UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (or cancelled) without certification. DMEA No. 1324

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

Left Side

Certificate of Audit (Final).

Interim Audit(s).

✓ Report of Review.

✓ Termination Notice or Agreement.

Recision Notice.

Assignment of Contract.

✓ Contract Amendments (latest on top).

✓ Contract with all exhibits and annexes.

Owner's Consent to Lien.

Subordination Agreement.

Leases and assignments of leases.

✓ Application and attachments.

Schedule of Collections.

✓ Operator's monthly reports and all attachments (latest on top).

Right Side

Project summary.

✓ Work completed analysis.

All other material is filed in chronological order with correspondence including the following reports as checked:

Final Field Team Report. (Tab)

✓ Operator's Final Report.

Interim Reports.

On-site Exam Report(s). (Tab)

Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number _____

Operator's Monthly Reports in folder number _____

WNC
Reviewer's Initials

7973

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Ashley J. Gold and Joe Gold

425 Ratcliff Street

Shreveport, Louisiana

pertaining to Exploration Project Contract No. Idm-E108, Docket No. DMA-1324X, including amendments dated November 1, 1951 and December 3, 1951, for the months of September, 1951 to December, 1951, inclusive.

My review included an examination of the Monthly Reports (Forms MF-104), comparison of the costs claimed with the contract and pertinent schedules, telephone discussions and correspondence with the Executive Officer of the DMEA Field Team, correspondence with the DMEA Finance Officer, and a determination of the reasonableness and propriety of the costs.

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

(a) an on-site audit on March 26, 27 and 28, 1952 by the regional DMEA Finance Officer of the Operator's records included a detailed check of the paid invoices, signed receipts and cancelled checks and a determination of the reasonableness of the costs claimed; and
(b) the administrative cost to the Government of an additional audit by a representative of the Contract Administration and Audit Division would be excessive in relation to the estimated amount of possible disallowances thereunder.

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

Total cost as billed by Contractor		$ 11,831.55
Exceptions:		
By DMEA Finance Officer	$ 1,084.79	
Less: Amounts determined to be allowable (schedule attached)	423.51	661.28
Total Accepted Cost		$ 11,170.27

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 Eight thousand three hundred seventy-seven Dollars and 70/100

- $8,377.70 -

is considered valid and proper.

July 14, 1952

E. D. Talbert

SCHEDULE OF EXCEPTIONS BY DMEA FINANCE OFFICER DETERMINED TO BE ALLOWABLE

(1)	Receipts from sale of pick-up truck	$ 700.00	
	Less: Amount of Operator's offer	575.46	
	Difference determined to be allowable		$ 124.54
(2)	Credit for return of equipment and supplies		298.97
	Amounts of exceptions determined to be allowable		$ 423.51

* * * * * * * * * * * *

(1) The DMEA Finance Officer in his memorandum of April 3, 1952, in explaining the adjustments resulting from his on-site audit stated:

> "The pick-up truck which was purchased under the Exploration Contract provisions and charged to the cost of the project was sold in the amount of $750 with a $50 commission allowed to the car dealer for the sale with a net receipt of $700."

Mr. Ashley J. Gold in a letter of April 28, 1952, reclaiming the disallowance stated:

> "With reference to the truck, I desired to purchase same upon the conclusion of my operations in December of 1951 and I wrote Mr. Gallagher asking how to do so. Mr. Gallagher advised in his letter of December 26th that I should submit a figure based on the formula of 80% of the cost depreciated by the ratio of actual mileage to 60,000. I consequently submitted the formula figure of $575.46 as part of my final December 1951 accounting. I later mailed Mr. Gallagher three written offers of purchase which evidenced that my figure was from $50.00 to $75.00 higher than could be obtained on the used car market. Assuming that my purchase of the truck by the formula was final, I sold same during the latter part of March 1952 to an individual user for $700.00."

Mr. David Gallagher, Executive Officer of the DMEA Field Team, Region VI in telephonic conversations and by letters dated June 12 and July 7, 1952 indicated that he considered Gold's offer reasonable and approved of Gold's purchase of the truck. Furthermore, the December Monthly Progress Report (Form MF-104), prepared by the Operator on January 12, 1952, contained a statement of Equity Analysis indicating disposition of the truck in accordance with Mr. Gold's offer. This Monthly Progress Report, which with attachments constituted the Operator's final accounting, was checked by Mr. Clinton C. Knox, the Bureau of Mines engineer assigned to the project, and was approved by Mr. David Gallagher, the Executive Officer.

It must be concluded from these facts that the Government considered its equitable interest in the truck as having been settled prior to the Operator's sale thereof to a third party in March, 1952. Therefore, deduction from the total cost as billed by the contractor should be made in the amount of the Operator's offer ($575.46) rather than in the amount of the subsequent sale ($700.00).

(2) Article 7 of the Contract provides that items "costing more than $50 each * * * * shall belong to the Operator and the Government jointly * * *," and Article 17 of the Contract provides that upon termination the Operator "shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government * * *"

Since none of the items purchased under this contract, except the pick-up truck, cost more than $50 each, Mr. Gallagher, the RFC Executive Officer, by letter dated December 26, 1951, advised the Operator that "It, therefore, seems unnecessary for me, on behalf of the Government, to waive the Government's interest in these items in writing. They can be written off as expendable items that have been expended during the prosecution of the work."

Since the Government had no equitable interest in these minor items of supplies and equipment, it must be concluded that the Government had no interest in the subsequent disposition for credit in the amount of $298.97.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION VI

E OF
EGIONAL DIRECTOR

ROOM 814 BARFIELD BUILDING
AMARILLO, TEXAS

April 3, 1952

Memorandum

To: Regional Director, Region VI

From: Chief, Budget and Finance Branch, Region VI

Subject: On-site audit, Contract No. Idm-E 108, Ashley J. Gold and Joe Gold

On March 26, 27, and 28 Mr. E. L. Waldrop and I made a detailed check of the cost claimed by Ashley J. Gold and Joe Gold in connection with the reference contract and although the Golds did not have a bookkeeping system as such, they did have paid receipts and/or invoices and cancelled checks for all of the expenditures in connection with the reference project with the exception of a few instances for meals for which cash was paid, and to us appeared to be very reasonable, and for an account which was carried with the Joe Gold Pipe and Junk Company (a separate partnership in which one of the partners under the reference contract was interested). This account ran for the duration of the Exploration Contract and was settled by returning a portion of the supplies and equipment purchased for credit in the amount of $298.97 on the bill and the issuance of a check in the amount of $500 for the difference.

Although some of the materials and supplies as indicated above were purchased or rented from the Joe Gold Pipe and Junk Company, a separate partnership in which Mr. Joe Gold was a partner, the prices for the supplies and for the rental were very reasonable and in most cases very low, resulting in a saving to the project cost.

After the detailed check in which paid invoices, signed receipts and paid checks were examined very carefully, it was determined that the final payment to Ashley J. Gold and Joe Gold in the amount of $1,908.33 as claimed on their final billing must be adjusted to allow for receipts or credits from the refunds and sale of supplies and equipment as follows:

1. Unaccrued Public Liability and Property Damage on the pick-up truck was refunded in the amount of $84.82.

2. The pick-up truck which was purchased under the Exploration Contract provisions and charged to the cost of the project was sold in the amount of $750 with a $50 commission allowed to the car dealer for the sale with a net receipt of $700.

3. Materials and supplies were returned to the original purchaser for credit in the amount of $298.97.

This resulted in total credits to the cost of the project in the amount of $1,083.79.

One dollar is being disallowed on the December report, which was marked "Final", representing flowers purchased in connection with a death, resulting in total adjustments necessary in the amount of $1,084.79.

We are preparing and attaching hereto a Schedule of Accounting for Contract No. Idm-E 108, Ashley J. Gold and Joe Gold, indicating the amounts claimed by the Golds, the adjustments necessary in connection with the final billing, and the total contract participation allowed or allowable as determined from our audit.

Ray C. Jonas

Attachment

CONTRACT NO. Idm-E 108

SCHEDULE OF ACCOUNTING
ASHLEY J. GOLD AND JOE GOLD

REF. NO.	PERIOD	AMOUNT CLAIMED	ADJUSTMENTS*	ADJUSTED AMOUNT ALLOWED	CONTRACT PARTICIPATION	PAID INFORMATION D.O. CHECK NO.	PAID INFORMATION DATE PAID
DMA-6.-20	Sept. 1951	$ 3,079.69	0	$ 3,079.69	$2,309.77	18566066	1-10-52
DMA-6.-23	Oct. 1951	3,172.83	0	3,172.83	2,379.62	18657115	2- 6-52
DMA-6.-24	Nov. 1951	3,670.70	0	3,670.70	2,753.03	18657116	2- 6-52
	Dec. (Final)1951	1,908.33	1,084.79	823.54	617.65		
	TOTALS	$11,831.55	$1,084.79	$10,746.76	$8,060.07		

*ADJUSTMENTS

1.	Receipts; Refund for unaccrued P.L. & P.D. (Truck insurance)	$ 84.82
2.	Receipts; Sale of Pick-up Truck ($750.00 less sales commission $50.00)	700.00
3.	Credit; Return of supplies and equipment to supplier	298.97
	Total credits to cost of project	$ 1,083.79
4.	Disallowance (Flowers, death)	1.00
	Total adjustments necessary	$ 1,084.79

RECLAIM INVOICE
Ashley J. & Joe Gold
Docket No. DMA 1324X
Contract No. Idm-[illegible]-108

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(1) Original Cost of Truck . . . $852.00
Less: Operator's December 1951 offer per attached explanation . . . 575.46

Amount of original claim for Truck $276.54

Original Cost of Truck . . $852.00
Less: amount truck actually sold for in March of 1952 . . . . . 700.00

Amount allowed on truck 152.00

Amount disallowed on truck $124.54

(2) Gross amount of materials actually purchased from Gold Supply Co. $798.97

Less: cash payment on Gold Supply Co. account . . 500.00

Amount disallowed: representing materials sold to Gold Supply Co. and credited as payment on account 298.97

TOTAL GROSS AMOUNT DISALLOWED- - - - - - - - - - - - - - - $423.51

Less: Operator's 25% contribution 105.88

TOTAL NET AMOUNT DISALLOWED AND RECLAIMED AS JUST - - - - - - - - -317.63

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

28 April 1952 Ashley J. and Joe Gold

Per: Ashley J. Gold Title: partner

EQUITY ANALYSIS

* * *

Pickup Truck Cost	$852.00
Less	80%
	681.60
$681.60 depreciated by ratio of 9363 actual miles as of December 1951 to 60,000 miles	106.14
	$575.46

* * *

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON, D.C.~~
Joplin, Missouri

April 23, 1952

Re: Docket No. DMA-1324X
Contract No. Idm-E108
Otto Antimony Mine

Joe Gold and Ashley J. Gold
P. O. Box 3358
Q. B. Station
Shreveport, Louisiana

Dear Sirs:

Referring to your Exploration Project Contract dated August 13, 1951, Docket No. DMA 1324X, you are hereby notified that effective April 22, 1952 said contract is hereby terminated because in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. The Government will not participate in any costs of operations under the contract not incurred as of the date fixed for termination.

David Gallagher
Executive, Field Team, Region VI

[illegible]
Defense [illegible]

[illegible] 24 1952

Division Copy
Doc no 1324

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 2 - 1952

xxxxxxxxxxxxxxx
Joplin, Missouri

Amendment to list of approved estimated expenditures attached to amendment to Contract I-DMi-K108

The above-mentioned list of approved estimated expenditures is hereby amended as follows:

1. Delete

   a. 200 CFM air compressor (1½ mo. @ $300.00)....$450.00
   b. Drifter and Jackhammer (1½ mo. @ $150.00)....$225.00

2. Substitute therefor

   a. Contingent fund for rentals of items not hitherto specified $675.00

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Ashley J. Gold
Ashley J. Gold

David Gallagher
David Gallagher

Joe Gold
Joe Gold

Edwin T. Perkins
Edwin T. Perkins
For Clinton C. Knox

November 1, 1951

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

Amendment to the Amendment to
Contract Idm-E108

This amendment to Contract Idm-E108 dated October 25, 1951 shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay, or the percentage of the costs which the Government may pay, under provisions of Article 13 of the contract form.

Ashley J. Gold
Ashley J. Gold

David Gallagher
David Gallagher

Joe Gold
Joe Gold

Clinton C. Knox
Clinton C. Knox

December 3, 1951

Memo from Eng. Off. dated 7/2/52 in Monthly File justifies this amendment.

7/23/52

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON, D.C.~~
Joplin, Missouri

Amendment to Contract Idm-E108

WHEREAS Contract Idm-E108 (Docket No. DMA-1324X) exists between the Government and Ashley J. Gold and Joe Gold with an attached Exhibit A that purports to specify the exploration project to be performed under said contract, and

WHEREAS said Exhibit A is so unprecise as to be unworkable and renders it impossible for the DMA Field Team to specify the expenditures as listed on the monthly cost reports which can be made or can be approved under said contract, and

WHEREAS said Exhibit A stipulates that certain mine workings will be dewatered and "rehabilitated" and other work including the exploration performed at a total cost of $16,913.00, and

WHEREAS said contract and attached Exhibit A obviously stem from and are based upon an Exploration Project application on Form MF-103 attached to which was a report entitled "Report on the Otto Antimony Mine, Sevier County, Arkansas", by Robert B. McElwaine, Mining Geologist, neither of which were made available to the DMA Field office by Washington, and

WHEREAS said report by McElwaine stipulated in detail the dewatering and "rehabilitation" and other work including the exploration to be performed at a total cost of $16,913.00 which it will be noted is the exact amount approved in said contract Idm-E108, and

WHEREAS said report by McElwaine elucidated and itemizes the estimated individual expenditures that constitute the total of $16,913.00,

NOW THEREFORE it is concluded that,

1. The said contract Idm-E108 was indeed based upon and was intended to implement the program outlined in the application, and

2. The identity of the estimated amounts of money to be involved as shown in the said report by McElwaine and as approved in the said contract Idm-E108 imply that the estimated expenditures as outlined in said report by McElwaine and the application to which it was attached, and of which it was a part, were condoned and approved by the issuance of said contract Idm-E108, and

3. The itemization of estimated expenditures as listed in McElwaine's report are the only documentary evidence of the expenditures intended and approved by the issuance of said contract Idm-E108, and

4. That based upon said itemization of expenditures as given in the aforementioned report by McElwaine, the following list of estimated expenditures incurred or to be incurred has been formulated, and

5. Said list of estimated expenditures as formulated is hereby approved by the Field Team on behalf of the Government, and by Ashley J. Gold and Joe Gold by affixing their signatures, and is hereto attached so that this amendment and the said attached list of estimated expenditures become a part of the said contract Idm-E108.

Ashley J. Gold

Ashley J. Gold

David Gallagher

David Gallagher

Joe Gold

Joe Gold

Clinton C. Knox

Clinton C. Knox

October 25, 1951

List Approved Estimated Expenditure
Attached to Amendment to Contract I-DMA-E108

(1) (2) (3) Rehabilitation, drifts and crosscuts.

Salaries and Wages:		
1 mine foreman (2½ months @ $500.00)	$ 1,250.00	
Laborers (2200 man hours @ $1.60 average)	3,520.00	
Compensation Insurance	500.00	
Social Security & State Unemployment Tax	215.00	
Engineering expense	1,000.00	
		$6,485.00
Operating Supplies:		
Lumber and mine timbers and bulldozer work	1,500.00	
Nails($100.00), Drill bits ($90.00), Drill Steel ($75.00)	265.00	
Fuel and oil	600.00	
Hand Tools	150.00	
Miscellaneous items and contingencies	215.00	
		2,730.00
Purchased Equipment:		
1 used pickup truck	852.00	
1 safety hook	35.00	
2 sinking buckets	70.00	
Miscellaneous items and contingencies	250.00	1,207.00
Rented Equipment:		
1 crab winch (3½ months @ $15.00 per month)	52.50	
Miscellaneous pipe lines (3½ months @ $40.00 per month)	140.00	
Rail (3½ months @ $10.00)	35.00	
Light plant (3½ months @ $35.00 per month)	123.00	
1 pump (1 month @ $375.00, 1 month @ $200.00, ½ month @ $100.)	675.00	
1 U-40 Allis Chalmers power unit (2½ months @ $84.00)	210.00	
1 hoist with power unit (2½ months @ $125.00)	312.50	
Transporting from Joplin, Mo., and installing pump	250.00	
Freight on equipment	300.00	
200 CFM air compressor (1½ months @ $300.00)	450.00	
Drifter and Jackhammer (1½ months @ $150.00)	225.00	
		2,773.00
General & Administrative Expense:		
Operator's preliminary expense for travel and telephone to organize project, locate equipment, personnel, and obtain compensation insurance.	200.00	
Operator's living and travel for duration of project (operator actually on job but drawing no salary. Three month's @ $125.00 per month)	375.00	
Telephone expense (1 month @ $50.00, 2 months @ $25.00)	100.00	
Truck insurance (Public liability & property damage & comprehensive. One year's premium in advance. Refund to be returned to project)	118.00	
Public liability insurance at mine	25.00	
Miscellaneous and contingency fund	50.00	
		868.00
(4) Diamond core drill exploration and final reports.		
Contract core drilling (600' AX bit @ $3.50	2,100.00	
Engineering expense	750.00	2,850.00
Total Estimated Project Costs		$ 16,913.00

MF-200
(June 1951)

Docket No. DMA 1324X
Commodity Antimony
Idm-E108

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 13th day of August, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2]
Ashley J. Gold and Joe Gold
425 Ratcliff Street
Shreveport, Louisiana

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Arkansas, County of Sevier described as follows: [3]
N ½ SE ¼ and NE ¼ SW ¼ of Section 20, T7S, R31W.

with respect to which the Operator represents and undertakes: [4]

(*a*) That he is the sole 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*) [redacted]

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] Antimony ore; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] five (5) months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. 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.

5. *Fixtures and improvements.* 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. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[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.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, 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.

11. *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.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 75 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $ 12,684.75, which is 75 percent of the agreed estimated total cost of this project, $ 16,913.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *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 worthwhile 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 render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

Ashley J. Gold and Joe Gold
(Operator)

By Ashley J. Gold
Joe Gold

THE UNITED STATES OF AMERICA

By C D Mutteudorf

Director, Production Expansion Division
Defense Minerals Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

EXHIBIT A - Exploration Project

The exploration project to consist of the following work to be performed:

(1) Dewater and rehabilitate the Otto shaft and connected underground workings.
(2) Drift and crosscut a total distance of 130 feet from bottom level of Otto shaft.
(3) Drill 600 feet of diamond drill hole from bottom levels of Otto shaft to explore vein in depth.
(4) Adequately map and sample all workings and drill holes.

The estimated costs of the project are as follows:

(a)	Items (1) and (2) above	$13,413.00
(b)	Diamond drilling	1,750.00
(c)	Supervision and engineering	1,750.00
	Total for project	$16,913.00

The following equipment is to be rented by operator for use on the project and total estimated rental costs are:

Pump	$750.00
Gasoline hoist	250.00
Compressor	450.00
Air drill and accessories	350.00

The monthly rental for the above described equipment allowable as a proper cost chargeable to the within described project shall be established by the Regional Office of DMA, Joplin, Missouri. Labor and supervision expenditures shall constitute an allowable cost of the within described project to the extent allowed by the Regional Office of DMA, Joplin, Missouri.

The costs of rehabilitation of the Otto shaft is included in costs under (a) of this exhibit and no other cost of rehabilitation or repair of existing facilities, buildings, installations, or fixtures is allowable under this contract.

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA-1324X

Date received 5/28/51

Participation

Ashley J. Gold
Joe Gold
425 Ratcliff St.
Shreveport, Louisiana

Name and address of applicant

Date 22 May 1951

FILL IN THIS BLOCK

Date of application 22 May 1951 Estimated cost $16,913.00

Mineral or metal Stibnite the ore of antimony Percentage of Government participation 75%

Location of mine In west 40 acres of N/2 of SE/4 & NE/4 of SW/4, Sec. 20, T 7 S, R 31 W. Sevier County, Arkansas.

Date of filing MF-100 DMA Docket Number, if available DMA-1324X

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

(*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons. State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:

(*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.

(*b*) State briefly the known history and production of adjoining and neighboring properties.

(*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:

(*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)

(*a*) Describe the ore or mineral deposits briefly.

(*b*) Submit available maps and assay data.

(*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:

(*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.

(*b*) Supervisors, by numbers and positions, with salaries of each.

(*c*) Cost of necessary repairs to existing facilities, structures, and buildings.

(*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.

(*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.

(*f*) Cost of rental for equipment which the operator proposes to rent.

(*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.

(*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.

(*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

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

Ashley J. Gold and Joe Gold
~~(Name of company)~~

By Ashley J. Gold
(Signature of authorized official)

22 May 1951
(Date)

Co-owner
(Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

[illegible] Form [illegible]F-1[illegible]
Ashley J. Gold[illegible]
J[illegible] Gold[illegible]
[illegible] Ridgeliff[illegible] Rd.
[illegible]

1. [illegible] applicable [illegible] in [illegible] of the property described.

2. Not a[illegible] [illegible].

3. Not applicable.

4. See MF-100.

5. No [illegible] outside of the [illegible].

6. Unknown [illegible] to us.

7. Not a[illegible] [illegible].

8. Not applicable.

9. We are prepared to furnish [illegible], equipment, supplies, and contribution [illegible] in kind sufficient to pay the greater portion of our quarter share of costs and we can obtain the balance of [illegible] of the costs in cash.

10. The [illegible] Half of the Southeast Quarter and the Northeast Quarter of the Southwest Quarter, Section 10, Township 7 South, [illegible] West, Jackson County, [illegible].

(b) [illegible].

11. See MF-100.

12. See MF-100.

13. See MF-100.

14. See MF-100.

15. A small gravel [illegible] plant [illegible] locally and [illegible] by rail from Hinds switch, located [illegible] the line, on the [illegible] City Southern Railroad [illegible] Lake. The freight rate [illegible] per net ton [illegible] shipment is [illegible].

16. See LF-1[illegible] attached engineering report.

17. Mine is not in production.

18. See LF-1[illegible] attached engineering report.

19. None.

20. Quartz v[illegible] deposits.

21. It is proposed to unwater the mine, retimber the shaft, clean out the [illegible] to make them available for sampling, do [illegible] feet of drifting on the 8[illegible] level, [illegible] the property to a depth of 90 feet below the bottom level with a string of 6 feet of AX size core drilling. The core drilling is to be [illegible] the lower level workings. It is [illegible] AX [illegible] will be required to complete the work.

22. Refer to formal engineering report by Robert J. Gollaine attached to LF-100.

23. Refer to Mesta[illegible] in engineering report attached to LF-1[illegible].

(2) [illegible] vari[illegible] which will be devoted to the [illegible] but whose actual value is unknown at present.

24. Refer to Estimated Costs [illegible] in engineering report [illegible] to LF-1[illegible] which [illegible] discussed [illegible] level.

Form MF-100
(March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. Dma-1324 X

Date received 5/28/51

Ashley J. Gold
Joe Gold
425 Ratcliff St.
Shreveport, Louisiana

Name and address of applicant

Date 22 May 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) ~~Necessity Certificate pursuant to the provisions of Sec. 124-A (Amortization Deduction) of Internal Revenue Code, 1950~~, (5) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

X
5

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production _____

   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:

   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
Co-Owners							
(1) Ashley J. Gold	- - - - -	- -not	applicable-	- - - -		- - -	- - -
425 Ratcliff St.							
Shreveport, Louisiana							
(2) Joe Gold	- - - - -	- -not	applicable-	- - - -		- - -	- - - -
425 Ratcliff St.							
S hreveport, Louisiana							
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
-- -- -- -- --	-- -- --	--not applicable--		-- -- -- --	-- -- --
Common stock	$	$	$		
-- -- -- -- --	-- -- --	--not applicable--		-- -- -- --	-- -- --
Preferred stock	$	$	$		

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	(The property is estimated to have produced between 1,500 to 2,500 tons of stibnite, almost all of which was produced between 1877 and 1888)				
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved) Unknown					
Indicated (probable) Unknown					

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

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

Ashley J. Gold and Joe Gold
(Name of company)

By Ashley J. Gold
(Signature of authorized official)

22 May 1951
(Date)

Co-owner
(Title)

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.

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

DMA Form MF-100
Ashley J. Gold
Joe Gold
425 Ratcliff St.
Shreveport, Louisiana

GENERAL TECHNICAL DATA

1. (a) The chief material to be produced is stibnite the ore of antimony.

   (b) No byproducts are contemplated.

2. The property is known as the Otto Antimony Mine.

   (a) The shaft is vertical and 230 feet in depth.

   (b) The extent of underground workings is unknown but three levels with drifts along the vein each way from the shaft are known to exist.

   (c) None.

   (d) None.

   The mine is flooded at present with the water standing within about 30 feet of the collar of the shaft. It is not anticipated that the water problem will be of a serious nature.

3. The nearest shipping point lies two miles east and slightly north of the mine location. It is known as King's switch on the Kansas City Southern Railroad. The nearest town of any size is DeQueen which is about 8 miles south of the mine. It is situated on U.S. Highway No. 71 which runs within about one mile of the mine.

   (b) Arkansas Antimony District.

   (c) Section 20, township 7 south, range 31 west.

   (d) Sevier County, Arkansas.

4. (a) Property is not now in operation.

   (b) We propose to operate the property as fee owners.

5. Approximately 11 years (1877-1888) and a few months during 1916. The property has not been in production since 1916.

   We propose to start production whenever exploration work indicates that a profitable mining operation is feasable.

DMA Form MF-100
Ashley J. Gold
Joe Gold
425 Ratcliff St.
Shreveport, Louisiana

General Technical Data, cont.

6. (a) Applicant Ashley J. Gold is an Attorney who has practiced law approximately five years. Applicant Joe Gold is a business man of approximately 30 years experience in oil field supply and drilling of oil wells.

(b) We propose to employ one or more competent and experienced mining men to supervise mining operations. We propose to employ competent and experienced technical aid to make an examination of the property and direct exploratory drilling and sampling; Robert B. McElwaine of Little Rock, Arkansas, consulting mining geologist and member of AIME, is contemplated in this capacity.

7. (a) Refer to formal engineering report by Robert B. McElwaine which is attached hereto.

(b) Refer to formal engineering report by Robert B. McElwaine which is attached hereto.

(c) Refer to formal engineering report by Robert B. McElwaine which is attached hereto.

8. Answered on form.

9. Answered on form.

10. Answered on form.

11. Unknown.

12. (a) Refer to formal engineering report by Robert B. McElwaine which is attached hereto.

(b) Refer to formal engineering report by Robert B. McElwaine which is attached hereto.

(c) Refer to formal engineering report by Robert B. McElwaine which is attached hereto.

13. The mine is about one mile west of U.S. Highway 71, a paved all weather road and is reached by an unimproved one mile long dirt road. (Cont. page 3)

13. (cont.) Nearest switching point is King's switch on the main line of the Kansas City Southern Railroad, about two miles east and slightly north of the mine. Residential accommodations are available at DeQueen, a town of about 3,000 population, which lies about eight miles south of the mine. The village of Gillham is about two miles north of the mine. Fort Smith, about 100 miles north on U.S. Highway No. 71, is the nearest city from which major supply items could be obtained. Supply items could also be obtained from Texarkana, about 70 miles south of the mine on U.S. Highway No. 71.

14. The main water supply in dry weather will have to be from the mine or from wells. This will be adequate for mining operations. If any milling operation required much water it might be necessary to construct a water reservoir and impound the tailing water or locate the mill near a supply of water such as the Cossatot river about 3 miles east of the shipping point.

15. A small scale mining operation would probably call for an installed motor horsepower of 100. The area is served by the Southwestern Gas and Electric Company and about 3/4 of a mile of power line installation would be required.

16. The property has not been in operation and therefore no recent representative payroll period is available.

17. Property has not been in operation for many years; no equipment or buildings are on the property; no major pieces of equipment are owned, controlled or available for this operation.

18. None presently known.

Report On The

OTTO ANTIMONY MINE

Sevier County, Arkansas

by

Robert B. McElwaine
Mining Geologist

Little Rock, Arkansas May 21, 1951

REFERENCES

1. Shriver, E. H., Antimony deposits of Arkansas: Mining and Scientific Press. vol. 114, p. 921, 1917.

2. Waggoner, Arlington, Antimony Mines and prospects in Sevier County, Arkansas. W. P. A. Mineral Survey, October, 1940.

3. Hess, Frank L., The Arkansas antimony deposits: U. S. Geol. Survey Bulletin 340-d. 1907.

4. Miser, H. D., and Purdue, A. H., Geology of the DeQueen and Caddo Gap quadrangles, Arkansas: U. S. Geol. Survey Bull. 808. p.p. 151-152. 1929.

5. Ashley, George H., Geology of the Paleozoic area of Arkansas south of the novaculite region: Proc. Am. Phil. Soc., vol. 36, No. 155. p.p. 306-308, 1897.

6. Hall Robert Biddison, Stibnite deposits of Sevier County, Arkansas: A thesis submitted to the graduate school of Northwestern University in partial fulfillment of the requirements for the degree of master of science. p.p. 72-72, 1940.

7. Same as No. 3.

INTRODUCTION

This report dealing with the Otto Antimony Mine in Sevier County, Arkansas is mostly a compilation of data extracted from both published and unpublished reports. The writer was requested to compile the report by Mr. Ashley Gold of Shreveport, Louisiana for the purpose of furnishing all available information and cost estimates in connection with a proposed exploration project on his antimony property. The writer visited the property briefly a few years ago, and is fully acquainted with the area as a whole.

LOCATION

The Arkansas antimony district is located in the north central part of Sevier County in southwest Arkansas. Mr. Gold owns the following described property in the antimony district: the N ½ of the SW ¼ and the NE ¼ of the SW ¼ all in section 20, T 3 S., R 31 W. This constitutes a tract 3/4 of a mile long running east and west by 1/4 of a mile wide. The Otto Mine lies in the west 40 acre tract and other antimony showings known as the Valley Mines occur in the middle 40 acre tract. Some showings are also reported to occur on the east 40 acre tract. The property is bounded on the east by U. S. Highway No. 71 which is a paved all weather road. The Otto Mine is reached by an unimproved dirt road leading westward from the paved highway a distance of about one mile. The nearest shipping point, King's switch on the main line of the Kansas City Southern Railroad, is about two miles east and slightly north of the Otto Mine. DeQueen, a town of about 3,000 people, lies about eight miles south of the property and the village of Gillham is about two miles north of the mine. Fort Smith, about 100 miles north on U. S. Highway No. 71 is the nearest city from which major supply items could be obtained. The area is served by the Southwestern Gas and Electric Company and ample electric power is available.

PHYSICAL FEATURES AND CLIMATE

The climate is mild with an annual average rainfall in excess of fifty inches occurring mostly in the winter and spring months. The topography is that of a maturely dissected plateau with a well developed trellis drainage pattern. It is located on the Athens Plateau which is a sub-division of the Ouachita Highland province. Maximum relief is about 400 feet but the average is probably less than 200 feet. The maximum elevation above sea level is 800 to 850 feet. The country is composed principally of low east-west trending parallel ridges and valleys with the main streams running southward and the tributaries draining the east-west valleys. In the locality of the Otto Mine U. S. Highway No. 71 is on the divide between the Cossatot river to the east and Rolling Fork to the west. It is about four miles from the highway in either direction to these respective master streams of the area. In dry weather the tributary streams are intermittent in character and the only source of water immediate to the Otto Mine would be from wells or mine shafts. Where the land has not been cleared it supports a good stand of pine and hardwood timber, and the undergrowth is heavy during the long growing season.

LABOR AND LIVING CONDITIONS

An adequate supply of unskilled labor, mostly subsistence farmers and loggers, is available at wage rates beginning at 75 cents an hour. Hotel and tourist court accomodations are available at DeQueen. Living costs are relatively low.

HISTORY AND PRODUCTION

The antimony deposits are known to have been discovered shortly after the Civil War. The Otto Mine was the site of some of the earliest mining in the area and is the biggest as well as one of the few producers of any significant amount of stibnite. It was opened in 1877 by the United States Antimony Company of Philadelphia. Operations were shut down in 1888 reportedly on account of poor transportation facilities and smelting difficulties. During this eleven year period the May, Valley and Otto shafts produced a reported tonnage of stibnite in excess of 1,000 tons. The only other period of any important attempt to produce stibnite from the Otto Mine was in 1916. This operation was short lived due to the temporary period of high prices that encouraged it to start. In 1937 the Otto Mine was partially dewatered and the shaft reconditioned to a depth of 60 feet. No actual mining was done except for possibly a small tonnage of ore which was gouged out of the vein material above the 60 foot level.

No authentic records of the stibnite production of the area are available. The Arkansas Geological Survey in "An Outline of The Metallic Minerals of Arkansas" published in 1928 gives a summary of mines and production as submitted by E. E. Vaughan of Gillham, Arkansas. Mr. Vaughan was apparently connected with the antimony mining interests of the region for a number of years and possibly had better knowledge of the history and production of the area than anyone else. How accurate his figures are is unknown, but they do give some information as to the relative productivity of the mines. This information, in table form, is submitted below.

NAME OF MINE	DEPTH IN FEET	PROBABLE ORE TONNAGE REMOVED
Otto	200	2,500
Valley Shaft	75	100
Wolfton Shaft	115	100
Antimony Bluff (slope mine)	45	10
New Discovery	80	50
Conboy	110	50
Stewart	45	1,000
Old May	115	1,500
New May	73	10
J. W. Jordan	75	5
Blucher Bluff	Unknown	Unknown
Brewer	65	75
W. J. Mittan	20	None
R. A. Hankins	12	None
Texarkana	60	Unknown

The same source given above quotes the U. S. Geological Survey as giving the Arkansas production of stibnite as follows:

YEAR	SHORT TONS
1889	65
1890	81⅓
1904	12⅓
1916	250
1922	20
1923	40
1924	100

It should be noted that most of the production of the area is supposed to have taken place prior to the time of the above figures. Supposedly most of the 1916 production came from the Otto Mine. Shriver[1] says that 367 tons of high-grade ore assaying 25 percent Sb, and 597 tons of low-grade ore (10-25 % Sb), were produced in 1916. Presumbably this production was from the entire district and was apparently all produced by hand cobbing methods. Henry Byes, a native miner, states[2] he worked in the Otto Mine during 1915 and 1916, and 135 tons of ore were produced and a ton of stibnite was left shot loose in the bottom of the mine. What the production of the Otto Mine was during the 11 year period of 1877 to 1888 is not definitely known, but from the information available it was no doubt substantial. Hess [3] stated in 1907 that according to local tradition, over a thousand tons of antimony ore was produced by this mine.

ORE DEPOSITS

General Geology

The only rock outcropping in the vicinity of the stibnite deposits is the Stanley shale formation of lower Pennsylvanian age. It has a maximum stratigraphic thickness of about 6,000 feet. The formation is principally fissile, argillaceous shale with minor amounts of thin interbedded sandstone and arenaceous shale and a few thicker beds of sandstone. The shale is dark grey to black in color and the sandstone is a compact fine grained rock and of a blue-grey color in its unweathered form. The sandstone beds have a thickness ranging from an inch or less to 100 feet. The usual thickness for individual beds is from a few to 24 inches. The shale and sandstone both carry minor veinlets of quartz which are generally parallel with the bedding in the shale and fill joints and fractures in the sandstone.

The structure of the area is that of highly folded and compressed sediments. The shale is so deformed and crumpled that mapping of individual structures is quite difficult. Many slickensides indicating considerable slippage along the bedding planes are present. The general structure is that of east-west trending parallel synclines and anticlines. Close folding has caused the beds to have steep dips normally bordering on the vertical. The prevalent direction of dip is to the south due to overturning.

In this area of highly folded incompetent sediments major faulting is difficult to perceive although it undoubtedly exists. Widespread

evidence of bedding faults is present and this type of faulting probably determined the channels along which mineralizing agents traveled.

Occurrence of Deposits

The stibnite is associated with quartz veins. The latter are commone throughout much of the Ouachita Mountain area, but it is only in the vicinity of Gillham and Antimony that they are accompanied with the mineral stibnite. The deposits occupy a narrow belt about eight miles in length trending slightly north of east parallel to the folding. Most of the antimony bearing veins follow the bedding planes of the shale and sandstone and thus stand at an attitude of 60 to 90 degrees. Both vertical and horizontal movement is indicated by slickensides along the veins. The thickness of the veins range from a few inches to as much as four feet but the average is probably about one foot. Most of the gangue is quartz with some angular fragments of shale. The orebodies are lenticular and normally have a strike length measured in a few to tens of feet.

The mineralization is epithermal in character and of hydrothermal origin and the lenses of ore will no doubt occur intermittently down the dip as they do along the strike. The stibnite itself is relatively pure and large pieces of it free of any gangue material can be found. Varying amounts of associated minerals occur from place to place. Miser[4] lists these as jamesonite, zinkenite, galena, sphalerite, pyrite, chalcopyrite, siderite and calcite with traces of arsenic, bismuth, cadmium, cobalt, silver and rarely gold.

OTTO MINE

According to the best information obtainable this mine has produced somewhere between 1,000 and 2,500 tons of ore. It is supposed to have been the most productive of any single mine in the district. Ashley[5] states that at the time he visited the mine (1892) the shaft was sunk to a depth of 230 feet and was still in good ore. Three levels are known to have been worked[6], one at 75 feet, one at 115 feet, and a third at 160 feet. The shaft was originally opened on the vein but because of the southernly dip of the ore it became necessary to crosscut to the south on the lower levels in order to reach the vein. Stopes were opened in the vein for some distance to the east and west of the shaft location, but no records of the extent of the workings are available. Whether the ore was all stoped out between the levels is unknown. The water was pumped out to the 60 foot level and the shaft retimbered to that level in 1937 and some 35 tons of ore reportedly removed at that time, so it would appear that some ore is available for mining above the bottom of the 230 foot shaft. The only authentic information as to the ore body other than that of Ashley given above is that of Hess[7] who states that, "The mine is now caved in and nearly filled with water, so that but little can be seen. However, the vein is fairly well exposed at the top of the shaft, where it is split into two branches, each 10 to 12 inches thick and about 3 feet apart. They evidently join at a depth of 20 to 25 feet. The strike is about N 72° E., and the dip approximately vertical. The rocks are somewhat disturbed at the surface, probably from weathering, so that the relation of the vein to the rocks is not

certain." The shaft is now full of water and is boarded up. The rather extensive dump and underbrush covering the vicinity make it impossible to make any observation of surface details at this time. The mine apparently has an inflow of ground water, but it is not anticipated that it will constitute a major problem in the impermeable Stanley shale formation.

Suggested Mode of Exploration

The best practical method of making an examination of the mine and conducting an intelligent exploration program is to dewater and recondition the shaft. This would probably call for retimbering the entire shaft and cleaning out caved material in the lower portion. The mine could then be mapped and sampled and an estimate made of the ore obtainable above the present depth of 230 feet. With the relatively narrow width of the vein that was mined and its continued submergence under water, it is likely that the workings in the vein are not too badly caved and thus could be cleaned out and any necessary timbering done for a relatively small cost. After the above work was all done it would then be possible to layout a core drilling program to project the ore in depth. Any core drilling done previous to actually examining the underground workings would be very much of a guessing proposition.

With the present depth of the shaft being 230 feet and the lowest level being 160 feet it is difficult to reconcile these figures with Ashley's previously mentioned observation of good ore in the bottom of the shaft since it is reported that the shaft is vertical and does not stay with the pitching vein. Furthermore, a statement by Henry Byes[2/] that he worked in the mine in 1916 and that stibnite is now shot loose in the bottom of the shaft is misleading. If these statements are true, a cross-cut to the vein must have been made at the bottom of the shaft. In that event it would probably be practical to drive drifts along the vein at the lower level and to do sufficient core drilling on the bottom level to determine the economic feasibility of setting up for an actual mining operation on the property. It might be necessary to drive about three cross-cuts a distance of ten feet south of the vein in order to provide satisfactory set-ups for core drilling across the vein at steep angles. The drilling would probably involve 600 feet of AX coring to adequately prove the orebody an additional 50 feet deep. This footage is based on an estimated 10 holes 60 feet in depth.

Estimated Cost of Exploration

It is estimated that 16 days would be required to obtain the necessary equipment, move it in, set it up, erect a small headframe, and thus get ready to go to work. In addition to the superintendent three men would be required for six days of this time. The time required to timber and clean out the shaft, recondition the mine and do 100 feet of drifting is estimated to be 40 working days operating two shifts per day. Five men per shift, at an average wage rate of $1.00 per hour, would be required. A shaft cribbed with 2" x 6" oak timber with a 6' x 6' hoisting compartment and a 6' x 30" manway is recommended. It is reported that the old shaft is large enough to accomodate this size of timbering.

The schedule of estimated costs for the 60 day rehabilitation program is given below.

ITEM	COST
Superintendent (2 months)	$ 1,000.00
Labor (3,488 man hours)	3,488.00
Lumber (40M board feet)	3,000.00
Used pick-up truck	1,000.00
Pump (Rental for 60 days)	600.00
Gasoline hoist (Rental for 60 days)	200.00
200 C.F.M. air compressor (Rental for 30 days)	300.00
Rental on air drill, steel, hose, buckets, etc.	350.00
Pipe (300' of 2" and 300' of 1")	250.00
Nails	100.00
Hand tools	100.00
Explosives	100.00
Drill bits	90.00
Gasoline and oil	500.00
Compensation insurance	450.00
Engineering expense	750.00
Miscellaneous and contingencies	1,000.00
	$ 13,278.00

The suggested core drilling program contemplates operating 2 shifts per day for a maximum of 15 days. Two hoist men and a pump man would be the total labor required as the drilling would be done under contract. The estimated costs for this program are given below.

ITEM	COST
Contract core drilling (600' AX core @ $3.50)	$ 1,750.00
Superintendent	250.00
Labor	360.00
Pump rental	150.00
Hoist rental	50.00
Compressor rental	150.00
Compensation insurance	75.00
Fuel and oil	100.00
Engineering	750.00
	$ 3,635.00

The total of the above costs is $16,913.00. In the event that the program was unsuccessful in finding sufficient ore to justify any further operation, it is probable that the salvage that could be obtained from the pickup truck and pipe would be sufficient to defray the cost of dismantling and returning the rented equipment.

CONCLUSIONS

In view of the present market for stibnite, the possibility of producing at a profit in the Arkansas district appears to be feasible. The May 10 issue of E. & M. J. Metal and Mineral Markets gives the following prices for antimony ore:

GRADE(percent)	Price Per Unit	Calculated Price Per Ton
50-55	$5.50 - 5.75	$ 275.00 - 302.50
58-60	5.75 - 6.25	333.50 - 375.00
60-65	7.00 - 7.50	420.00 - 487.50

These prices are probably three to four times what would be considered the normal price. This condition is no doubt due to the cutting off of imports from China which is the world's main producer of antimony. It is questionable how long the price will remain at this level since it is dependent on world political conditions and the entry of other producers into the market at this abnormally high price is to be expected. There is no certainty that prices will not go higher before they decline. However, with the short amount of time that would be required to get into production it is quite probable than an operation started at this time would have the benefit of high prices for at least several months and possibly much longer. If this is true, then some of the Arkansas deposits should be able to amortize the small capital investment required to mine them on a small scale and possibly make a relatively high margin of profit. The Otto Mine has been productive through a vertical range of over 200 feet which is apparently considerably more than the normal vertical extent of most of the Arkansas stibnite deposits. However, information available indicates that the vein was possibly at as large a dimension at the bottom of the workings as at any point back up the dip. If this is true, there is no reason to believe that the ore will not continue on downward for a sufficient distance to produce a substantial amount of ore. It seems reasonable to assume a projection of 50 feet. In view of the fact that the minimum production with which this mine can be credited is 1,000 tons, it would appear that an additional 50 feet in depth plus what ore that might be obtained from the old workings should give a minimum potential production of 250 tons and possibly considerably more. At the present price that would be a gross production of upwards of $75,000.00.

Bearing in mind the small scale of the operation, the small capital investment and relatively short length of time required to get into production, and the possibility of a substantial amount of ore being available; it appears that the execution of the proposed exploration program might be a justifiable gamble. It should not be entered into without the full realization that the initial investment may be a total loss.

It would be possible to lay out a core drilling program that would project the orebody without entering the mine. However, the amount of drilling that would be required would run the final cost up to a point comparable with that of the proposed underground investigation. The latter proposal has the possibility of obtaining some ore which could help defray the cost of the exploration work. It is not beyond the realm of possibility to recover 80 tons of ore in the process of rehabilitating the mine. That amount of ore, at present prices, would cover most of the cost of the proposed program. The fact that a smelter is now available at Laredo, Texas to smelt the ore is an added inducement for the production of Arkansas antimony. The freight rate to that point is $12.51 per net ton on a 40,000 pound minimum shipment.

During the course of the exploration program it would be pertinent to do some surface investigation of the Valley Mines on the 40 acre tract east of that forty in which the Otto Mine is located. The old Texarkana diggings reported to be some 200 yards east of the Valley Mines should also be investigated. These old diggings are all located on the 120 acre tract constituting the Gold property.

R. B. McElwaine

R. B. McElwaine
Mining Geologist
Little Rock, Arkansas
May 21, 1951

MF-104
(August 1951)

JAN 28 1952

2nd Copy

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 108

Name of Operator Ashley J. Gold and Joe Gold
Docket No. DMA 1324X
Total Contract Amount $ 16,913.00
Government Participation: seventy-five % Amount, $12,684.75
Distribution of Expenditures for Month of December, 1951

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 9 - 1952

CERTIFICATION

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.

Ashley J. Gold and Joe Gold
(Name of Company)

By Joe Gold
Ashley J. Gold
(Signature of Authorized Official)

January 12, 1952
(Date)

co-partners
(Title)

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.

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
[illegible] Test valve	8.51					
[illegible] replaced	19.00	1036.85	1068.36	-700.00	Sale of truck	
(b) Rented[2]						
[illegible]	325.53	1862.31	2187.83			
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY PROGRESS REPORT
For Month Ending November 30, 1951

Ashley J. Gold and Joe Gold
425 Ratcliff Street (Otto Antimony Mine, Sevier County, Arkansas)
Shreveport, Louisiana

To: Defense Minerals Administration
Regional Office
Joplin, Missouri

Docket No. DMA-1324X
Contract No. Idm-E108

Discussion

As of the end of the month the shaft was cleaned out and rehabilitated to a depth of 165 feet. The shaft is not timbered below the 140 foot level but it is in massive, dense sandstone that is well trimmed and requires no support. Many old timbers and boards mixed in with the muck in the shaft has hampered the cleaning out operation.

The upper 70 feet of the shaft revealed the mined out vein extending both east and west from the shaft. Below this point the steep southernly dip of the vein carries it south of the shaft. At depths of 95 feet and 115 feet short drifts were driven south from the shaft to intercept the east-west trending vein. On each of these two levels drifts were driven along the vein and ore stoped out overhead. Failure of the lagging in the timbered drifts has permitted the filling of the drifts, at local points, by material sluffing off of the shale hanging wall. This has prevented inspection of the drifts except for a relatively short distance from the shaft. The present work is being concentrated on cleaning out the shaft and getting to the bottom of the mine. It is planned to clean out and rehabilitate the drifts after the shaft work is completed. The top of another drift leading to the south is showing up at the present shaft depth of 165 feet.

On November 5 the engine driving the pump broke down and required extensive repairs. Four days were lost repairing the engine and dewatering the mine. Minor pump trouble and sickness of miners were delaying factors during the month. Due to leaves, bark and rotten timber clogging the pump suction five days were lost during the time of acquisition of an air compressor and an air sump pump for use in the bottom of the shaft.

R. B. McElwaine
Consulting Mining Geologist
Little Rock, Arkansas
December 8, 1951

EQUITY ANALYSIS

Equity in PL & PD Truck Insurance	$84.82	
Less Operator's 25%	21.21	
Credit to Government		$63.61

Pickup Truck Cost	~~$858.00~~	
Less	~~80%~~	
	~~$681.60~~	
$681.60 depreciated by ratio of 9363 actual miles to 60,000 equals	~~106.14~~	
	~~$575.46~~	
Less Operator's 25%	~~143.87~~	
Credit to Government		~~$431.59~~
TOTAL CREDIT TO GOVERNMENT		~~$495.20~~

ANALYSIS OF OTHER SUPPLIES

FOR SEPTEMBER, OCTOBER

AND NOVEMBER 1951

SEPTEMBER 1951

2-receipt books	$ .20
2-time books	.21
snake bite kit	1.61
2 rolls tarpaper	5.59
nails	4.05
battery	1.16
staging	.60
babbitt	1.00
rope	1.70
2-allen wrenches	.30
50' rope	1.28
time book	.26
crab parts & tools	3.30
nail bar	1.00
oil	.30
5-5/8 cable clamps	1.50
sand and gravel	2.00
file	.25
paint	.25
staging	.45
cement	4.90
drill chuck key	.56
small rail spikes	4.00
Keyhole saw set	1.00
6-½ std wire rope clips	.60
1st aid kit	2.00
2-5 gal. GI gas cans	3.00
30 lbs 1" manila rope	4.50
1 Perto Brace	2.00
1 set auger bits	2.50
4 brass plumb bobs	2.00
2-14" pipe wrenches	4.00
2-24" pipe wrenches	10.00
1-36" pipe wrench	10.00
5-2# ball peen hammers	5.00
2-8# sledge hammers w/hammers	3.00
1-4½# double bit axe w/handles	2.50
2-Hand axes	4.00
1-5' cross cut saw	5.00
1-26"alum level	3.50
1-24" framing square	1.50
1-6" folding rule	.75

ANALYSIS OF OTHER SUPPLIES--SEPTEMBER 1951 CON'T

1-50' steel tape	$ 3.00
2-100' Ext. cords	6.00
12-¼ wire rope clips	.96
6-3/4 cold chisels	2.10
1-set box end wrenches	2.00
2-wire brushes	.40
10-1" std blk mall Tees	2.00
10-2" std blk mall Tees	5.00
10-1" std blk mall ells	1.50
10-2" std blk mall ells	4.00
6-1" std blk G. J. Unions	1.80
6-2" std blk G. J. Unions	3.00
6-½" std blk G. J. Unions	1.20
15-reducers	2.00
42-nipples	4.00
2-water buckets	1.00
6-SHRP shovels	3.60
2-LHRP shovels	2.50
6-miners picks	6.00
1-hack saw frame	1.00
12 hack saw blades	.50
6-files	1.20
1-wood water kep	2.00
3-1" stop cock	1.05
3-2" ditto	3.00
3-3/4 ditto	1.50
2-½ turnbuckles	1.00
2-3/8 ditto	1.00
2-3/4 ditto	1.50
1-3½ pole axe	2.00
50 lbs 1 1/8 manila rope	7.50
2-claw hammers	1.00
2-steel wedges	1.00
80 ft ½ cable	6.40
60# mixed bolts	3.00
24 wire rope clips	5.40
3-kegs, 100#, 30d common nails	25.35
2-kegs, 100#, 30d common nails	25.35
1-kegs, 100#, 40d common nails	
2-3/8 x 14' load chain	13.84
1-½ x 14' load chain	10.90
3 rls friction tape	
1-2 ton 2-30 More Power Puller	28.13
1-#71 expansion bit	
1-#180 24" extension	
1-#100 16/16" bit	& 8.15
SEPTEMBER TOTAL----------	$~~304.81~~ 307.15 e.c.k.

ANALYSIS OF OTHER SUPPLIES

FOR SEPTEMBER, OCTOBER

AND NOVEMBER 1951

OCTOBER 1951

ice	$ 1.36
bolts & file	4.15
emery cloth	.52
truck parts	1.75
nails	1.50
carbide	.60
2-55 gal drums	4.00
locks (4)	1.80
allen wrenches	.50
stove & accessories, elect connect. 7 bulbs	6.68
greese gun	3.70
wrench	.15
carbide	12.16
flash light	1.15
lantern	1.85
graphite	1.15
lt. bulbs	.50
light sockets	.36
scrap iron	.35
nails	.60
Radiator solder	1.60
roof plate	..67
nails	.65
stove accessories & roofing	8.26
nails	.55
roofing	8.22
4 sheets galv. iron	8.50
OCTOBER TOTAL	$ 73.28

ANALYSIS OF OTHER SUPPLIES

FOR SEPTEMBER, OCTOBER

AND NOVEMBER, DECEMBER 1951

NOVEMBER 1951

sparkplugs for hoist	$ 2.40
note book	.10
nails & spring	.55
nails	.30
roofing	3.80
sparkplugs	.80
threading nipple	3.50
sparkplugs	3.20
bell cord & staples	1.60
pipe	1.00
screen wire	1.30
bolts	1.64
hoist switch parts	.72
hardware cloth	.90
gas line for lt. plant	.56
Light plant crank	2.90
Light sockets	.82
cutting rail	1.00
pump engine greese tube	.20
pipe nipple	.30
light globes	2.47
clean hoist sparks	.90
light globes	1.75
reducer	.70
pencils	.20
nails	.50
reducer	.50
air hose connections	4.30
reducers	1.26
NOVEMBER 1951 TOTAL	$ 40.17

ANALYSIS OF OTHER SUPPLIES

FOR SEPTEMBER, OCTOBER

NOVEMBER & DECEMBER

DECEMBER 1951

greese zerk	$ .10
oil line	.79
medecine	.31
lights bulbs	.50
Permoseal	.70
Hdw. clth.	1.95
Lights	4.41
reducer	.30
~~flowers (death)~~	~~1.00~~ disallowed
mine light	5.00
shovel repair	.75
DECEMBER TOTAL	$ ~~15.81~~ 14.81

SCHEDULE "B" OPERATING EQUIPMENT
2. RENTED

1.	4" Elevators	$ 5.00
2.	Light Plant	35.00
3.	300' 1" Bl. Pipe	6.00
4.	Ball Bearing Sheave	1.00
5.	2 Fire Extinguishers	1.00
6.	4 Steel Snatch Blocks	1.00
7.	2" Pipe Vise	.50
8.	5 Brass Globe Valves	1.00
9.	300' 2" Pipe	9.00
10.	200' Rail	10.00
11.	4" Suction Hose	2.00
12.	2 Chain Tongs	2.00
13.	2 Jts. 3" Suction Hose	5.00
14.	2 Jts. 1½ Suction Hose	3.00
15.	1 Jt. 1" Air Hose	3.00
16.	1 4" Union	2.00
	Gross Monthly Rental	$ 86.50
	Less Credit for ½ Month	43.25
	Net Charges	$ 43.25
17.	Hauling Pump Engine to Motor Freight	6.00
18.	Welding Pump Engine for Return to Owner	3.50
19.	Motor Freight on Pump Engine	25.38
20.	Repair to Pump Engine	37.79
21.	Hauling equipment, etc. to Joplin, Mo.	150.00
22.	Hauling equipment, etc. to Shreveport, La.	50.00
	Total.....	$315.92

	NAME	DUTY	HOURS	RATE		WAGES
1.	Earnest A. Donaldson	Superintendent	44 4/5)40 Hrs @) 4 4/5 Hrs @	$2.50 3.75	$100.00 16.00	$116.00
2.	Andy Davis	Hoistman	8 Hrs @	1.00		8.00
3.	Carl E. Smith	Miner Superintendent	56)40 Hrs @)16 Hrs @ 40 Hrs @	1.25 1.875 2.25	50.00 33.75 90.00	173.75
4.	Marvin W. Mack	Hoistman	70)40 Hrs @)30 Hrs @	1.00 1.50	40.00 45.00	85.00
5.	Carl Watkins	Miner Surface	40 Hrs @ 30 Hrs @	1.25 .75	50.00 22.50	72.50
6.	W. B. Overturf	Miner	66)50 Hrs @)16 Hrs @	2.00 3.00	100.00 48.00	148.00
7.	Earl R. Bogan	Hoistman	76)50 Hrs @)26 Hrs @	1.00 1.50	50.00 39.00	89.00
8.	John C. Helms	Surface	96)70 Hrs @)26 Hrs @	.75 1.125	52.50 29.25	81.75
9.	Ollie Jester	Surface	60 Hrs @	.75	45.00	45.00
10.	Paul S. Jones	Miner	76)60 Hrs @)16 Hrs @	1.25 1.875	80.00 30.00	110.00
11.	Hubert R. Byers	Miner	56)40 Hrs @)16 Hrs @	1.25 1.875	50.00 30.00	80.00
12.	J. D. Jones	Surface	84)60 Hrs @)24 Hrs @	.75 1.125	45.00 27.00	72.00
	TOTAL		804 4/5 Hrs			$1083.00
	Employers Soc. Sec. Contribution					16.28
	Arkansas Unemp. Comp.					29.24
	TOTAL WAGES					$1128.52

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3] See Schedule A	1228.52	3196.59	4425.11			
5. Supervision	255.65	1061.13	1316.78			
6. Supplies						
(a) Timber		976.65	976.65			
(b) Explosives						
(c) Repair Parts	6.67	38.02	44.69	-298.97	credit on supplies adj.	
(d) Other	13.81	410.26	424.07	- 1.00	flowers	
7. Power		475.07	475.07			
8. Transportation Truck Hr.	47.27	832.71	879.98			
9. Insurance						
(a) Fire						
(b) Public Liability		129.90	129.90	- 84.82	Ins. refund	
(c) Workmen's Compensation	61.70	78.00	139.98			
10. Contract Work						
11. Other (specify)		108.75	108.75			
Cem. & Mortar	49.22	358.78	407.00			
Total	[illegible]			-1084.79		
Deletions	-1084.79					
Adjusted totals	823.54	See R.C. Jones final accounting schedule (letter 4-2-52)				
Totals previously reported	9923.22	9923.22				
Totals to date	10,746.76		11,021.55			

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by Clinton C. Knox
Entered by
Approved by David Gallagher
Amount approved for payment
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF December 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	1128.52	343.43	22.48	158.07	1652.50					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Engineering & Geol.	255.83				255.83					
Totals	1384.35	343.43	22.48	158.07	1908.33					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

2nd Copy

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. 166
Idm-E

Name of Operator Ashley J. Gold and Joe Gold
Docket No. DMA 1985
Total Contract Amount $ 16,912.00
Government Participation: Seventy-five % Amount, $ 12,684.75
Distribution of Expenditures for Month of November 1951

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

Ashley J. Gold and Joe Gold
(Name of Company)

By Joe Gold Ashley J. Gold
(Signature of Authorized Official)

December 6, 1951
(Date)

Co-partners
(Title)

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.

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]		1006.85				
1-10" jt.4" suction	30.00		1036.85			
(b) Rented[2]						
see schedule "B"	787.92	1074.39	1862.31			
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

16—64068-3

MONTHLY PROGRESS REPORT
For Month Ending November 30, 1951

Ashley J. Gold and Joe Gold
425 Ratcliff Street (Otto Antimony Mine, Sevier County, Arkansas)
Shreveport, Louisiana

To: Defense Minerals Administration
Regional Office
Joplin, Missouri

Docket No. IMA-1324X
Contract No. Idm-1108

Discussion

As of the end of the month the shaft was cleaned out and rehabilitated to a depth of 165 feet. The shaft is not timbered below the 140 foot level but it is in massive, dense sandstone that is well trimmed and requires no support. Many old timbers and boards mixed in with the muck in the shaft has hampered the cleaning out operation.

The upper 70 feet of the shaft revealed the mined out vein extending both east and west from the shaft. Below this point the steep southerly dip of the vein carries it south of the shaft. At depths of 95 feet and 115 feet short drifts were driven south from the shaft to intercept the east-west trending vein. On each of these two levels drifts were driven along the vein and ore stoped out overhead. Failure of the lagging in the timbered drifts has permitted the filling of the drifts, at local points, by material sluffing off of the shale hanging wall. This has prevented inspection of the drifts except for a relatively short distance from the shaft. The present work is being concentrated on cleaning out the shaft and getting to the bottom of the mine. It is planned to clean out and rehabilitate the drifts after the shaft work is completed. The top of another drift leading to the south is showing up at the present shaft depth of 165 feet.

On November 5 the engine driving the pump broke down and required extensive repairs. Four days were lost repairing the engine and dewatering the mine. Minor pump trouble and sickness of miners were delaying factors during the month. Due to leaves, bark and rotten timber clogging the pump suction five days were lost during the time of acquisition of an air compressor and an air sump pump for use in the bottom of the shaft.

R. B. McElwaine
R. B. McElwaine
Consulting Mining Geologist
Little Rock, Arkansas
December 8, 1951

	NAME	DUTY		RATE		WAGES
1.	Earnest A. Donaldson	Superintendent	174)160 hrs @	2.50	$400.00	$452.50
			) 14 " O.T.	3.75	52.50	
2.	W. B. Overturf	Lead Miner	142)134 hrs @	2.00	268.00	292.00
			) 8 " O.T.	3.00	24.00	
3.	Carl E. Smith	Surface	88)80 hrs @	1.00	80.00	
			) 8 " O.T.	1.50	12.00	
		Miner	80)76 hrs @	1.25	95.00	
			) 4 " O.T.	1.875	7.10	194.10
4.	John C. Helms	Pumpman	251)160 hrs @	.75	120.00	
			) 91 " O.T.	1.125	102.38	222.38
5.	Marvin Pack	Hoistman	158)146 hrs @	1.00	146.00	
			) 12 " O.T.	1.50	18.00	164.00
6.	Ollie Jester	Surface	32 hrs @	.75		24.00
7.	Paul S. Jones	Pumpman	24 hrs @ O.T. (.75)	1.125	27.00	
		Miner	114 hrs	1.25		142.50
8.	J. D. Jones	Pumpman	84)72 hrs @	.75	54.00	
			)12 " O.T.	1.125	13.50	67.50
9.	Marion C. Weaver	Miner	8 hrs. @	1.25		10.00
10.	Earl H. Hogan	Hoistman	8 Hrs. @	1.00		8.00
11.	Carl L. Watkins	Miner	8 hrs. @	1.25		10.00
			1171 hrs			$1613.98
	Employers Soc. Sec. Contribution					24.26
	Arkansas Unemp. Comp.					43.58
	Total Wages					$1681.82

SCHEDULE "B" OPERATING EQUIPMENT
2. RENTED

1.	4" Elevators	$ 12.78
2.	Freight on elevators	1.52
3.	Turbin pump	200.00
4.	Hoist & engine	125.00
5.	Pump engine	85.68
6.	Light plant	35.00
7.	Freight on light plant	2.94
8.	Crab	15.00
9.	Air compressor	212.00
10.	Freight on air compressor	40.00
11.	300' of 1" pipe	6.00
12.	Ball bearing sheave	1.00
13.	2 fire extinguishers	1.00
14.	4 steel snatch blocks	1.00
15.	2" pipe vise	.50
16.	5 brass globe valves	1.00
17.	300' of 2" pipe	9.00
18.	200' of rail	10.00
19.	30' of 4" suction	2.00
20.	2 chain tongs	2.00
21.	Boring out elevators	13.50
22.	2 jts 3" hose (40')	5.00
23.	2 jts 1½" suction hose	3.00
24.	1 jt of 1" air hose	3.00
		$787.92

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3] see sched. "A"	1681.82	1464.77	3146.59			
5. Supervision	350.62	710.51	1061.13			
6. Supplies						
(a) Timber	255.70	720.95	976.65			
(b) Explosives						
(c) Repair Parts	28.32	9.70	38.02			
(d) Other	40.17	378.09	418.26			
7. Power	343.06	132.01	475.07			
8. Transportation truck ex.	66.92	165.79	232.71			
9. Insurance						
(a) Fire						
(b) Public Liability		129.90	129.90			
(c) Workmen's Compensation		78.20	78.20			
Bal. to be paid later						
10. Contract Work						
11. Other (specify)		108.75	108.75			
Gen. & Admin.	86.17	272.61	358.78			
Total	3670.70					
Deletions						
Adjusted totals						
Totals previously reported		6252.52				
Totals to date			9923.22			

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by Clinton C. Knox
Entered by
Approved by David Gallagher
Amount approved for payment
Remarks

2753.02

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF November 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										cont.
Rehabilitation and preparation	1641.82	617.92	667.25	153.09	3220.08	none	none	none	none	
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Accounting & Misc.	390.62				390.62					
Totals	2032.44	617.92	667.25	153.09	3670.70					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 108

Name of Operator Ashley J. Gold and Joe Gold
Docket No. DMA 1324
Total Contract Amount $16,913.00
Government Participation seventy-five % Amount, $12,684.75
Distribution of Expenditures for Month of October 1951

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

Ashley J. Gold and Joe Gold (Name of Company)

By Joe Gold Ashley J. Gold (Signature of Authorized Official)

November 15, 1951 (Date)

Co-Partners (Title)

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.

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]	42.35	964.50	1006.85			
(b) Rented[2] Pump	375.00					
Pump engine	65.68					
Pump transportation and installation	250.00					
Point c engine	125.00					
(c) Furnished by operator		172.55	1074.39			
Freight	47.16					
Suction hose	2.00					
Drain cocks	2.00					
Grab hook	15.00					
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

16—64068-3

SCHEDULE "A" PAYROLL SHEET OCTOBER 1951

NAME	DUTY		RATE		WAGES
1. Charley Marshall Mitchell	Miner	176)136½ hrs @	$2.00	273.00	$391.50
2. Earnest A. Donaldson	Superintendent	41	2.50		102.50
3. Wilbert Bud Overturf	Miner	24	2.00		48.00
4. Carl Edward Smith	Surface	45.5	1.00		45.50
5. Marvin William Mack	Hoistman	87)76 hrs @	1.00	76.00	92.50
		11 " O.T.	1.50	16.50	
6. John C. Helms	Pumpman	255)176 hrs. @	.75	132.00	220.88
		79 " O.T.	1.12½	88.88	
7. Ollie Jester	Surface	188)163 hrs. @	.75	122.25	150.38
		25 " O.T.	1.12½	28.13	
Total		816.5			$1051.26
Employers Soc. Sec. Contribution					15.77
Arkansas Unemp. Comp.					28.38
Total Wages					$1095.41

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	1,095.41	369.36	1,464.77			
5. Supervision	351.95	358.56	710.51			
6. Supplies						
(a) Timber	339.61	381.34	720.95			
(b) Explosives						
(c) Repair Parts	9.70		9.70			
(d) Other	73.28	304.81	378.09			
7. Power	132.01		132.01			
8. Transportation	100.74	65.05	165.79			
9. Insurance						
(a) Fire						
(b) Public Liability	11.25	118.65	129.90			
(c) Workmen's Compensation		78.20	78.20			
10. Contract Work						
11. Other (specify)						
welding	2.50					
		106.25	108.75			
Gen. & Adm.	212.19	160.42	372.61			
Total	3,172.63	3,079.69				
Deletions						
Adjusted totals						
Totals previously reported		3,079.69				
Totals to date			6,252.32			

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by Clinton C. Knox
Entered by
Approved by David Gallagher
Amount approved for payment
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF OCTOBER 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	1,095.41	944.19	422.59	358.69	2820.88	none	none	none	none	cont.
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) ENGINEERING + SUPERVISION	351.95				351.95					
Totals	1,447.36	944.19	422.59	358.69	3,172.83	none	none	none		

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Copy

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 108

Name of Operator Ashley J. Gold and Joe Gold
Docket No. DMA 1324X
Total Contract Amount $ 16,913.00
Government Participation: Seventy-five % Amount, $ 12,684.75
Distribution of Expenditures for Month of September 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 2 - 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

Ashley J. Gold & Joe Gold
(Name of Company)

By Joe Gold Ashley J. Gold
(Signature of Authorized Official)

October 12, 1951
(Date)

Co-partners
(Title)

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.

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
500 gal. tank	7.50					
Pickup truck	652.00					
Safety book	35.00					
2 spikers cans	70.00					
(b) Rented[2]						
See schedule "D"	172.55					
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY PROGRESS REPORT
For Month Ending September 30, 1951

Ashley J. Gold and Joe Gold
425 Rat cliff Street (Otto Antimony Mine, Sevier County, Arkansas)
Shreveport, Louisiana

To: Defense Minerals Administration
Regional Office
Joplin, Missouri
Docket No. DMA-1324X. Contract No. Idm-5108

Discussion

Work was started locating equipment, labor, etc., the latter part of August. Actual work at the mine was started on September 13th and continued intermittently during the month. Some difficulty was encountered with labor brought in from the Joplin, Missouri area and some time lost on this account.

A bulldozer was utilized to level off the area around the shaft and bring in logs cut from timber on the property. These logs were used to lay across caved surface area of shaft and erect an "A" frame over the shaft. A hand powered hoist was installed and the caved eight feet of the shaft collar was timbered and backfilled. The timbers of the old 7' x 9' shaft were found to be in sound condition down to the water level at 35 feet. The shaft was lined with new oak lumber and placed in a good safe condition to a depth of 30 feet. A headframe, hoist house and tool shed were erected. At the end of the month further work was pending the arrival of a pump and power hoist.

Difficulty in obtaining delivery of lumber and machinery has delayed the progress of the work somewhat.

R. B. McElwaine

R. B. McElwaine
Consulting Mining Geologist
Little Rock, Arkansas
October 12, 1951

SCHEDULE "A" PAYROLL SHEET SEPTEMBER 1951

NAME	DUTY	HOURS	RATE	WAGES
1. John C. Helms	SURFACE	69.5	.75	$ 52.13
2. Tom Arms	Surface	16	.75	12.00
3. Ollie Jester	Surface	46.5	.75	36.38
4. Charley Mitchell	Miner	44.5	1.875	83.44
5. J. E. Manning	Superintendent	52.5	3.125	164.06
6. Carl Watkins	Surface	8.5	.75	6.38
TOTAL		239.0		$354.39

Employers Soc. Sec. Cont.	5.37
Arkansas Unemp. Comp.	9.60
	$369.36
Total Wages	+ Cons. Stat. 4/4 $73 300.00 O.C.E.

SCHEDULE "B"

1.	Crab	$ 15.00
2.	300' 1" pipe	6.00
3.	Roller Bearing Sheave	1.00
4.	Chain Hoist	5.00
5.	Light plant	50.00
6.	2 fire extinguishers	1.00
7.	Tackle Block	1.00
8.	Pipe vise	.50
9.	5 Brass Globe Valves	1.00
10.	Electric Drill	5.00
11.	300' 2" pipe	9.00
12.	Rail	10.00
13.	Freight	66.05
Total		$ 172.55

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3] Schedule A	369.36					
5. Supervision Geologist	356.56					
6. Supplies						
(a) Timber	381.34					
(b) Explosives						
(c) Repair Parts						
(d) Other Misc.	304.81					
7. Power						
8. Transportation Truck ex.	65.05					
9. Insurance						
(a) Fire						
(b) Public Liability	118.65					
(c) Workmen's Compensation	76.20					
10. Contract Work						
11. Other (specify)						
Truck Repair	5.00					
Sumpter Gas	1.25					
Grading & Full-Dozer around Line	100.00					
12. General & Adm.	160.42					
Total	3,079.69		3,079.69			
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date	3,079.69		3,079.69			

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by Clinton C. Knox
Entered by
Approved by David Gallagher
Amount approved for payment
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF Sept 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes		C.C.K.			C.C.K.					
Overburden	669.36			655.18		C.C.K.				
Rehabilitation and preparation	~~669.36~~	1,069.00	686.15	~~715.77~~	3,079.69	none	none	none	none	
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
		C.C.K.		C.C.K.						
Totals	669.36 ~~669.36~~	1,069.00	686.15	655.18 ~~715.77~~	3,079.69	C.C.K.				

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

[X] Audited

[ ] Certified

WORK ANALYSIS SHEET - DMEA PROJECTS

Analysis as of Nov. 15 1956
Incl. Voucher for Dec., 1951

[X] Actual Cost

[ ] Agreed Unit Costs

Name Ashley J. Gold and Joe Gold

Docket No. 1324

State Arkansas

Commodity Antimony

Idm-E No. 108

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	130	$ 3417.27	—	—	—
Raising					
Shafts					
Winzes					
Drilling (Specify) Diamond core	600	1,750.00	—	—	—
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased		1,064.36		1,064.36	488.90
Surface Rehabilitation & Repairs					
Underground Rehabilitation		10,681.37		10,681.37	10,681.37
New Building, Improvements, etc.					
Other (Specify)					
Totals		$ 16,913.00		$ 11,745.73	$ 11,170.27

Prepared by Michael Ching

71626

C O P Y

February 11, 1955

Memorandum

To: Jay L. Chambers, Chief
Contract Adm. & Audit Division

From: Ernest Wm. Ellis, Chief
Rare & Miscellaneous Metals Division

Subject: Completed contracts - no discovery made

We have checked the attached list of contracts prepared by Mrs. Alley of your Division. It is not our intention to write "completion" letters to the Operators on these particular contracts, although in each instance the exploration work was unsuccessful, for the reason that the work was completed sometime prior to the adoption of the procedure to prepare final letters to the Operators.

/s/ Ernest Wm. Ellis

1-26-55

Rare and Miscellaneous Metals

Completed contracts on which certification or a closing letter of no discovery has not been issued.

Docket No.	Contract No.	Operator
1131	104	Sierra Copper Company
1324	108	Ashley J. Gold and Joe Gold
1514	112	Maravillas Minerals Company
1348	123	Elkhorn Mining Company
979	132	G. O. P. Antimony
1215	142	Compton I. White
1660	148	Oscar Svensson
1535	169	Columbia Mining Company
2013	215	Amador Mining Company
527	232	Yucca Mining & Milling Co.
1429	269	J. Walter Duncan, Jr.
1232	276	Alaska Copper Corporation

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RECLAIM INVOICE
Ashley J. & Joe Gold
Docket No. DMA 1324X
Contract No. Idm-E-108

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 13 1952

---

(1)	Original Cost of Truck	$852.00		
	Less: Operator's December 1951 offer per attached explanation	575.46		
	Amount of original claim for truck		$276.54	
	Original Cost of Truck.	852.00		
	Less: amount truck actually sold for in March of 1952.	700.00		
	Amount allowed on truck		152.00	
	Amount disallowed on truck.			$124.54
(2)	Gross amount of materials actually purchased from Gold Supply Co.	798.97		
	Less: cash payment on Gold Supply Co. account . .	500.00		
	Amount disallowed: representing materials sold to Gold Supply Co. and credited as payment on account			298.97

TOTAL GROSS AMOUNT DISALLOWED - - - - - - - - - - - - - - - - - -	$423.51
Less: Operator's 25% contribution	105.88
TOTAL NET AMOUNT DISALLOWED AND RECLAIMED AS JUST- - - - - - -	317.63

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

28 April 1952 Ashley J. and Joe Gold

Per: /s/ Ashley J. Gold Title: partner

C
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EQUITY ANALYSIS

* * *

Pickup Truck Cost	$852.00
Less	80%
	681.60
$681.60 depreciated by ratio of 9,363 actual miles as of December 1951 to 60,000 miles	106.14
	$575.46

* * *

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION VI

OFFICE OF
REGIONAL DIRECTOR

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 13 1952

ROOM 814 BARFIELD BUILDING
AMARILLO, TEXAS

November 10, 1952

E. D. Talbert
Defense Minerals Exploration Administration
Washington 25, D. C.

Dear Mr. Talbert:

In accordance with your request, there is attached a copy of the Reclaim Invoice from Ashley J. and Joe Gold.

This invoice was certified for payment on July 22, 1952, in the amount of $317.63 on Schedule No. DMEA 6.-35. Treasury Check No. 19421933 was issued by the Disbursing Officer on July 28, 1952, D.O. Voucher No. 7273.

I enjoyed my visit with you in Washington, and I know that it will be of benefit to me.

Yours very truly,

Ray C. Jonas

Ray C. Jonas, Chief
Budget and Finance Branch
Region VI

Attachment

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Joplin, Missouri
July 18, 1952

Mr. Jay L. Chambers, Chief
Contract Administration and Audit
Division
Defense Minerals Exploration
Administration
U. S. Department of Interior
Washington 25, D. C.

Re: Docket DMA-1324X
Contract Idm-E108
Ashley J. and Joe Gold

Dear Mr. Chambers:

The Report of Review forwarded to me with your letter of July 16, 1952 has been examined and found acceptable.

As instructed, I have today sent the original and one copy to Mr. Ray C. Jonas, regional Finance Officer, together with a carbon copy of your letter, and one copy of the Report of Review is being retained for my file.

Sincerely yours,

David Gallagher

David Gallagher
Executive Officer
DMEA Field Team, Region VI

/jd

cc: Ray C. Jonas

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUL 31 1952

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

xxxxxxxxxxxxxxx
Joplin, Missouri
July 18, 1952

Mr. Ray C. Jonas, Chief
Budget and Finance Branch
Region VI
U. S. Bureau of Mines
814 Barfield Building
Amarillo, Texas

Re: Docket DMA-1324X
Contract Idm-E108
Ashley J. and Joe Gold

Dear Ray:

Transmitted herewith is the original and one copy of a Report of Review being forwarded to you in accordance with the instructions in the letter of July 16, 1952 from Mr. Chambers, a copy of which is attached.

Sincerely yours,

David Gallagher
Executive Officer
DMEA Field Team, Region VI

/jd
Enc.

cc: J. L. Chambers

FILE COPY
SURNAME:
800

Talbert
Chambers

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

JUL 16 1952

Mr. David Gallagher
Executive Officer
DMEA Field Team, Region VI
221 West 3rd Street
Joplin, Missouri

Dear Mr. Gallagher:

By letter dated June 25, 1952 from Mr. R. C. Jonas, DMEA Finance Officer for your region, this Division was requested to issue a Report of Review covering Contract Idm-E108, Docket DMA-1324X, with Ashley J. and Joe Gold.

As a result of a review of the monthly reports submitted by the Operator, an analysis of the costs claimed therein and discussions with you and Mr. Jonas, we have been able to issue a Report of Review, the original and two copies of which are enclosed herewith. If this Report is acceptable to you please forward the original and one copy to Mr. Jonas, retaining one copy for your files. Mr. Jonas should attach the original to the copy of the contract and the copy to his final MF-104.

Sincerely yours,

(Signed) J. L. Chambers

P.N. 9-16-52

Jay L. Chambers, Chief
Contract Administration and
Audit Division

Enclosure

EDTalbert/wb
July 14, 1952

Copy to: Admr. Reading File
Mails & Files
Mr. Jonas
Mr. Chambers

1-1027
(April 1946)

UNITED STATES
DEPARTMENT OF THE INTERIOR

AGENCY BUREAU OF MINES

Originator: RAY C. JONAS

TELETYPE

Ext.: Room:

Appro.:
Date:
Time:
No.:
To:

AMARILLO, TEXAS JULY 11, 1952

J. L. CHAMBERS, CHIEF
CONTRACT ADM. AND AUDIT DIVISION DMEA
BUREAU OF MINES
WASHINGTON, EXXD D. C.

Subject:

RETT. 7-10. DEC. -FINAL- REPORT MS-104. ASHLEY J. AND JOE

GOLD. DOCKET 1324X PAID APRIL 16, 1952 AMOUNT $617.65

ASSIGNED VOUCHER NO. DMA 6.--24.

RAY C. JONAS

COPY TO: DAVID GALLAGHER
DMEA OFFICE
JOPLIN, MO.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 16 1952

Authorized:

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

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

FILE COPY
SURNAME:

Talbert

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

n.s. in R. & R.

D. M. E. A.

E. D. Talbert
3461 2612

14X3923.970 Working Fund, DMEA
July 10, 1952

Mr. Ray C. Jones, DMEA Finance Officer, Bureau of Mines
214 Barfield Building, Amarillo, Texas

Re Docket DMEA-1324X, Contract Idm-E108, Ashley J. & Joe Gold.

Mr. Gallagher advises that he has been holding December MF-104 pending notice of certification from you. This office understood that payment had been made since Gold had presented claim for deductions made by you. Please advise. If payment has been made furnish date and amount of payment and your administrative voucher number.

(Signed) E. D. Talbert

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

EDTalbert/wb
July 10, 1952

Copies to: DMEA Mails & Files
Admr. Reading File
Mr. Chambers

SENT
RA
JUL 10 1952
Clerical Service Section

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Joplin, Missouri
July 7, 1952

Mr. E. D. Talbert
Assistant Chief
Contract Administration
and Audit Division
Defense Minerals Exploration
Administration
Washington 25, D. C.

Re: Docket No. DMA-1324X
Contract Idm-E108
Ashley J. & Joe Gold

Dear Mr. Talbert:

As you request in your letter of July 2, 1952, transmitted herewith are the two Washington copies of the final (December) MF-104 under this contract. We have, as usual, been holding these pending notice of certification from Ray C. Jonas. Obviously, as the matter requires settlement by your office, it is best that these copies be forwarded to you now. However, the voucher number and amount have, of course, not been entered. When those numbers are available, we would appreciate being advised of them, so that we can enter them in our file copy.

No, none of my records indicate that I "definitely accepted" Mr. Gold's offer for the truck. I am somewhat puzzled by your raising the question. I know of no regulation or instruction that the Field Team Executive has either the responsibility or the authority to "definitely accept" such an offer. I thought that that was up to the Finance Officer, Ray C. Jonas.

Inasmuch as many instances and much correspondence indicate that Mr. Jonas considers my signature on an MF-104 to be quite meaningless, and ~~so~~ as he has recently even queried the authenticity of carbon copies I have sent him, I doubt very much if any "definite acceptance" by me would be of interest to him.

As explained in my letter of June 12 to Mr. Chambers, Gold made an offer that is higher than three other written cash offers. The offer seems reasonable to me inasmuch as it is calculated, as I instructed Gold to do, on the basis of the Government formula of 80 percent of the purchase price depreciated on a 60,000-mile basis.

As I approve Gold's purchase of the truck, I will be glad to issue a formal "definite acceptance" if you wish and if you will kindly advise me of the desirable form for such a "definite acceptance."

Defense Minerals Administration
RECEIVED
JUL 9 1952

Sincerely yours,

David Gallagher

David Gallagher
Executive Officer
DMEA Field Team, Region VI

/jd

FILE COPY
SURNAME:
$00

Talbert

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

JUL 2 1952

Mr. David Gallagher
Executive Officer
DMEA Field Team, Region VI
221 West 3rd Street
Joplin, Missouri

Re: DMEA Docket 1324X
Contract Idm-E108
Ashley J. & Joe Gold

Dear Mr. Gallagher:

This office has recently received a letter dated June 25, 1952 from Mr. Jonas, requesting that we issue a Report of Review covering the payments under the above contract. I believe a copy of this letter was forwarded to you by Mr. Jonas.

Before we can undertake the issuance of a Report of Review, it is necessary that we have the final MF-104 under this contract. There is no record of receipt of the two copies required by the Washington Office. Please furnish at once.

We would also appreciate receiving from you advice as to whether you definitely accepted Mr. Gold's offer for the truck. In your letter of June 12 you furnished us with all the information that is required relative to the disposal of the minor equipment items. However, it does not appear that you have furnished us with the information that you definitely accepted Mr. Gold's offer. Your prompt reply would be appreciated.

Sincerely yours,

J.N. 7-2-52

(Signed) E. D. Talbert

E. D. Talbert
Assistant Chief, Contract
Administration and Audit Division

EDTablert/wb
July 2, 1952

Copy to: Mails & Files
Admr. Reading File
Mr. Jonas
Mr. Chambers

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Joplin, Missouri
July 2, 1952

Re: Docket DMA-1324X
Contract Idm-E108 (Antimony)
Ashley J. Gold

Memo:

To: Operating Committee, DMEA

From: David Gallagher, Executive, Field Team Region VI

Subject: Justification for Unnumbered Amendment dated Oct. 25, 1951

The original Exhibit A proved to be unworkable because it failed to specify exactly and in detail every item of expenditure and the Finance Officer consequently would not pass the MF-104 account.

This Amendment was drawn to permit attaching as a part of the contract a detailed list specifying each item of expenditure.

The list as originally drawn by us allowed some "contingency" leaway and was submitted to the operator for his concurrence and approval. He revised the list to better suit himself and in doing so used up the money allotted to contingency items by reallotting it to specific items.

The Amendment was drawn solely in an attempt to satisfy the Finance Officer.

David Gallagher

David Gallagher

/jd
cc: Ray C. Jonas

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 7 - 1952

Original

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Joplin, Missouri
July 2, 1952

Re: Docket DMA-1324X
Contract Idm-E108(Antimony)
Ashley J. Gold

Memo:

To: Operating Committee, DMEA

From: David Gallagher, Executive, Field Team Region VI

Subject: Justification for Unnumbered Amendment dated Nov. 1, 1951

The previous Amendment dated October 25, 1951 proved to be unworkable because (1) the operator persisted in spending money other than as specified in it, and (2) the Finance Officer therefore persisted in refusing to certify the account.

The list attached to the Oct. 25 Amendment specified rental of a compressor for 1 month @ $300.. The operator rented the compressor for 1½ months @ $300 equals $450. Similarly the drifter and jackhammer did not conform exactly to the list.

In the belief that these items were normal and necessary expenditures in order to carry out the objectives and intent of the contract the Field Team issued the Amendment of Nov. 1 which amended the list attached to the Amendment of October 25.

David Gallagher

David Gallagher

/jd
cc: Ray C. Jonas

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 7 - 1952

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Joplin, Missouri
July 2, 1952

Re: Docket DMA-1324X
Contract Idm-E108(Antimony)
Ashley J. Gold

Memo:

To: Operating Committee, DMEA

From: David Gallagher, Executive, Field Team Region VI

Subject: Justification for Unnumbered Amendment dated Dec. 3, 1951 to Amendment dated Oct. 25, 1951.

DMA Circular Letter No. 8 dated August 13, 1951 and received in this office on August 23, 1951 (the day after the Executive Officer of the Field Team left for vacation, and the day before the non-participating member of the Field Team sent a delegate to take over) was unearthed from the files on January 15, 1952 and the Field Team first learned on that datethat some instructions on how to draw an amendment had been issued.

In compliance with these instructions, the Amendment dated December 3, 1951 was issued retroactively to add to the Amendment dated October 25, 1951 the required paragraph stipulating that the amendment did not increase the cost to the Government.

David Gallagher

David Gallagher

/jd
cc: Ray C. Jonas

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 7 - 1952

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Joplin, Missouri
July 2, 1952

Re: Docket DMA-1324X
Contract Idm-E108(Antimony)
Ashley J. Gold

Memo:

To: Operating Committee, DMEA

From: David Gallagher, Executive, Field Team Region VI

Subject: Justification for Unnumbered Amendment dated Jan. 15, 1952

The contract was still unworkable despite the attempts reflected in the Amendments of Oct. 25 and Nov. 1 to straighten it out by full, detailed, and rigid specifications.

The problem was discussed personally with the Finance Officer when he visited this office, and with his help, concurrence, and approval, an Amendment dated Jan. 15, 1952 was drawn, cancelling and superseding all previous Amendments.

The Finance Officer was of the opinion, and we concurred that the way to straighten things out was to allow adequate freedom, by contingency items, to carry out the objectives and intent of the contract, rather than to attempt to forsee every item of expense in rigid detail, thereby hampering the operation by too restrictive specifications.

David Gallagher

David Gallagher

/jd
cc: Ray C. Jonas

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 7 - 1952

FILE COPY
SURNAME:

Gordon
Bennett
McKnight
Hewitt

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

June 26, 1951

Memorandum

To: Director, Production Expansion Division

From: Director, Supply Division

Subject: Otto Antimony Mine
DMA docket 1324x

Underdate of May 22, 1951 Ashley J. Gold and Joe Gold submitted the subject exploration project, DMA-1324x, requesting a project in the sum of $16,913.00, with government participation of 75% or $12,684.75. Applicants state they are "prepared to furnish labor, equipment, supplies, and contributions in kind ------ and we can obtain the balance of our share of the costs in cash."

The following factors have been considered and weighed in reviewing this application:

1. Reference MO-5 Section 7 (Criteria)
   (a) Increased domestic antimony production is desirable
   (b) Robert Yates, U.S.G.S., states: "It is a geologic gamble but appears to be a fairly good one." E. T. McKnight, U.S.G.S., states: "I would agree with Yate's geologic appraisal. The sharp angle at which the diamond drilling from the lower level would intersect the vein, seems to be the only objectionable feature."
   (c,d,e,f) Sufficient manpower, equipment and supplies can be obtained locally. Good roads lead to the property and ample water is available. Portable power units will be employed.
   (g) Applicants intend to employ R. B. McElwaine, a competent mining geologist, to direct the work.

2. The ground to be included in the contract is the North Half of the Southeast Quarter and the Northeast Quarter of the Southwest quarter, Section 20, Township 7 South, Range 31 West, Sevier County, Arkansas. There are no liens nor encumbrances held against it. It is held by A. J. Gold and Joe Gold, Co-owners.

3. The project can be completed within three months from date of approval, including a period of sixteen days to obtain and install necessary equipment, etc.

DMA 1324

856

4. The project consists of:
   1. Dewatering the mine workings and reconditioning the 230 foot shaft.
   2. Approximately 100 feet of drifting and 30 feet of crosscutting from near shaft bottom.
   3. 600 feet of AX diamond-drill hole. (Estimated 10 holes averaging 60 feet each).
   4. Evaluation of results and engineer's report on same to SMA.

5.

5. Estimated Costs are as follows:

(a)	Items 1 and 2, above	$13,278.00
(b)	600 feet AX diamond-drillhole	1,750.00
(c)	Mine service and supervision for (b)	1,135.00
(d)	Engineering for (b)	750.00
	Total cost	$16,913.00

Note: Insufficient data available for a detailed breakdown between rehabilitation and lateral exploration; roughly, rehabilitation will cost about $10,000 and laterals, about $3,000. Request field team to control this.

It is therefore recommended that the Production Expansion Division negotiate a formal contract which will permit the applicants to undertake the following specific exploration:

1. Dewater the mine workings and recondition the shaft.
2. Drift and crosscut to a total distance of 130 feet.
3. Contract or otherwise drill 600 feet of AX diamond-drill holes.
4. Sample and log holes in detail.
5. Final report to SMA to be presented by applicant, showing results of work, logs, position of all test openings and complete assay data.

Tom Lyon

Tom Lyon, Director
Supply Division

Recommendation approved.
Production Expansion Division

WBourret/mh
cc: Adm. Read. File
Strobel
Lyon
McKnight
Bourret
Field Team,
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION VI

OFFICE OF
REGIONAL DIRECTOR

ROOM 814 BARFIELD BUILDING
AMARILLO, TEXAS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 1 1952

June 25, 1952

Mr. J. L. Chambers
Chief, Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: D M E A Docket 1324X
Contract Idm-E108
Ashley J. & Joe Gold

Through: Regional Director

Dear Mr. Chambers:

This is in reply to your letter of June 9, 1952, on the reference subject which was received in my absence and which has been discussed with the Administrative Assistant and Regional Director, Region VI.

The last paragraph of your letter indicates that you are asking me to reconsider my findings as expressed in my letter of May 21, 1952. My findings in the letter and the tabulation accompanying it were based upon fact and cannot be reconsidered. My findings as expressed in my letter of May 21, 1952, and the tabulation accompanying it resulted in my disallowing a portion of the final billings under the contract as submitted by Ashley J. & Joe Gold until a decision could be reached concerning the propriety of the payment as determined by your office from a review of the complete case at hand.

In the penultimate paragraph of your letter of June 9, it is indicated that you now have additional information given your office by Mr. Gallagher by telephone on June 5, 1952 which you did not have previously. It is indicated that this information has altered or changed your thinking in the case.

In view of our several letters of communication in connection with the reference contract and the information we have given you and the information you have received from Mr. Gallagher, we are requesting a "Report of Review" by your office as outlined in DMEA Circular #19, Supplement #3, dated June 16, 1952.

Upon receipt of the "Report of Review", signed by an auditor of your office, with substantiating justification for final payment in the amount claimed, the reclaim invoice of the contractors (Ashley J. & Joe Gold) will be considered for prompt payment

Very truly yours,

Ray C. Jonas

Ray C. Jonas, Chief
Budget and Finance Branch
Region VI

Copy for: David Gallagher
Joplin, Missouri

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Joplin, Missouri
June 12, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 16 1952

Mr. Jay L. Chambers, Chief
Contract Administration and
Audit Division
Defense Minerals Exploration
Administration
Washington 25, D. C.

Re: Docket DMA 1324X
Contract Idm-E108
Ashley J. & Joe Gold

Dear Mr. Chambers:

I submit the following in compliance with your request of June 10, 1952.

On December 24, 1951 Ashley J. Gold wrote to me asking about salvage of the truck and a few small items. On December 26, 1951 I wrote to him that "all the items you mention except the truck are items that cost less than $50.00 each. You will note that Article 7 of Contract Form MF-200 implies that salvage.....applies only to items costing more than $50.00 each. It, therefore, seems unnecessary for me, on behalf of the Government, to waive the Government's interest in these items in writing. They can be written off as expendable items....."

In a letter dated January 31, 1952 Ray C. Jonas queried the operator's authority to terminate the contract and advocated the application to his case in regard to salvage of procedures first promulgated in DMEA Circular No. 10 dated January 2, 1952. He requested that Gold supply copies of offers to purchase the truck.

On Feburary 7, 1952 I wrote Jonas that the operator had not terminated the contract -- I had terminated the contract under my authority (Secretary's Order No. 2653 and paragraph 15 of Circular Letter No. 8) in accordance with MF-200 Article 17 (c). I further expressed my belief that Circular No. 10 dated January 2, 1952 was not intended to be applied retroactively and was inapplicable because of my letter of December 26, 1951 to Gold.

Jonas concurred generally in a reply to me dated February 11, 1952 but repeated his request for bids on the truck. Therefore, on February 13, 1952 I asked Gold to supply two or three written bids on the truck. Gold supplied me on February 15, 1952 with three written cash offers for the truck, all of which were less than the amount Gold himself offered. On February 18, 1952 I forwarded these documents to Jonas.

Sincerely yours,

David Gallagher

David Gallagher

/jd

FILE COPY
SURNAME:
800

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

JUN 10 1952

Mr. David Gallagher
Executive Officer
DMEA Field Team, Region VI
221 West 3rd Street
Joplin, Missouri

Re: DMEA Docket 1324X
Contract Idm-E108
Ashley J. & Joe Gold

Dear Mr. Gallagher:

In our telephone conversation of June 5, 1951, you stated that you made the determination that Ashley J. & Joe Gold had purchased the truck bought for project Idm-E108 as the highest of three bidders. You also said that you had determined any letter to the Golds that the material left on the project could be considered costs to the project so far as the Government is concerned.

On the basis of this telephone conversation, I have made a determination that the suspensions in the amount of $298.97 and $124.54 for materials and truck, respectively, could not be sustained and the General Accounting Office has agreed with my determination. Mr. Ray C. Jonas has been so informed. I would like to have, however, a letter from you to the effect that you considered the truck sold to Gold and that the material had been determined to be costs to the project.

Sincerely yours,

(Signed) J. L. Chambers

J.N. 6-10-52

Jay L. Chambers, Chief
Contract Administration and
Audit Division

JLChambers/wb
June 10, 1952

Copy to: Admr. Reading File
Mails & Files
Mr. Chambers

6/13/52

IN REPLY REFER TO:

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

~~Mr. Ellis~~
~~Mr. Keller~~
Contract file
Idm-E108
Copy sent to Mails
& files for docket

June 10, 1952

Re: DMA-1324

Memorandum

To: Mr. E. Wm. Ellis, DMEA

From: Erwin J. Lyons, USGS

Subject: Termination of contract Idm-E108 (Docket DMA-1324), Otto Antimony Mine, Sevier County, Arkansas.

The final report on exploration project DMA-1324 (Contract Idm-E108), the Otto Antimony mine, Sevier County, Arkansas, by Robert B. McElwaine, consultant for the applicant, has been received.

Mr. McElwaine, in the early part of December, 1951, recommended to the applicant that the project be terminated because in his opinion there was no possibility of uncovering a minable deposit of stibnite. David Gallagher, Executive Officer, Region VI, in a memorandum of April 23, 1952 to the Operating Committee, agreed with McElwaine and notified the applicant of termination of the contract.

The present reviewer concurs with the field team. No certification is recommended.

Erwin J. Lyons
Erwin J. Lyons
Geologist

OK

FILE COPY
SURNAME:

800

Chambers

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

Mr. Ray C. Jonas
Finance Officer
Bureau of Mines
214 Barfield Building
Amarillo, Texas

JUN 9 1952

Re: DMEA Docket 1324X
Contract Idm-E108
Ashley J. & Joe Gold

Dear Mr. Jonas:

This is in reply to your letter of May 21, 1952 submitting your findings on your audit of Contract Idm-E108 with Ashley J. & Joe Gold.

Your suspensions of $298.97 on supplies and $124.54 on the automobile, raises the question as to what is the basis on which suspensions may be made on DMEA contracts. The basic law provides that the Government shall encourage exploration for new mineral resources and authorizes certain funds for the purpose. There are no qualifying phrases as to how the Government shall exercise this function. Therefore, suspensions will be made by DMEA or the General Accounting Office solely on two things as follows: regulations of the DMEA including contract interpretations and the obtaining of monies from the Government through false reports or other criminal actions.

In case of the materials and equipment disposition, your audit does not disclose so far as I have been informed that any of the equipment items left on the project cost in excess of $50.00 each. The General Counsel of the DMEA has ruled that under our contracts the Government considers equipment items of $50.00 and under expendable. In this connection see DMEA Circular 10, Supplement No. 1, dated May 19, 1952.

In the case at hand I admit that the contractor may not have given the Executive Officer complete information about the material left on hand and its saleability. The Government, however, has taken the position in any number of DMEA cases that ordinarily it will cost more to dispose of materials and low-priced equipment items than the Government would get out of a sale of them. We might also say that the Executive Officer ruled in this particular case that the Government had no particular interest in the equipment and materials on hand and that "they can be written off as expendable items that have been expended during the prosecution of the work." (See Mr. Gallagher's letter of December 26, 1951.)

The Executive Officer is supposed to base his conclusions largely upon the reports of the engineers and his own general knowledge of the project situation. Therefore, I consider Mr. Gallagher's letter of December 26, 1951, as setting forth the Government's position with respect to the property disposition under this contract.

On the other hand if you have any evidence that some of the material included in the $298.97 of excepted items had never been used on the project, they of course would not necessarily be included in Mr. Gallagher's determination of December 26, 1951.

In the case of the truck, the Executive Officer takes the position that three bids were obtained and that the Operator was the highest bidder when he accepted the Government's formula for determining a fair price. This price according to bids in your files was $50.00 and $75.00 higher than the other offers. The Executive Officer accepted the Operator's offer when he signed the MF-104 reflecting the sale.

It is doubtless true that the Operator made a slight profit on the resale of the truck, but this does not in any way alter the fact that the Executive Officer sold the vehicle. Moreover, the suspended amounts include the costs of sales such as putting the article in saleable condition, and are not net to the Operator.

If you have evidence that there was collusion on the part of anyone representing the Government in either case, then punitive action is in order. Otherwise, it appears that the suspensions are n not in order.

When Mr. Talbert wrote to you under date of May 15, 1952, he did not have information given this office by Mr. Gallagher, the Executive Officer, by telephone on June 5, 1952. Mr. Talbert agrees with the contents of this letter.

This letter has been informally discussed with representatives of the General Accounting Office in charge of the audit of accounts of the Interior Department, and they have no objections to its conclusions. Therefore, I am asking you to reconsider your findings as expressed in your letter of May 21, 1952.

Sincerely yours,

(Signed) J. L. Chambers

6/9

Jay L. Chambers, Chief
Contract Administration and
Audit Division

JLChambers/wb
June 6, 1952

Copy to: Mails & Files
Admr. Reading File
Mr. Hofflund
Mr. Chambers

DMA-1324 X

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Joplin, Mo.

May 24, 1951

Mr. Ashley J. Gold,
Suite 8, Old Commercial Building,
Texas and Market Streets,
Shreveport, Louisiana.

Dear Mr. Gold:

This is to acknowledge receipt of your exploration application on stibnite in Sevier County, Arkansas. I have read over your application and the excellent report by Mr. McElwaine, and as these are in good order I am forwarding them tonight to Washington.

Very truly yours,

David Gallagher

cc: Defense Minerals Administration,
Dept. of Interior,
Washington 25, D. C.

R. B. McElwaine,
620 Rector Bldg.
Little Rock, Ark.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION VI

OFFICE OF
REGIONAL DIRECTOR

ROOM 814 BARFIELD BUILDING
AMARILLO, TEXAS

May 21, 1952

Re: DMEA Docket 1324X
Contract Idm-E108
Ashley J. & Joe Gold

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 26 1952

Mr. J. L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Dear Mr. Chambers:

We have your letter of May 15, 1952 as signed by E. D. Tolbert for you on the reference subject.

I am extremely sorry that I did not make myself clear in connection with the sum of $298.97 disallowed on the purchase of materials and supplies as claimed by the final billing in connection with the reference contract by Ashley J. & Joe Gold. I might have led you to believe that the materials were purchased in connection with the contract and paid for as agreed. This was not the case. As indicated in my memorandum of April 3, 1952 to the Regional Director and the tabulation attached thereto, materials and supplies were purchased for use in connection with the exploration contract for the duration of the contract. The sum finally amounted to $798.97. Ashley J. & Joe Gold issued a check in the amount of $500 which, together with the return of the materials and supplies in the amount of $298.97, liquidated the claim. The transaction represented an expenditure of only $500. If the claim for the $298.97 is allowed to stand, and the government pays the contractor the 75% of this amount, it will represent a net profit to the contractor over and above the 75% of the allowable cost in connection with the contract.

According to our figures, the contractor actually spent a net amount of $10,746.76 in connection with this contract. Seventy-five per cent of this amount, or the contract participation, is $8,060.07. Any amount in excess of the $8,060.07 represents out-of-pocket cash by the government in excess of the terms of the contract.

The statements above and as found in our memorandum to the Regional Director, dated April 3, 1952, are true and the result of an on-site audit of the records and circumstances surrounding

the case.

I was unable to verify a bona-fide cash payment for the materials in question of $798.97 but only for a $500.00 payment. That figure, $500.00, becomes the basic one.

If you still feel that settlement should be made on the basis of $798.97, it will be necessary in the interest of protecting myself from a disallowance by the General Accounting Office to submit the account for preaudit by them.

We are resubmitting for your further information the letter from Ashley J. Gold and his invoice together with our memorandum of April 3, 1952 to the Regional Director.

Any further comments you might have will be appreciated.

Very truly yours,

Ray C. Jonas

Ray C. Jonas, Chief
Budget and Finance Branch
Region VI

Enclosures

Copy to: Kenfield Bailey

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

Mr. Ray C. Jones
Finance Officer
Bureau of Mines
214 Barfield Building
Amarillo, Texas

Re: DMA Docket 1324X
Contract Idm-E108
Ashley J. & Joe Gold

Dear Mr. Jones:

The reclaim invoice in the amount of $317.63, together with a letter dated April 28, 1952 from Ashley J. Gold and a pertinent affidavit, which you transmitted to the Chief, Budget and Finance Branch, Bureau of Mines, by memorandum dated May 2, 1952 has been referred to this Division for consideration.

The reclaim voucher is for two items:

(1) the sum of $124.54 disallowed on the purchase of a truck, and

(2) the sum of $298.97 disallowed on the purchase of materials and supplies.

The Operator's interest in these two disallowances is 75%, or the sum of $317.63, which is the amount now claimed.

The disallowance with respect to the truck is proper and should stand. The disallowance with respect to the materials and supplies is a violation of the terms of the contract and should be rescinded and the Operator paid accordingly.

The only representation which the Operator makes with respect to the truck is that he advised Mr. Gallagher that he wished to purchase it himself, and that pursuant to Mr. Gallagher's suggestion he submitted a purchase price in the amount of $575.46 "... as part of my final December 1951 accounting". It is plain that the mere submission of such a proposal was not sufficient to transfer the Government's interest in the truck to the Operator, and that nothing less than the final settlement and payment of the voucher could accomplish such a transfer. Until the transfer was accomplished, the Operator

was bound to use his best efforts to dispose of the truck to the best possible advantage of the Government. It follows that the final purchase price received for the truck, $700.00 net, should be for the joint account of the Operator and the Government.

The contract form provides that: "All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions...." (Article 7). The contract also provides (Article 17) that the Operator "...shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests..." These two provisions are to be read together, the result being that the Government does not claim any interest in remaining individual items of equipment the original cost of which was $50 or less, or in remaining unexpended materials or supplies the remaining unexpended portion of which did not cost more than $50. Under this interpretation it is plain that the disallowance with respect to materials and supplies was erroneous, and should be corrected.

There is now pending and will shortly be published and distributed a Supplement No. 1 to DMFA Circular 10 "Disposition of Property" which will state the rule more specifically with respect to the disposition of such property.

All documents submitted with your memorandum of May 2, 1952 are returned herewith.

Sincerely yours,

(Signed) E. D. Talbert

Jay L. Chambers, Chief
Contract Administration and
Audit Division

Attachment

EDTalbert/wb
May 14, 1952

Rewritten: JLHofflund/wb
May 14, 1952

Copy to: Admr. Reading File
Mails & Files
Mr. Hofflund
Mr. Chambers

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

800

Memorandum

May 13, 1952

To: Mr. J. L. Hoffland
Chief Counsel

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: Claim of Ashley J. & Joe Gold Under Docket 1324X
Contract Idm-E108

Attached is a claim from Ashley J. Gold requesting payment for certain disallowances taken in the settlement of his account. This claim was presented to the DMA Finance Officer for Region VI and forwarded by him through the Chief, Budget and Finance Branch, Bureau of Mines, by memorandum dated May 2, 1952, which is also attached.

Enclosed also is a draft of a proposed reply to the Regional Finance Officer. Since this claim involves several points of legal interpretation of the contract terms relating to the disposition of property, and possibly may become a precedent in policy determination, your comments and suggestions would be appreciated.

The draft of the proposed reply was prepared prior to our discussion of this date on the construction to be placed upon Articles 7 and 17 of the old contract form and Articles 11 and 12 of the new long-form contract. Therefore, please do not hesitate in revising or rewriting to bring the proposed action in conformance with the Administration's legal and policy determinations on the subject of disposition of property.

Attachments

EDTalbert/wb
May 14, 1952

Copy to: Admr. Reading File
Mails & Files
Chief, Budget & Finance Br, Bu Mines
Mr. Chambers

DRAFT 5-13-52

Mr. Ray C. Jonas
Finance Officer
Bureau of Mines
214 Barfield Building
Amarillo, Texas

Re: DMEA Docket 1324X
Contract Idm-E108
Ashley J. & Joe Gold

Dear Mr. Jonas:

The reclaim invoice in the amount of $317.63, together with a letter dated April 28, 1952 from Ashley J. Gold and a pertinent affidavit, which you transmitted to the Chief, Budget and Finance Branch, Bureau of Mines, by memorandum dated May 2, 1952 has been referred to this Division for consideration.

Article 17 of the Exploration Project Contract states, in part that "Upon the completion of the project * * * * the Operator shall render to the Government a full and final accounting of * * * his expenditures of money; shall dispose of any unused materials, supplies and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; * * *" (underscoring supplied). There appears to be no doubt that the intent of this article was to assure to the Government its prorata share of any salvage receipts or credits resulting from the dispostion of items in the acquisition costs of which the Government has contributed.

Mr. Gold has indicated, by quotation from his letter of December 24, 1951 to Mr. Gallagher, that (a) part of the equipment was ruined and had no resale value, (b) many of the small tool and supply items had been lost,

ruined or stolen or had been used and had relatively little resale value; and (c) that the used equipment, tools and supplies on hand are hardly disposable, if at all, for any but a negligible amount. Most certainly the

credit of $298.97 (regardless of whether considered a return for credit or a sale) on a total acquisition cost of $798.97, cannot be considered in the realm of Mr. Gold's description. This is a return of over 37% without taking into consideration the items which were in fact expended, lost or stolen.

In the case of the truck, which was acquired at a cost of $852.00 under the exploration contract, Mr. Gold has presented no evidence that his offer of $575.46 for its purchase by him was accepted by the Government. He merely states that he assumed that his purchase, under a valuation formula suggested by Mr. Gallagher, was final and that he subsequently sold the truck receiving $700.00 as the net proceeds. Since the Government did not accept Mr. Gold's offer as part of his final accounting, it stands that the Government is entitled to its proportionate share of the net salvage proceeds of $700.00.

It is understood that the December MF-104, which represents the Operator's final accounting under this project, was approved and certified for payment in an amount adjusted by the Government's proportionate share of the receipts and credits for the disposition of the property as well as certain other minor disallowances. This approval of the final report, being made after an on-site audit of the Operator's records, constitutes the Administration's acceptance of the indicated disposition of the property.

All documents submitted with your memorandum of May 2, 1952 are returned herewith. It is suggested that Mr. Gold's claim be returned to him administratively disapproved. He should be advised that if he desires to prosecute the matter further, he has the right to present his claim to the Claims Division, General Accounting Office, Washington 25, D. C.

Enclosure

BUDGET & FINANCE BRANCH

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION VI

OFFICE OF
REGIONAL DIRECTOR

ROOM 814 BARFIELD BUILDING
AMARILLO, TEXAS

May 2, 1952

Memorandum

To: Chief, Budget and Finance Branch, Washington, D. C.

From: Chief, Budget and Finance Branch, Region VI

Subject: Reclaim invoice, Ashley J. and Joe Gold

We are attaching hereto for further handling by your office and the office of DMEA a letter dated April 28, 1952 with a reclaim invoice in the amount of $317.63 from Ashley J. Gold.

We are also attaching a copy of our letter of April 3, 1952 to the Regional Director, Region VI, on the subject "On-site audit, Contract No. Idm-E 108, Ashley J. Gold and Joe Gold", and a letter dated April 17, 1952 on the reference subject from David Gallagher, Executive DMEA Field Team, Region VI, to Ashley J. Gold indicating that his opinion in the matter was entirely immaterial. A copy of my memorandum of April 3, 1952 was transmitted to your office sometime ago but we are attaching another copy in order that you may have a complete file before you.

My opinion as a result of the on-site audit on March 26, 27, and 28 is still the same as indicated in the memorandum to the Regional Director, dated April 3, 1952, inasmuch as it is my understanding that the participation by the Government is to be based on an actual incurred expenditure in connection with the reference contract. Should the original claim of Ashley J. Gold and Joe Gold have been allowed to stand it is my opinion that the results would have represented a profit to them on both the sale of the pickup truck and the return of the material for credit. However, since I have indicated my opinion by disallowance as outlined in the memorandum of April 3, 1952, we are transmitting the reclaim invoice to your office for a discussion and opinion by the DMEA.

In the event the DMEA audit staff do not agree with me in the opinion I have expressed in connection with the instant case, it would be appreciated if a decision could be obtained from the Comptroller General with a determination of the amounts which could be properly reclaimed by Ashley J. and Joe Gold.

I shall appreciate hearing from you with any comments you might have to offer.

Ray C. Jonas

Ray C. Jonas

Attachments

BUREAU OF MINES
WASHINGTON, D.C.

MAY 8 2 50 PM '52

STATE OF LOUISIANA:

PARISH OF CADDO:

PERSONALLY BEFORE ME, the undersigned competent authority, a Notary Public in and for the above Parish and State, duly commissioned and qualified, came and appeared Lawrence J. Yago, a resident of Shreveport, Louisiana, who, after being first duly sworn, did depose and say:

That he is General Manager and Bookkeeper of and for the Joe Gold Pipe & Supply Company, Shreveport, Louisiana, and that he was such on February 11, 1952;

That Credit Memo No. 10841 of said Gold Supply Co., dated February 11, 1952 and issued to Ashley J. Gold "Otto Mines" in the sum of $298.97 and designated "M'dse Returned" was drawn and issued by him and was and is a clerical error insofar as said Credit Memo describes the credit as "M'dse Returned".

That said Credit Memo should have described the credit as "Merchandise Purchased and Purchase Price Credited to Account."

That the true and correct basis for said credit was: that Ashley J. Gold "Otto Mines" owed said Joe Gold Pipe & Supply Co. an account for merchandise purchased in the sum of $298.97; that on February 11, 1952 said Ashley J. Gold delivered a truck load of used materials and merchandise to the said Gold Supply Co. who appraised said materials and merchandise and offered $298.97 to purchase same; that said offer of purchase was accepted by said Ashley J. Gold and the agreed purchase price was understood and agreed to be and was credited against the account which said Ashley J. Gold "Otto Mines" owed to the said Gold Supply Co.; that all of the materials and merchandise sold and delivered to the said Gold Supply Co. on February 11, 1952 had been used, and in many instances was merely salvage and was not in any case new prime condition as received by said Ashley J. Gold when purchased from the Joe Gold Pipe & Supply Co. at varying times between August and December of 1951, and inasmuch as same could not be resold as new materials and merchandise there could be no credit for merchandise returned; and that in fact a portion of said materials and merchandise sold by said Ashley J. Gold and the purchase price credited to his account had not been purchased from the Joe Gold Pipe & Supply Co and could not possibly have been credited to the "Ashley J. Gold, 'Otto Mines'" account as "M'dse returned."

Witnesseth:

J. L. Fuller

Ruth Van Hook

Lawrence J. Yago

Lawrence J. Yago

Sworn and subscribed to before me, Notary, this 28 day of April, 1952.

A. H. Bewley, Notary, commission for lif

NARRATIVE FROM REPORT ON TERMINATED CONTRACTS AS OF DECEMBER 31, 1952, SUBMITTED TO THE ADMINISTRATOR JANUARY 9, 1953.

Contract No. Idm-E103
Docket No. DMA-1324X
Contract date: August ~~31~~, 1951
Commodity: Antimony 13
Contractor: Ashley J. and Joe Gold
Location: Sevier County, Arkansas
Contract Amount: $16,913.00
Govt. participation: 75% - $12,684.75
Total spent: ~~$10,746.76~~ 11,170.27 actual Govt. 8,377.70

Subject property was visited on December 6, 1951, by a representative of the Field Team, at which time the pump had broken down and the mine was again flooding. However, the representative was able to inspect sufficient of the underground working to observe that the ore had "bottomed" and, furthermore, that all available ore had been extracted. He advised the Executive Officer on December 8, 1951, that operations should cease. This advice was given in accordance with the Operator's concurrence and operations ceased. The mutual determination to terminate the project was confirmed in writing by letter to the Operator under date of April 23, 1952, the effective date of termination being April 22, 1952.

Of the total amount of the contract, i.e. $16,913.00, the sum of $10,746.76 was spent. There was no equipment purchased under the contract.

This project is a prime example of unwatering and opening up a small property which had previously produced antimony ore but with the chances of discovering any additional ore being quite remote.

April 28, 1952

Mr. Ray C. Jonas, Chief
Budget and Finance Branch
U. S. Department of the Interior
Bureau of Mines, Region VI
Room 814 Parfield Building
Amarillo, Texas

Re: Docket No. DMA 1324X
Contract No. Idm-L-108
Ashley J. & Joe Gold

Dear Mr. Jonas:

This acknowledges your letter of April 23, 1952.

I hereby reclaim two items disallowed by your office with reference to the above captioned matter and this is my letter of justification. You will find enclosed herein an original and three copies of an affidavit by Mr. L. J. Yago and an original and three copies of my reclaim invoice.

The two items disallowed by your office and hereby reclaimed by me are: $298.97, listed as a credit for merchandise returned on the Gold Pipe & Supply Co. account; and, $124.54, which was the difference between my offer for the truck and what I sold it for. I contend that these items are justified for the following reasons:

In connection with the $298.97 credit with Gold Supply Co., I had used tools, equipment and supplies on hand at the conclusions of my operations and wrote Mr. David Gallagher, Chairman, DMA Field Team, Region VI on December 24th, as follows:

> "My records show that I purchased the following equipment: one truck, 2 sinking cans, one [illegible] bucket hook, one comealong, one engine pulley, one 10 foot joint of 4 inch sucktion hose, and one 4 inch foot valve. The suction hose and foot valve were . . . ruined . . . and have no resale value. Many of the small tool and supply items have been lost, ruined or stolen while the balance have been used and therefore have relatively little resale value. Except for the truck, the used equipment, tools and supplies on hand are hardly disposable, if at all, for any but a negligible amount.
> * * *
> If the items not specifically named above are expendible, please so advise me, . . ."

Mr. Gallagher's letter of December 26th advised:

> ". . . all the items you mention except the truck are items that cost less than $50.00 each. You will note that Article 7 of Contract Form NK-200 implies that salvage, and the receipts thereof in proportion to the respective interests of the operator and the Government in the contract, applies only to items costing more than $50.00 each. It, therefore, seems unnecessary for me, on behalf of the Government, to waive the Government's interest in these items in writing. They can be written off as expendable items that have been expended during the prosecution of the work."

Upon the conclusion of the project, I owed the Gold Supply Co. an open account for $798.97 and they made me a lump sum offer for the salvaged tools, equipment and supplies which I had on hand and which were described in my letter of December 24th. I accepted the offer and we agreed to set off that sum against the account which I owed them. This was done and I paid the balance with my check. By clerical error, the bookkeeper, whose affidavit is enclosed herein, issued me a final accounting in the form of a credit memo which showed that the $798.97 account had been paid by "M'dse Returned" in the sum of $298.97 and the balance of $500.00 by check. Of course, the tools, equipment and supplies which I sold the Gold Supply Co. were not "merchandise returned", but, on the contrary, were all salvaged used and second hand materials which could not be returned for credit as "m'dse returned".

If I had sold the lot to another party or if I had paid the account in full with my check and then been paid $298.97 for the materials which I sold the Gold Supply Co., there would be no dispute. As it is I am penalized for a mere clerical error. I feel that after Mr. Gallagher's letter advising me that these materials were expendible, I was justified in paying part of my debt to the Gold Supply Co. by selling them the salvage to reduce my indebtedness to them without the transaction resulting in the disallowance of any part of my claim.

With reference to the truck, I desired to purchase same upon the conclusion of my operations in December of 1951 and I wrote Mr. Gallagher asking how to do so. Mr. Gallagher advised in his letter of December 26th that I should submit a figure based on the formula of 80% of cost

depreciated by the ratio of actual milage to 60,000. I consequently submitted the formula figure of $575.46 as part of my final December 1951 accounting. I later mailed Mr. Gallagher three written offers of purchase which evidenced that my figure was from $50.00 to $75.00 higher than could be obtained on the used car market. Assuming that my purchase of the truck by the formula was final, I sold same during the latter part of March 1952 to an individual user for $700.00. It was my understanding that my figure, which was figured on the milage basis existing in December 1951, was final and fixed by values existing in December 1951 and would not depend on a chance sale made three months later. The fact that the figure submitted by me was predicated on milage existing in December 1951, that I cancelled the public liability and property damage insurance as of December 1951 and credited the Government's account with the full amount of the refund, and that I maintained the truck and spent money for repairs necessary to sell it at no cost to the Government after December 1951, is all evidence of my good faith in the justified belief that the formula figure was concrete and final and that I could dispose of the truck as I saw fit. Certainly, after submitting the formula figure, if I had sold the truck for only $400.00 the Government would not have allowed me a credit for $175.46. I therefore feel justified in claiming the amount disallowed with reference to the truck.

Trusting that you find my views correct. With best personal regards, I am

Sincerely yours,

Ashley J. Gold

ASHLEY J. GOLD

5/15/52 gla.
Notes by Mr. Keller

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

April 23, 1952

APR 24 1952

Memorandum

To: The Operating Committee, DMEA

From: David Gallagher, Executive, Field Team Region VI

Subject: Final report on DMA-1324X, Idm-E108, Otto Antimony mine.

Under the personal supervision of Ashley J. Gold, a lawyer with admittedly no previous mining knowledge or experience, work began in August 1951 on Exploration Project DMA 1324X under Contract Idm-E108 approved August 13, 1951 by Washington independently of this office.

The project was visited and inspected on October 23, 1951 by myself and Verne C. Fryklund, Geologist with the U. S. Geological Survey, and we observed and concluded that the work was progressing as well, and as nearly in accordance with the terms of the contract, as could be expected.

On December 8, 1951 Mr. Robert B. McElwaine, consulting mining geologist for the project, phoned me that he had been able to enter and inspect the mine on December 6, 1951 and said, "if ever I saw the bottom of an ore body, this is it". Observable evidence indicated that all the ore had already been mined out. He added that the pump had broken down and the mine was in the process of flooding up again. He stated that he had recommended to Ashley J. Gold that, on the basis of his underground observations, and conclusions, he recommended that the project be terminated immediately as no further expenditure of money was justified. He accordingly asked my permission to close down the project and wind it up, which I granted on the basis of Article 17 item (c) of the contract. This phone conversation was confirmed in writing by a letter to Ashley J. Gold dated December 10, 1951.

The final report by R. B. McElwaine transmitted to this office under letter dated January 25, 1952, which records the observed geologic and engineering facts, and with which I concur, is hereby accepted by this Field Team, thereby ending the project.

David Gallagher
David Gallagher
Executive
DMEA Field Team, Region VI

Reviewed by
DMEA OPERATING COMMITTEE
5-14-52
(date) (JHB)

DG/lh

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o
p
y

April 7, 1952

Mr. J. L. Chambers, Chief
Contract Administration
Audit Division
Defense Minerals Administration
New Interior Building
Washington 25, D. C.

Dear Jay:

As indicated in our teletype of April 1, 1952 in connection with the site audit of Westmoreland Manganese Corporation, Contract No. Idm-E-139, Ed Waldrop and I have just returned from an on-site audit of the reference contract and also Contract No. Idm-E-8 with the Westmoreland Manganese Corporation, Batesville, Arkansas and the Ashley J. Gold and Joe Gold Contract No. Idm-E-108. Our findings in connection with the on-site audit will be of interest to both you and Ken Bailey to whom I am sending a copy of this letter. Therefore, we are attaching copies of our memoranda to the Regional Director explaining our findings with tabulations attached and a copy of a letter dated April 4, 1952 to Westmoreland Manganese Corporation from myself indicating that we are passing the final payment in the amount of $51.49

I believe the attached memoranda are self-explanatory and will give you a very complete idea of our findings at Batesville and Shreveport, Louisiana.

We have learned one lesson in connection with this audit trip which I believe will be of benefit to us in the future as well as to your office. From our findings on this trip we are of the opinion that no exploration contract should be closed or the final payment made without an on-site audit of the contractor's records. Each of the contractors whom we audited believed that all of the charges submitted to us for payment were proper, yet we found direct violations of the contracts; for example, the use of the bulldozer by the Westmoreland Corporation and a charge per hour for the equipment rather than the charge for the direct expenses in connection with it.

c
o
p
y

I would sincerely appreciate your comments in connection with this audit hoping that we have been of some help to you.

We have not heard from you in connection with the letter you had sent to the General Accounting Office for a decision and would appreciate the information as soon as you receive it.

Yours very truly,

Signed.

Ray C. Jonas

Original - air mail
copy-regular mail

Copy to: Kenfield Bailey, Wash. D. C.

Attachments.

(note) attached audit reports filed in contract file in contract adm. & audit division

JAN 28 1952

ANALYSIS OF OTHER SUPPLIES

FOR SEPTEMBER, OCTOBER

AND NOVEMBER 1951

SEPTEMBER 1951

2-receipt books	$ .20
2-time books	.21
snake bite kit	1.61
2 rolls tarpaper	5.59
nails	4.05
battery	1.16
staging	.60
babbitt	1.00
rope	1.70
2-allen wrenches	.30
50' rope	1.28
time book	.26
crab parts & tools	3.30
nail bar	1.00
oil	.30
5-5/8 cable clamps	1.50
sand and gravel	2.00
file	.25
paint	.25
staging	.45
cement	4.90
drill chuck key	.56
small rail spikes	4.00
Keyhole saw set	1.00
6-½ std wire rope clips	.60
1st aid kit	2.00
2-5 gal. GI gas cans	3.00
30 lbs 1" manila rope	4.50
1 Perto Brace	2.00
1 set auger bits	2.50
4 brass plumb bobs	2.00
2-14" pipe wrenches	4.00
2-24" pipe wrenches	10.00
1-36" pipe wrench	10.00
5-2# ball peen hammers	5.00
2-8# sledge hammers w/hammers	3.00
1-4½# double bit axe w/handles	2.50
2-Hand axes	4.00
1-5' cross cut saw	5.00
1-26"alum level	3.50
1-24" framing square	1.50
1-6" folding rule	.75

ANALYSIS OF OTHER SUPPLIES--SEPTEMBER 1951 CON'T

1-50' steel tape	$ 3.00
2-100' Ext. cords	6.00
12-¼ wire rope clips	.96
6-3/4 cold chisels	2.10
1-set box end wrenches	2.00
2-wire brushes	.40
10-1" std blk mall Tees	2.00
10-2" std blk mall Tees	5.00
10-1" std blk mall ells	1.50
10-2" std blk mall ells	4.00
6-1" std blk G. J. Unions	1.80
6-2" std blk G. J. Unions	3.00
6-½" std blk G. J. Unions	1.20
15-reducers	2.00
42-nipples	4.00
2-water buckets	1.00
6-SHRP shovels	3.60
2-LHRP shovels	2.50
6-miners picks	6.00
1-hack saw frame	1.00
12 hack saw blades	.50
6-files	1.20
1-wood water kep	2.00
3-1" stop cock	1.05
3-2" ditto	3.00
3-3/4 ditto	1.50
2-½ turnbuckles	1.00
2-3/8 ditto	1.00
2-3/4 ditto	1.50
1-3½ pole axe	2.00
50 lbs 1 1/8 manila rope	7.50
2-claw hammers	1.00
2-steel wedges	1.00
80 ft ½ cable	6.40
60# mixed bolts	3.00
24 wire rope clips	5.40
3-kegs, 100#, 30d common nails	25.35
2-kegs, 100#, 30d common nails	25.35
1-kegs, 100#, 40d common nails	
2-3/8 x 14' load chain	13.84
1-½ x 14' load chain	10.90
3 rls friction tape	
1-2 ton 2-30 More Power Puller	28.13
1-#71 expansion bit	
1-#180 24" extension	
1-#100 16/16" bit	& 8.15

SEPTEMBER TOTAL---------- $304.81

JAN 28 1952

ANALYSIS OF OTHER SUPPLIES
FOR SEPTEMBER, OCTOBER
AND NOVEMBER 1951

OCTOBER 1951

ice	$ 1.36
bolts & file	4.15
emery cloth	.52
truck parts	1.75
nails	1.50
carbide	.60
2-55 gal drums	4.00
locks (4)	1.80
allen wrenches	.50
stove & accessories, elect connect. 7 bulbs	6.68
grease gun	3.70
wrench	.15
carbide	12.16
flash light	1.15
lantern	1.85
graphite	1.15
lt. bulbs	.50
light sockets	.36
scrap iron	.35
nails	.60
Radiator solder	1.60
roof plate	.67
nails	.65
stove accessories & roofing	8.26
nails	.55
roofing	8.22
4 sheets galv. iron	8.50
OCTOBER TOTAL	$ 73.28

JAN 28 1952

ANALYSIS OF OTHER SUPPLIES

FOR SEPTEMBER, OCTOBER

AND NOVEMBER, DECEMBER 1951

NOVEMBER 1951

sparkplugs for hoist	$ 2.40
note book	.10
nails & spring	.55
nails	.30
roofing	3.80
sparkplugs	.80
threading nipple	3.50
sparkplugs	3.20
bell cord & staples	1.60
pipe	1.00
screen wire	1.30
bolts	1.64
hoist switch parts	.72
hardware cloth	.90
gas line for lt. plant	.56
Light plant crank	2.90
Light sockets	.82
cutting rail	1.00
pump engine greese tube	.20
pipe nipple	.30
light globes	2.47
clean hoist sparks	.90
light globes	1.75
reducer	.70
pencils	.20
nails	.50
reducer	.50
air hose connections	4.30
reducers	1.26
NOVEMBER 1951 TOTAL	$ 40.17

JAN 28 1952

ANALYSIS OF OTHER SUPPLIES

FOR SEPTEMBER, OCTOBER

NOVEMBER & DECEMBER

DECEMBER 1951

greqse zerk	$ .10
oil line	.79
medecine	.31
lights bulbs	.50
Permoseal	.70
Hdw. clth.	1.95
Lights	4.41
reducer	.30
flowers (death)	1.00
mine light	5.00
shovel repair	.75
DECEMBER TOTAL	$ 15.81

OTTO ANTIMONY MINE

Sevier County, Arkansas

Report On Exploration Project

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 26 1952

Prepared by

Robert B. McIlwaine
Consulting Mining Geologist
Little Rock, Arkansas

January 19, 1952

Reviewed by
DMEA OPERATING COMMITTEE
6-9-52
(date)

OTTO ANTIMONY MINE

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Illustrations	At back

INTRODUCTION

The Otto Antimony Mine in Sevier County, Arkansas was originally opened and developed during the period 1877 to 1883. This was the only period of any significant production although two subsequent attempts were made to open and operate the mine prior to 1951. There have been many local rumors and one supposedly authentic report[1] stating that the mine was originally worked to a depth of 230 feet and was still in good ore. Based upon this information, the very substantial increase in the price of antimony, and the availability of government financial assistance, the owners of the property decided to reopen the mine and explore its possibilities for the production of antimony. A report compiling all of the available information on the property and setting up an estimated cost for proposed exploration was prepared by the writer in May 1951. Mr. Ashley J. Gold of Shreveport, Louisiana is one of the owners of the property and was in charge of the recent operation.

A contract was negotiated with the Defense Minerals Administration for the government to advance 75 percent of an estimated total cost of $16,913.00 to dewater and rehabilitate the mine and do some diamond core drilling to explore for ore below the bottom of the old workings. The project had D.M.A. docket No. 1324-X and the contract No. was Idm-3-108. The work was started in August 1951 and was terminated in December of the same year. This report has been prepared for the operator to comply with government requirements under the contract.

1/ Ashley, George H., Geology of the Paleozoic area of Arkansas south of the novaculite region: Proc. Am. Phil. Soc., vol. 36, No. 155. p.p. 306-308, 1897.

LOCATION

The Arkansas antimony district is located in the north central part of Sevier County in southwest Arkansas. The Otto Mine lies in the NW¼ of the SW¼ of section 20, T 3 S., R 31 W. It is about 3/4 of a mile west of paved U. S. Highway No. 71 and is accessible by an unimproved dirt road. DeQueen, a town of about 5,000 people, lies about eight miles south of the property.

ORE DEPOSITS

General Geology

The only rock outcropping in the vicinity of the stibnite deposits is the Stanley shale formation of lower Pennsylvanian age. It has a maximum stratigraphic thickness of about 6,000 feet. The formation is principally fissile, argillaceous shale with minor amounts of interbedded sandstone and arenaceous shale. The shale is dark grey to black in color and the sandstone is a compact fine grained rock and of a blue-grey color in its unweathered form. The sandstone beds and members have a thickness ranging from an inch or less to 100 feet or more. The usual thickness for individual sandstone beds is from a few to 24 inches, but a few beds six to ten feet in thickness are present. The shale and sandstone both carry minor veinlets of quartz which are generally parallel with the bedding in the normal shale and fill joints and fractures in the sandstone.

The structure of the area is that of highly folded and compressed sediments, occurring as east-west trending parallel syn-

clines and anticlines. Close folding has caused the beds to have steep dips normally bordering on the vertical. The prevalent direction of dip is to the south due to overturning. The shale is frequently so deformed and crumpled that mapping of individual structures is quite difficult. Many slickensides, indicating considerable slippage along the bedding planes, are present.

In this area of highly folded, incompetent sediments major faulting is difficult to perceive although it undoubtedly exists. Widespread evidence of bedding faults is present and this type of faulting probably determined the channels along which mineralizing agents traveled.

Occurence of Deposits

The stibnite is associated with quartz veins. The latter are common throughout much of the Ouachita Mountain area, but it is only in the vicinity of Gillham and Antimony that they are known to be accompanied with the mineral stibnite. The deposits occupy a narrow belt about eight miles in length trending slightly north of east and thus parallel to the folding. Most of the antimony bearing veins follow the bedding planes of the shale and sandstone and thus stand at an attitude of 60 to 90 degrees. Both vertical and horizontal movement is indicated by slickensides along the veins. The thickness of the veins range from a few inches to as much as four feet, but the average is probably about one foot. Most of the gangue is quartz with some angular fragments of shale and sandstone. The orebodies are lenticular and normally have a strike length measured in a few to tens of feet.

The mineralization is epithermal in character and of hydro-

thermal origin and the lenses of ore possibly occur intermittently down the dip as they do along the strike. The stibnite itself is relatively pure and large lenses of it, free of any gangue material, has been found. Varying amounts of associated minerals occur from place to place. Miser[2/] lists these as jamesonite, zinkenite, galena, sphalerite, pyrite, chalcopyrite, siderite and calcite with traces of arsenic, bismuth, cadmium, cobalt, silver and rarely gold.

EXPLORATION

Work was started in August 1951. A headframe was erected and the necessary equipment installed. The top portion of the shaft was caved. This was retimbered and backfilled. The mine was dewatered and the shaft timbering was reconditioned to a depth of 140 feet. This was the depth to which the original shaft timbers extended. Below this point the shaft was in massive sandstone and in a sound and safe condition. The original shaft was 7 feet by 9 feet inside of the timbers. That portion of the shaft from a depth of about 25 feet to 65 feet was cribbed with 2 inch by 6 inch oak lumber inside of the old timbers so as to make the inside diameter of the shaft 5 feet by 7 feet. Below this depth the old timbering was repaired and braced and thus placed in a safe condition.

The lower portion of the shaft from about 90 feet downward was filled with muck and old timbers which had caved in from the top. The shaft was found to be only 173 feet deep instead of 230

2/ Miser, H. D., and Purdue, A. H., Geology of the DeQueen and Caddo Gap quadrangles, Arkansas: U. S. Geol. Survey Bull. 808, p.p. 151-152, 1929.

feet as indicated by old reports and local rumor. A winze of undetermined depth was found to exist in the 173 foot level at a point about 10 feet south of the shaft. (See plate I). Local rumor reported that the winze was 40 feet deep.

The stibnite bearing quartz vein in this mine has evidently been quite thoroughly mined out by the previous operations. Plate V gives a view of the plane of the mined portion of the vein. Apparently little or no ore was recovered from below the 115 foot level. If any ore was recovered from the winze, it is the writers opinion that it was only in the form of small isolated lenses or kidneys occurring at the bottom of a typical epithermal mineral deposit. The floor of the drift around the winze was examined for fragments of stibnite that might have been spilled there in the process of mining any ore out of the winze. None was found. The only mineralization present on the 173 foot level was minor amounts of pyrite in the form of small crystals, a few crystals of sphalerite, possibly some very fine crystals of stibnite, and vein quartz. The quartz occurred principally in lense like form in thicknesses of a few inches along the footwall of a thrust fault occurring at the contact of a massive sandstone member with overriding Stanley shale. The main occurrence of quartz is in a zone about two feet in thickness at the above described contact. The shale is highly distorted and squeezed and deformed as far south of the contact as penetrated by the openings. This was about 33 feet on the 173 foot level. (See plate IV). The distorted shale exposed in the openings at this level contained numerous thin veins of white quartz. No other minerals were observed in association with these thin veins. Plates I, IV, and V show the extent of

the workings and the conditions observed on the 173 foot level. No stibnite was found anywhere on this level except possibly a few very fine crystals in the quartz vein at a point on the east side of the drift at the location of the winze. The specimen containing these crystals was examined with a hand lens underground and they were not positively identified as stibnite. The specimen was lost and thus was not available for subsequent examination.

Plate 111 shows the plan of the 115 foot level. The drift along the vein was blocked by backfill from above so that its exact extent was not determined. The drift extended west only about three feet and revealed the quartz vein but with no ore present.

Plate 11 shows the plan of the 95 foot level. No ore was observed but it was quite apparent that some had been mined from this level by previous operations. The floor of the drift between the area indicated as mined out down to the next level and the area where the drift was blocked with muck had apparently been gouged out downward for a depth of one to two feet. It was superficially examined for the presence of stibnite but had loose muck lying in the trench formed by the gouging operation and this made it difficult to expose material in place. The drift to the east could not be examined due to the failure of the timbering permitting muck from above to fill the drift. The drift to the west was accessible for examination. A narrow raise from which some ore had evidently been taken (See plate V) was observed.

but it was not safe nor feasible to get to the top of it and examine the roof. No stibnite was observed anywhere on this level.

At a depth of 65 feet a short drift to the west (See plate V) was observed, but no ore was found in it. To the east a small pillar of ore was observed to be present in the old open stope. High grade stibnite was present in this pillar. The thickness of the vein material, consisting of quartz and thin lenses of stibnite, was about two feet.

At a depth of about 45 feet an opening in the shaft timbering permitted observation of the old open stope from which most of the production, with which this mine is credited, was undoubtedly taken. Many short stulls were still in place between the two walls of the stope. The opening averaged 3 to 4 feet in width. A walkway of boards lying on stulls was still in place but it was not considered safe to venture into this opening for the purpose of any detailed examination.

Termination of Project

The writer examined the 173 foot level on the night of December 6. The following morning the turbine pump being used to keep the mine dewatered broke down. The operator asked for advice relative to continued operation of the mine. The writer advised him to abandon the project and telephoned Mr. David Gallagher, executive officer of the D.M.A. field team, at Joplin, Missouri. Mr. Gallagher stated that in view of the conditions reported by the writer, it would be satisfactory with him if the operator wished to abandon the project

instead of completing it. This was done immediately.

CONCLUSION

It is the writer's opinion that no economic occurrences of stibnite exist in the Otto Mine. The possibility of finding any mineable quantities of stibnite by the proposed core drilling program was exceedingly poor and it would have been most imprudent to continue or complete the exploration project as originally planned. All indications were that the bottom of this epithermal mineral deposit had been reached. Galena, sphalerite, pyrite, siderite and calcite were observed, in the old dumps on the surface, as associated minerals with the quartz and stibnite at this mine. The only minerals found in the 173 foot level of the mine were minute quantities of pyrite and sphalerite. A conspicuous and abrupt change in the mineralization had apparently taken place at a depth of about 100 feet. The orebody had diminished in character to a pipe like form before occurrence of stibnite ceased completely. These factors are all indicative of the bottoming of the orebody.

The only probability of recovering any ore from the mine would have been either from the small pillar in the old stope, or from the floor of the east drift on the 95 foot level. The amount available would certainly be very small. It is not believed that any of this ore could have been mined at a profit. The total amount of ore left in this mine is believed to be a very small quantity, and unworthy of any further consideration.

Robert B. McIlvaine

Robert B. McIlvaine

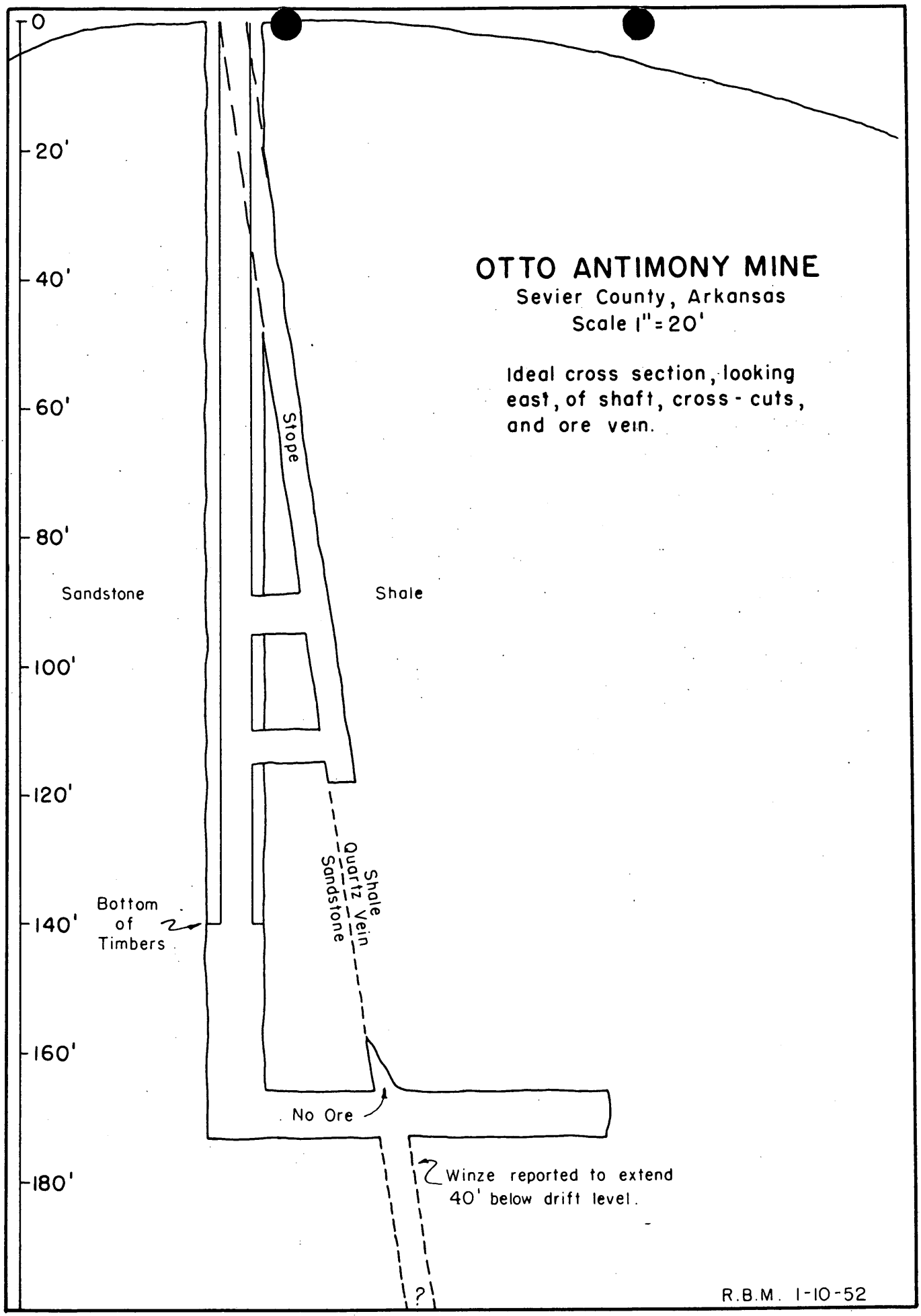
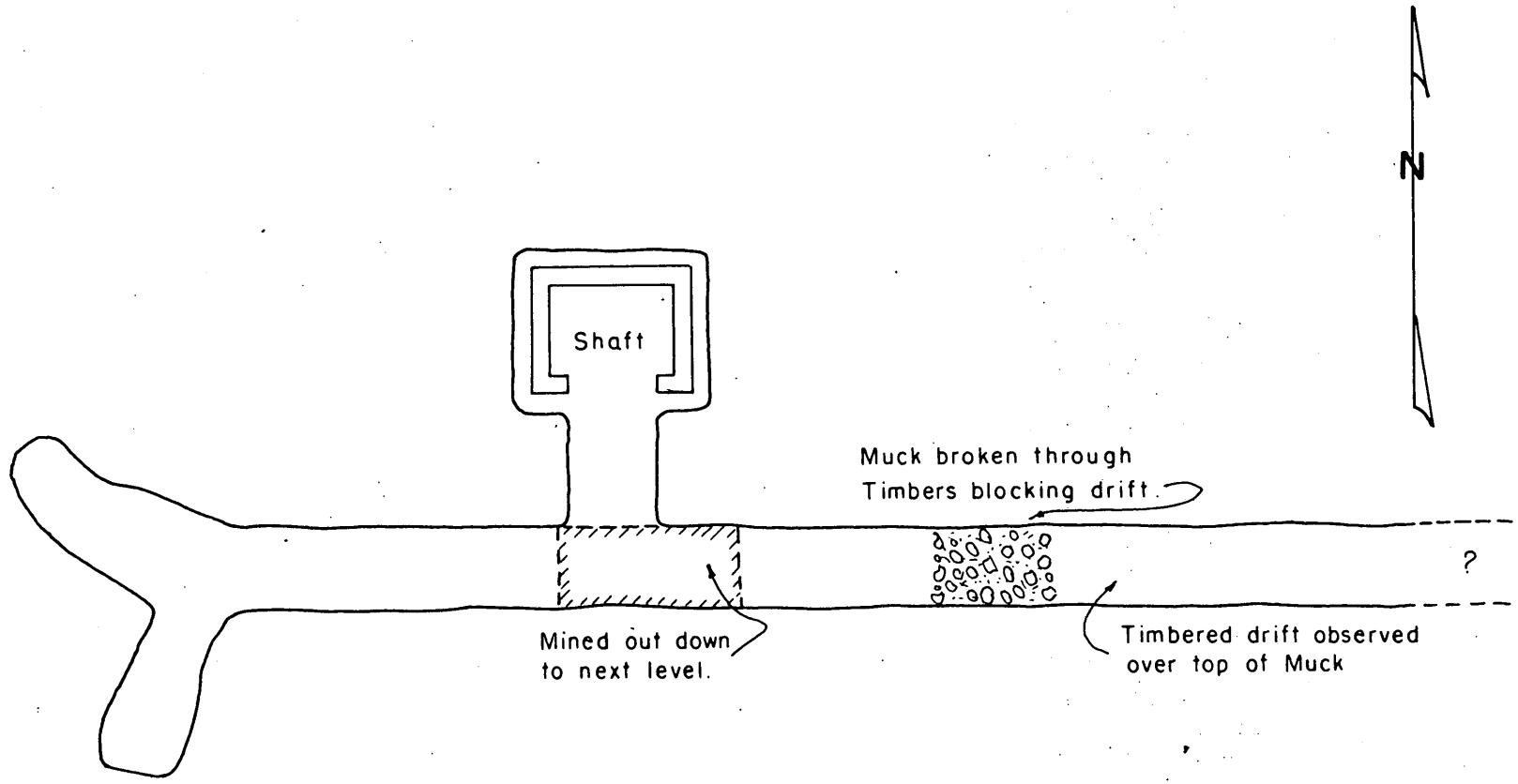

OTTO ANTIMONY MINE
Sevier County, Arkansas
Scale 1" = 20'
Ideal cross section, looking east, of shaft, cross-cuts, and ore vein.
0
20'
40'
60'
80'
100'
120'
140'
160'
180'
Stope
Sandstone
Shale
Shale
Quartz Vein
Sandstone
Bottom of Timbers
No Ore
Winze reported to extend 40' below drift level.
?
R.B.M. 1-10-52

PLATE I

PLATE II



OTTO ANTIMONY MINE

Sevier County, Arkansas

Sketch map showing plan of 95' level

Scale 1"=10'

R.B.M. 1-10-52

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

December 31, 1951

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 2 - 1952

To: C. O. Mittendorf

Through: Operating Committee

From: David Gallagher

Subject: Ashley J. Gold & Joe Gold, Otto Antimony Mine (DMA-1324X, Idm-E108)

Transmitted herewith are:

1. Letter from me to Ray C. Jonas (3 copies) which explains the other attachments hereto.

2. Amendment to subject contract (original and 2 for attachment to the original and 2 copies you have of the contract).

3. One copy each of monthly reports (MF-104) on subject project for September, October, and November to supplement, by providing you with two copies of each, as you requested, one copy each of monthly reports (MF-104) on subject contract for September, October, and November already mailed to you by this office on December 11, 1951.

David Gallagher

David Gallagher

Enclosures

/lh

xxxxxxxxxxxxxxx
Joplin, Missouri

December 31, 1951

Mr. Ray C. Jonas
U. S. Bureau of Mines
Room 814 Barfield Building
Amarillo, Texas

Re: DMA Docket No. 1324X
Contract No. Idm-E108
Ashley J. and Joe Cold

Dear Mr. Jonas:

I have prepared an amendment to the list of approved estimated expenditures attached to the amendment to Contract I-DMA-E108, which is forwarded herewith for attachment to the contract. May I suggest that the miscellaneous small items of rented equipment that your office could not approve can now be approved under this contingent item.

May I call your attention to the item of $250.00 entitled "Miscellaneous items and contingencies" under the heading "Purchased Equipment" in the list of approved estimated expenditures, which I trust will take care of certain small items with such titles as "Miscellaneous Equipment", "Other Supplies", "Repair Parts".

May I also call your attention to the item of $50.00 "Miscellaneous and contingency fund" under the heading "General & Administrative Expense" in the list of approved estimated expenditures. This item should take care of such things as "Other Services", I have in mind specifically a $2.50 item of welding.

I hope that this will make it possible for you now to approve for payment the three monthly accounts resubmitted herewith in connection with the above-subject contract. Work on this project has been suspended at the request of the Operator, with our approval, and it is now desirable to wind up the accounts and project so that we can get them in final form and off the active books.

Attached hereto are the originals of the reports for September, October, and November, exactly as submitted to you previously, and without any change except for the inclusion herewith of one copy of the amendment for attachment to your copy of the contract.

One copy of the current amendment has been forwarded today to Ashley J. Gold for attachment to his copy of the contract.

One copy each of the September, October, and November reports are retained in the Joplin file, together with one copy of the new amendment for attachment to our copy of the contract.

The original and two copies of the new amendment have been mailed today to Washington for proper distribution and attachments to the original and two copies of the contract in their possession.

One copy each of the September, October, and November reports were mailed to Washington on December 11, 1951 in accordance with our previous misunderstanding of Washington's requirements. We are today complying with our corrected understanding of Washington's requirements for copies of MF-104 ~~[illegible]~~ mailing to Washington one additional copy each of the September, October, and November reports so that they will now have the two copies for each month as they require.

Sincerely yours,

David Gallagher

Enclosures

DG/lh

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Joplin, Missouri
December 11, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 13 1951

DEPARTMENT OF THE INTERIOR
RECEIVED
DEC 17 1951
Defense Minerals Administration,
Production Expansion Division

Defense Minerals Exploration Adm.
U. S. Department of Interior
Washington 25, D. C.

Re: Docket No. DMA 1324X
Contract No. Idm-E108
Ashley J. & Joe Gold

Dear Sirs:

Transmitted herewith is a copy of each the September, October, and November Monthly Cost Reports, the first two of which void those erroneous ones previously sent to you enclosed with our letter of November 23, 1951.

The original and one copy have been forwarded on this date to the office of the U. S. Bureau of Mines, Amarillo, Texas, and one copy is retained in the Joplin file of this office.

Sincerely yours,

Clinton C. Knox

Clinton C. Knox
For David Gallagher
Chairman
DMA Field Team, Region VI

/jd

Encs.

DEFENSE MINERALS ADMINISTRATION
WASHINGTON, D.C.
Nov 19 1951

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON, D.C.~~
Joplin, Missouri
November 16, 1951

Mr. Robert B. McElwaine
Consulting Mining Geologist
P. O. Box 127
Little Rock, Arkansas

Re: Docket No. DMA-1324X, Antimony
Contract No. Idm-E108
Ashley J. & Joe Gold
Shreveport, Louisiana

Dear Robert:

This letter will grant an extension of the time for filing the cost report for the above contract project.

I hope that your difficulties with personnel, shaft retimbering, and dewatering have been overcome satisfactorily by this time.

With best personal regards,

Sincerely,

C. C. K.

Clinton C. Knox
For David Gallagher
Chairman
DMA Field Team, Region VI

CCK/jd

CC - Coordinating Committee (2)
Field Finance Office, Amarillo
Ashley J. Gold

BE

XXXXXXXXXXXXXXX
Joplin, Missouri
November 16, 1951

Mr. Robert [illegible] McDwaine
Consulting Mining Geologist
P. O. Box 127
Little Rock, Arkansas

Re: Docket No. [illegible]-1221X, Antimony
Contract No. [illegible]-5118
Ashley J. [illegible] Inc. Gold
Shreveport, Louisiana

Dear Robert:

This letter will grant an extension of the time for filing the cost report for the above contract project.

I hope that your difficulties with personnel, shaft retimbering, and dewatering have been overcome satisfactorily by this time.

With best personal regards,

Sincerely,

C. C. K.

Clinton C. Knox
For David [illegible]
Chairman
DOE Field Team, [illegible]

CCK/jd

cc - Coordinating Committee (2)
Field Finance Office, Amarillo
Ashley J. Gold

1324X

DEPARTMENT OF THE INTERIOR
RECEIVED
NOV 27 1951
Defense Minerals Administration,
Production Expansion Division.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Joplin, Missouri
November 9, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 16 1951

OFFICIAL FILE COPY

To		Date

Defense Minerals Administration
U. S. Department of Interior
Washington 25, D. C.

Re: Docket No. DMA-1324X, Antimony
Contract No. Idm-E108
Ashley J. & Joe Gold
Shreveport, Louisiana

Dear Sirs:

Transmitted herewith is one copy of the monthly report for the subject Exploration Project for September on Form MF-104, with appropriate attachments, as required by the Washington office of the Defense Minerals Administration.

The original and one copy have been forwarded on this date to the office of the U. S. Bureau of Mines, Amarillo, Texas, and one copy is retained in the Joplin file of this office.

Sincerely yours,

Clinton C. Knox

Clinton C. Knox
For David Gallagher
Chairman
DMA Field Team, Region VI

/jd
Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Joplin, Missouri
November 9, 1951

Mr. Robert B. McElwaine
Consulting Mining Geologist
Otto Antimony Mine
c/o Antler's Hotel
Mena, Arkansas

Re: Docket No. DMA-1324X, Antimony
Contract No. Idm-8108
Ashley J. & Joe Gold
Shreveport, Louisiana

Dear Mr. McElwaine:

Upon receiving your letter of November 2 with the 6 attached executed copies of the amendment to the above subject contract, your first (September) Monthly Progress Report has finally been approved by this DMA Field Team office and transmitted to the Field Finance Officer at Amarillo for his approval for payment.

Your revised list of estimated expenditures to be attached to the amendment appears to be very satisfactory and naturally much more applicable to your anticipated costs than we could hope to devise here so I am pleased to attach it to the amendment, a copy of each of which is enclosed for Mr. Gold's project files.

I was glad to note from your estimated costs that it is apparent that you intend to speed the project to completion in a total 2½ to 3½ months of time instead of the 5 months allowed by the above captioned contract.

With best personal regards and wishes for success of the project, I remain,

Very sincerely yours,

C. C. K.

Clinton C. Knox
For David Gallagher
Chairman
DMA Field Team, Region VI

/jd

Enclosures

CC - Coordinating Committee
Finance Office - Amarillo

Contracts & Audit
Dma - 1324

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 2 - 1952

Amendment to list of approved estimated expenditures attached to amendment to Contract I-DMA-E108

The above-mentioned list of approved estimated expenditures is hereby amended as follows:

1. Delete

   a. 200 CFM air compressor ($1\frac{1}{2}$ mo. @ $300.00)....$450.00
   b. Drifter and Jackhammer ($1\frac{1}{2}$ mo. @ $150.00)....$225.00

2. Substitute therefor

   a. Contingent fund for rentals of items not hitherto specified $675.00

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Ashley J. Gold
Ashley J. Gold

David Gallagher
David Gallagher

Joe Gold
Joe Gold

Edwin T. Perkins
Edwin T. Perkins
For Clinton C. Knox

November 1, 1951

FILE COPY
SURNAME:

Moulds
Mittendorf

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

AUG 14 1951

Mr. David Gallagher
Executive Officer, Region VI
Defense Minerals Administration
221 West 3rd Street
Joplin, Missouri

Re: Docket No. DMA- 1324X, Antimony
Ashley J. Gold & Joe Gold
Shreveport, Louisiana

Dear Mr. Gallagher:

Please find herewith two copies of contract for the subject exploration project which have been signed by the operator and by this office for the Government with register number and effective date as shown.

Kindly transmit one copy to the operator and retain the other copy for your office.

A copy of the contract required by the Regional Finance Office will be forwarded directly by the Washington Finance Section.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

DEMoulds/jem
8-10-51

cc to: Adm. Reading File
Messrs. Mittendorf-Olund
Bourret
Kemp
McKnight
Moulds
Field, Reg. VI
Reports & Records
Docket

FILE COPY
SURNAME:

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

Moulds
Mittendorf
400

August 13, 1951

A.E.e

Contract Service Section
General Accounting Office
Washington 25, D. C.

Re: Docket DMA 1324X
Exploration Project Contract
Idm-E108
Ashley J. Gold and Joe Gold
Shreveport, Louisiana

Gentlemen:

Enclosed for recording in your office is the original, signed copy of an Exploration Project Contract executed between the operator named in the above reference and the Government of the United States.

BJ
8/16

Sincerely yours,

C. O. Mittendorf (J.K.)

C. O. Mittendorf, Director
Production Expansion Division

Enclosure-1

DEMoulds/bjs
cc to: Adm. Reading File
Field Team, Region VI (2)
Mr. Bourret
Mr. McKnight
Mr. Mittendorf, Mr. Olund
Mr. Moulds
Reports and Records
Docket copy
Chron. copy

Mr. David Gallagher
Executive Officer, Region VI
Defense Minerals Administration
221 West 3rd Street
Joplin, Missouri

Re: Docket No. M- 13247, Antimony
Ashley J. Gold & Joe Gold
Shreveport, Louisiana

Dear Mr. Gallagher:

Please find herewith two copies of contract for the subject exploration project which have been signed by the operator and by this office for the Government with register number and effective date as shown.

Kindly transmit one copy to the operator and retain the other copy for your office.

A copy of the contract required by the Regional Finance Office will be forwarded directly by the Washington Finance Section.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

DEMoulds/jem
8-10-51

cc to: Adm. Reading File
Messrs. Mittendorf-Olund
Bourret
Kemp
McKnight
Moulds
Field, Reg. VI
Reports & Records
Docket

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 9 1951

425 Ratcliff Street
Shreveport, Louisiana
August 8, 1951

Mr. C. O. Mittendorf, Director
Production Expansion Division
Department of the Interior
Defense Minerals Administration
Washington 25, D. C.

Re: Docket No. DMA 1324-X
Otto Shaft

Dear Mr. Mittendorf:

Enclosed please find six copies of contract for subject exploration project executed as directed in yours of July 25, 1951, and left undated.

I have been out of town and returned to Shreveport only yesterday, hence the delay in returning these enclosures to you.

Yours sincerely,

Ashley J. Gold

Ashley J. Gold

FILE COPY
SURNAME:

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

Mail to Mittendorf

July 25, 1951

Mr. Ashley J. Gold
425 Ratcliff Street
Shreveport, Louisiana

Re: Docket No. DMA 1324-X
Otto Shaft

Dear Mr. Gold:

Please find herewith six (6) copies of contract for subject exploration project.

If contract is satisfactory, kindly return all copies, signed by yourself and Joe Gold, to this office as soon as possible for final action on the contract.

A copy of Information Service bulletin on the mineral exploration program is included which answers many questions which have arisen.

Sincerely yours,

C. O. Mittendorf 7/31

C. O. Mittendorf, Director
Production Expansion Division

Enclosures-7

DEMoulds/meh
cc to: Reports and Records
Adm. Reading File
Mittendorf, Olund
Moulds
Merrill
McKnight
Field ~~II~~ (2)

FILE COPY
SURNAME:
Koontz

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

July 24, 1951

Memorandum

C O Mattendorf

To: Chief, Production Expansion Division

From: General Counsel

Subject: Ashley J. Gold and Joe Gold exploration contract -- Docket No. DMA-1324X

The contract in the subject case is approved as to form and legality subject to execution by the applicant and the Government.

At the time of execution by the Government, the effective date should be inserted in the contract.

Your file is returned herewith.

J. L. Hofflund

J. L. Hofflund
General Counsel

Attachment
~~WGJ~~ CJKoontz/ema

Copy to: J. L. Hofflund
C. J. Koontz
Chron.
Files

Filed 1924

B

WELLBORN JACK
ATTORNEY AT LAW
SUITE EIGHT
MEZZANINE FLOOR
OLD COMMERCIAL BUILDING
TEXAS AND MARKET STREETS
SHREVEPORT, LOUISIANA

WELLBORN JACK
ASHLEY J. GOLD

MEMBER OF
LOUISIANA HOUSE OF REPRESENTATIVES
FROM CADDO PARISH

Mr. Phaneuf

July 23, 1951

Mr. C. O. Mittendorf, Director
Production Expansion Division
Defense Minerals Administration
Washington, D. C.

Re: DMA - 1324X: Exploration Loan,
Otto Antimony Mine

Dear Mr. Mittendorf:

This is to confirm my wire of Saturday, July 21, 1951. The legal description in the McElwaine report is not correct. The property is correctly described in my application as:

> N/2 of SE/4 and NE/4 of SW/4, Section 20, T 7 South, Range 31 W, Sevier County, Arkansas, containing 120 acres.

Yours very truly,

Ashley J. Gold

Ashley J. Gold

AJG:lgl

DEPARTMENT OF
Defense Minerals
JUL 30 1951
MABEL R. STROBEL
Executive Secretary

FILE COPY
SURNAME:

None of Mittendorf

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

C. O. Mittendorf, Director
Production Expansion Division
Defense Minerals Administration
X5371
1420137 Salaries and Expenses,
Defense Production Activities, Interior,
1952 (10.1)

JULY 20, 1951

MR. ASHLEY J. GOLD
SUITE 8, OLD COMMERCIAL BUILDING
TEXAS AND MARKET STREETS
SHREVEPORT, LOUISIANA

DISCREPANCY IN LEGAL DESCRIPTION IN APPLICATION AND McELWAINE REPORT OF PROPERTY OWNED BY YOU ON WHICH OTTO MINE IS LOCATED. ADVISE CORRECT DESCRIPTION.

C. O. MITTENDORF, DIRECTOR
PRODUCTION EXPANSION DIVISION
DEFENSE MINERALS ADMINISTRATION

~~COMittendor~~
DEMoulds/fw

cc to: Mr. Mittendorf, Mr. Olund
Mr. Moulds
FILES

Owner 1324

8556

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

W. P. MARSHALL, PRESIDENT

1201

(23)

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=Int'l Letter Telegram

VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

NSA316

1951 20 PM 6 42

NS SVA604 PD=SHREVEPORT LA 20 511P=

Rm. 4640

C O MITTENDORF=

DIRECTOR PRODUCTION EXPANSION DIV GOLD DEFENSE MINERALS

ADMINISTRATION WASHDC=

MCELWAINE DESCRIPTION IS INCORRECT DESCRIPTION IN

APPLICATION IS CORRECT=

ASHLEY J GOLD=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.
JUL 23 7-50 AM '51

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 23 1951
8:15am
LANDON F. STROBEL
Executive Secretary

JUL 20 PM 7 33

FILE COPY
SURNAME:

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

June 14, 1951

Mr. Ashley J. Gold
425 Ratcliff Street
Shreveport, Louisiana

Subject: DMA-1324X
Re: Exploration Loan
Otto Antimony Mine

My dear Mr. Gold:

Receipt is acknowledged of your application and attachments of May 22, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1324X and referred to Mr. Weston G. Bourret, Chief, Minor and Rare Metals Branch on May 29, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1324X.

Sincerely yours,

LANDON F. STROBEL jc

Landon F. Strobel
Executive Secretary

L. F. Strobel:jc
cc: Strobel
✓File
Bourret
Lyon

WELLBORN JACK
ASHLEY J. GOLD

WELLBORN JACK
ATTORNEY AT LAW
SUITE EIGHT
MEZZANINE FLOOR
OLD COMMERCIAL BUILDING
TEXAS AND MARKET STREETS
SHREVEPORT, LOUISIANA

MAY 24 1951

MEMBER OF
LOUISIANA HOUSE OF REPRESENTATIVES
FROM CADDO PARISH

DMA - 1324 X

May 23, 1951

Mr. David Gallagher
Executive Officer
DMA Field Team
Region VI
Post Office Box 431
Joplin, Missouri

Re: Otto Antimony Mine,
Sevier County, Arkansas

Dear Mr. Gallagher:

I have this day mailed to you, by registered air mail, four completed Form MF-100 with attached engineering reports and four completed Form MF-103.

I assume that it is proper for me to file these forms with you instead of filing in Washington which would require that they eventually work down to you. If I am wrong in my assumption, I would appreciate it very much if you would correct my error by forwarding my forms to the proper office.

I answered many of the questions on these forms without the able supervision of Mr. McElwaine and it is entirely possible that I have done so incorrectly; and if so, please notify me so that I can correct these errors.

I realize that I have been rather bothersome with my correspondence but I am sure that you have allowed me the privileges of the uninformed in these matters and therfore thank you for your generous assistance.

Sincerely,

Ashley J. Gold

ASHLEY J. GOLD

AJG:lgl

REGISTERED

RETURN RECEIPT REQUESTED

LANDON P. STEWART

WELLBORN JACK
ATTORNEY AT LAW
SUITE EIGHT
MEZZANINE FLOOR
OLD COMMERCIAL BUILDING
TEXAS AND MARKET STREETS
SHREVEPORT, LOUISIANA

WELLBORN JACK
ASHLEY J. GOLD

MEMBER OF
LOUISIANA HOUSE OF REPRESENTATIVES
FROM CADDO PARISH

[illegible] 2[illegible], [illegible]

4/13/57
Lyon
Reply

The United States Department of the Interior
Defense Minerals Administration
Washington 25, D.C.

Gentlemen:

I intend to apply for the recently announced governmental assistance in exploration of mining property. I would appreciate it very much if you would please mail me the necessary forms required to be submitted for such an application as well as any printed matter concerning said program.

Yours very truly,

Ashley J. Gold

AJG:lw

ASHLEY J. GOLD

1321 [illegible] 52 [illegible] 9 03
BUREAU OF MINES

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 27 1951
LANDON F. STROBEL
Executive Secretary

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

March 15, 1951

Hon. Overton Brooks
House of Representatives
Washington, D. C.

Dear Mr. Brooks:

In reply to your letter of February 26, in which you enclosed a letter from Mr. Ashley S. Gold, dated February 21, transmitting a report on an antimony occurrence in Arkansas:

A copy of Mr. Gold's letter and information transmitted with it has been made and forwarded to C. W. Seibel, Regional Director, Region VI, Bureau of Mines, Amarillo, Texas.

Mr. Gold's letter and enclosure are returned herewith.

I appreciate the trouble to which Mr. Gold has gone in getting this information and your kindness in making it available to me.

If I can be of further assistance at any time, please do not hesitate to call upon me.

Sincerely yours,

JAMES BOYD

Administrator

Enclosure

CAMPBELL/rhr

Copy to: Base Metals Branch
Minerals Division
Administrator's Reading File
Tom Lyon
D. T. McKnight
C. W. Strobel
Field Team, Region VI
Files

C
O
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Y

WELLBORN JACK
Shreveport, Louisiana
February 21, 1951

Honorable Overton Brooks
Congress of the United States
House of Representatives
Washington, D. C.

Dear Mr. Brooks:

In connection with my father's antimony mine in Arkansas, I am enclosing a copy of the extracts recently forwarded to me by the Arkansas Conservation Commission. The United States Bureau of Mines previously write me that they have no records concerning this mine, and therefore the enclosed material may be of some interest.

With best wishes.

Sincerely,

ASHLEY J. GOLD

C
O
P
Y

Extract from "Stibnite Deposits of Sevier County, Arkansas", by Robert B. Hall, M.S. Thesis, Northwestern University, August 1940., pp. 72-75.

Otto Mine

This mine is considered the most important single development of the entire antimony mining region. It is located less than a quarter of a mile west of the Valley properties, in the NE 1/4, SW 1/4, sec. 20, T. 7S., R. 31W.

The shaft was first sunk in 1877 by the U. S. Antimony Company of Philadelphia, and was worked more or less steadily until 1883. Operations ceased at this time due to smelting difficulties and lack of transportation facilities. No further work was done until the early part of 1916, at which time the American Star Antimony Company took over this and several other properties in the district, in order to capitalize on the high antimony prices then prevailing. A separate company, the Otto Mining Company, was organized to work this mine, although the American Star Antimony Company held 75% of the stock 70/. Difficulties with the smelter newly erected at that time caused operations to stop in the late summer or early fall. Little has been done since. In 1937 a Mr. Davis prepared to reopen the mine. The frame-work for a shaft-house was built, some new machinery was installed, and water was pumped out of the shaft down to 60 feet. In spite of these preparations, mining was never actually undertaken. The old vertical shaft is 200 feet deep. Three levels are known to have been worked, one at 75 feet, one at 115 feet, and a third at 160 feet. The shaft was originally sunk on the vein, but because of the southerly dip it became necessary to cross-cut

70/ Shriver, E. H., Op. cit., p. 921.

to the south at each of the levels in order to reach it. Stopes were opened in the vein for some distance to the east and west.

As in the case of so many other mines in the region, the shaft was full of water and had been boarded up; underground examination was thus prevented. The extensive dump and the brush covering the vicinity obscured surface details. Judging from the size of the dump, and from production figures, the bein must be of considerable size, with a large ore-shoot. Hess reports its strike at N. 72° E. In detail it consisted of two branches, three feet apart at the surface, each branch being about a foot wide. Presumably these joined and widened 20 or 25 feet down 71/. A small amount of jamesonite accompanies the stibnite. This probably accounts also for the presence of silver in the ore. Comstock reports the following assay of ore taken from this mine 72/.

Sb	21.54%
Pb	9.46%
Ag	1.2 ounces per ton
Au	trace
Cu	none
Zn	none

An estimated 2,500 tons of antimony ore have been removed from this mine, a production considerably in excess of that of any other antimony mine in the region 73/.

71/ Hess, F. L., Op. cit., p. 250.
72/ Comstock, T. B., Op. cit., p. 144.
73/ Arkansas Geol. Survey, op. cit., p.2.

S
C
P
I

Extract from "Antimony Mines and Prospects in Sevier County, Arkansas", by Arlington Waggoner-October 1940, W.P.A., Mineral Survey

Sevier County October 21, 1940

Arlington Waggoner

Mineral-Antimony

Location

NE 1/4, SW 1/4, Sec. 20, T. 7S., R. 31W.

On hill in gently rolling area.

Two miles SW of Kings switch on Kansas City Southern Railroad.

Description

Stibnite in gray Sandstone and Quartz.

Occurrence

This is Stanley Shale Formation.

The mineralization is Quartz veins with Antimony ore in black to dark gray Shale.

Workings

Shaft 210 feet deep according to Henry Byes. First operation Civil War times. Last production in 1916. Present shaft is timbered 85 feet from surface. Present operations started November, 1937 by Joe Gold.

Production

According to Henry Byes, 135 tons of Antimony was produced here during 1915 and 1916. Mr. Byes states that a ton of Stibnite is shot loose in bottom of shaft now. Henry Byes said he worked here during 1915 and 1916 and he is guard at mine now.

Theo. Davis promoted these recent operations and his lawyer has the property in litigation now.

C
O
P
Y

Extract from U.S. Geological Survey Bulletin 340-d, "The Arkansas Antimony Deposits" by Frank L. Hess.

Otto and Valley Mines. The Otto mine is located near the middle of sec. 20, T. 31, N., R. 7 E., about 3 1/2 miles southwest of Gilham, in the valley of a tributary of Roaring Fork. The country rocks are similar to those described at the other mines. The mine is now caved in and nearly filled with water, so that but little can be seen. However, the vein is fairly well exposed at the top of the shaft, where it is split into two branches, each 10 to 12 inches thick and about 3 feet apart. They evidently join at a depth of 20 or 25 feet. The strike is about N. 72° E., and the dip approximately vertical. The rocks are somewhat distrubted at the surface, probably from weathering, so that the relation of the vein to the rocks is not certain. Half a mile farther west the rocks strike N. 80° E.

Comstock 17/ visited the mine in 1887 and states that the ores contained a considerable amount of lead, and one assay gave 1.2 ounces of silver per ton. Pieces of ore picked up on the dump showed much zinc blended in small crystals. In some specimens quartz shows peculiar reentrant angles and is somewhat etched.

Ashley 18/ states that at the time he visited the mine (1892) the shaft was sunk to a depth of 230 feet and was still in good ore. According to local tradition, over a thousand tons of antimony ores was produced by this mine.

The Valley shaft was situated a few hundred feet east of the Otto. It did not produce much antimony, and but little is known of its ores.

17/ Op. cit., pp. 143-144.
18/ Op. cit., p. 308.

OVERTON BROOKS, M. C.
4th Dist., Louisiana

RANKING MEMBER OF
COMMITTEE ON ARMED SERVICES

CHAIRMAN, SUBCOMMITTEE
POLICY COMMITTEE
NATURAL RESOURCES
RESERVE COMPONENTS

DIRECTOR, NATIONAL RIVERS AND
HARBORS CONGRESS

Congress of the United States
House of Representatives
Washington, D. C.

February 26, 1951

Honorable James Boyd
Director, Bureau of Mines
Department of Interior
Washington 25, D. C.

3/2/51
Merrill
Reply

Dear Mr. Boyd:

Reference is made to my letter of February 6th enclosing a letter from Mr. Ashley J. Gold concerning the reopening of a mine for antimony, to enclose another letter from Mr. Gold and a report furnished him by the Arkansas Conservation Commission. I will appreciate your consideration of this matter and your advising me at your earliest opportunity.

Thanking you for this courtesy, I am

Sincerely yours,

Overton Brooks

Overton Brooks, M. C.

:ds
encl.

P.S.: Kindly return the enclosures when the purpose has been served.

WELLBORN JACK
ASHLEY J. GOLD

WELLBORN JACK
ATTORNEY AT LAW
SUITE EIGHT
MEZZANINE FLOOR
OLD COMMERCIAL BUILDING
TEXAS AND MARKET STREETS
SHREVEPORT, LOUISIANA

MEMBER OF
LOUISIANA HOUSE OF REPRESENTATIVES
FROM CADDO PARISH

February 21, 1951

Honorable Overton Brooks
Congress of the United States
House of Representatives
Washington, D.C.

Dear Mr. Brooks:

In connection with my father's antimony mine in Arkansas, I am enclosing a copy of the extracts recently forwarded to me by the Arkansas Conservation Commission. The United States Bureau of Mines previously wrote me that they have no records concerning this mine, and therefore the enclosed material may be of some interest.

With best wishes.

Sincerely,

Ashley J. Gold

ASHLEY J. GOLD

AJG:lw
Encl.

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

February 20, 1951

Hon. Overton Brooks
House of Representatives
Washington, D. C.

My dear Mr. Brooks:

Your letter of February 6, enclosing a letter dated February 1 from Ashley J. Gold, Shreveport, Louisiana, concerning an antimony property in Sevier County, Arkansas, has been received.

The Defense Minerals Administration, established under the Defense Production Act of 1950, is endeavoring to stimulate production of strategic metals, including antimony. The enclosed press release describes the activities of this program.

For additional information with reference to the Arkansas property, I suggest that you direct your inquiries to David Gallagher, Executive Officer, DMA Field Team, Region VI, P. O. Box 131, Joplin, Missouri.

The letter to you from Mr. Gold is returned herewith, as requested. If I can be of any further assistance to you, or Mr. Gold, please do not hesitate to call upon me.

Sincerely yours,
JAMES BOYD

Administrator

Enclosure

ASKempiva

Copy to: Administrator's Reading File
Mr. Kemp
Mr. Merrill
✓ Mr. Strobel
Field Team, Region VI
Base Metals Branch
Files

WELLBORN JACK
Attorney-at-Law
Suite Eight
Texas & Market Streets
Shreveport, Louisiana

C O P Y

Wellborn Jack
Ashley J. Gold

C O P Y

February 1, 1951

Honorable Overton Brooks
Congress of the United States
House of Representatives
Washington, D. C.

Dear Mr. Brooks:

You may recall that I am associated with Wellborn Jack in the practice of law here in Shreveport. During your recent visit to Shreveport, I spoke to you on the phone concerning an antimony mine which my father owns in Sevier County, Arkansas.

This particular mine, known as the "Otto" Mine, was originally sunk in the late eighteen hundreds and was worked mainly by hand at that time. It was not again operated for a period of approximately forty to fifty years until my father, Joe Gold, who is in the oil field supply business here in Shreveport, attempted to operate it around 1940 by the use of oil field equipment, without any technical assistance whatsoever, and with only farm laborers. At that time, only about thirty-five tons were recovered in a very short time before the mine was again abandoned.

I understand that antimony is a critical ore under present conditions, that very little of it is produced in this country, the major portion used being imported from South America and at one time from China.

Considering the above, the fact that we would like to put this mine into operation, and the fact that we know nothing whatever about mining, I am writing you with the hope that you can put me in touch with the proper and informed parties who might assist us or advise us in such an undertaking.

Thanking you for your kind consideration of this letter and our phone conversation, with best wishes, I am

Sincerely yours,

(signed) Ashley J. Gold

ASHLEY J. GOLD

AJG:lw

DMA 1324 X
Antimony

Report by R. B. McElwaine is good and frankly presents the problems.

It is a geologic gamble, but appears to be a fairly good one.

Robert K. Yates
U.S. Geological Survey

I would agree with Yates' geologic appraisal. The sharp angle at which the diamond drilling from the lower level would intersect the vein seems to be the only objectional feature.

E. T. McKnight

Ready to write up for Prod. Exp. Dir

W.B.