. Sykes had on the property showed that this hole reached a depth of 50 feet.

Mr. Sheahan is working on the final report on the Sykes property and you should receive it within the next few days.

/s/ A. C. Johnson

FEB 12 1953

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

Re: Docket No. DMEA 2381 - Tungsten
Irene Sykes
Rock Hill Property
Esmeralda County, Nevada
Contract No. Idm-E-366

Dear Mr. Miller:

We are in receipt of monthly report Forms MF-104 and MF-104A, for November and December 1952, on the above-noted project.

We note that payment was made for 375 feet of diamond drilling. The last interim report by Mr. Sheahan, dated December 15, 1952, advised that 160.5 feet of diamond drilling had been completed. We do not have any report in our files showing where the balance of 214.5 feet was drilled, or the results of this drilling. Would you please advise us concerning this additional drilling.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

M. S. Nedrow

Member, Bureau of Mines

D. M. Lemmon

Member, Geological Survey

cc: Docket
Field Team, Region 3
Code 400
Admn. Read. File
Operating Committee
R. W. Geehan, USBM
D. M. Lemmon, USGS

TLChapman/hhb
2/11/53

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

FEB 9 1953

Re: Docket No. DMEA 2381 - Tungsten
Mrs. Irene Sykes
Rock Hill Mine
Esmeralda County, Nevada
Contract No. Idm-E-366

Dear Mr. Miller:

We acknowledge receipt of your memorandum of January 21, 1953, and termination agreement on the subject property.

We do not have Forms MF-104 and MF-104A, and narrative reports after September 1952. If you can, please send us copies of these reports so we may close our files.

Sincerely yours,

George G. Sabridge

Chairman, Operating Committee

Approved:

W. E. Harrison

Member, Bureau of Mines

A. R. Hixbel, Jr.

Member, Geological Survey

cc: Docket
Field Team, Region 3
Code 400
Admn. Read. File
R. W. Geehan, USBM
D. W. Lemmon, USGS
Operating Committee

TLChapman/hhb
2/6/53

DOCKET DMEA 2381 TUNGSTEN
IRENE SYKES. ESMERALDA CO. NEV

TERMINATED BY MUTUAL AGREEMENT
JAN 14, 1953

TOTAL COSTS SUBMITTED	$5,319.51
EXCEPTION	279.00
ACCEPTED COST	$5040.51
GOVT. SHARE (75%) PAID	$3,780.38

ALLOWED WITHOUT AUDIT
By GEORGE MAVOK
AUDITOR

COPY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Irene S. Sykes

1239 So. Beverly Glen Boulevard

Los Angeles 24, California

pertaining to Exploration Project Contract No. Idm-E-366, Docket No. DMEA 2381, for the period August 18, 1952 to December 31, 1952, covering a project of exploration for Tungsten.

My review included an examination of Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with Government representative who visited and examined the project, and a determination of the reasonableness and propriety of the cost.

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

a. the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowances thereunder;

b. the Monthly Reports were supported by documentary proof of the costs incurred under the contract;

c. major portion of costs covered contract drilling ($2,628.50) and labor supervision and consultants ($1,560.00).

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

Total cost as billed by contractor	$5,319.51
Exceptions:	
Herewith schedule attached	279.00
Total accepted cost	$5,040.51

The contract calls for a 75 per cent participation of exploration expenses by the United States Government. Therefore,

COPY

payment to the contractor by the Government in the amount of Three Thousand Seven Hundred Eighty and 38/100 Dollars

- $3,780.38

is considered valid and proper.

/s/ George Mavor
George Mavor
Auditor

January 20, 1953

COPY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

Irene S. Sykes

Schedule of Exceptions

(2) Labor, supervision, consultants

	Bulldozing (labor charges)	$ 625.00	
	Labor	24.00	
	Supervision	1,175.00	
	Geologist	15.00	
		1,839.00	
Less:	Maximum allowed under contract	1,560.00	$279.00

Contract terminated January 14, 1953

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 1-19-53

REFERRED TO:

1. Code 400
2.
3.
4.

FOR:

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

REMARKS: .....

Check (X) before the items needing attention.

ROBERT E. ADAMS
Initials of sender.

GPO 16—63815-1

B.W.

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

Executive Officer
DMEA Field Team
Region III

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

January 14, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 1 5 1953

Mrs. Irene Sykes
1239 S. Beverly Glen Boulevard
Los Angeles 24, California

Docket DMEA-2381 (Tungsten)
Contract Idn-E366
Irene Sykes Property
Esmeralda County, Nevada

Dear Mrs. Sykes:

Following our conversation today in this office, the enclosed termination notice in connection with subject contract has been prepared and six copies are submitted for your signature.

When you have affixed your signature, will you kindly return the original and four copies to this office, retaining one copy for your files.

Sincerely yours,

H. C. MILLER

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

Enclosure

Copy to: Operating Committee, DMEA, Washington, D. C.
E. H. Bailey, USGS
A. C. Johnson

Affeiers:

Files
Chrono

JAN 1 2 1953

Mr. F. C. Miller, Executive Officer
DMEA Field Team, Region III
1013 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. 2381 - Tungsten
Mrs. Irene M. Sykes
9 Half Moon & Rock Hill claims
Esmeralda County, Nevada
Contract No. Idm-3-366

Dear Mr. Miller:

Enclosed are two copies of a memorandum dated December 31, 1952, from our Chief Counsel to the Administrator, regarding the size of diamond drill holes at the subject project as called for by the diamond drilling subcontract.

As you will observe from the above, the subcontract as written allows drilling of NX holes instead of the AX holes specified in Contract Idm-3-366, but makes no corresponding reduction in the price to be paid per foot of hole drilled. We note, however, from Mr. B. E. Sheahan's report of December 15 that the 210.5 feet of drilling completed to that date was AX size.

We also learn from Mr. Sheahan's same report that Mrs. Sykes is discouraged with the results of the diamond drilling and is undecided about further work. In the event that the project is terminated before completion of the 640 feet of drilling called for by Stage I of the contract, Mrs. Sykes may find herself in disagreement with Continental Drilling Company. If that company claims that the subcontract of November 26, 1952, guarantees it 640 feet of drilling, any such claim will be against Mrs. Sykes and not against the

JAN 1 2 1953

Government. Our approval of that subcontract is subject to all the terms of Contract Idm-E-366, including Article 4(b) which provides, among other items, that "the Government's right to terminate the exploration project under any of its provisions shall not in any manner be affected by reason of any such independent contract."

Sincerely yours,

Frank E. Johnson

Chairman, Operating Committee

Enclosures

APPROVED:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

WSMartin/ls
1/7/53

cc: DOCKET
ADMN. READ. FILE
FIELD TEAM, REGION III
CODE 400
OP. COMMITTEE
D. M. LEMMON, USGS
R. W. GEEHAN, USBM

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

December 31, 1952

Memorandum

To: Administrator

From: Chief Counsel

Subject: Irene Sykes, DMEA-2381, Idm-E366, Subcontract with Continental Drilling Company

The subject subcontract has been executed in the field and is in full force and effect. If it had been submitted here for review it would not have been approved.

The exploration contract provides that "the diamond drill holes shall be of AX size." The subcontract provides for drilling "BX, AX, and EX core holes." Thus there is a discrepancy between the drilling provided for in the exploration contract and the drilling provided for in the subcontract.

No doubt the subcontract intends that the operator may drill holes of BX size to the extent that it is necessary to accomplish AX coring, and may drill the hole of AX size to the extent that is necessary to accomplish EX coring. However, as the subcontract is written, the drilling contractor would comply with its terms if he did nothing but EX drilling, for which he would receive $7 per lineal foot.

If EX cores will be satisfactory to the Government, possibly the drilling contract is unobjectionable from that standpoint alone. However, I have difficulty in justifying payment for EX drilling at $7 per foot when the exploration contract provides for AX drilling at an estimated maximum of $7 per foot. It is necessary to construe the approval of the subcontract as an amendment of the exploration contract. I do not think that the G.A.O. will take an exception.

HCRubin
JLHofflund/mef
cc to: Mails and Files
Admr. R. File
Mr. Selfridge
Mr. Rubin
Mr. Hofflund
Chron.

J. L. Hofflund
Chief Counsel

Attachment

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

December 31, 1952

Memorandum

To: Administrator

From: Chief Counsel

Subject: Irene Sykes, DMEA-2381, Idm-E366, Subcontract with Continental Drilling Company

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If EX cores will be satisfactory to the Government, possibly the drilling contract is unobjectionable from that standpoint alone. However, I have difficulty in justifying payment for EX drilling at $7 per foot when the exploration contract provides for AX drilling at an estimated maximum of $7 per foot. It is necessary to construe the approval of the subcontract as an amendment of the exploration contract. I do not think that the G.A.O. will take an exception.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachment

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OFFICE OF
PROCUREMENT OFFICER
[illegible] Field Tour
[illegible] III

[illegible] Dec. 23, 1952

MEMORANDUM

To: [illegible]

From: [illegible]

Subject: [illegible]

Attached [illegible]

[illegible] 2381

[illegible] 366

[illegible] Tungsten

[illegible] Mrs. Irene Sykes

[illegible] Rock Hill Mine, Esmeralda County, Nevada

[illegible] Benj. H. Sheahan, Mining Engr.

[illegible] Dec. 15, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
[illegible]
DEC 23 1952

[illegible]

Attachment

[illegible]

INTERIM REPORT

Docket No.: DMEA-2381 (Tungsten) Dec. 15, 1952

Name and address of operator: Mrs. Irene Sykes, owner
Mina, Nevada

Los Angeles address: 1239 S. Beverley Glen Blvd.
Los Angeles 24, Calif.

Name and location of property: Rock Hill Mine,
Esmeralda County, Nev.

The property is located 20.6 miles south of Mina, Nev., on U. S. Highway 95 and one mile west of the highway.

Contract No.: Idm-E366

SUMMARY

Exploration work, consisting of diamond drilling, was started on Nov. 24, 1952. Hole No. 1X was drilled 50 feet at a location not approved by the contract. This hole was drilled at Pit 2, almost directly down the dip of the mineralization.

Mr. L. C. Penhoel, supervisor-geologist, for the operator, Irene Sykes, was not at the property. All of the core from hole No. IX and part of the core from hole No. 2 was taken to Los Angeles for logging and assaying. Core and sludge recovery was very poor. The operator is discouraged with early results of the drilling exploration work. The operator reported that a contract had been let for 640 feet of drilling although 160.5 feet of drilling was completed.

The crew at the property on Dec. 11, 1952 at the time of the inspection consisted of Mrs. Irene Sykes, owner, a diamond driller and helper, and one sampler employed by Mrs. Irene Sykes.

CONCLUSIONS

1. The exploration work is not being properly supervised.

2. Both core recovery and sludge recovery are poor; amounting to about 10 percent.

3. Hole No. 2 did not reach the calculated objective and showed no tungsten mineralization.

4. The second stage of the exploration work is not warranted.

RECOMMENDATIONS

(a) For improvement of operation:

(1) The supervisor-geologist should stay on the job while drilling operations are being conducted.

(2) Core and sludge recovery could be improved but proper supervision is needed.

Unless the project is properly supervised the contract should be terminated.

STATEMENT OF WORK COMPLETED

Exploration work completed on the project since the operator's interim report for August and September 1952 by C. A. Liddell, engineer, formerly employed by Mrs. Sykes, consisted of 160.5 feet of diamond drilling. The work was done by contract with Continental Drilling Co. Mr. L. C. Penhoel was reported to be employed as supervisor-geologist by Mrs. Sykes, however he was not on the property at the time of the inspection.

Sheet No. 1 of operator's August and September interim report shows the location of the exploration work. At Pit No. 2, Hole No. 1X was drilled to a depth of 50 feet, bearing North, inclination -46 degrees. The core was taken to Los Angeles by Mr. Penhoel for logging and assaying. At drill site No. 2 , a hole was drilled 160.5 feet, bearing southerly, inclination -45 degrees. Core recovery was less than 10percent and sludge recovery amounted to three 5-pound samples. Hole No. 2 failed to reach its objective or proposed depth.

The drill was located at drill site No. 1 on Dec. 11, 1952.

According to Mrs. Sykes, the drill hole sites were staked out by Mr. Liddell, as shown on his map (sheet 1) attached to operator's September narrative report.

COMMENTS ON PROGRESS

The diamond drill crew moved their equipment to the property on Nov. 24, 1952. The drill crew was reported to have worked a seven day week.

Hole No. 1X was started about Nov. 27 and stopped one day later at a depth of 50 feet. This hole was not located according to plans submitted by the operator's engineer.

Hole No. 2 (sheet 1) was started on Nov. 29, 1952 and drilled to a depth of 160.5 feet. A cavity was encountered at this depth and the drill was moved to hole No. 1 location on Dec. 10, 1952. Core and sludge recovery was very poor. Hole No. 1 was started on Dec. 11, 1952.

UNUSUAL CIRCUMSTANCES

Although the owner of the property has a supervisor-geologist, Mr. L. C. Penhoel, he was not at the property on Dec. 11, 1952.

Mrs. Sykes did not notify the U. S. Bureau of Mines when the diamond drilling was started as she had stated in previous letters she would do.

OPERATING CONDITIONS

Operating conditions are good, although considerable care is required to obtain core and sludge from the drilling operation in this ground.

EFFICIENCY OF OPERATION

Core and sludge recovery is poor and the supervisor of the work should be on the job while drilling operations are being conducted. If casing of the hole is required, arrangements should be made between the operator and the drilling contractor.

OPERATOR'S MONTHLY REPORTS

The Operator's Monthly MF-104 and MF-104A for August and September are available at the Reno, Nev. office U. S. Bureau of Mines, Mining Division, Region III. The operator failed to provide full documentation for charges listed. The narrative report did not show the amount of trenching work performed or the location of samples.

The operator's narrative report for September included maps and sections of the proposed exploration work.

GEOLOGY AND MINERALIZATION

No tungsten mineralization was found in the core of hole No. 2,

drilled to a depth of 160.5 feet. Core and sludge assays have not yet been completed. From a depth of 26 feet to 160.5 feet only 9.4% of the core was recovered. Three sludge samples were obtained by the operator at depths of 137 feet to 142 feet; 147 feet and 152 feet. The core observed from No. 2 hole contained practically no scheelite mineralization. The core was AX size.

OTHER INFORMATION

Mrs. Irene Sykes, the operator, is discouraged with the results of the diamond drilling and is undecided as to further plans. The operator has contracted for a minimum of 640 feet of drilling. A copy of the contract is not available.

Mrs. Sykes informed the U. S. Bureau of Mines, Mining Division, Region III, on Dec. 10, 1952, that the diamond drilling had been started and that core recovery and sludge recovery was poor.

The operator intends to include the core log together with sample analyses with the next narrative report.

Benjamin H. Sheahan

Benjamin H. Sheahan
Mining Engineer

400

11/26/52

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.

Office of
Executive Officer
DMEA Field Team
Region III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 25 1952

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

November 20, 1952

Mrs. Irene Sykes
1239 S. Beverley Glen Boulevard
Los Angeles, California

Re: Docket DMEA 2381 (Tungsten)
Contract Idm-E366
Irene Sykes Property
Esmeralda County, Nevada

Dear Mrs. Sykes:

Mr. A. C. Johnson has forwarded to us five copies of bid, dated November 12, 1952, for diamond drilling at your tungsten property in Esmeralda County, Nevada, which you received from the Continental Drilling Company and accepted on the same date. Mr. Johnson recommends that I approve the contract between you and the Continental Drilling Company.

A review of your contract with the Government for carrying out exploratory drilling on your property indicates that the price asked per foot by the Drilling Company is the same as that allowed under your exploration contract, and approval on the cost per foot basis should be granted. However, it is noted that you have agreed to guarantee the Drilling Company 1,000 feet of core drilling. I cannot approve that part of the contract as Stage I of your exploration contract calls for only 640 feet of drilling. Any drilling over and above 640 feet is dependent upon satisfactory completion of Stage I and approval by the Government, and only if the Government indicates that the results of the work under Stage I warrant undertaking work under Stage II.

If I approve the contract between you and the Continental Drilling Company as written, I would in effect guarantee the Company 1,000 feet of drilling. Obviously, I cannot do that under the terms of your exploration contract. If it is your intention to guarantee the Drilling Company 1,000 feet of drilling, it should be understood and so stated in your contract with the Drilling Company that you will pay for all drilling over and above 640 feet should the Government at the completion of Stage I of your contract decline to approve going on with Stage II. In other words, the subcontractor should be informed of the exact conditions of your

exploration contract, and the reservations stated therein should be made a part of the drilling contract. Only after that is accomplished can I give further consideration to approving the drilling contract between you and the Continental Drilling Company.

Sincerely yours,

H. C. MILLER

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

Copy to: DMEA, Interior Bldg., Washington 25, D. C.
E. H. Bailey, USGS
A. C. Johnson, Reno, Nevada

Office of
Executive Officer
DMEA Field Team
Region III

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

August 4, 1952

Air Mail
Special Delivery

Mrs. Irene Sykes
c/o Mr. Ralph E. Thompson
30 Federal Street
Boston, Massachusetts

Re: Docket DMEA-2381 - Tungsten
General Tungsten Company
Rock Hill tungsten deposit
Esmeralda County, Nevada
Contract No. Idm-E366

Dear Mrs. Sykes:

In accordance with instructions given in your August 2 letter, there are attached the original and five copies of Contract Idm-E366.

The contract has been changed to give you sixty (60) days after the date of the contract in which to start operations.

Sincerely yours,

H. C. MILLER

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

Enclosure (Contract)

Copy to: DMEA, Washington, D. C.

August 7, 1952

Mrs. Irene Sykes
Washington, D. C.

Re: Docket No. DMSA 2381 - Tungsten
Irene S. Sykes Property
Esmeralda County, Nevada
Contract Ida-2366

Dear Mrs. Sykes:

Handed you herewith are the six copies of the subject contract which you returned to this office on August 6 with a request that the contract be made in your name rather than in the partnership name. This has been done and the only other change made was that of changing 4 months to 6 months, the completion period under Article 3.

I am also returning to you as requested four copies of the report "Rock Hill Mines, General Tungsten Company" by Hayley A. Gill, Consulting Engineer, which were submitted with your application for exploration assistance.

Sincerely yours,

George C. Selfridge

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

GSelfridge'lm
8/7/52

cc: Admn. Reading File
Docket
H. W. Geehan, USBM
D. M. Lemmon, USGS
Field Team Reg. III
G. C. Selfridge

Mr. J. L. Heffland, Chief Counsel, DMEA

August 6, 1952

Iron and Ferro-Alloy Division, DMEA

Rewriting of Exploration Project Contract IdM - E 366
Docket No. DMEA 2381 - Tungsten
Irene Sykes Property
Esmeralda County, Nevada

Attached hereto are the six copies of the subject exploration contract. It has not been signed by Mrs. Sykes as she lacks the necessary partnership papers that indicate she is the general partner.

As discussed with you this afternoon, Mrs. Sykes wishes that the contract be drawn up solely in her name as owner rather than in the name of the partnership. We see no objection to this change as she presented a deed in her name to the claims and also a release by Mr. Thompson indicating that he had no further interest in the claims.

Will you please make the necessary change at your earliest convenience. I informed Mrs. Sykes that the contract could possibly be ready shortly before noon tomorrow. Please note that Mr. Miller changed the 30-day period in Article 3 to 60. The new copy should read 60 and it would be better to change the completion period from 4 to 6 months.

Signed by

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

Attachments

GSelfridge'lm
8/6/52

cc: Admn. Reading File
Docket
G. C. Selfridge

400

Frank E. Johnson, Chairman
Operating Committee
Defense Minerals Exploration Adm.

Department of the Interior

14X3923 - Working Fund
DMEA - Interior

August 1, 1952

N. C. MILLER
EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
1012 FLOOD BUILDING
870 MARKET STREET
SAN FRANCISCO 2, CALIFORNIA

RE:TEL DMEA DOCKET 2381. IF CONTRACT NOT SIGNED STRIKE OUT STARTING DATE AND INSERT SIXTY DAYS.

Frank E. Johnson

GCSelfridge/bih
8/1/52
cc to: Docket
Admr's Reading File
Operating Committee
Messrs. Selfridge
FEJohnson

1-1027
(April 1946)

UNITED STATES
DEPARTMENT OF THE INTERIOR

408

AGENCY Bureau of Mines

PBS TELETYPE

Originator:
Ext.: 472 Room: 1006

Appro.: Bureau of Mines
Date: July 31, 1952
Time: 12:30 p.m.
No.:
To: Frank E. Johnson, Defense Minerals Expleration Administration, Interior Building, Washington, D. C.
Subject:

Re Docket DMEA 2381 (Tungsten) Contract Idm-E366 Mrs. Sykes requested by wire amendment to contract extending starting date to August 30 in order to expedite proper signatures earliest possible date. She plans to fly to New York this weekend and will probably be in Washington next week. Can I issue amendment to contract not yet executed or how should I handle the request?

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

Authorized:

H. C. Miller

CONFIRMATION

Sign original message and transmit to Room ..... in duplicate

U. S. GOVERNMENT PRINTING OFFICE 16—50915-1

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

400

JUL 29 1952

Office of
Executive Officer
DMEA Field Team
Region III

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

July 25, 1952

Mrs. Irene Sykes
1239 South Beverly
Glen Boulevard
Los Angeles 27, California

Re: Docket DMEA 2381 (Tungsten)
General Tungsten Company
Rock Hill Tungsten Deposit
Esmeralda County, Nevada
Contract No. Idm-E366

Dear Mrs. Sykes:

I can now reply definitely to your letter of July 11 in regard to whether the Government will accept your signature on the above-captioned contract if Mr. Thompson and Mr. Dayson cannot be reached for their signatures.

The Washington Office of Defense Minerals Exploration Administration will accept your signature as General Partner if you will furnish proof of your status.

Sincerely yours,

H. C. Miller

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

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

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

400

JUL 28 1952

Office of
Executive Officer
DMEA Field Team
Region III

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

July 25, 1952

Mrs. Irene Sykes
1239 South Beverly
Glen Boulevard
Los Angeles 27, California

Re: Docket DMEA 2301 (Tungsten)
General Tungsten Company
Rock Hill Tungsten Deposit
Esmeralda County, Nevada
Contract No. Idm-E366

Dear Mrs. Sykes:

I can now reply definitely to your letter of July 11 in regard to whether the Government will accept your signature on the above-captioned contract if Mr. Thompson and Mr. Payson cannot be reached for their signatures.

The Washington Office of Defense Minerals Exploration Administration will accept your signature as General Partner if you will furnish proof of your status.

Sincerely yours,

H. C. MILLER

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

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

EXPLORATION
/

JUL 24 1952

400

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

Re: Docket No. DMEA 2381 - Tungsten
General Tungsten Company
Rock Hill tungsten deposit
Esmeralda County, Nevada
Contract No. Idm-X-366

Dear Mr. Miller:

This is to acknowledge receipt of your memorandum of July 15, 1952, with attachment by Irene Sykes, concerning the signing of the subject contract.

The Government will accept Mrs. Sykes' signature as General Partner if she will furnish you proof of her status.

Sincerely yours,

George C. Selfridge

ACTING Chairman, Operating Committee
Defense Minerals Exploration
Administration

Approved:

J. H. Hedges

Member, Bureau of Mines

D. M. Lemmon

Member, Geological Survey

GCSelfridge:ls 7/22/52

cc: Docket
Admn. Reading File
G. C. Selfridge
Field Team, Reg. 3
Operating Committee
D. M. Lemmon, USGS
R. W. Geehan, USBM

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

400

Office of
Executive Officer
DMA Field Team
Region III

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

July 15, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2381 (Tungsten), General Tungsten Company, Esmeralda County, Nevada

I am attaching a letter, dated July 11, from Mrs. Irene Sykes, concerning signatures required on her exploration project contract Idm-2366.

Will you kindly let me have your thoughts regarding the signing of the contract if Mr. Thompson and Mr. Payson are not available.

H. C. MILLER

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

Attachment

Copy to Mrs. Irene Sykes
1239 South Beverley Glen Blvd.
Los Angeles 27, California
E. H. Bailey, USGS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 21 1952

General Tungsten Company

Mines: Rock Hill Monte Cristo Garfield

Mina, Nevada

C
O
P
Y

1239 South Beverley Glen Blvd.
Los Angeles 24, California
July 11, 1952

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

RE: Docket DMEA 2381
(Tungsten) General Tungsten
Company, Esmeralda County,
Nevada, Contract Idm-E366

Dear Mr. Miller:

I am in receipt of the exploration contract and copies as outlined in your letter of July 7. I am, of course, exceedingly pleased to have them.

I have sent the contracts to New York and Boston for the signatures of Mr. Thompson and Mr. Payson. I am afraid that Mr. Payson is in Europe and Mr. Thompson was planning an extended fishing trip to Iceland. In the event they are not available, will the Government accept my signature, as General Partner and that of Mr. Harry Lee Martin who has already signed?

I have arranged with the Decker and Palmer Drilling firm of Bishop to submit a contract for approval by your office and will ask you for an appointment as soon as the papers have been properly signed.

Sincerely yours,

/s/ Irene Sykes

406

G. C. Selfridge - Ext. 5284

Department of the Interior

Defense Minerals Exploration
Administration

STRAIGHT WIRE

JULY 8, 1952

MRS. IRENE SYKES
1239 SOUTH BEVERLY GLEN BLVD.
LOS ANGELES, CALIFORNIA

CONTRACT (DMEA DOCKET 2381) AIRMAILED JULY 3 TO MR. MILLER.

C. O. Mittendorf

C. O. MITTENDORF
ACTING ADMINISTRATOR, DMEA

GOSelfridge:ls
7/8/52

CC: Docket 2381
Admn. Read. File
G. C. Selfridge
Audits

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

Re: Docket No. DMEA 2381 - Tungsten
The General Tungsten Company
Esmeralda County, Nevada

Dear Mr. Miller:

We are enclosing the original and five copies of the above referenced exploration contract signed by this office for the Government, together with Exhibit "A" (5 pages); Annex I; Fig. 1, showing location of the property; Fig. 2, a claim map; and Fig. 4, showing approximate location of work to be done on the property.

If the terms and conditions of this contract are satisfactory to you and the Operator, all six copies should be signed by the general partner. One copy is to be given to the Operator, one copy retained by your office, and the original and three copies returned to this office.

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

No major changes have been made in the recommendations of the field team and your memorandum to Mr. Frank T. Johnson, of May 16, 1952.

The original application was for $40,000.00, but this has been reduced to $10,600.00 as a result of a conference between the Field Team and the Operator.

The time of starting the contract and the time allowable for its completion have been left blank on the contract. These are to be filled in when the contract is signed by the Operator.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosures

Approved:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

TL/Chapman'lm
6/25/52

cc: Admn. Reading File
Docket
R. W. Seehan, USBM
D. M. Lemmon, USGS
Field Team Reg. III
Operating Committee
G. C. Selfridge
T. L. Chapman

Chairman, Operating Committee, DMEA June 24, 1952

Iron and Ferro-Alloy Division, DMEA

Docket No. DMEA 2381 - Tungsten
The General Tungsten Company
Esmeralda County, Nevada

We are sending you the completed contract on the above with Exhibit "A"; Fig. 1, showing location of property; Fig. 2, a claim map; and Fig. 4, showing approximate location of work to be done on the property.

The original application was for $40,000.00. This has been reduced to $10,600.00 with the consent of the applicant. The contract follows closely the recommendations of the field team.

The project is for trenching and diamond drilling.

George C. Selfridge

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

Attachments

TLChapman'lm
6/24/52

cc: Admn. Reading File
Docket
G. C. Selfridge
T. L. Chapman

Mr. G. C. Selfridge - Extension 5284

U. S. Dept. of the Interior
Defense Minerals Exploration
Administration

400

DAY LETTER

JUNE 25, 1952

MRS. IRENE SYKES
1239 SOUTH BEVERLY GLEN BLVD.
LOS ANGELES, CALIFORNIA

CONTRACT (DMEA DOCKET NO. 2381) WILL BE MAILED H. C. MILLER, 1012 FLOOD BUILDING, 870 MARKET STREET, SAN FRANCISCO 2, CALIFORNIA, THIS WEEK FOR FINAL APPROVAL AND EXECUTION.

C. O. Mittendorf

C. O. MITTENDORF
ACTING ADMINISTRATOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

GCSelfridge:ls
6/25/52

CC: Docket DMEA 2381
Admn. Reading File
G. C. Selfridge

UNITED STATES 140
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

(406)

June 23, 1952

Memorandum

To: Acting Administrator

Through: G. C. Selfridge

From: Chief Counsel

Subject: The General Tungsten Company - Docket No. DMRA-2381

There is attached in satisfactory legal form for execution a contract covering the subject project.

It is not too clear from the documents in the file that the applicant, General Tungsten Company has title to the nine mining claims involved. Therefore, it is suggested that before this contract is delivered to the applicant, evidence satisfactory to the Field Attorney be furnished that the applicant has good title to these claims and that they are not owned by any other individual, partnership or corporation, and particularly not by Irene Sykes as an individual or by Cobalt Tungsten Associates unless that firm is actually the applicant under an earlier different name.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachment

Memorandum June 24
J. L. Hofflund

402

COPY

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

April 11, 1952

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2381 (Tungsten), General Tungsten Company, Rock Hill Tungsten Deposits, Esmeralda County, Nevada (Mrs. Irene Sykes)

Reference is to your subject "Review of Application for Exploration Assistance," dated March 13, 1952.

Attached are four copies of a report "DMEA-2381, Rock Hill Tungsten Deposits, Esmeralda County, Nevada," by Russell R. Trengove, Mining Engineer, U. S. Bureau of Mines, and Robert G. Reeves, Geologist, U. S. Geological Survey, dated March 13, 1952.

According to the recommendation of the engineer and the geologist, a limited exploration program, costing not more than $10,000, is warranted on the property. The work should consist of some further hand trenching and diamond drilling. The trenching would be for the purpose of indicating the lateral continuity of the tungsten lens, and the drilling would be for the purpose of determining the downward extension of the mineralized section found on the surface.

The docket file is returned herewith.

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

Attachments

CC E. H. Bailey, U. S. G. S.

400

John L. Hoffland, Chief Counsel, DMEA

May 26, 1952

Iron and Ferro-Alloy Division, DMEA

Contract for review and final preparation
Docket No. DMEA 2381 - Tungsten
The General Tungsten Company
Esmeralda County, Nevada

A rough draft of the contract is attached hereto, together with areal map showing location of property, claim map and plan showing location of the proposed work.

The amount of the loan is $10,600.00, of which the Government's share is $7,950.00.

George C. Selfridge

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

Attachments

cc: Admn. Reading File
Docket
G. C. Selfridge
T. L. Chapman

TLChapman'lm
5/26/52

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

Re: Docket No. DMEA 2381 - Tungsten
General Tungsten Company
Rock Hill Tungsten Deposit
Esmeralda County, Nevada

Dear Mr. Miller:

This is to supplement our conversation of May 1 regarding the field team report on the subject property, which recommends exploration and which did not furnish the cost information necessary to draw up a contract.

Since the strike length of area No. 1 is relatively limited, and since it is difficult to secure a diamond drilling contract on limited footage, we are wondering whether or not consideration should be given to sinking a small shaft directly on the ore showing.

This alternative might be discussed with the applicant, and then submit the details necessary to draw up Exhibit "A", based on whatever decision is reached during the conference with the applicant.

GCSelfridge'lm
5/2/52

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Approved:

M. H. Hedges

Member, Bureau of Mines

D. M. Lemmon

Member, Geological Survey

cc: Admn. Reading File
Docket
R. W. Geehan, USBM
D. M. Lemmon, USGS
Field Team Reg. III
G. C. Selfridge
Operating Committee

IN REPLY REFER TO:

G-I D-D

400

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

April 22, 1952

Memorandum

To: George C. Selfridge, DMEA

From: D. M. Lemmon, USGS

Subject: Field Report DMEA 2381 - Tungsten
Rock Hill and Half Moon Tungsten claims
General Tungsten Co.
Sec. 34, T. 4 N., R. 36 E.
Esmeralda County, Nevada

This field report, dated March 13, 1952, written by Russell R. Trengove, U.S.B.M. and Robert G. Reeves, U.S.G.S., is based on brief examinations in November 1951 and February 1952.

The Field Team recommends a program of hand trenches, geologic mapping, and core drilling 1,000 feet, at a total cost not to exceed $10,000. The examining engineers took 7 samples, 2 of which may be ore. They copied the applicant's geologic map without doing additional geologic work needed to interpret the geologic setting. Costs and adequate descriptions of the work to be done are not given.

Neither the applicant's geologist (Dudley Davis) nor the Field Team has done sufficient geologic work upon which to base a drill program. It is doubtful if sufficient geologic information can be developed by either of these sources to justify drilling.

The Field Team recommendation for core drilling appears premature. I suggest that a modest program of surface trenching followed, by sinking of open pits in ore, is the maximum exploration warranted. The applicant might have undertaken such a program to good advantage, with shipment to the Pine Creek mill to help defray expenses. Some doubt exists whether a suitable DMEA project can be drawn up at a cost commensurate with size of expected mineralization because the applicant is not versed in mining and must hire consultants at high cost.

DM Lemmon

Copy retained 400

MAR 13 1952

Mrs. Irene Sykes
General Tungsten Company
Mina, Nevada

Re: Docket No. DMEA 2381X - Tungsten
Half Moon and Rock Hill Groups of
9 Claims
Esmeralda County, Nevada

Dear Mrs. Sykes:

Your application for assistance in exploring the Half Moon and Rock Hill groups of 9 claims in Esmeralda County, Nevada, Docket No. DMEA 2381X, has been referred to Mr. H. C. Miller, Executive Officer, DMEA Field Team, Region III, 1012 Flood Building, 870 Market Street, San Francisco 2, California, for a field examination.

The Regional Office will contact you at an early date in regard to your project. Any assistance that you can give the field team during the examination will be appreciated.

Sincerely yours,

C. O. Mittenderf

Acting Administrator
Defense Minerals Exploration
Administration

GGGentry:lm
2/21/52

cc: Admn. Pending File
Docket
R. W. Geehan, USBM
D. M. Lemmon, USGS
Field Team Reg. III
G. C. Selfridge
G. G. Gentry

400

IN REPLY REFER TO:
G-MD-DML

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

February 19, 1952

Memorandum

To: George C. Selfridge, DMEA

From: D. M. Lemmon, U.S.G.S.

Subject: Exploration application $40,000 DMEA 2381 - Tungsten
General Tungsten Co.
Mina, Nevada

Property: Half Moon and Rock Hill Groups of 9 claims
Sec. 3, T. 3 N., R. 36 E. and Sec. 34, T. 4 N., R. 36 E.
East end of Candelaria Hills
Esmeralda County, Nevada

The General Tungsten Co. (a limited partnership among Ralph E. Thompson, Charles S. Payson, Harry Lee Martin, and Irene Sykes (general partner) holds a group of claims adjoining the McCoy claims on the east. The McCoy claims, owned by the California Tungsten Corporation, were examined briefly by D. M. Lemmon and P. C. Bateman in October 1951. The General Tungsten claims have not been examined by the Geological Survey.

On the McCoy claims, scheelite is irregularly distributed in hornfels, with no clearly evident controls such as bedding, fractures, or igneous contacts. Some ore of good grade is present, probably only in small tonnage. The claims are accessible to heavy equipment, and can be tested most readily by open pits in the mineralized areas and ore shipments to the Pine Creek mill of U. S. Vanadium Co., about 108 miles distant.

The mineralization on the General Tungsten claims is presumably similar to that on the McCoy claims, and should likewise be investigated by making shipments to Pine Creek from open pit workings. Returns from shipments will pay at least part of the exploration cost.

The suggestion made by Dudley Davis that high grade ore might be found at depth along a hypothetical granite contact is of doubtful merit.

Recommendation:

In the absence of adequate information in government files about the General Tungsten claims, it is recommended that the docket be referred to the Field Team for examination of the property. If the Field team considers exploration warranted, a reasonable plan of exploration should be worked out with the applicant. Information is needed about the competence of the applicant.

Don Lemmon

DMLemmon:gt

400

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

MAR 13 1952

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

Dear Sir:

We attach "Review of Application for Exploration Assistance" on:

Applicant General Tungsten Company, c/o Mrs. Irene Sykes

Docket No. 2381

Commodity Tungsten

Amount $ 40,000.00

Please expedite consideration of the application with particular reference to the points raised in the attached "Review".

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee
Defense Minerals Exploration
Administration

APPROVED:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. DMEA 2381

Commodity Tungsten

Total Amount 40,000.00

Govt. Participation 75%

1. Name and Address of Applicant General Tungsten Company
c/o Mrs. Irene Sykes, Mina, Nevada

2. Location of Property Esmeralda County, Nevada

3. Mineral or metal Tungsten Is it listed in Section 9 of MO-5? Yes

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good

b) Poor

c) None

d) Don't know—needs field examination Needs Field Examination

e) Is there an alternative and favorable project? Unknown
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? Yes
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? Owners

Does the lease have sufficient time to run to cover a future

productive period? Yes

*question numbers are those of MF-103

7. Are subordination agreements necessary? No

a) MF-201? _____

b) MF-202? _____

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes

b) Equipment and supplies Yes
(question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Yes

d) Water (question 13)* Unknown

e) Power (question 13)* Yes

Is a field check needed on any of these points? Should be investigated

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Unknown

_____

Is a field check needed on this point? Yes

10. Exhibit A. (question 21 and 22)*

a) Is the project adequately described? No

If not, are there sufficient data given so that you can describe the project? No If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? No

_____

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes

If not, what part of it is? _____

_____

_____

_____

Is this part a worthwhile exploration project? Yes

d) Are the cost estimates detailed? Yes

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? ——— If so, attach a draft.

e) Are the cost estimates reasonable? Many items do not apply to Exploration

f) Should more information be requested from applicant? Yes

g) Is a field examination necessary to complete Exhibit A? Yes

11. Exhibit B (question 23-d)*

a) Is it applicable? Yes

b) If so, are sufficient data furnished? No If so, attach a draft.

c) Is a field check needed? Yes

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? Yes

b) Sufficient data? No If so, attach a draft.

c) Are rents and charges reasonable? Unknown

d) Is a field check needed? Yes

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? No

b) Is the schedule adequate for the work proposed? Unknown

c) Is the schedule excessive for the work proposed? "

d) Are the proposed wages and salaries reasonable? "

e) Is a field check needed? Yes

14. Exhibit E (question 23-c)*

a) Is it applicable? Yes

b) Sufficient data? No

c) Reasonable? Unknown

d) Field check needed? Yes

15. In your judgment, can the proposed work be done in the proposed time? Yes

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question? Sufficient Sampling, assaying and Geological mapping to evaluate the property. If examination is Favorable Suggest that Applicant prepare a Reasonable and definite plan of exploration. Many of the item Listed in Applicants Costs Will not be allowable for exploration. investigate Competence of Applicant to manage the project.

Let us have your opinion on necessity of Repairs on Road at a Cost of $1000.00.
investigate need of a Gen'l. Supt. and Foreman to handle 4 men.

Reviewed by: [illegible]

Date Feb. 21, 1952

Irene Sykes

Omea 2381, Idm E-366

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 2/3/53

REFERRED TO:

1. Mr. Martin, Rm. 3538
2.
3.
4.

FOR:

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

REMARKS: .....

Check (X) before the items needing attention.

George C. Selfridge

(GCS) *Initials of sender.*

GPO 16—63815-1

400

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
(Territory)

JAN 2 5 1953

Office of
Executive Officer
DMEA Field Team
Region III

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

January 21, 1953

WSM

Memorandum

To: Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Contract Idm-2586, Docket DMEA-2581 (Tungsten), Irene Sykes Property, Esmeralda County, Nevada

Attached for your files are the original and two copies of the termination notice, dated January 14, 1953, which has been executed on the part of the Operator and the Government.

H. C. MILLER

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

Attachment

Copy to: A. C. Johnson, Rene, Nevada (with copy of notice)
Finance Officer, Region III (with copy of notice)
R. R. Bailey, USGS
G. Mavor, DMEA, Region III

AMeiers:mpp
Files
Chron.

Termination Notice

Termination

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

DIVISION COPY

Office of
Executive Officer
DMEA Field Team
Region III

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

January 14, 1953

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

It is agreed this 14 day of January, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Irene Sykes, Mina, Nevada, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E366, Docket DMEA-2381, dated 3rd day of July, 1952, that the said contract shall be and is hereby terminated as of the first date above written.

Any work prosecuted or costs incurred by the Operator after the date first above written shall be for the sole account of the Operator, except for (a) such necessary and reasonable costs and expenses as may be incurred in preserving and disposing of any facilities, buildings, fixtures, equipment, or other items, to the cost of which the Government has contributed and in which the Government has an equity, and (b) the costs of any reports, accounts, and winding-up and settlement actions provided for in the contract.

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

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

UNITED STATES OF AMERICA

By H. C. Miller

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

By Irene Sykes

Irene Sykes, Operator

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 1/9/53

REFERRED TO:

1. Mr. Selfridge, Rm. 3538
2.
3.
4.

FOR:

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

REMARKS: .....

Check (X) before the items needing attention.

Frank E. Johnson

(FEJ) *Initials of sender.*

GPO 16—63815-1

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 24 1952

DIVISION COPY

APPROVAL OF SUBCONTRACT

To: Mrs. Irene Sykes, 1239 S. Beverley Glen Blvd., Los Angeles 27, California

That certain contract, a copy of which you have submitted with your request for approval, dated November 26, 1952, between you and Continental Drilling Company for the performance of the following work:

> Drilling 640 lineal feet of BX, AX and EX diamond drill hole under Stage I, and an additional 385 lineal feet under Stage II, dependent upon satisfactory completion of Stage I and approval by the Government that the results of the work under Stage I warrant undertaking work under Stage II, on the Rock Hill Mines (Irene Sykes) Property, Esmeralda County, Nevada

which is a specific element of the work described in an Exploration Project Contract, dated July 3, 1952, Idm-2366, Docket No. DMEA-2381, is hereby approved by the United States of America, subject to all of the terms and conditions relating to such independent contracts set forth in said Exploration Project Contract.

Dated: December 1, 1952

THE UNITED STATES OF AMERICA

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

Copy to: DMEA, Washington (3)
A. C. Johnson, Reno
Finance Officer, Region III
E. H. Bailey
George Mavor

Sub-Contract

12/23/52

COPY

November 26, 1952

Mrs. Irene Sykes
1239 S. Beverley Glen Boulevard
Los Angeles 27, California

Dear Mrs. Sykes:

This will confirm our agreement of today:

We will drill 640 lineal feet of BX, AX, and EX core holes on your property known as Rock Hill Mines located in Esmeralda County, Nevada for a price of $7.00 per lineal foot. Any casing, cementing, or water hauling necessary to complete the work to be at our expense.

You agree to guarantee us 640 lineal feet of core drilling. Work to start as soon as reasonable possible. If additional footage is required we will drill up to 1,500 lineal feet at the above price.

If this meets with your approval will you kindly indicate your acceptance on a copy hereof.

Yours very truly,

CONTINENTAL DRILLING COMPANY

By Original signed by R. F. Thies
R. F. Thies

Accepted this 26th day
of November, 1952

By (Signed) Irene Sykes
Irene Sykes

GCS
12/23/52

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 8-25-52

REFERRED TO:

1. Mr Selfridge Rm 3538
2.
3.
4.

FOR:

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

REMARKS: .....

Check (X) before the items needing attention.

Frank Johnson
(FJ) *Initials of sender.*

GPO 16—63815-1

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

DOCKET NO. I[redacted]A 2381

COMMODITY Tungsten
Idm-E366

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

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this 3rd day of July, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Irene Sykes
Fina, Nevada

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Nevada, County of Esmeralda, described as follows: [3] 9 contiguous unpatented lode mining claims in Sections 34 and 35, T. 4 N., R. 36 E. and Section 3, T. 3 N., R. 36 E., Mount Diablo Meridian, recorded in the courthouse at Goldfield, Esmeralda County, Nevada, as indicated on the maps entitled "Fig. 1--Location Map" and "Fig. 2--Property of Irene S. Sykes", and the Operator represents and undertakes: [4] Annex I attached hereto and made a part hereof.

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

None

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

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

ARTICLE 3. *Exploration project.*—The Operator, within sixty (60) days from the date of this contract shall commence work on a project of exploration for [5] tungsten

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(*b*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

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

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

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

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

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

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay **75** percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $**7,950.00**, which is **75** percent of $**10,600.00**, the agreed, estimated total cost of the project in which the Government will participate; *Provided*, that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

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

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

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

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

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

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

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

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

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

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

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

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Irene Sykes (Operator)

By [signature]

By [signature]
Acting Administrator
Defense Minerals Exploration Administration

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

[CORPORATE SEAL]

1952

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

IRENE SYKES

GENERAL COMMODITIES EXCHANGE

EXPLORATION PROJECT CONTRACT

ROCK HILL MINE

POCKET NO. DMEA-2381

EXHIBIT "A"

Description of Work

Stage I

Time Schedule: 0 - 2 months

The project consists of 2 trenches and 5 diamond drill holes. Fig. 4 attached hereto and made a part hereof shows approximate location of trenches and drill holes. The exact location shall be designated by the Operator subject to approval by the Government.

The 2 trenches shall crosscut the mineralized zone to show trend, width and contacts. This work shall be done with hand tools, if necessary, using a few single jack holes to define the contacts.

The diamond drill shall be located approximately 70 feet easterly from No. 1 outcrop of the mineralized area and the holes shall be drilled at right angles to the contacts and at 50 foot intervals.

The diamond drill holes shall be of AX size and have an approximate dip and length as tabulated below:

Hole No.	Dip from Horizontal	Length	Vertical depth at which the Hole cuts the mineralized Zone
1	40°	105'	61'
2	46°	115'	76'
3	51°	125'	90'
4	56°	140'	108'
5	60°	155'	126'
Total hole length		640'	

Stage II

Time Schedule: 2 - 3 months

This work will be undertaken only after the completion of Stage I to the satisfaction of and approval by the Government and only if the Government indicates the results of the work under Stage I warrants undertaking the work under Stage II.

Fig. 4 shows the approximate location of trenches and drill holes. The exact location to be designated by the Operator subject to approval by the Government.

The two trenches shall crosscut the mineralized zone to show trend, width and contacts. This work shall be done with hand tools, if necessary, using a few single jack holes to define the contacts.

The diamond drill shall be located approximately 70 feet southerly from the No. 2 outcrop of the mineralized area and the holes shall be drilled at right angles to the contacts, at 50 foot intervals.

The diamond drill holes shall be of AX size and have an approximate dip and length as tabulated below:

Hole No.	Dip from Horizontal	Length	Vertical depth at which the Hole cuts the mineralized Zone
6	40°	105'	61'
7	51°	125'	90'
8	60°	155'	126'
Total hole length		385'	

All diamond drill cores from the mineralized zone shall be split and sent to a custom assayer to be mutually agreed upon. The balance of the core shall be retained by the Operator.

Estimated Costs of the Project
(*Indicates allowable maximum)

(1) Independent Contracts

Stage I

640 feet of diamond drilling @ $7.00/ft.		$4,480.00*

Stage II

385 feet of diamond drilling @ $7.00/ft.		2,695.00*

Note: All subcontracts are subject to prior written approval by the Government.

(2) Labor, Supervision, Consultants

Stage I

1 Supervisor-geologist @ $500.00/mo., 2 months	$1,000.00*	
1 Miner and general utility man, $14.00/day, 40 days	560.00	1,560.00*

Stage II

1 Supervisor-geologist @ $500.00/mo., 1 month	500.00*	
1 Miner and general utility man, $14.00/day, 20 days	280.00	780.00*

Note: The supervisor-geologist shall make a geological map of the area, log the diamond drill holes and make monthly progress reports.

(3) Operating Materials and Supplies

Stage I

Tools, powder, fuse, caps, gasoline, oil and miscellaneous		100.00

Stage II

Tools, powder, fuse, caps, gasoline, oil and miscellaneous $ 50.00

(4) Operating Equipment

Stage I

To be purchased

None

To be rented

1 Pickup truck @ $100.00/mo., (includes maintenance) 2 months 200.00

To be furnished by the Operator

None

Stage II

To be purchased

None

To be rented

1 Pickup truck @ $100.00/mo., (includes maintenance) 1 month 100.00

To be furnished by the Operator - None

(5) Rehabilitation and Repairs

Stages I and II

None

(6) New Buildings, Improvements and Installations

Stages I and II

None

(7) **Miscellaneous**

Stage I		
Sample sacks	$ 10.00	
Assaying, 20 samples @ $4.00/ each	80.00	
Core boxes	60.00	
Payroll taxes, Workmen's Compensation and Employers' Liability Insurance	150.00	$ 300.00
Stage II		
Assaying, 10 samples @ $4.00/ each	40.00	
Core boxes	35.00	
Payroll taxes, Workmen's Compensation and Employers' Liability Insurance	75.00	150.00

(8) **Contingencies**

Stage I		120.00
Stage II		65.00
Total Cost of Project		**$10,600.00***

SUMMARY

Total cost of Stage I	$6,760.00*	
Total cost of Stage II	3,840.00*	
TOTAL COST OF PROJECT		**$10,600.00***
GOVERNMENT PARTICIPATION @ 75%		**$ 7,950.00***

IRENE SYKES

CLAIMS OF ~~[illegible]~~

ANNEX I

Surveyed claims tied into corner common to Sections 34 and 35, T. 4 N., R. 36 E., and Section 3, T. 3 N., R. 36 E., Mount Diablo Meridian are as follows:

Name of Claim	Located
Half Moon No. 2	May 30, 1951
Half Moon No. 3	July 14, 1951
Half Moon No. 1	Sept. 11, 1951
Half Moon Tungsten	Sept. 11, 1951
Half Moon No. 4	Oct. 9, 1951
Half Moon Fraction	- - - - - - -

Unsurveyed claims as follows:

Half Moon No. 5

Rock Hill

Rock Hill No. 1

All shown on Fig. 2.

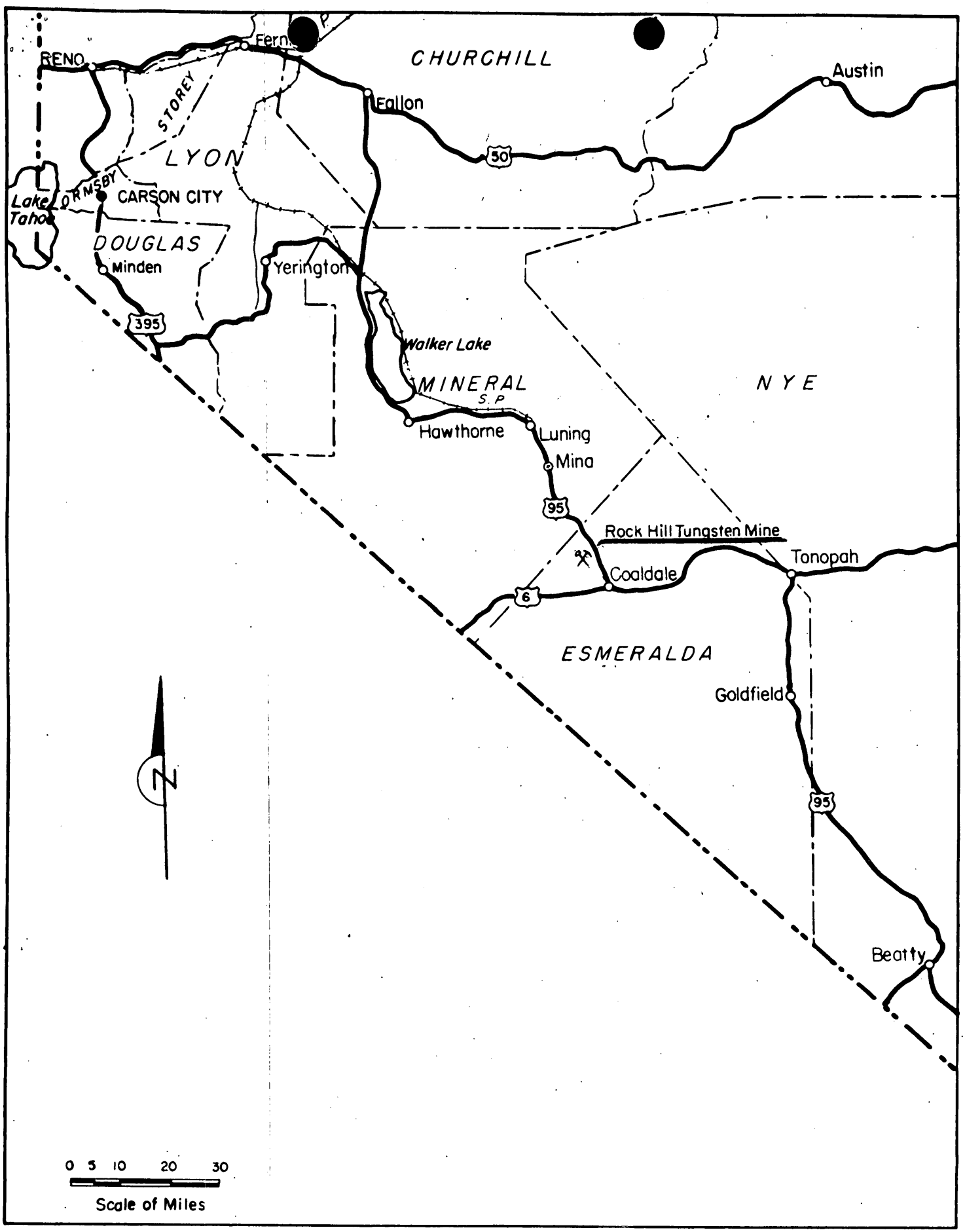
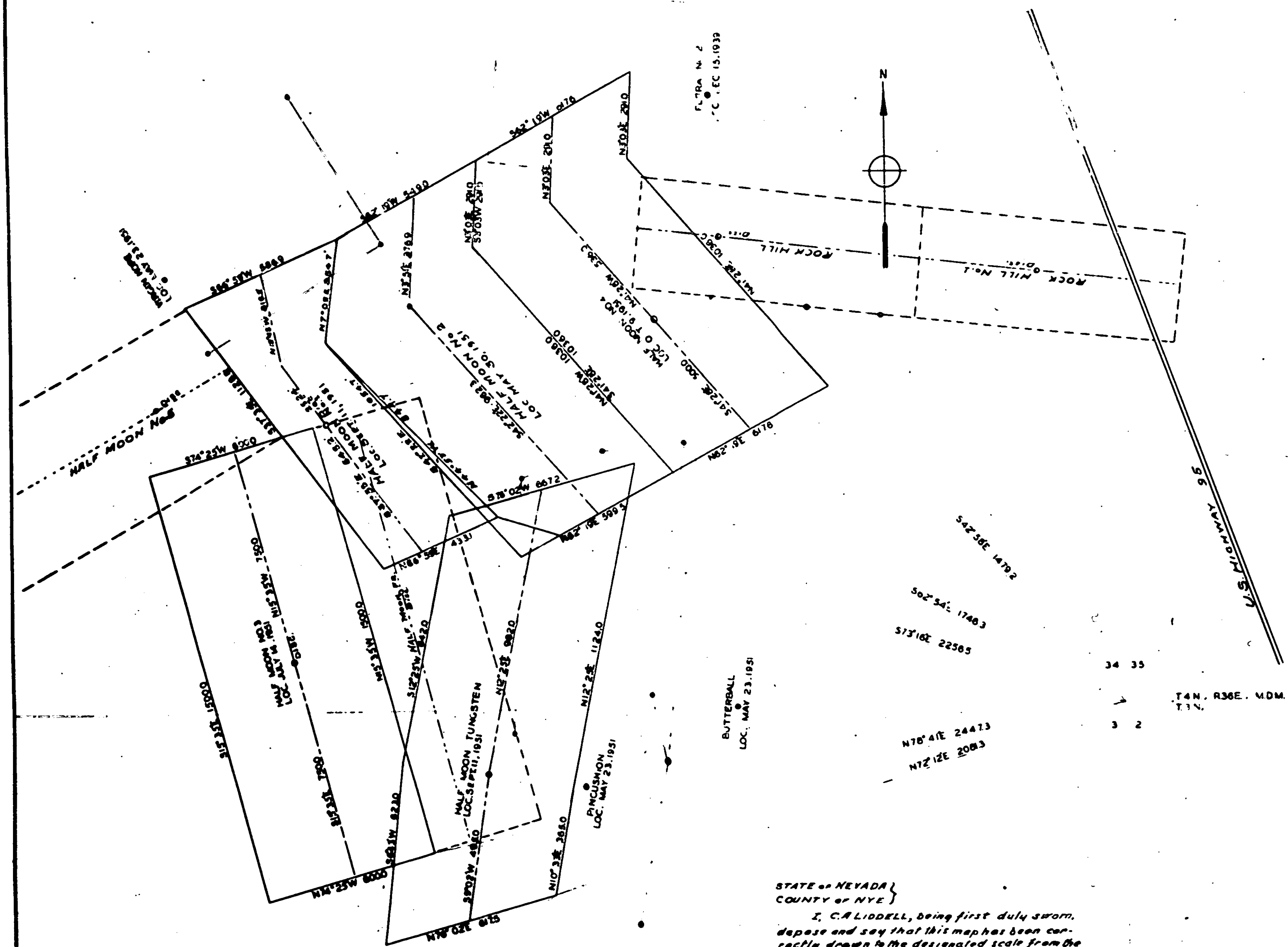


Fig. 1 Location Map



STATE OF NEVADA }
COUNTY OF NYE }

I, C.A. LIDDELL, being first duly sworn, depose and say that this map has been correctly drawn to the designated scale from the field notes of a survey made by R.B. Jones, under my supervision in October, 1951; that it truly and correctly shows the position of the lode claims as staked upon the ground.

C.A. Liddell
Mineral Surveyor for Nevada

Subscribed and sworn to before me Nov 10, 1951.

Notary Public in and for Mineral County, Nevada

FIG. 2

PROPERTY OF
IRENE & SYKES
MINA, NEVADA.

ENGINEER - R.B. JONES — UNSURVEYED CLAIMS SHOWN BY DOTTED LINES.

OCT. 26, 1951 | SCALE 1"=200' | MINA, NEVADA

FIG. 4

GENERAL TUNGSTEN CO
ESMERALDA CO., NEV.
— TRENCHES
DIAMOND DRILL HOLES
SCALE 1" = 200'
APRIL 28, 1952
DNEA 2361

#1, #2, #3, #4, #5 MINERALIZED CUTCROPS
LOCATION OF DRILL HOLES ARE APPROXIMATE

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

Office of
Executive Officer
DMEA Field Team
Region III

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

August 20, 1952

Memorandum

To: George C. Selfridge, Chief, Iron and Ferro-Alloy Division, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2381 (Tungsten); Contract Idm-E366
Irene Sykes Property, Esmeralda County, Nevada

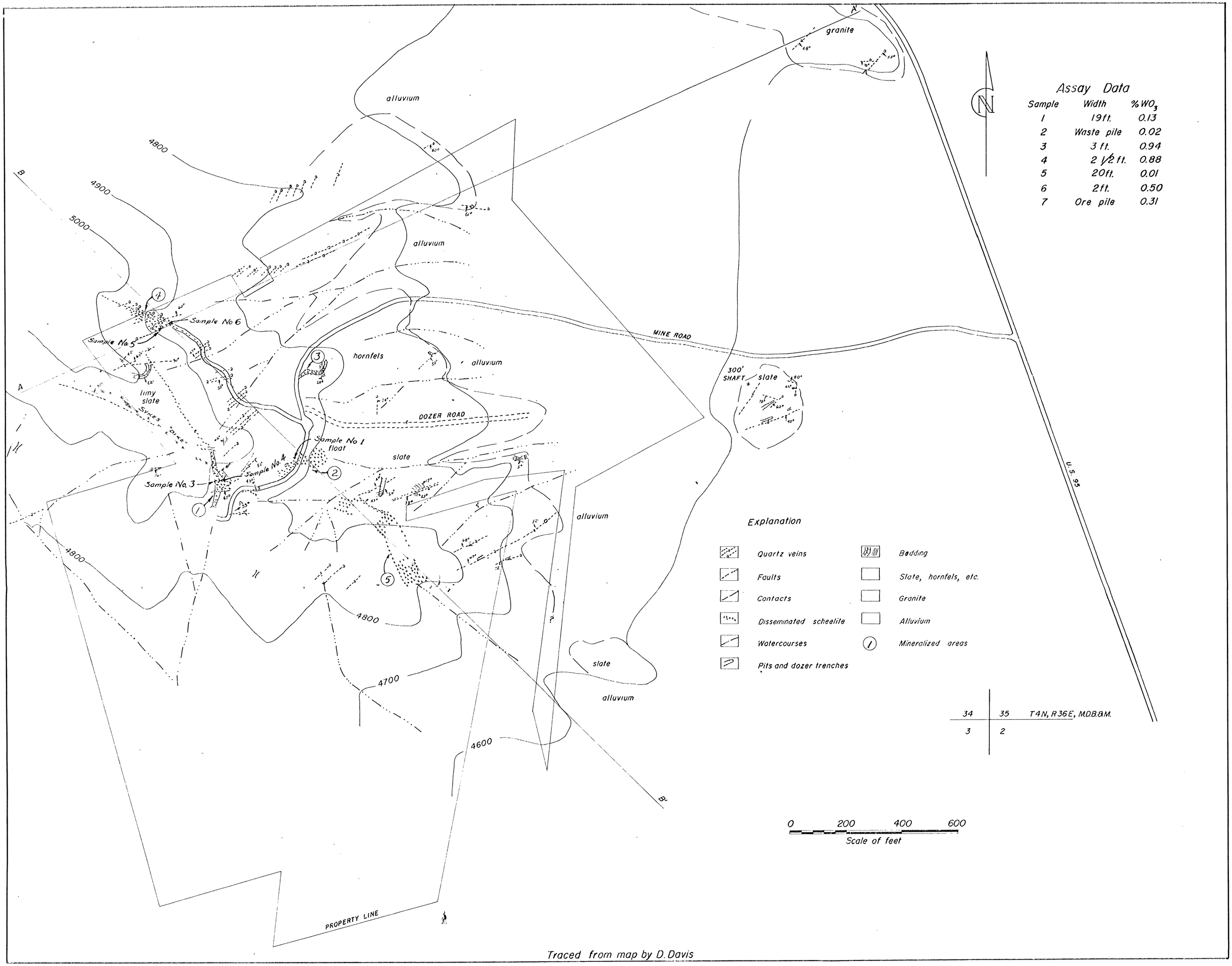
Reference is made to your letter of August 7 addressed to Mrs. Irene Sykes at Washington, D. C., with which you handed her the original and five copies of subject contract.

The contract has been executed on the part of the Operator and one copy retained by her. Proper distribution has been made of the Field Team and Finance Office copies, and the original and two copies are returned herewith.

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

Attachment

Copy to: E. H. Bailey, USGS
A. C. Johnson, Reno (With Field Team's copy of contract)
L. L. Norvell (With Finance Office's copy of contract)



Traced from map by D. Davis

Fig. 3 Geologic map, Rock Hill Mines, General Tungsten Company