UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (~~or cancelled~~) without certification. DMEA No. 399

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.
- ✓ Closing Letter
- ✓ 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 _____

7973

Reviewer's Initials E Rogers 12/11/56

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of:

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

pertaining to Exploration Contract Idm-E210, Docket No. DMA 399X, including Amendments Nos. 1 through 7, covering a project of exploration for Zinc-Copper, located in Cochise County, Arizona, and commonly known as the Abril Mine, for the period December 1, 1951, to July 31, 1953, including subsequent settlement February 19, 1954.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to the amount to be paid the Contractor:

Total Cost per MF-104	$64,964.67
Less: Proceeds from Property Disposition	1,681.48
Net Claimed Costs	$63,283.19
Exceptions (See Audit Report for Details) During this Audit	174.86
Total Accepted Cost	$63,108.33

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the Contractor by the Government in the amount of Thirty-One Thousand Five-Hundred Fifty-Four and 16/100ths Dollars

- $31,554.16 -

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Dated: February 24, 1954.

Donald T. Finch

Donald T. Finch, Auditor

AUDIT REPORT

I. INTRODUCTION

On February 8, 1954, a final audit (covering the period December 1, 1951 to July 31, 1953, including the subsequent settlement February 19, 1954,) was made of the records and accounts of operations pertaining to Contract No. Idm-E210, Docket No. DMA 399X, including amendments Nos. 1 through 7, and approval of liquidation agreement with

Sherwood B. Owens, an Individual
P. O. Box 769
Tucson, Arizona

covering a project of exploration for zinc and copper located in the Dragoon Mining District, Cochise County, Arizona, approximately 22 miles northeast of Tombstone, Arizona.

The accounting records under this contract are located at the home of Mr. Owens, 4052 Calle de Jardin, Tucson, Arizona.

Mr. T. M. Romsle, Mining Engineer, Tucson Office, collaborated in the audit.

During the course of the audit, Mr. Sherwood B. Owens was consulted when necessary. His cooperation greatly facilitated the audit.

II. GENERAL INFORMATION ON RECORDS

The source documents covering the costs of the project are recorded on monthly work sheets, which form the basis for preparation of the monthly MF-104 reports. This audit, therefore, involved in general a check of the source documents against the monthly work sheets and a reconciliation with the MF-104 reports. Costs were recorded on a combination of cash and accrual basis.

Prior to the on-site audit considerable pre-audit analysis was performed in the DMEA Office at Denver, Colorado.

III. SCOPE OF THE AUDIT AND FINDINGS

The audit was limited to ascertaining the accuracy, propriety and validity of the costs as shown in the "Totals to Date" column of Form MF-104, Operator's Monthly Report and Voucher, for the month of July, 1953.

In view of the previous audit by T. B. Brading, DMEA Auditor, covering the period December 1, 1951 to January 31, 1953, except as otherwise indicated, this audit was restricted to the costs claimed by the operator since that later date.

The extent of the audit and findings under each of the "Items of Cost" follows:

(1) Independent Contracts

None

(2) Labor and Supervision

(A) Labor

All charges for labor during the period February 1 to July 31, 1953, were supported by daily time reports and payrolls which were examined in detail as to number of hours, authorized rates, extensions and amounts.

Acceptable labor costs are as follows:

Balance per previous Audit Report	$16,958.37
Period February 1 to July 31, 1953	6,719.20
Accepted Total	$23,677.57

The audit disclosed the following overcharges that arose in the recapping of payrolls from the daily time reports and which are disallowed in this report:

February 16-28	: Frank Molina	11 hrs.	@ $1.5625	
March 1-15	: Frank Molina	½ hr.	@ $1.5625	
" "	: Jesus Molina	1½ hrs.	@ $1.5625	
May 1-15	: Marcello J. Molina	20 hrs.	@ $1.5625	
Total Excess Hours		33 hrs.	@ $1.5625	$51.56

(B) Supervision

All charges for supervision for the period February 1 to July 31, 1953, were supported by daily time sheets and payroll summaries which were examined in detail. These charges were for the salary of Alvin W. Gerhardt at the authorized rate of $15.00 per day. The charges for supervision which are considered reasonable are tabulated below:

Balance per previous Audit Report	$6,120.00
Period February 1 to July 31, 1953	2,655.00
Accepted total charges for Supervision	$8,775.00

(3) Operating Materials and Supplies

All charges for operating materials and supplies for the period February 1 to July 31, 1953, were supported by invoices which were examined for propriety and reasonableness.

A duplicate charge of $110.48 for Diesel fuel charged to "Other Supplies" is disallowed. This item was on Standard Oil Company of California invoice T272403 dated March 23, 1953, which was claimed on the Operator's March, 1953, MF-104 and also, on the MF-104 for June, 1953.

The analysis of acceptable cost of operating materials and supplies follows:

	Balance per Previous Audit	Period Feb. 1 to July 31, 1953	Disallowances this Audit	(1) Proceeds from Liquidation	Accepted Totals
Timber	$1125.19				$1125.19
Explosives	4802.83	$669.39		$310.20	5162.02
Pipe	887.78	143.97		298.70	733.05
Track	934.53			238.88	695.65
Sub-Total	$7750.33	$813.36		$847.78	$7715.91
Other Supplies					
Air Hoses & Fittings	$ 762.22	$172.01			$ 934.23
Small Tools	415.37	33.47		$ 26.25	422.59
Drill Steel & Conditioning	2207.30	365.82		35.70	2537.42
Mine Supplies	446.28	32.12			478.40
Carbide	32.86	37.84			70.70
Diesel Fuel	3039.54	363.26	$110.48		3292.32
Transportation	142.54	26.80			169.34
Total Other Supplies-	$7046.11	$1031.32	$110.48	$ 61.95	$7905.00
Total Operating Materials and Supplies	$14796.44	$1844.68	$110.48	$909.73	$15620.91

(1) Operator's Liquidation Proposal was dated August 12, 1953, supplemented February 8, 1954, and approved by Executive Officer, DMEA Field Team, Region IV, on February 19, 1954.

(4) Operating Equipment

(A) Rental

None

(B) Purchases

There were no additional purchases of equipment during the period February 1 to July 31, 1953.

A tabulation of equipment purchases follows:

5 Atlas Drills (2 were destroyed by fire)	$1651.20
2 Raising Feeds	397.80
1 Grinder	397.80
2 Pneumatic Pushers	306.00
Total Purchases per Previous Audit	$2752.80
Less: Proceeds from Liquidation	708.75
Acceptable Costs of Purchases	$2044.05

(C) Depreciation

All charges for depreciation during the period February 1 to July 31, 1953, were examined and compared with contract authorization. They were reviewed with the Supervising Engineer and are considered reasonable.

The acceptable charges for depreciation are as follows:

	Balance per Previous Audit	Period Feb. 1 to July 31, 1953	Accepted Totals
Eimco Mucker	$ 575.00	$ 225.00	$ 800.00
Compressor	1725.00	825.00	2550.00
Trammer Locomotive	379.47	148.50	527.97
9 Mine Cars	646.90	253.12	900.02
Accepted Totals	$3326.37	$1451.62	$4777.99

(5) Initial Rehabilitation and Repairs

None

(6) New Buildings and Improvements

There were no additional charges for new buildings and improvements during the period February 1 to July 31, 1953. A tabulation of the accepted elements of cost in this category follows:

House for 4 men	$ 550.00
Compressor house and change room	650.00
Moving houses to project	180.00
Total per Previous Audit	$1380.00
Less: Proceeds from Liquidation	63.00
Accepted Total	$1317.00

(7) Miscellaneous

(A) Repairs to Equipment

All charges for repairs to equipment during the period of February 1 to July 31, 1953, were supported by invoices which were examined for propriety and reasonableness.

The acceptable cost of repairs to equipment consisted of the following:

	Balance per Previous Audit	Period Feb. 1 to July 31, 1953	Accepted Totals
Drills	$ 444.57	$ 90.79	$ 535.36
Mine Cars	63.13		63.13
Compressor	805.41	90.02	895.43
Mucking Machine		30.95	30.95
Accepted Totals	$1313.11	$211.76	$1524.87

(B) Sampling and Analysis

All charges for sampling and analysis for the period February 1 to July 31, 1953, were supported by invoices which were examined and reviewed with the Supervising Engineer. Analysis of the charges to this item follows:

Zinc Assays - 48 @ $1.50	$72.00	
Zinc-Copper Assays - 1 @ $2.50	2.50	
Zinc-Copper-Silver Assays - 1 @ $4.00	4.00	
Accepted Total		$78.50

(C) Payroll Taxes

All charges for payroll taxes during the period February 1 to July 31, were confirmed by recomputation. The applicable rates are: F.I.C.A. 1.5%; F.U.C.A. 0.3%, and Arizona Unemployment 1.5%. Overcharges totalling $4.62 are disallowed.

The acceptable charges for payroll taxes are:

Balance per Previous Audit	$816.00
Period February 1 to July 31, 1953	307.17
Acceptable Total	$1123.17

(D) Liability Insurance

All charges for Workmen's Compensation Insurance during the period February 1 to July 31, 1953, were confirmed by recomputation. The applicable rate is $9.92 per hundred dollars of payroll. Overcharges totalling $8.20 are disallowed.

The acceptable charges for Liability Insurance consist of the following:

Balance per Previous Audit	$2289.36
Period February 1 to July 31, 1953	929.91
Acceptable Total	$3219.27

(E) Accountant

All charges for accountant's fees for the period February 1 to July 31, 1953, were supported by invoices which were examined. Charges which were at the rate of $50.00 per month are authorized by Amendment No. 2 to the Exploration Contract and are considered reasonable in amount.

The acceptable charges for Accountant's fees are:

Balance per Previous Audit	$650.00
Period February 1 to July 31, 1953	300.00
Acceptable Total	$950.00

IV. CONCLUSIONS

The totals to date shown on the operator's July, 1953, MF-104(A) report agree with the July, 1953, MF-104 report.

The operator submitted the high bid out of three offers in liquidation. The original offer in liquidation was dated August 12, 1953. This offer was supplemented on February 8, 1954, and approved by the Executive Officer, DMEA Field Team, Region IV, on February 19, 1954.

There were no unused materials, supplies, or other property to be disposed of for the joint account of the operator and the Government other than that covered by waiver or liquidation.

This audit has disclosed that all costs as charged to this project, with the exception of the disallowances itemized under 2(A) Labor; (3) Materials and Supplies; 7(C) Payroll Taxes, and 7(D) Liability Insurance, of the preceding section of this report, are reasonable and proper under the terms of the Contract, Amendments Nos. 1 through 7, and Liquidation Proposal submitted August 12, 1953, and approved February 19, 1954.

The adjustments of Items of Costs, as shown on the July, 1953 MF-104 report, the disallowances and the approved amounts are summarized as follows:

	Total to Date MF-104 July, 1953	Disallowed by Audit	Proceeds from Liquidation	Allowed by Audit
Independent Contracts				
None				
Labor & Supervision				
Labor	$23729.13	$ 51.56		$23677.57
Supervision	8775.00			8775.00
Technical Services	- - - -			- - - -
Materials & Supplies				
Timber	1125.19			1125.19
Explosives	5472.22		$ 310.20	5162.02
Pipe	1031.75		298.70	733.05
Track	934.53		238.88	695.65
Miscellaneous	8077.43	110.48	61.95	7905.00
Operating Equipment			109.73	
Rental	- - - -			- - - -
Purchase	2752.80		708.75	2044.05
Depreciation	4777.99			4777.99
Initial Rehabilitation & Repairs	- - - -			- - - -
New Buildings & Improvements	1380.00		63.00	1317.00

	Total to Date MF-104 July, 1953	Dis-allowed by Audit	Proceeds from Liquida-tion	Allowed by Audit
Miscellaneous				
Repairs to Equipment	$ 1524.87			$ 1524.87
Sampling & Analysis	78.50			78.50
Payroll Taxes	1127.79	$ 4.62		1123.17
Liability Insurance	3227.47	8.20		3219.27
Accountant	950.00			950.00
	$64964.67	$174.86	$1681.48	$63108.33

At the conclusion of the audit, the findings were discussed with the operator, Mr. Sherwood B. Owens, and with the Executive Officer, DMEA Field Team, Region IV.

February 24, 1954.

Donald T. Finch

Donald T. Finch, Auditor

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

INTERIM AUDIT CERTIFICATE

I have examined the records and transactions of:

Sherwood B. Owens
P.O. Box 769
Tucson, Arizona

pertaining to Exploration Contract Idm-E210, Docket No. DMA 399X including Amendments 1 to 6, covering a project of exploration for zinc and copper for the period December 1951 to January 1953.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to the amount to be paid the Contractor:

Total Cost per MF-104	$50,428.11
Exceptions (Per Audit Report)	.66
Total Accepted Cost	$50,427.45

The contract calls for a 50 per cent participation of exploration expenses by the United States Government. Therefore, payment to the Contractor by the Government in the amount of Twenty five thousand two hundred thirteen and 73/100 Dollars

- $25,213.73 -

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Dated: March 16, 1953

T. H. Brading, Auditor

I. INTRODUCTION

An interim audit was made from February 24 to 26, 1953 (covering the period from December 1, 1951 to January 31, 1953) of the records and operations pertaining to Contract Idm-E210, Docket No. DMA 399X and amendments number one to six with

Sherwood B. Owens, an individual
P. O. Box 769
Tucson, Arizona

covering a project of exploration for zinc and copper.

The accounting records under this contract are located at the home of Mr. Owens, 4052 Calle de Jardin, Tucson, Arizona, while the mine is located in the Dragoon Mining District, Cochise County, Arizona, 22 miles northeast of Tombstone, Arizona.

Mr. J. W. Townsend, Mining Engineer, Denver Office, and Mr. T. M. Romslo, Mining Engineer, Tucson Office, collaborated in the audit.

During the course of the audit, Mr. Sherwood B. Owens was consulted as necessary.

His cooperation and assistance greatly facilitated the audit.

II. GENERAL INFORMATION ON RECORDS

The general ledger and relation records had been forwarded to Mr. Owens' accountant in Dallas, Texas, in order to prepare the income tax returns.

The source documents covering the costs of the project are recorded on monthly work sheets, which form the basis for preparation of the monthly MF-104 reports. Therefore, this audit involved in general a check of the source documents against the monthly work sheets.

All costs, except for payroll taxes and compensation insurance are recorded on a cash basis.

III. SCOPE OF AUDIT AND FINDINGS

(1) Independent Contracts

Not applicable to this contract

(2) Labor and Supervision

All charges under this category were checked against the recordings on the monthly work sheets. Time for individual miners as entered on the daily time book which is maintained by the foreman, were checked to payroll records. Rates were checked to contract, and extensions and footings for December 1951, February, April and June 1952, and January 1953 were checked in detail. In the following noted instances, time was charged on the payroll record in excess of that shown on the time book.

Name	Date	Hours	Rate per hour	Amount
Frank Molina	6-22-52	1.5	1.375	2.06
Frank Molina	8-31-52	8.0	1.5625	12.50
Frank Molina	1-9-53	1.0	1.5625	1.56
Jesus Molina	6--23-52	8.	1.375	11.00
Jesus Molina	6-26-52	8.	1.375	11.00
Jesus Molina	7-12-52	2.	1.5625	3.13
Jesus Molina	8-31-52	8.	1.5625	12.50
A. R. Altiminero	6-22-52	1.5	1.5625	2.34
Olejo E. Antunz	8-7-52	8.	1.25	10.00
Olejo E. Antunz	8-31-52	8.	1.25	10.00
Nicholas Alverez	8-31-52	8.	1.5625	12.50
Total Disallowed				$88.59

Payroll records are prepared in Tucson based on time as recorded in the time book approved by the foreman. In view of errors noted above, $88.59 is disallowed.

The audit disclosed that the costs under this item shown on the January MF-104 as compared to the costs properly chargeable and allowable to be:

Reported on January 1953 MF-104	$17,046.96
Disallowed	88.59
Allowable	$16,958.37

Supervision

Alvin W. Gearheart, Engineer and Supervisor devotes full time of 8 hours each day to the project, at the flat rate of $15.00 per day. No overtime is charged for time in excess of 40 hours per week. The examining engineer is of the opinion that the costs incurred are reasonable, proper and allowable under the terms of the contract. The executive officer of Region IV concurs in this decision. In view of the fact that Mr. Gearhart handles all engineering details, prepares the maps and geological and engineering reports in addition to active supervision of the workmen, it is felt that the charge as claimed $6120.00, is proper and allowable under the terms of the contract.

(3) Operating Materials and Supplies

All charges for materials and supplies were checked against monthly work sheets. All invoices were examined to determine propriety of items charged. It will be noted that explosive costs are high. The examining engineers all concur that this is due primarily to the nature of the ground, which is extremely hard and considerable difficulty is experienced in both drilling and breaking the rock.

The total costs properly allowable and chargeable under this category were found to consist of the following:

Timber	$1,125.19
Explosives	4,802.83
Pipe	887.78
Track	934.53
Miscellaneous	7,046.11
Total	$14,796.44

Miscellaneous consists primarily of Drill Steel, Diesel Fuel, Air Hose and Fittings and Small Tools.

(4) Operating Equipment

All charges for operating equipment were checked against the daily work sheets and authority established by the contract. Invoices covering purchase of equipment, all of which are considered proper and allowable by the terms of the contract, were found to consist of the following items:

5 - Atlas Drills	$1,651,20
2 - Raising Feeds	397.80
1 - Grinder	397.80
2 - Pneumatic Pushers	306.00
Total	$2,752.80

All charges for depreciation on equipment owned by contractor and used in exploration work were checked to monthly work sheets. The audit disclosed that these charges were as follows:

Description	Monthly Rate	Dec 1951 to May,1952
Eimco Mucking Machine	$ 50.00	$187.50
385 CFM Compressor	150.00	562.50
Trammer Locomotive	33.00	123.72
9 Mine Cars	56.25	210.96
	$289.25	$1084.68

289.25x6= 1735.50
62.5% of 1735.50 = $1084.68

Charge based on machine shifts as agreed between operator and examining engineer and approved by Executive Officer, Region IV as follows:

	16 shifts per day
Exploration	all of 8 shifts per day
Exploration	part of 2 shifts per day

Total Exploration 10 shifts
Total Shifts 10÷16= 62.5%

In June 1952 mining operations were discontinued on the 20th, hence charge for June was based on 75% as follows:

Eimco Mucking Machine	37.50
285 CMF Compressor	112.50
Trammer Locomotive	24.75
9 Mine Cars	42.19
	216.94

From July 1, 1952 to January 31, 1953 (7 months), the charges were as follows:

	Rate per Month	July 1, 1952 to Jan.31,1953
Eimco Mucking Machine	50.00	350.00
385 CFM Compressor	150.00	1050.00
Trammer Locomotive	33.00	231.00
9 Mine Cars	56.25	393.75
Total Costs July 1, 1952 to Jan.31,1953		2024.75

Total costs considered as reasonable and allowable under the contract ---------- $3,326.37

While accurate records were not maintained covering usage of equipment as listed above, the engineer's monthly narrative reports state that the charge was in order.

(5) Initial Rehabilitation & Repairs

Not applicable to this contract

(6) New Buildings & Improvements

Invoices covering items under subject category were examined. The charges are as follows:

House for 4 men	$550.00
Compressor house & change room	650.00
Moving houses to project	180.00
Total Charged	$1380.00

These costs are less than authorized by the contract and are considered as proper and allowable under the terms of the contract.

(7) Miscellaneous

Repairs to Equipment

All charges for Repairs to Equipment were traced to Monthly Work Sheets. Invoices covering parts and supplies were examined to determine propriety of the charge. An analysis was made which showed the allocation of charges to various types of equipment as shown herewith:

Drills	$444.57
Mine Cars	63.13
Compressor	805.41
	$1313.11

Charges for sampling and assaying in the amount of $25.00 were traced to monthly cost sheets. Invoices covering charges were examined. They were for:

15 zinc assays at $1.50	$22.50
1 zinc copper assay at $2.50	2.50
	$25.00

All charges for payroll taxes and insurance were checked by computation at the rates shown by the company's files to be in effect. These rates were:

Dec. 1951 to July 1952		
F.I.C.A.	1.5	
Unemployment-Federal	.3	
Arizona	2.7	4.5

July through January 1952 1953		
F.I.C.A.	1.5	
Unemployment-Federal	.3	
Arizona	1.5	3.3
Workmen's Compensation		9.92

Since disallowances have been made for wages under this contract, the allowable costs for payroll taxes and insurance are reduced as follows:

Payroll Taxes	Charged	Disallowed	Allowed
Prior to July	$472.33	1.33	471.00
Subsequent to July	346.95	1.95	345.00
	$819.28	3.28	816.00
Workmen's Compensation	$2298.15	8.79	2289.36

Accountant

The Finance Officer had disallowed payment for part time auditor in the amount of $100.00 because of lack of documentation. Satisfactory evidence of payment was submitted, hence this amount is reinstated.

IV. CONCLUSIONS AND RECOMMENDATIONS

Mr. Townsend, Mining Engineer, checked the amounts reported on MF-104A, which were in agreement with those reported on MF-104. He made some changes in the distribution of the charges, and the correct distribution which should be picked up by the operator in preparing his next MF-104A are shown below:

Drifting	$33,315.39
Rehabilitation	3,497.92
Raising	8,539.41
Drilling	941.93
	$46,294.65
New Bldgs, Improvements etc.	1,380.00
Equipment Purchases	2,752.80
	$50,427.45

Total Allowable Costs	$63,926.00
Expended to date	50,427.45
Balance	$13,498.55

In view of the work accomplished to date, it is felt that funds remaining should be sufficient to complete the project.

This audit has disclosed that all costs, as charged to this project, with the exception of disallowances itemized under Items (2) Labor and Supervision and (7) Miscellaneous, of the preceding section of this report, are reasonable and proper under the terms of the contract, and amendments one to six.

The adjustments between Items of Costs, as shown on the January 1953 MF-104, recommended disallowances, reinstatement, and approved amounts are summarized as follows:

	Jan.31 1953	Distri-bution Corrected	Disal-lowed by audit	Rein-stated	Allowed by Audit
(2)Labor & Supervision:					
Labor	$17046.96	$17046.96	$ 88.59		$16958.37
Supervision	6120.00	6120.00			6120.00
(3)Operating Material & Supplies:					
Timber	1125.19	1125.19			1125.19
Explosives	4802.83	4802.83			4802.83
Pipe		887.78			887.78
Track		934.53			934.53
Miscellaneous	7243.36	7046.11			7046.11
(4)Operating Equipment:					
Purchases	4334.44	2752.80			2752.80
Depreciation	3326.37	3326.37			3326.37
(6)New Bldgs.& Improvements	1380.00	1380.00			1380.00
(7)Miscellaneous:					
Repairs to Equip	1213.99	1313.11			1313.11
Sampling & Anal.	25.00	25.00			25.00
Payroll Taxes	819.28	819.28	3.28		816.00
Liability Ins.	2298.15	2298.15	8.79		2289.36
Accountant	550.00	550.00		$100.00	650.00
Transportation	142.54				
	$50428.11	$50428.11	$100.66	$100.00	$50427.45

At the conclusion of the audit, the findings were discussed with Sherwood B. Owens. The company is preparing their next monthly MF-104 on the basis of the proper distribution of charged costs as shown in the second column of the preceding summary.

March 16, 1953

T. H. Brading, Auditor

FILE COPY
SURNAME
Griswold
Chamberlin
Ontin
Hoffland
Selfridge
JEJohnson

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

APR 14 1954

Mr. Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

Re: Docket No. DMA-399X (Zinc-Copper)
Sherwood B. Owens
Abril Mine
Cochise County, Arizona
Contract No. Idm-F210

Dear Mr. Owens:

This is with reference to the subject exploration contract between your company and the Government.

The final audit of the contract expenditures and the final report of the Field Team have been received and accepted by this Administration. Of the total amount of $63,926.00, approved under the contract, $63,108.33 represents the accepted and approved expenditures actually made. Of this sum, 50 per cent, or $31,554.16, represented the Government's share. The exploration work was completed in a satisfactory manner.

Because the results of the exploration were unfavorable, it is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to Article 11 of the Contract which requires the Operator to "keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract."

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

WRGriswold/bjl (4/6/54)

Sincerely yours,

G. O. Mittendorf (for)
Administrator

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Region IV (2)
Mr. Kinkel
Mr. Bishop
Chron.

No. 7

AMENDMENT OF CONTRACT: No. Idm-E210

Contract Docket No. DMA 399X, dated Nov. 14, 1951, between the United States of America and Sherwood B. Owens is hereby amended as follows, effective February 10, 1953:

> Referring to Exhibit "A" attached to Exploration Project Contract Form MF-200, under the title Labor and Supervision: (Estimated), subtitle "Classification", add the following:
>
> "Lead Miners at $13.50 per day
>
> All per day wage rates are based on an 8-hour day, 5-day week, with time and one-half for overtime."

This amendment 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 the provisions of Article 13 of the contract form.

Dated MAR 18 1953

UNITED STATES OF AMERICA

Sherwood B. Owens

Sherwood B. Owens

W. H. King

Executive Officer, DMEA
Field Team, Region IV

No. 6

AMENDMENT OF CONTRACT: No. Idm-E210

Contract Docket No. DMA 399X, dated November 14, 1951, between the United States of America and Sherwood B. Owens is hereby amended as follows, effective as of the date of said contract:

> Referring to article "3. Exploration Project" of Exploration Project Contract Form M F-200, delete fifteen (15) months and in lieu thereof substitute "twenty-four (24) months".

This amendment 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 the provisions of article 13 of the contract form.

Dated February 16 1953.

Sherwood B. Owens

SHERWOOD B. OWENS

UNITED STATES OF AMERICA

By W. H. King

Executive Officer, DMEA
Field Team, Region IV

No. 5

AMENDMENT OF CONTRACT: No. Idm-E210

Contract Docket No. DMA 399X, dated November 14, 1951, between the United States of America and Sherwood B. Owens is hereby amended as follows, effective November 17, 1952:

Referring to "EXHIBIT 'A'" attached to Exploration Project Contract Form MF-200, caption "Estimated Cost of Exploration", to the matter thereunder add the following:

"If it is deemed to be in the best interests of the exploration project, as determined from geologic conditions encountered as the work progresses, the work authorized and funds allocated to 'No. 6 Crosscut, No. 4 level' may be augmented by a portion of the work authorized and funds allocated to 'No. 4 Crosscut, No. 5 Level'. Also, long hole drilling may be substituted in lieu of all or a portion of the authorized 'diamond drilling'. The extent of increased work on the No. 4 level and the long hole drilling is subject to prior approval and at locations acceptable to the DMEA representative. The drilling machine and steel necessary for long hole drilling will be furnished by the Operator without charge to the Project, except for necessary operating supplies."

This amendment 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 the provisions of Article 13 of the contract form.

Dated December 22 1952.

Sherwood B. Owens

Sherwood B. Owens

UNITED STATES OF AMERICA

By W. H. King

Executive Officer, DMEA
Field Team, Region IV

No. 4

AMENDMENT OF CONTRACT: No. IDM-E210

Contract Docket No. DMA-399X, dated November 14, 1951, between the United States of America and Sherwood B. Owens is hereby amended as follows, effective December 10, 1951:

> Referring to the amendment dated February 25, 1952, amending Exhibit A attached to Exploration Project Contract Form MF-200, item 2. delete the figure "1" in front of the words Miner-Trammer.

This amendment 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 the provisions of Article 13 of the contract form.

Dated April 16, 195 2.

SHERWOOD B. OWENS

By Sherwood B. Owens

UNITED STATES OF AMERICA

By [illegible]

Executive Officer - DMA

AMENDMENT OF CONTRACT: No. IDM-E210

Contract Docket No. DMA 399X, dated November 14, 1951, between the United States of America and Sherwood B. Owens is hereby amended as follows, effective December 10, 1951:

1. Referring to Exhibit A attached to Exploration Project Contract Form MF-200, under title Operating Equipment: (Estimated Cost), subtitle, "To be purchased:" add the following:

"3 RH-656 Atlas Rock Drills with fittings @ $320.00 -	$960.00
1 BMT-62A Raising Feed @ $195.00 -	195.00
2 BMK-61A2 Pneumatic Pusher @ $150.00 -	300.00
TOTAL	$1,455.00"

2. Referring to Exhibit A attached to Exploration Project Contract Form MF-200, under title Labor and Supervision: (Estimated), subtitle, "Classification", add the following:

"1 Miner - Trammer @ $1.375 per hour.

All hourly wage rates are based on an 8-hour day, 5-day week, with time and one-half for overtime."

This amendment 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 the provisions of Article 13 of the contract form.

Dated February 25, 1952.

SHERWOOD B. OWENS

Sherwood B. Owens

UNITED STATES OF AMERICA

By [signature]
Executive Officer - DMA

jwo

FEB 26 1952

Contracts & Audit Copy

AMENDMENT OF CONTRACT: No. Idm-E210

Contract Docket No. DMA-399X, dated November 14, 1951, between the United States of America and Sherwood B. Owens, an individual, is hereby amended as follows, effective January 1, 1952:

> Referring to Exhibit A attached to Exploration Project Contract Form MF-200, under the title "Labor and Supervision: (Estimated)" add the following:
>
> "1 part time auditor, $50.00 per month."

This amendment 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 the provisions of Article 13 of the contract form.

Dated February 5, 1952.

SHERWOOD B. OWENS

Sherwood B. Owens

UNITED STATES OF AMERICA

By F. H. Everath
Executive Officer - DMA

jws

Department of the Interior
Defense Minerals Administration
FEB 11 1952

Mr Moulds reviewed and approved 2/13/52 AB

AMENDMENT OF CONTRACT: No. Idm-E210

Contract Docket No. DMA 399X, dated November 14, 1951, between the United States of America and Sherwood B. Owens is hereby amended as follows, effective as of the date of said contract:

> Referring to Exhibit A attached to the Exploration Project Contract form MF-200 under title Exploration Project: , add the following:
>
> "Replacing the rail on the established grade on the hillside between the No. 4 and No. 5 levels as well as rehabilitation of the No. 4 and No. 5 levels are allowable costs of the project. It is understood and agreed that the cost of the above work, including the purchase of the necessary rail, air and water lines will not exceed $4,000.00."

This amendment 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 the provisions of Article 13 of the contract form.

Dated January 5th, 1952.

SHERWOOD B. OWENS

By Sherwood B. Owens

UNITED STATES OF AMERICA

By J. H. Earnst Jr.
Executive Officer - DMA

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
JAN 10 8 51 AM '52

MF-200
(June 1951)

Docket No. DMA 399X
Commodity Zinc-Copper
IDM-E 210

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 14 day of November, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Sherwood B. Owens, an individual
P.O. Box 769
Tucson, Arizona

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 Arizona, County of Cochise described as follows: [3] in Lease Agreement, dated February 1, 1951, between Operator and the Shattuck Denn Mining Corporation.

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

(*a*) ~~That he is the owner in possession and entitled to possession, and that the property is subject to the following claims, liens, or encumbrances, none of which the subordination agreement of the holder is attached:~~

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within thirty (30) days from the date of this contract shall commence work on a project of exploration for [5] Zinc and Copper; 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] fifteen (15) 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 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $31,963.00, which is 50 percent of the agreed estimated total cost of this project, $63,926.00.

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.

Sherwood B. Owens
(Operator)

By Sherwood B. Owens

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Production Expansion Division, Defense Minerals Administration

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

Docket DMA 399X

EXHIBIT "A"

Description of Property to be explored:

Abril Mine - Dragoon Mining District, Cochise County, Arizona.

Exploration Project:

All exploration work under this contract is to be done on the San Pablo and La Hermosa claims and is to be completed within fifteen months after date of Exploration Project Contract. The work on No. 6 crosscut on No. 4 level; and in No. 4 crosscut, No. 5 level; shall proceed in a South of East direction instead of the South of West direction stated in the Application. Crosscutting and raising is to be done with the best interests of exploration rather than development in mind.

Estimated Cost of Exploration:

No. 6 Crosscut, No. 4 level *	
Drifting and crosscutting 600 feet @ $30.00 per foot	$18,000.00
Raising 200 feet @ $30.00 per foot	6,000.00
No. 4 Crosscut, No. 5 level	
Drifting and crosscutting 500 feet @ $30.00 per foot	15,000.00
Raising 250 feet @ $30.00 per foot	7,500.00
Total diamond drilling on both No. 4 and No. 5 levels 1400 feet at $6.09 per foot	8,526.00
Total	$55,026.00

* Per foot estimates include; labor, supervision, explosives, rail, water, core boxes, sampling, assaying and all tools and equipment except those listed under Operating Equipment to be purchased, **as well as engineering and geological data.**

Fixtures and Improvements (Estimated Cost)

Materials and Labor for additional buildings for purposes of this contract.

Housing to accomodate 4 men	$1,000.00
Compressor house and change room	1,500.00
Total	$2,500.00

Operating Equipment: (Estimated Cost)

To be rented - None

To be purchased:

Rail, air and water lines	$4,000.00
Drilling machines	2,400.00
Total	$6,400.00

To be furnished by Operator *

	Cost	Allowable depreciation per month when used
1-Eimco mucking machine	$ 3,000	$ 50.00
1-385 c.f.m. Compressor	9,000	150.00
1-Tramaire Locomotive	1,980	33.00
9-Mine cars @ 375.00	3,375	56.25
2-Tugger hoists @ $1,680.00	3,360	56.00

* The use of this equipment is included in the cost per foot estimate.

Labor and Supervision: (Estimated)

Classification	Per Day
Miners	$ 12.50
Muckers	10.00
Trammers	10.00
Diamond drill operator	16.00
Diamond drill helper	12.00
Supervisor	15.00

Recapitulation: (Estimated)

Drifting and Crosscutting	$ 33,000.00
Raising	13,500.00
Diamond Drilling	8,526.00
Rail, Air and Water Lines	4,000.00
Drilling Machines	2,400.00
Housing	1,000.00
Compressor and Change Room	1,500.00
Total	$ 63,926.00

MF-202

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.
OCT 29 8 54 AM '51

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner ~~in fee simple of that certain parcel of ground~~ of the unpatented mining claims located in the Dragoon Mining District, in the county of Cochise, State of Arizona, described in a certain Exploration Project Contract dated November 14, 1951, between Sherwood B. Owens, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated February 1, 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 20th day of October, 1951.

SHATTUCK DENN MINING CORPORATION

S. S. Shattuck

Vice President

U. S. GOVERNMENT PRINTING OFFICE 16—64582-1

R. N. Gorchinzie

Assistant Secretary

LEASE AGREEMENT

THIS LEASE AGREEMENT made and entered into this 1st day of February, 1951, by and between SHATTUCK DENN MINING CORPORATION, a Delaware Corporation, duly qualified to conduct its corporate business in Cochise County, Arizona, hereinafter called the LESSOR, and SHERWOOD B. OWENS, Tucson, Arizona, hereinafter referred to as LESSEE , and

WHEREAS, SHATTUCK DENN MINING CORPORATION is the owner, subject to provisions of a certain Lease and Option Agreement dated December 15, 1945, of certain unpatented mining claims hereinafter described; and

WHEREAS, the Lessee is desirous of obtaining a lease on said unpatented mining claims and the Lessor is desirous of giving and granting such lease;

WITNESSETH:

NOW, THEREFORE, for and in consideration of the sum of One Dollar ($1.00) lawful money of the United States of America, in hand paid by the Lessee to the Lessor, the receipt whereof is hereby acknowledged, and in further consideration of the royalties hereinafter reserved unto the said Lessor, and the promises and agreements of the parties herein set forth, the Lessor has hereby leased and by these presents does hereby lease unto the Lessee those certain ten (10) unpatented lode mining claims situated in the Dragoon Mining District in Cochise County, State of Arizona, location notices of which are recorded in the Office of the County Recorder of said Cochise County, in the records of Mines, in the books and pages set opposite their names, to-wit:

Name of Claim	Book	Page
San Pedro	75	213
Juarez	75	214
San Juan	75	219
San Diego	75	217
La Hermosa	43	62
San Pablo	43	61
El Rico	43	63
Dos Hermanos	43	64
Herrera	43	65
Discovery No. 1	74	590

(which said Discovery No. 1 Claim is a relocation of said certain Discovery Claim, the location notice of which is recorded in Book 74, Page 231, in the Recorder's Office above named)

We hereby certify that this negative photostat
was made by us from an original subject.
TUCSON BLUE PRINT CO.
By

The duration of this agreement shall be from the 1st day of February, 1951, to the 31st day of August, 1952, both dates included, and shall continue indefinitely thereafter unless or until terminated by either party through written notice given to the other party sixty days in advance of termination; pursuant to the following terms, royalties, covenants and conditions, to-wit:

1. That from and after the effective date of this lease, the Lessee shall be entitled to the possession of each and all of said mining claims with the right to enter upon them and work, explore and develop them and to extract and ship ores therefrom; and the Lessee shall have the exclusive use of the loading ramp situated on Lots Numbers Two (2) and Three (3), Block No. Twelve (12) in the Townsite of Tombstone, Arizona.

2. That the Lessee may sell ores or concentrates coming from said premises, it being understood that the Lessee reserves to himself the right to select the company or companies which shall process the ores shipped from said property.

3. That the royalties to be paid by the Lessee to the Lessor, shall be ten percent (10%) of the "net smelter returns" or ten percent (10%) of the "net mill returns", as applicable, on all ores removed from said property; provided, however, that in no event shall such royalties be less than Seventy-five Cents ($.75) per dry ton of ore extracted.

4. That the smelting or milling company processing production from the mining claims hereinabove described shall be served by the Lessee with a copy of this agreement, and such processor shall pay the royalties hereinabove provided to the Miners and Merchants Bank, Bisbee, Arizona, submitting copies of settlement sheets to said bank and the Lessor.

5. That in the event price premiums, or other form of Governmental subsidy, are paid on any portion of the production under this agreement, the ten percent (10%) royalty, hereinbefore provided, shall apply to such additional values, and shall be paid to the Miners and Merchants Bank, by the Lessee; subject to provisions of the applicable legislation.

6. That the Lessee shall be required to perform one foot of Drifting for each twenty-five (25) tons of ore extracted or, in lieu thereof, two feet of Diamond Drilling for each twenty-five(25) tons of ore extracted; provided, however, that

We hereby certify that this negative photostat was made by us from an original subject.

TUCSON BLUE PRINT CO.

By

11. That the Lessee will comply with all of the laws of the State of Arizona and its political subdivisions with reference to mining operations, and will duly insure all of his employees with the Industrial Commission of Arizona or with an insurance carrier acceptable to the Industrial Commission of the State of Arizona, in compliance with the rules and regulations of said commission; that Lessee will comply with all of the laws of the United States Government with respect to labor, wages, insurance, or similar requirements as the same may apply to him and his operations under this Lease Agreement; that Lessee will hold the Lessor harmless from any loss or injury to the person or property of any person whomsoever growing out of or incident to the operation of said premises under this contract; that the said Lessor, or its representatives, shall at all times during the life of this agreement and during regular working hours have the right to enter into said mining claims and into any workings thereon for the purpose of inspecting said property; that during the life of this contract, all mining operations and the extraction, milling, treatment, handling, shipment and sale of ores shall be under the sole and exclusive charge of the Lessee, free from any supervision or control of the Lessor, except as to Section 6 hereof.

12. That the Lessor, or its representatives, during regular working hours, shall have access to the books and records of the Lessee pertaining to the production and sale of ores mined and extracted from said premises and shall have the right to inspect the same.

13. Upon the expiration of this Lease Agreement or upon its termination by forfeiture, as provided herein, the said Lessee hereby agrees to deliver up peaceful possession of said mining claims to the Lessor in as good condition as they now are, except for the amount of ores extracted under this contract; provided, however, that upon the termination of this contract in any manner as provided herein, the said Lessee shall have the right to remove any and all mining machinery, equipment or fixtures placed upon said mining claims by Lessee providing that said machinery, equipment or fixtures must be removed by the Lessee within sixty days after the termination of said Lessee's right in said contract and premises, or title to the same shall be forfeited to the Lessor.

14. That the Lessee shall be responsible and liable to the Lessor for the payment of the royalties on all ores extracted from the premises and the said Lessor shall have a lien against all mining machinery, equipment or fixtures on the

We hereby certify that this negative photostat
was made by us from an original subject.
TUCSON BLUE PRINT CO.
By

premises belonging to the Lessee in the event said royalties are not paid.

15. That whatever notices to the Lessor in writing herein called for shall be given by addressing said notices to Shattuck Denn Mining Corporation, Bisbee, Arizona; that all written notices to the Lessee called for herein shall be mailed to Mr. Sherwood B. Owens, P. O. Box 769, Tucson, Arizona.

16. The terms "net smelter returns" and "net mill returns" as used herein shall mean the gross metal values of all ores or concentrates after deducting smelter charges and milling charges, as applicable, and rail freight charges from the point of rail shipment to the smelter or mill; it being understood, however, that the definition of "net smelter returns" or "net mill returns" is based upon the point of rail shipment being at Tombstone, Arizona. The term "Ton" as used herein shall mean 2000 pounds of dry weight.

17. That should the Lessee be in default in carrying out any of the terms and provisions of this agreement then the Lessor shall notify the Lessee in writing of such default and this agreement shall be null and void unless the Lessee shall, within thirty days from the date of mailing such notice, remove such default.

18. This Lease Agreement shall be binding upon the successors, heirs, administrators, executors and assigns of the respective parties hereto.

LESSOR:

SHATTUCK DENN MINING CORPORATION,
a Delaware Corporation,

By _____
Its Vice President

ATTEST:

_____
Its Assistant Secretary

LESSEE:

Sherwood B. Owens
SHERWOOD B. OWENS

We hereby certify that this negative photostat
was made by us from an original subject.
TUCSON BLUE PRINT CO.
By Alec Nybl

STATE OF ARIZONA)
) ss.
COUNTY OF COCHISE)

Before me, the undersigned Notary Public in and for said County and State, on this day personally appeared S. S. Shattuck and R. H. Cochran, Jr., known to me to be the persons whose names are subscribed to the foregoing instrument, as Vice President and Assistant Secretary respectively of the said Shattuck Denn Mining Corporation, a Delaware Corporation, and acknowledged to me that they executed the same for said corporation for the purpose and consideration therein expressed, as its free act and deed and by each of them voluntarily executed.

Given under my hand and seal of office this 1st day of February, 1951.

Notary Public.

(SEAL)
My commission expires:
December 8, 1952

STATE OF ARIZONA)
) ss.
COUNTY OF COCHISE)

On this 1st day of February, 1951, before me personally appeared Sherwood B. Owens, to me known to be the person described in, and who executed the within and foregoing instrument, and acknowledged to me that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

Notary Public.

(SEAL)
My Commission expires:
December 8, 1952

We hereby certify that this negative photostat was made by us from an original subject.

TUCSON BLUE PRINT CO.

By

there shall be no requirement as to performance of any development work with regard to ores extracted from above the fourth tunnel level; and further provided, that the Lessee shall drive three hundred (300) feet of Drifting on the fifth tunnel level from a point and in a direction as designated by the Lessor, to apply as the development requirement in connection with mining the first Seven Thousand Five Hundred (7,500) tons from between the fourth and fifth tunnel levels.

7. That beginning with the third calendar month after the effective date of this agreement the Lessee shall perform a minimum of one hundred (100) work shifts per calendar month in underground operations, and all work shall be done in a miner-like fashion.

8. That the Lessee shall, at his own expense, do all annual assessment work which is required by either State or Federal law on the above described mining claims, during the continued existence of this lease agreement and shall, on or before the first day of May in each year, while this lease is in full force and effect, file with the County Recorder of Cochise County a proper proof of labor performed in compliance with the laws of the State of Arizona and the United States of America.

9. That the Lessee will pay any and all real or personal property taxes which are assessed against said mining claims and improvements thereon, from and after the date of this Lease Agreement and during its continuance, including any and all forms of taxes that may be imposed upon said premises or upon the operations thereof by reason of the operation of said premises by the Lessee.

10. That the Lessee will keep said property at all times during the continuance of this contract free and clear of all liens and encumbrances and will discharge promptly any and all claims incurred by him for or on account of labor or material used on or about his work or operations under this contract and will keep posted at the collar of all working shafts, tunnels and entrances to mining operations, on said claims, at all boarding houses situated thereon, and at the loading ramp in Tombstone, Arizona, notices stating that said mining claims are being operated by him under this Lease Agreement and that said Lessor cannot be held responsible for any labor or materials furnished to the said Lessee and the said Lessee will furnish to the Lessor a copy of said notice to be used by it for recording at the Office of the County Recorder of Cochise County as provided by law.

I hereby certify that this negative photostat was made by us from an original subject.

TUCSON BLUE PRINT CO.

By

SHATTUCK DENN MINING CORPORATION

DENN BRANCH

BISBEE, ARIZONA

February 1, 1951

Mr. Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

Dear Mr. Owens:

Supplemental to that certain Lease Agreement dated February 1, 1951, by and between Shattuck Denn Mining Corporation, as Lessor, and Sherwood B. Owens, as Lessee, it is further agreed that in the event the Lessee pays to the Lessor total royalties of at least Twelve Thousand Nine Hundred Six ($12,906.00) dollars on or before November 27, 1952, the duration of the Agreement shall be extended to March 27, 1957; and in that event it is further understood and agreed that all other terms and provisions of the aforementioned agreement shall continue in full force and effect without change.

If this is in accordance with your understanding please acknowledge by signing the enclosed copy of this letter, returning same for our files.

Yours very truly,

S. S. Shattuck

S. S. Shattuck
Vice President

Encl.

We hereby certify that this negative photostat
was made by us from an original subject.
TUCSON BLUE PRINT CO.
By

-103
951)

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 399X

Date received 5-31-51

Participation

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

Name and address of applicant

Date May 29, 1951

FILL IN THIS BLOCK

Date of application May 29, 1951

Estimated cost $ 60,000.00

Mineral or metal Zinc, Copper

Percentage of Government participation 50%

Location of mine Dragoon Mining District, Cochise County, Arizona

Date of filing MF-100 May 29, 1951

DMA Docket Number, if available 399 X

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. p. 1

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. p. 2
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)? p. 3

*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. p. 3

(*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted. p. 3

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. p. 3

*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. p. 3

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? p. 4

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. p. 4

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. p. 5

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: pp. 6-7

(*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. p. 7

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.

SHERWOOD B. OWENS
(Name of company)

By Sherwood B. Owens
(Signature of authorized official)

MAY 29, 1951
(Date)

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

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

7. A photostatic copy of the lease is attached hereto. It is in good standing. I would also like to call attention to photostatic copy of letter attached to lease, dated February 1, 1951, from Shattuck Denn Mining Corporation. You will note that the original lease contract is guaranteed effective and non-cancellable for a period of 19 months, after which date it shall continue indefinitely unless terminated by either party on sixty days written notice. The effect of the letter, however, is to extend this basic non-cancellable lease for a period of almost five years additional provided royalties in a guaranteed amount have been paid during the basic period. The proven ore now in the mine is more than ample (from the standpoint of royalties) to pay this obligation. We can, therefore, reasonably consider that we have a lease effective to March 27, 1957.

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

8. Current Financial Statement of Sherwood B. Owens as filed with Federal Reserve Bank

ASSETS

Cash on hand and in bank		$ 2,110.23	
Accounts receivable (good)		2,140.00	
Notes receivable (good)		23,750.00	
Repair parts, etc.		1,250.00	
Fluxing and milling ores, broken and stockpiled for shipment		12,000.00	
Total current assets			$ 41,250.23
Real estate owned	$ 28,400.00		
Less mortgage	11,700.00		
		16,700.00	
Machinery & Fixtures	100,829.23		
Less depreciation	38,971.05		
		61,858.18	
Mining leases and/or mining properties owned in fee		50,000.00	
			128,558.18
Total assets			169,808.41

LIABILITIES

Notes payable to banks	$ 17,665.75	
Current accounts payable	1,873.41	
Accrued payroll	475.00	
Accrued insurance	250.00	
Total liabilities		20,264.16
Net Worth		$ 149,544.25

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

9. I am prepared to invest fifty percent of the cost of the proposed project. No doubt I will be able to furnish some equipment or facilities on the basis of standard rental charges. I will, in any event, be prepared to pay my proportionate part of the project in accordance with the regulations on Government participation.

10. (a) There are 10 mining claims in this group, all of which constitute the Abril Mine. Reference is hereby made to the enclosed contract which lists each individual mining claim with recording data on same.

    (b) The legal description of the exact parcels upon which we propose to conduct exploration are the San Pablo and the La Hermosa claims. It will of course be necessary to use existing facilities on other claims but all new ore developed will be on one or both of these claims.

15. The ore produced from the mine is presently being shipped to the Deming, New Mexico mill of American Smelting and Refining Co. The ore has been granted special freight rate by Southern Pacific and Santa Fe railroads because of the comparatively low value. Since the ore is extremely good mill ore, I have received special milling rate from the Deming mill. They are willing to mill 1500 tons per month on the basis of the present schedule.

19. It is well to keep in mind that the diamond drilling program already completed on the Abril property has to a great extent eliminated the hazards ordinarily existing in exploration work. By following our proposed plan of extending our work into or under the areas in which diamond drilling has already indicated ore, I feel that we are not taking much risk. It is also noteworthy at this time to mention the fact that the ore bodies thus far opened by diamond drilling have proven to be of far greater value in most cases than was indicated by the core analysis. It is possible there was dilution or faulty recovery but, in any event, it has been proven in many cases that ore which cored at only two percent shipped at twelve to fourteen percent.

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

20. The exploration will be conducted for zinc-copper ore in an area directly adjacent to that which is now producing. The type of deposit is a typical contact-metamorphic or metasomatic replacement of limestone within one hundred feet of the intrusion.

21. We propose continuation of No. 6 crosscut on the No. 4 level in a South of West direction for a distance of approximately 400 feet at 6481 foot elevation. We estimate that a minimum of 200 feet of cross cutting would be necessary and that a minimum of 200 feet of raises would be necessary to properly prospect this level. At the same time, diamond drilling of at least 600 feet should be done from the new stations.

    Thus the total work we estimate necessary on our No. 4 level is 800 feet of drifts and raises and 600 feet of diamond drilling.

    We propose continuation of No. 4 crosscut on our No. 5 level in a South of West direction for a distance of 300 feet minimum at the 6325 elevation. We estimate a minimum of 200 feet of cross cutting would be necessary and that a minimum of 250 feet of raising would be necessary to properly prospect this level. At the same time, diamond drilling of at least 800 feet should be done from the new stations.

    Thus the total work we estimate necessary on our No. 5 level is 750 feet of drifts and raises and 800 feet of diamond drilling.

    This gives a total footage of proposed exploration work for the Abril Mine of 1550 feet of drifts and raises and 1400 feet of diamond drilling.

    We estimate that we can complete the program in twelve to fifteen months from start of operations.

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

22. Enclosed herewith you will find two copies of composite map and surface geology of our Abril Development. You will find numerous additions in ink and color by us as per legend in lower left hand corner. Also enclosed you will find two sets of cross sections which relate directly to our proposed exploration. You will note from examination of this data that in every case we propose to drift toward known ore showings as indicated by diamond drilling.

    On our proposed work on the No. 4 level, you will note Diamond Drill Holes Nos. 10, 11, and 14. These holes show commercial grade ore respectively at elevations 6575, 6590, and 6540. By drifting at an elevation of 6481, we are well under these showings and have additinnal backs, some of which will undoubtedly be ore bearing. We also receive the advantage here of having any ore which might be developed falling to our haulage level without additional transfer being necessary. Our tramming will all be on the No. 4 level from any ore developed at that point or above.

    On our proposed work on the No. 5 level, you will note Diamond Drill Holes No. 4T-6+C2, ore at 6400, 6435. Nole No. 4T-6+C3, ore at 6400. Hole No. 4T-10+C2, ore at 6330, 6335. Hole No. 3T-3+C3, ore at 6435. Nole No. 3T-3+C1, ore at 6325, 6415. With all of these drill holes showing ore, we feel that we can safely predict a considerable tonnage will be opened up by the work on No. 5 level.

    It is to be noted that the not inconsiderable tonnage already shipped and/or developed on the property has been the result of exploration following initial diamond drilling which had been found indicative. We feel that under the circumstances, exploration work is clearly indicated here and that commercial ore bodies will be found.

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

23. (a) Labor: For drifts and raises:
2 miners @ 12.50 per day
2 muckers @ 10.00 per day
2 trammers @ 10.00 per day
For diamond drilling:
1 operator @ 16.00 per day
1 helper @ 12.00 per day

(b) Supervisor: 1 supervising engineer @ 15.00 per day

(c) Additional installations (housing) to accommodate 4 men -- $1000.00

(d) Air and water lines -- $2000.00
Compressor house & change room $ 750.00

(e) Drilling machines -- $1200.00

(f) None anticipated at moment

(g) Eimco mucking machine, 315 c.f.p.m. air compressor, Tramaire locomotive, mine cars, tugger hoists, various necessary equipment. I should judge these rental items would be listed and rented to the operation at the same rate charged by reputable mining rental supply houses for the same equipment.

(h) We will need steel, drill bits, explosives, insurance, some lumber and all of the various small supplies necessary to proper mining practice. It is impossible to break these items down into a cost per item for the project.

(i) We have a small cost for camp water as this must be hauled. For mine water, we have only the pumping cost. All other costs such as power or utilities would be lumped under your air cost as all machinery will be air driven. Thus your power is compressor rental, plus repairs, plus fuel costs.

I have made a careful check of prevailing costs, both private and contract, and it is my considered opinion that our drifting and raising will run from $30.00 to $35.00 per lineal foot average

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

23. (i) continued

cost. Our diamond drilling will average $7.50 per foot as it will all be underground work. We hope to do an estimated 1550 feet of drifting and raising which will probably cost a total of $46,500.00 to $54,250.00. Our diamond drilling program of 1400 feet would run another $10,500.00. Thus we can reasonably expect our proposed exploration program to total some $60,000.00 to $65,000.00. We cannot, of course, estimate closer than this under present conditions. It is our firm belief that the expenditure of this sum will definitely open up new ore bodies of considerable magnitude at the Abril Mine.

24. We would spend about $6,000.00 within a very short time after project was approved. This would be the items necessary (as listed in Question 23 Sections (c), (d), (e)) plus transportation costs. These facilities would be in within two to three weeks and work would then start on actual exploration. Our drifting and crosscutting will be at the rate of 100 ft. per month initially, increasing within 30 days to 150 ft. per month. Thus expenditures for this work would probably be at the rate of $3500 to $5000 per month. The diamond drilling program will not start until some drifting has been accomplished and will then be carried on more or less simultaneously, thus adding perhaps another $1000 per month.

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. Dm A 399X

Date received 5-31-51

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

Name and address of applicant

Date May 29, 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.

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 0

   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)
THIS IS AN INDIVIDUALLY OWNED OPERATION							
WITH NO PARTNERS OR CORPORATE AFFILIATIONS							
	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)
Common stock NONE	$	$	$		
Preferred stock NONE	$	$	$		

*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.) Dry, short tons	Crude ore	1214	2661	None	600
2. Quantity of product processed (specify unit of measure and type of process)	None				
3. Quantity and grade of product sold or shipped (specify units of measure)	All crude ore	Cu .69 Zn 8.15	Cu .83 Zn 11.14	None	Cu .70 Zn 12.00

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.

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

Additional Sheet 1

1. Materials produced:
   (a) The chief mine product is Zinc.
   (b) The byproducts consist of small amounts of Copper, Lead and Silver.

2. The name of the mine is the "Abril."

   It is an underground mining operation.
   The extent of the workings is as follows:

   (a) Linear feet of shafts -- 156

   (b) Linear feet of drifts and crosscuts:

#1 Level --	150
#2 Level --	165
#3 Level --	625
#4 Level --	790
#5 Level --	375
Total for mine	2105

   (c) Linear feet of tunnels or adits:

#1 Level --	110
#2 Level --	95
#3 Level --	300
#4 Level --	275
#5 Level --	400
Total for mine	1180

   (d) Linear feet of raises in mine at the various levels -- 635

   The mine is not flooded. There are no pumping problems whatsoever. Mine is a dry mine.

3. (a) The mine is twenty miles North East of Tombstone, Arizona, the nearest town and also our shipping point.

   (b) Mine is located in Dragoon Mining District.

   (c) Twn., Sec., Range information not presently available.

   (d) County is Cochise, State is Arizona.

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

4. (a) The property is now in operation and is being operated by Sherwood B. Owens of Tucson, Arizona.

   (b) I am operating the property as lessee.

5. The property has been produced intermittently over an 11 year period.

   The mine is now in production.

6. (a) The general business experience of the applicant covers a twenty-five year period. I was in the oil business (producing and drilling contractor) for fifteen years and was successful. I moved to Tucson, Arizona ten years ago and entered the mining business. I was fortunately able to acquire some productive properties at that time and with premium assistance, was able to expand these low-grade properties to the point that I became one of the largest producers of low grade fluxing ores in the Southwest. I have, over a period of years, been a major supplier to American Smelting & Refining Company at both the El Paso and Hayden plants, Phelps Dodge Corporation at Douglas, and Magma Copper Company at Superior. I am financially responsible and my mining experience has been both varied and successful. As to my general reputation in the industry as well as my financial responsibility, I can refer you to Mr. Reed F. Welch, Manager, Southwestern Ore Purchasing Division, American Smelting & Refining Company, Valley Bank Building, Tucson, Arizona; or Mr. J. M. Sakrison, President, The Southern Arizona Bank & Trust Company, Tucson, Arizona.

   (b) The actual on-the-ground direction of this project will be by Mr. Alvin W. Gerhardt.

   Mr. Gerhardt is a graduate mining engineer, University of Arizona '35. He was employed by some small operators but soon left them to take a position with St. Joseph Lead. He was in the Tri-State several years and was transferred to the Sheepranch on the Mother Lode. When gold mining was shut down in World War II, Mr. Gerhardt resigned

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

6. (b) continued

from St. Joseph and went into research for Bureau of Mines. He was in Maryland some time and then moved to Tucson, Arizona. He resigned his Bureau of Mines position on July 1, 1948 and has been employed by me since that time. Mr. Gerhardt has proven to be a very capable engineer and a good operator in all respects.

7. (a) The property was originally located about 1907 but due to the extreme inaccessibility, practically no work was done until 1925. From this time on spasmodic exploratory efforts were made but little actual mining was done. In the early 1940's work was done on the No. 1 level and operations were started on the No. 2 level. The showings became better and in 1944 the No. 2 level was lowered some 100 feet on the incline and in early 1945 work was begun on the No. 3 level. Shattuck Denn Mining Corporation acquired the property the latter part of 1945 and launched an intensive development and drilling program. This was continued until the break in metal prices in 1949 caused cessation of the operations. During the period prior to acquisition by Shattuck Denn, the property had a production record of only some 3,000 tons with the greater part of the production high grade zinc-copper. The production by Shattuck Denn Mining Corporation during its operation totalled approximately 20,000 tons of ore, the average for the whole lot being .346 oz Ag, .796 Cu, .064 Pb, and 12.38 Zn.

(b) The Arizona Bureau of Mines has published a bulletin on the Tombstone area -- reference is made to this for complete information regarding general area.

(c) This mine has been examined by all the major companies operating in this area as well as by both the U. S. Bureau of Mines and the Arizona Bureau. The general consensus seems to be that the Abril has an excellent chance of making a medium sized mine. There is a large limestone area with thicknesses approximating 600 feet. The

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

7. (c) continued

mineralization is good and the ore bodies have been of good size and grade. The diamond drilling program has been of great value in opening up new areas. We believe that we have sufficient showings in our drill holes to warrant an exploration program at the mine. It is our intention to drift approximately 400 ft. on the No. 4 level and to drift approximately 300 ft. on the No. 5 level, cross-cutting at appropriate intervals. We can intersect the ore shown in our drill holes with this work, and at the same time can establish new stations for additional diamond drilling. If we can carry this program through to completion, we can make a mine out of the Abril. It is well to note that the ore is easily and readily milled with outstandingly good recovery of the metal content.

8)
9) See Form MF-100
10)

11. The present average monthly rate of production is only 600 tons. It is contemplated that an increase to 1500 tons monthly will be attained promptly provided either a higher metal price or subsidy support is forthcoming. We have large bodies of low grade ore and it is impractical, in fact, economically impossible, to produce this ore under existing conditions.

It is well to note at this time that all of the equipment necessary to 1500 tons monthly production is now in place and ready for use at the mine.

12. (a) We will be glad to make available for inspection our own engineering and geological information. There has been a great deal of diamond drilling on the property and we believe the results justify our belief that it will make a medium sized mine.

Beds of limestone up to 600 feet thick are intruded by granite which forms a limiting "footwall." Above the granite, approximately 50 feet of the sediments are metamorphosed and silicated by contact metamorphism and above this zone, zinc ore

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

12. (a) continued

replaces separate lime beds to a maximum thickness of 40 feet. The deposit can well be classed as a typical contact-metamorphic type or metasomatic replacement of limestone within 100 feet of the intrusion. Epidote, vesuvianite, and broad garnetization of parallel beds is common and wollastonite is prominent throughout this same zone. Zinc of course occurs as the sulphide sphalerite and copper as chalcopyrite.

(b) (1) A plan map is enclosed on which we have shown our proven and what we consider our probable ore bodies.

(2) See Form MF-100

13. Our shipping point is Tombstone, Arizona and the distance is twenty miles over our truck (or lower) road.

Our shipments of replacement parts and supplies are usually made from the suppliers to Tombstone via motor freight. We pick the supplies up and transport them to the mine. The major supply points for our operation are Bisbee (25 miles from Tombstone) and Tucson (75 miles from Tombstone).

Our camp is located on our upper road and is 21 miles from Tombstone. The lower or truck road is in good condition. We recently spent several thousand dollars putting it into good condition. The upper road to the camp and mine proper is in very poor condition for the last five miles. It is passable but that is about all. Both roads are standard mountain-desert roads with firm foundation but requiring considerable maintenance.

14. Our water supply source is two long diamond drill holes on the No. 5 level which apparently cut faults at depth. They supply ample water for all mining requirements. The water for camp is hauled three miles from a well in Middlemarch Canyon.

The water has been proven sufficient at both points for all seasons of the year.

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

15. The only power we need is for mining as we have no mill. All underground installations are air-powered and our air is produced by diesel driven compressors. At the present time, one 125 HP diesel is supplying all mine air.

16. Our present labor force consists of a mine superintendent, two miners, three muckers and four trammers. Additional labor is available if needed from the immediate area.

17. The Abril mine is completely equipped. The buildings consist of mess hall and kitchen, three dwelling houses for workers, one office-dwelling for superintendent, and one tool house. All of the above units are in good serviceable condition.

    The major pieces of equipment now owned or controlled and in serviceable condition are as follows:

    12 - 16 cu. ft. timken bearing ore cars
    Rail, air and water lines
    1 - 500 cu. ft. diesel driven air compressor
    1 - Universal Tramaire locomotive
    1 - #12 Eimco mucking machine
    1 - Gardner Denver 7½ HP Double drum air tugger
    1 - Sullivan 10 HP Double drum air tugger
    1 - I.R. 5 HP Double drum air tugger
    4 - 55# jack hammers
    2 - Liners
    5 - Stopers
    1 - Wisconsin Double Drum gasoline hoist

    Minor equipment consists of: air receivers, water tanks, air and water hose, drill steel, drill bits, hand tools, ore rakes, slusher buckets, wire line, columns, lumber and all the miscellaneous equipment necessary to a well organized mining operation.

18. The controlling factor in the operation of the Abril mine is the unfortunate location. It is situated at an elevation of 6500' and in such a mountainous region that the location is reflected in the operating costs. The fact that supplies must go in and ore go out does raise the overall operating costs. The mine contains a great deal of low to medium grade ore and

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

would be developed into a major producer long since were it more favorably located. The fact of the location being expensive, coupled with the absence of a mill, make it necessary to list the mine as a "high-cost" producer. This is what makes an extra price imperative, whether same be in the form of an over-the-market contract, a subsidy, premium or what not. With added price incentive, the Abril can be developed into a really good producer of metal but without additional income it cannot be successfully operated on the grade of ore now present in quantity.

(*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)	20,000	.70 Cu 11.00 Zn	--	--	13.75
Indicated (probable)	30,000	.70 Cu 11.00 Zn	--	--	13.75

(*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.

SHERWOOD B. OWENS
(Name of company)

By Sherwood B Owens
(Signature of authorized official)

MAY 29, 1951
(Date)

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

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1953 Docket No. DMEA 390X Contract No. Icm-E 210
Operator's Name Sherwood B. Owens Minerals Zinc-Copper
Address P. O. Box 769 Tucson, Arizona
Contract Amount, $63,926.00 Government Participation: 50 % Amount, $ 31,963.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	691.75	23037.38	23720.13			
Supervision	450.00	8325.00	8775.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		1125.19	1125.19			
Explosives		5472.28	5472.28			
Pipe		1051.75	1051.75			
Track		934.53	934.53			
Miscellaneous	335.00	7742.43	8077.43			
(4) Operating Equipment:						
Rental						
Purchase		2752.80	2752.80			
Depreciation	75.00	4702.99	4777.99			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		1380.00	1380.00			
(7) Miscellaneous:						
Repairs to Equipment		1524.87	1524.87			
Sampling and Analysis	24.00	54.50	78.50			
Payroll Taxes	37.67	1090.12	1127.79			
Liability Insurance	113.26	3114.21	3227.47			
Part time Auditor	50.00	900.00	950.00			
(8) Contingencies (specify):						
TOTALS	1776.68	63187.99	64964.67	1776.68	63187.99	64964.67
				-174.86		-174.86
				-1681.48		-1681.48
				≠ .05	$ ≠ .05	
				1601.87	61506.46	63108.33

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

Date Aug. 5, 1953 *Payee Sherwood B. Owens

Per _____ Title _____ **

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

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

(Instructions on reverse)

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

Signature 80093
(Authorized Certifying Officer)

Date 3/19/54 Vou. No. DMA 54-90

(See other side)

* Disallowed by DMEA Audit
** Mill Adjustment

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E210 in accordance with the terms of the contract.

Signature John A. Soule WAS Title Mining Engineer Date August 6, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. L. King Title Executive Officer Date MAR 15 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 29 1953

Month of July 1953 Docket No. DMEA 399X Contract No. Idm-E 210
Operator's Name Sherwood B. Owens Minerals Zinc-Copper
Address P. O. Box 769 Tucson, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Feet	-	-	43712.57	964	45.34	1100	30.00
Crosscutting								
Raising	Feet	-	-	8539.41	141	60.13	450	30.00
Shafts								
Winzes								
Drilling: Long Hole	Feet	1776.68	302.6	5081.97	879	5.78	Amt.	Necessary
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1776.68		57333.96				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				2752.80				6400.00
Initial Rehabilitation and Repairs				3497.92				4000.00
New Buildings, Improvements, etc.				1380.00				2500.00
TOTAL COSTS		1776.68		64964.67				

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

Date August 5, 1953 Operator Sherwood B. Owens

Per _____ Title _____

REMARKS: All work performed during July was long hole drilling

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

MINING DIVISION
REGION IV

August 6, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : July 1953 Progress Report, Contract Idm-E210, Docket DMA-399X, Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau ofMines engineer's report;
(2) Operator's narrative report with map;
(3) Forms MF-104 and MF-104A, original with documentation.

Also enclosed are two extra copies of our engineer's report.

To the best of my knowledge and belief all work is in accordance with the terms of the contract, except possibly such items as Soule' mentions. As the project now is completed I recommend that payment of the Government's share of the July costs be withheld until an audit has been made of the project accounts. Total costs up to and including July exceed the total costs allowed by the contract although the operater makes no claim for the excess amount.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-399X
DF

WRStorms:frj

MINING DIVISION
REGION IV

Memorandum

August 6, 1953

To : Walter R. Storms, Chief, Mining Methods Br., Mining Div., Region IV

From : John H. Soule', Mining Engineer, Tucson, Arizona

Subject : Progress Report for July 1953, Docket RMA-399X, Contract Idm-KX10, Sherwood Owens, Abril Zinc-Copper Mine, Dragoon Mining District, Cochise County, Arizona

The Abril mine was visited on July 21, 1953 to observe the progress made on the subject project during the month of July 1953. At the time of the visit, all project work had been completed and no work was being done on the property.

The only work done on the project during the month was long hole drilling that is allowed by an amendment to the contract. Eight holes were completed for a total advance of 302.6 feet. Only minor mineralization reportedly was encountered and those samples containing such mineralization were submitted for assay. These results are not available at present but will be submitted with the final project report.

The project work has been disappointing as a whole with respect to ore finding. Ore reserves will be small, possibly a few hundred tons of material containing from 5 to 10 percent zinc, and a little copper. Final ore reserve calculations will be made upon receipt of all sample assays.

ANALYSIS OF ENTRIES ON FORM MF-104

Item 2. Labor. This item totalled $691.75 and is documented. It seems that the labor classifications and the wage rates paid were allowed by the terms of the contract or amendments. This item is approved. Total labor to the end of the project was $23,729.13 as shown on Form MF-104.

Item 2. Supervision. This item is allowed by the terms of the contract at $15.00 per day. A total of $450.00 was entered and this is documented. It is approved. Expenditures to date total $8,775.00.

CC W. H. King (Orig. & 6)
RMA-399X
DF
JHSoule':frj

Item 3. Miscellaneous. This item is documented by 5 invoices which are listed as follows:

O. F. Myrmo, Blacksmithing and machine work	$80.84
Tombstone Hardware, Feed and Supply Co., Small hardware	1.38
Standard Oil Co. of Calif. T272403, Gasoline & fuel oil	110.48
" " " " " U294504, " " " " & grease	124.57
" " " " " U294634, Fuel oil	17.73
Total	$335.00

The above items are approved with the exception of the last which invoice is dated 7-23-1953, after the close of the project, It is not known if delivery was made prior to that date, so approval is withheld until an explanation is made.

Item 4. Operating Equipment. Depreciation. Only one item, a compressor, allowed by the terms of the contract was charged this month. A total of $150.00 is allowed and the compressor was charged for only one-half months use, or $75.00. This item is approved.

Item 7. Miscellaneous. Sampling and Analysis. This item totalled $24.00 for assays on 16 samples. Documentation is presented as an invoice from the assayer. This item is approved. Total assaying charges to date are $78.50.

Item 7. Miscellaneous. Payroll Taxes. This item is calculated on the basis of 3 parts, totalling 3.3 percent. These parts are: Social Security, 1.5 percent; State Unemployment Compensation, 1.5 percent; and Federal unemployment compensation, 0.3 percent. The charges total $37.67 and are documented by a notation on the certified copy of the payroll. Approval of this item is referred to Denver. To date, totals of this item are $1,127.79.

Item 7. Miscellaneous. Liability Insurance. Included in this item is workmens compensation as well as occupational disease insurance. The workmens compensation rate is 9.34 percent and occupational disease insurance is 0.58 percent, a total of 9.92 percent. This applied to the payroll for the month totals $113.26, the amount entered on Form MF-104. However, there is no documentation for this item and its approval is referred to Denver. To date, total is $3,227.47.

Item 7. Miscellaneous. Part Time Auditor. This item is allowed at a rate of $50.00 per month by the terms of an amendment to the contract. This item is approved.

Expenditures for the month of July total $1,776.68 and the total to date is $64,964.67. This latter amount exceeds the total allowed by the contract which was $63,926.00. The operator makes no claim for the excess over the contract.

As the project is now completed, it is recommended that payment of this voucher be withheld pending an audit of the project accounts, settlement of the Government's equity in purchased equipment, and the submission of the operator's final project report.

EXPLANATION OF FORM MF-104A

All costs for the month of July are properly charged to long hole drilling. For a total of 879 feet drilled to date and the $5,081.97 charged to this work, a unit per foot cost of $5.78 is indicated. This appears excessive although the details of the charges are not known.

A total of 964 feet of drifting was done on the project at a unit cost of $45.34 per foot, and 141 feet of raising was done at a unit cost of $60.13 per foot. Both of these exceed the costs estimated in the contract, $30.00 per foot for each class, but the costs were increased somewhat by a fire that destroyed project equipment.

John H. Soule'

John H. Soule', Mining Engineer
Mining Methods Branch
Mining Division, Region IV

August 5, 1963

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona

Re: Contract Idm-E 210
DMA Docket 20XX

Dear Mr. Storms:

Herewith narrative report for the month of July, 1963 on the above contract.

Work performed during the month consisted entirely of long hole drilling. A total of 64.1 feet of this drilling was on No. 4 level and a total of 238.5 feet was on No. 5 level, making total footage for the month of 302.6 feet. Data on the holes is as follows:

No. 4 Level

Hole No.	Length	Location
9	24.8'	2' from face, 14 Xcut, plus 40, N20E
10	39.3'	Face of 13 Xcut, plus 7, S20W

No. 5 level

9	40.5'	250' W of face of 4 Xcut plus 40, N30W
10	40.5'	250' " " " " " " "
11	41.0'	250' " " " " " " "
12	35.3'	148' " " " " plus 70, S30W
13	40.9'	250' " " " " plus 40, N30E
14	40.3'	300' " " " " " "

Only some minor mineralization was encountered in a few of these drill holes. All samples showing any mineralization are being assayed and will be listed on our project report.

The work above listed completes this project. All of the target points have been reached, the surrounding areas have been amply tested by our drilling program, and the listed objectives have been attained in their entirety.

I would like to note at this point that the enclosed MF-104 and MF-104A forms do list expenditures considerably in excess of the amount listed in the contract. The expenditure of the excess funds as listed was necessary to complete the program in its entirety. This has been absorbed by me and no excess remuneration above the contract amount is either due or expected.

Full and complete examination of the project has already been made by your office and all that is needed to finalize same is some disposition of the jointly owned items and a final audit. Our complete project history and report as well as complete mapping is now in process of completion by our Mr. Gerhardt and will be delivered to you within ten days.

It is necessary that I leave for Alaska about August 17 or 18 and I will probably be gone about a month. If you can possibly arrange for final audit and inspection before my departure date it will be greatly appreciated.

Yours very truly,

Norman B. Owen

NORMAN B. OWEN

SBO/j

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION IV

Administrative Audit Difference Statement

Received
APR 29 1954

Date: March 19, 1954
Payee's
Reference: Progress Report
July, 1953

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona
Idn-1210

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ 1776.68

Difference $ 174.86
Mill Adjustment .05
Amount Approved $ 1601.87

The reason for the difference was due to:

Exceptions made during Final Audit:

Duplicate charge for Diesel Fuel	110.48
Labor & Supervision (Overcharges in Febr.16-28, Mch 1-15 and May 1-15, 1953)	51.56
Payroll Taxes on above except ent.	4.62
Liability Insurance	8.20
	174.86

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-IV-B & F Form No. 4
4-15-52 D

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

224 New Customhouse
Denver 2, Colorado

March 15, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMA-399X (Lead-Zinc), Contract Idm-E210, Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Arizona. Operator's Monthly Progress Reports for the months of June and July, 1953. - FINAL PAYMENT

Enclosed are the original and four copies of Form MF-104 and MF-104A, Narrative Report and Engineer's Report for the above months which have been combined to form a single report and constitute the Operator's final claim under the terms of the contract.

Work has been accomplished as authorized in the contract and the Operator has complied with all requirements.

Final payment is recommended as follows, which is in conformance with the Audit Certificate and Report by the Contract Administration and Audit Division, dated February 24, 1954, which was released to this office March 8, 1954.

Basis for Final Payment

Total allowable costs (per Audit Certificate)	$63,108.33
Government participation at 50 per cent	31,554.16
Total prior payments	30,279.92
Balance due the Operator	$1,274.24

Reconciliation with Claims on Form MF-104 attached

Gross amount of claim for June 1953		$2,628.10
Gross amount of claim for July 1953		1,776.68
Total		$4,404.78
Disallowed by Audit	$174.86	
Property liquidation	1,681.48	1,856.34

Reconciliation with Claims on Form MF-104 attached
(continued)

Adjusted gross claim	$2,548.44
Government participation at 50 per cent	1,274.22
Mill adjustment, plus	.02
Balance due the Operator	1,274.24

W. H. King

Enclosures

JWT:cwm

cc: Contract
Secretary to the Oper. Comm. (2)
WRStorms
Chron.
JWTownsend

Feb. 8, 1954

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona

Re: Docket DMA 399-X
Contract Idm-#210

Dear Mr. Storms:

Supplementing my letter of August 12, 1953 in which I did make a bid for jointly owned material, equipment and supplies remaining at termination of the above listed contract, the following detail is submitted:

Explosives:		
1200 lbs. Gelamite @ $21.10/C	$253.20	
3000 ft. Fuse	35.25	
1000 No. 6 blasting caps	21.75	$310.20
Equipment:		
3 Atlas Drills & Accessories	$708.75	
Buildings	63.00	
Hand Tools	26.25	
Drill Steel	35.70	$833.70
Pipe:		
1694 ft. 2")		
1320 ft. 1")		
147 ft. 3/4")		
Misc. Fittings)	$298.70	$298.70
Track:		
3.5 tons 30# rail)		
3.0 tons 12# rail)		
34 lbs. track spikes)		
22 lbs. strip steel)	$238.88	$238.88
Total amount of bid	-	$1,681.48

Yours very truly,

SHERWOOD B. OWENS

Sherwood B. Owens

224 New Customhouse
Denver 2, Colorado

February 19, 1954

Mr. Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

Re: Docket DMA 399X
Contract Idm-E210

Dear Mr. Owens:

Consistent with the authority delegated to this office under Order No. 2684 from the Office of the Secretary, Department of the Interior, the United States of America, acting through the Department of the Interior, Defense Minerals Minerals Exploration Administration, does hereby accept your bid and proposal dated August 12, 1953, supplemented in detail by your letter of February 8, 1954, in the amount of $1,681.48 for yours and the Government's interest in the equipment and unexpended portion of materials and supplies acquired under Contract Idm-E210.

The sum of $1,681.48, reflecting both yours and the Government's interest in the property, will be deducted from the gross amount of claims by you held pending in this office for reimbursement under the terms of the contract, thereby automatically making a deduction of the amount of $840.74 due the Government in the liquidation of the jointly owned property.

Final payment to you will be effected upon release to this office of a certificate and report of audit from the Contract Administration and Audit Division.

Very truly yours,

W H King

W. H. King
Executive Officer, DMEA
Field Team, Region IV

JWT:jp
cc Contract
Chron
WRStorms
AHKoschmann
MF-104 (5)
JWTownsend

January 25, 1954

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : Contract Idm-KZ10, Docket DMA-399X, Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Ariz.

As requested in your memorandum of January 15, we are enclosing original and 5 copies of a bid by Owens on the explosives that remained when the project was completed in July. We do not have the original invoices, but Owens states that the original cost was $310.20.

As Owens states that this is the original cost of these explosives, it seems unnecessary to obtain two other bids. I recommend that this bid be accepted, subject to verification of the cost by a DMEA audit of the operator's accounts.

Walter R. Storms

Walter R. Storms

CC W. H. King (5)
DMA-399X
DF

WRStorms:frj

Jan. 24, 1954

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona

Re: Docket 399-X
Contract Idm-E210

Dear Mr. Storms:

At the time we completed the above contract at the Abril Mine, Cochise County, Ariz. last July the inventory made by a representative of the Bureau of Mines and our Mr. Gerhardt did list the following unused powder, caps and fuse:

24 cases, 1200 lbs. Gelamite #1
1 Reel, 3000 feet, Black Sequoia Fuse
1 Carton, 1000 #6 Blasting Caps

The cost price of these explosives to us are as follows:

1200 lbs. Gelamite #1 @ $21.10/100#	-	$253.20
3000 feet Black Sequoia Fuse @ 11.75 per 1000 feet	-	35.25
1000 #6 Blasting caps @ $21.75/1000	-	21.75
Total cost unused explosives		$310.20

I wish to herewith enter a bid in the total amount of $310.20 for the above list of powder, caps and fuse, same being the total amount of same remaining unused at the termination of the Abril Mine Exploration project.

Yours very truly,

SHERWOOD B. OWENS

SBO/j

Sherwood B. Owens

January 12, 1954

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : Equipment and Property, Contract Idm-E210, Docket BMA-399X, Sherwood B. Owens' Abril Lead-Zinc Mine, Dragoon Mining District, Cochise County, Ariz.

Enclosed in quadruplicate are the following:

(1) Letter and supporting material from Sherwood B. Owens, relative to the disposal of property under Contract Idm-E210;

(2) A memorandum from L. L. Farnham of the Bureau of Mines regarding this property disposal.

In August 1953, Owens submitted bids relative to this property, and these bids were forwarded to your office. On August 18, 1953, you returned this material to me with the request that I have Owens re-submit it in a more acceptable form. At that time Owens was in Alaska and only returned to Tucson shortly before Christmas. Only recently were we able to contact him and obtain the itemized inventory as requested by you. Owens has resubmitted his letter as of August 12, 1953, but has added an inventory of property to it.

L. L. Farnham, mining engineer with the Bureau of Mines, who is writing the final engineering report on this project, has checked Owens' bid and believes that it is just and reasonable. As the Abril mine is in a very isolated and somewhat inaccessible location in the Dragoon Mountains, bids on the buildings, pipe, and track were very low.

As Owens' bid on the property owned jointly by the Government and him seems fair enough, I recommend that it be accepted, subject to a final audit by a BMEA auditor to verify the initial costs.

Walter R. Storms

Walter R. Storms

CC W. H. King (5)
DMA-399X
DF

WRStorms:frj

P. O. Box 769
Tucson, Arizona

August 12, 1953

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona

Re: Docket DMA 399-X. Contract Idm-E210

Dear Mr. Storms:

As per instructions received from Mr. W. H. King in letter dated July 28, 1953 I have made an exhaustive effort to secure bids for the purchase of every item of jointly owned material and/or supplies which remain on the above project.

I contacted seven machinery dealers and mine operators here, in Phoenix and in Bisbee. Two of the dealers made such ridiculously low offers as to be unworthy of consideration , two other dealers and one mine operator were not interested because of the extreme difficulty inherent in salvaging the material and equipment, but I have received two bids from reliable people, both located at Tucson, Arizona. One bid is from Bob Barrett, well known and probably the largest used machinery dealer operating in Arizona, and the other bid is from Richard E. Chilson, well known local mine operator. Of the two Mr. Chilson's bid is somewhat better than the one submitted by Mr. Barrett.

You will note that they have bid on every single item of jointly owned property, all of which has been listed on our reports and checked by representatives of your office. The only item remaining to the joint account which is not listed is the powder, caps and fuse unused on the property. We have secured a commitment for the purchase of this supply item from an individual at Tombstone who will pay our cost so nothing could be fairer than that. We should realize approximately $300.00 from this source.

The amount of rail and pipe on the property which is jointly owned can of course be determined from invoices rendered, all of same being in use and in the mine. The other items are listed as separate units as to the bid prices listed.

I think under the circumstances it would be to my advantage to keep these various items intact at the mine so I propose to enter a personal bid to DMEA herewith. Since Mr. Chilson's bid is the highest received, I will personally bid Five (5%) Percent more than the total amount of his bid. Please advise me if this is acceptable to DMEA and if so, same can be entered as a sale of their interest to me at that price.

Yours very truly,
SHERWOOD B. OWENS

Sherwood B. Owens

SBO/j

BOB BARRETT

TUCSON, ARIZONA

Bid prices on used material and equipment located at the ABRIL MINE, Cochise County, Arizona.

All prices bid are for material and/or eqpt. in place

* *

12 # Rail - $30.00 per ton in the mine

30 # Rail - $35.00 per ton on hillside

2 " Pipe - .10 per foot in place

1½" Pipe - .08 per foot in place

1 " Pipe - .05 per foot in place

3/4" Pipe - .03 per foot in place

<u>Drilling Equipment</u>

3 - Copco Atlas Drills, complete with misc. used air and water hoses
2 - Copco Jackleg pushers
2 - Copco Pusher legs
1 - De Luxe Bit Grinder ----------
Price for Lot $ 650.00

34 pieces Cormorant drill steel for Copco Atlas Drills, misc. lengths, all used ----------
Price for Lot 30.00

1 - Lot Misc. small fittings and connections (all used) 25.00

1 - Lot Misc. Hand Tools (all used) 25.00

1 - Single Room Miner's A Cabin 25.00

1 - Double Room change room 25.00

CERTIFIED TRUE AND CORRECT

Merwood B. Owens

RICHARD E. CHILSON

TUCSON, ARIZONA.

Bid Prices on used material and equipment located at the ABRIL MINE, Cochise County, Arizona.

All prices bid for material and/or eqpt. in place

* *

12 # Rail - $35.00 per ton in the mine

30 # Rail - $35.00 per ton in place on hillside

2 " Pipe - .10 per foot in place

1½" Pipe - .09 per foot in place

1 " Pipe - .06 per foot in place

3/4" Pipe - .04 per foot in place

DRILLING EQUIPMENT

3 - Copco Atlas Drills, complete with misc. used air and water hoses
2 - Copco Jackleg pushers
2 - Copco pusher legs
1 - De Luxe Bit Grinder
Price for total Lot drlg. eqpt. $ 675.00

34 pieces Cormorant drill steel for use w/ Copco Atlas drills, misc. lengths, all used 34.00

1 - Lot small fittings and connections (used) 30.00

1 - Lot misc. hand tools (used) 25.00

1 - Single room Miner's Cabin 25.00

1 - Double room change room 35.00

Certified True and Correct

Sherwood B. Owens

Schedule (1)

Operating Equipment Purchased

Item	Quantity	Original Cost
Atlas Rock Drills and Accessories *	5	$2,752.80
	Total	$2,752.80

* 2 completely destroyed by fire 12/51

Schedule (2)

Physical Improvements

Item	Original Cost
Buildings	$1,380.00
Total	$1,380.00

Schedule (3)

Tools & Small Equipment

Item	Quantity	Original Cost
Saws, Hammers, Files, Wrenches, etc.	21 pieces	$ 173.65
	Total	$ 173.65

Schedule (4)

Hose - Air and Water

Item	Quantity	Original Cost
Air Hose	395 feet	$ 425.85
Water Hose	350 feet	216.75
	Total	$ 642.60

Schedule (5)

Pipe

Item	Quantity	Original Cost
2" black	1694 feet	$ 589.77
1" black	1320 feet	218.24
3/4" black	147 feet	16.78
	Total	$ 824.79

Schedule (6)

Pipe Fittings
(This was charged to "Pipe" in Form MF-104 (rev))

Item	Quantity	Original Cost
Pipe Fittings *	Miscl.	$ 206.96
	Toatal	$ 206.96

* These items are too numerous to inventory, therefore settlement is proposed on the basis of a percentage of the total cost to project.

Schedule (7)

Track

Item	Quantity	Original Cost
Rail - 30#	3.5 tons	$ 490.00
Rail - 12#	3.0 tons	420.00
Track spikes	100 pounds	11.75
Track splice bolts	34 pounds	7.45
Strip steel for fish plates	22 pounds	5.33
	Total	$ 934.53

Schedule (8)

Drill Steel & Bits

Items	Quantity	Original Cost
Drill steel with attached bits	1100 feet *	$1,250.00 *
	Total	$1,250.00

* These items are estimated as do not have the complete invoice file on this. The bit useage and steel breakage on this job was extremely high as witness Supervising Engineer's reports of very hard and abrasive ground. Drilling was very difficult.

DEPARTMENT OF INTERIOR
Defense Minerals Exploration Administration

Denver Regional Office
Denver 1, Colorado

Date July 23, 1953

Inventory of Equipment and other Property purchased on DMEA Docket 399X Contract Idm-E210 Abril mine

Cochise County, Ariz.

(Explosives in stock at completion of project)

Article	Description	New or Used	Cost
Dynamite	24 50-lb. boxes - 60 percent - Hercules		*
Fuse	3,000 ft.		
*Cost to be obtained from invoice submitted with Operator's Report for April.			

CC W. H. King (Orig. & 7)
DMA-398X
DF

Inventoried By:
T. M. ROMSLO

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Received
Mar 29 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 195 3 Docket No. DMEA 399X Contract No. Idm-E210

Operator's Name Sherwood B. Owens Minerals Zinc-Copper

Address P. O. Box 769 Tucson, Ariz.

Contract Amount, $ 63,926.00 Government Participation: 50 % Amount, $ 31,963.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1314.25	21723.13	23037.38			
Supervision	450.00	7875.00	8325.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		1125.19	1125.19			
Explosives		5472.22	5472.22			
Pipe		1031.75	1031.75			
Track		934.53	934.53			
Miscellaneous	331.50	7410.93	7742.43			
(4) Operating Equipment:						
Rental						
Purchase		2752.80	2752.80			
Depreciation	219.62	4483.37	4702.99			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		1380.00	1380.00			
(7) Miscellaneous:						
Repairs to Equipment		1524.87	1524.87			
Sampling and Analysis	29.50	25.00	54.50			
Payroll Taxes	58.22	1031.90	1090.12			
Liability Insurance	175.01	2939.20	3114.21			
Part time Auditor	50.00	850.00	900.00			
(8) Contingencies (specify):						
TOTALS	2628.10	60559.89	63187.99 *	2628.10	60559.89	63187.99
				-1681.48		-1681.48
				946.62	60559.89	61506.51

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

Date July 15, 1953 Payee Sherwood B. Owens

Per _____ Title _____

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

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

(Instructions on reverse)

* Liquidation of Property

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

$ 473.31

Signature _____
(Authorized Certifying Officer)

Date 3/19/54 Vou. No. 54-90

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-1E210 in accordance with the terms of the contract.

Signature [illegible] Title Mining Engineer Date July 23, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. H. King Title Executive Officer Date MAR 15 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1953 Docket No. DMEA 390X Contract No. Idm-F210

Operator's Name Sherwood B. Owens Minerals Zinc-Copper

Address P. O. Box 769 Tucson, Ariz.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Feet	1265.21	38	43,712.57	964	45.34	1100	30.00
Crosscutting								
Raising	Feet	-	-	8,539.41	141	60.13	450	30.00
Shafts								
Winzes								
Drilling: ~~Core~~ xxLong Hole	Feet	1362.89	227.6	3,305.29	576.4	5.73	Amt.	Necessary
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2628.10		55,557.27				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				2,752.80				6400.00
Initial Rehabilitation and Repairs				3,497.92				4000.00
New Buildings, Improvements, etc.				1,380.00				2500.00
TOTAL COSTS		2628.10		63,187.99				

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

Date July 15, 1953 Operator Sherwood B. Owens

Per _____ Title _____

REMARKS: Advanced No. 13 X-cut on No. 4 level 38' for total footage of 129'

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION IV

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
MAR 29 1954

Administrative Audit Difference Statement

Date: March 19, 1954
Payee's Reference: Progress Report
~~June, 1953~~

Sherwood B. Owens
P O Box 769
Tucson, Arizona
Idm-E210

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ 2628.10

Difference $ 1681.48

Amount Approved $ 946.62

The reason for the difference was due to:

Liquidation Settlement:

Timber		310.20
Pipe		298.70
Truck		238.88
Small Tools	26.25	
Drill Steel	35.70	61.95
Rental (Equipment)		703.75
New Bldgs & Improvements		63.00
		1,681.48

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-IV-B & F Form No. 4
4-15-52 D

MINING DIVISION
REGION IV

July 23, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : June 1953 Progress Report, Contract Idm-8210, Docket DMA-398K, Sherwood E. Greene' Ahril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report with map;
(3) Forms MF-104 and MF-104a, original with documentation.

Also enclosed are two extra copies of our engineer's report.

To the best of my knowledge and belief, all work is in accordance with the terms of the contract. However, as the project was completed early in July, I recommend that no payment be made to the operator for June work until an audit of the accounts has been made by a DMEA auditor.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-398K
DF

WRStorms:frj

MINING DIVISION
REGION IV

July 23, 1953

Memorandum

To : Walter R. Storms, Chief, Mining Methods Br., Mining Div., Region IV, Tucson, Arizona

From : T. M. Romslo, Mining Engineer, Tucson, Arizona

Subject : Progress Report for June 1953, Abril Lead-Zinc Mine, Cochise County, Ariz., Docket BMA-399K, Contract Idm-8210.

The Abril mine was visited on July 2 to check progress for June and to determine if the work conformed with the contract. J. F. Haynes, Mining Engineer, Bureau of Mines, Tucson, accompanied me to the mine where we inspected pertinent mine workings with A. W. Gerhardt, project supervisor.

Advance for June was found to be as follows:

1. No. 4 level. Crosscut 13 was advanced 38 feet along the apparent footwall of the mineralized zone. The hanging wall side of the heading is in garnetized rock with a minor amount of sphalerite in the upper half of the workings. The footwall side of the crosscut is in barren limestone. From the crosscut, two long-holes (Nos. 7 and 8) were drilled a total of 47.5 feet. They were drilled normal to the indicated dip of the mineralized zone. Zinc mineralization was confined to 0 to 6.8 feet in hole 7 and 0 to 14.3 feet in hole 8. Assays of these sampled sections will be included with the July report. Additional drilling will be done to test this zone and one hole will be drilled into the footwall on the geologic possibility of ore occurrence between this zone and the limestone-quartzite contact. An estimate of the ore reserves of the mineralized zone will be delayed until receipt of assays. However, available data indicates that the reserves will be limited to a few hundreds of tons of zinc ore containing 5 to 10 percent zinc and possibly 1.0 percent copper.

2. No. 5 level. Work was confined to the drilling of long-holes 4 to 8 for a total of 180.1 feet. Previous drilling and geologic mapping had indicated the crosscut was driven mainly at the contact

CC W. H. King (orig. & 6)
BMA-399K
BF

TMRomslo:frj

between limestone and a dark colored rock, probably arkosic quartzite as classified by Shattuck-Denn.

Holes 4 and 6, drilled southward, penetrated arkosic quartzite(?). Holes 5, 7 and 8, drilled northward and normal to the indicated dip of the formations, penetrated sections of silicated limestones. Samples from 0 to 38 feet in hole 5 assayed 0.4 to 1.9 percent zinc. Hole 7, drilled to test for an extension of the mineralized zone of No. 4 level, encountered pyrrhotite from 18.3 to 39.0 feet and was bottomed at 42.5 feet in garnetized limestone. The presence of the pyrrhotite is considered favorable as its occurrence at this mine is restricted to known ore bodies. Hole 8, not completed during June, had penetrated epidote and garnetized limestone. Garnet-bearing zones were sampled.

Due to shortage of funds, no further crosscutting will be done. Consequently the favorable zone ahead of crosscut 4, No. 5 level, will not be tested under the contract. The operator will ask Shattuck-Denn Corp., lessor of the property, if the corporation intends to explore the favorable zone at its own expense after termination of the contract.

An inventory of explosives in stock after completion of crosscutting is a part of this report.

CONTRACT, FORMS MF-104 and 104A, AND OPERATOR'S NARRATIVE REPORT.

The following is indicated from the inspection of the project and a review of subject data:

1. The work performed and for which claim is made is in accordance with the contract and is as reported on Form MF-104A.

2. The supply and service charges were necessary and do not appear to be excessive. They have been accepted as correct pending an on-site audit.

3. To July 1, $63,187.99 of the authorized total of $63,926.00 had been expended. Upon completion of the project on July 17, the Operator informed me that the total expenditures exceeded the allowable total. The excess expenditures were incurred in the completion of desirable work at the Operator's expense. On this basis, the Government's share of costs for July will be ½ of $738.01 or $369.00.

This amount may not be sufficient to cover possible disallowances and the cost of disposing of equipment and preparation of a Final Report,(in event these obligations are not assumed by the Operator).

I, therefore, recommend that full reimbursement should not be made to the Operator for his June claim, the amount withheld to be determined by the Executive Officer.

4. The Operator's Narrative Report is considered adequate. Logs of holes drilled and assays will be included with next month's report.

T. M. Remsle, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

July 15, 1953

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona

Re: Contract Idm-E210
DMA Docket 399K

Dear Mr. Storms:

Herewith narrative report for the month of June, 1953 on the above contract.

Work performed during the month consisted of additional crosscutting on No. 4 level and additional long hole drilling on both No. 4 and No. 5 levels.

No. 13 crosscut on No. 4 level was advanced a total of 38'. This was continuation along what is apparently a bedding plane slip. Garnetized rock with some sphalerite is on the hanging wall side of this slip while the footwall side consists of barren gray limestone. Only a few inches of mineralization remain in the face of the crosscut.

Two long holes were driven in the back of the crosscut in a direction apparently normal to the approximate plane of the mineralized bed. Hole No. 7 was mineralized for 6.8' while Hole No. 8 showed mineralization for 14.5'. Assays on these will follow.

All work on No. 5 level this month has been long hole drilling. All holes except No's. 4 and 7 were driven to crosscut the beds to North and South of the main drift. Hole No. 4 was drilled upward in the apparent plane of the bed but steel was stuck and the hole abandoned at 27.5'. Hole No. 7 was drilled in the face of No. 4 crosscut due E at plus 6 d. but this hole could not be continued past 42.5'. A section of iron sulphide was present from 18.5' to 39' and the hole beyond this point was in garnetized limestone.

Holes No's. 5 and 8 in the hanging wall have been in garnetized rock, No. 5 being drilled 39.6' and No. 8 a total of 28'. The cuttings from Hole No. 5 were assayed and ran from 0.4 to 1.9 percent zinc.

Hole No. 6 was drilled 42.5' and struck what appeared to be a white quartzite at 16.1'.

Exact location and direction of these various drill holes will be shown on our general map of the project which same is now in preparation.

The dark rock in the major part of the extension of No. 4 crosscut is not limestone as first thought but is probably rock of the character classified as archozic quartzite by Shattuck Denn. The crosscut now appears to have traveled along a fault where this rock contacts the limestone.

Drilling of long holes is continuing and checks have been issued covering items listed on the May statement.

SBO/j

Yours very truly,
Sherwood B. Owens

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May 1953, Docket No. DMEA 3 399 X, Contract No. Idm-E210

Operator's Name Sherwood B. Owens, Minerals Zinc-Copper

Address P. O. Box 769 Tucson, Arizona

Contract Amount, $ 63,926.00, Government Participation: 50 %, Amount, $ 31,963.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:	1270.50	20452.63	21723.13			
Labor	450.00	7425.00	7875.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:		1125.19	1125.19			
Timber		5472.22	5472.22			
Explosives		1031.75	1031.75			
Pipe		934.53	934.53			
Miscellaneous	95.26	7315.67	7410.93			
(4) Operating Equipment:						
Rental		2752.80	2752.80			
Purchase	289.25	4194.12	4483.37			
Depreciation						
(5) Initial Rehabilitation and Repairs		1380.00	1380.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:	17.10	1507.77	1524.87			
Repairs to Equipment		25.00	25.00			
Sampling and Analysis	56.77	975.13	1031.90			
Payroll Taxes	170.67	2768.53	2939.20			
Liability Insurance						
Part time Auditor	50.00	800.00	850.00			
(8) Contingencies (specify):						
TOTALS	2399.55	58160.34	60559.89	2399.55	58,160.34	60,559.89

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

Date July 14, 1953 *Payee Sherwood B. Owens

Per _____ Title _____

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

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

(Instructions on reverse)

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

$1199.78

Signature _____ (Authorized Certifying Officer)

Date 8/10/53 Vou. No. DMA 54-14

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Edm-E210 in accordance with the terms of the contract.

Signature T. M. Romolo WHL Title Mining Engineer Date July 20, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.D.R.

Signature W. H. King Title Executive Officer Date JUL 30 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1953 Docket No. DMEA 399X Contract No. Idm-E210
Operator's Name Sherwood B. Owens Minerals Zinc-Copper
Address P. O. Box 769 Tucson, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Feet	1399.08	57	42447.36	926	45.83	1100	30.00
Crosscutting								
Raising	Feet	-	-	8539.41	142	60.13	450	30.00
Shafts								
Winzes								
Drilling: xxLong Hole	Feet	1000.47	102.2	1942.40	348.8	5.57	Amt Necessary	
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2399.55		52929.17				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				2752.80				6400.00
Initial Rehabilitation and Repairs				3497.92				4000.00
New Buildings, Improvements, etc.				1380.00				2500.00
TOTAL COSTS		2399.55		60559.89				

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

Date July 14, 1953 Operator Sherwood B. Owens

Per _____ Title _____

REMARKS: Advance on #13 X-cut on #4 level - 23' for total footage of 91'.
Advance on #4 X-cut on #5 level - 34' for total footage of 305'

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

July 30, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 399X, Contract Idm-K210 (Lead-Zinc), Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Arizona. Operator's Monthly Progress Report for the period May 1953.

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been accomplished as authorized in the contract and payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Remarks:

Date of Report	July 14, 1953.
Date Received in Field Office	July 16, 1953.
Date Received in Region Office	July 27, 1953.
Date Processed for Payment	July 30, 1953.

W. H. King
W. H. King

Enclosure

RDB:cwm

cc: Contract
Secretary to the Oper. Comm. (2)
WRStorms
Chron.

MINING DIVISION
REGION IV

July 23, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : May 1953 Progress Report, Contract Idm-EZ10, Docket DMA-399X, Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Ariz.

As Sherwood B. Owens did not return to Tucson from the Pacific Northwest until in July, this May Progress Report was not received until July 16.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report with map;
(3) Forms MF-104 and MF-104A, original with documentation.

Also enclosed are two extra copies of our engineer's report.

To the best of my knowledge and belief all work is in accordance with the terms of the contract, so I recommend that the Government's share of the costs be paid, these costs to be adjusted at a later date, if necessary, after an audit of the accounts has been made by a DMEA Auditor.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-399X
DF

WRStorms:frj

MINING DIVISION
REGION IV

July 23, 1953

Memorandum

To : Walter R. Storms, Chief, Mining Methods Br., Mining Div., Region IV, Tucson, Ariz.

From : T. M. Romslo, Mining Engineer, Tucson, Arizona

Subject : Progress Report for May 1953, Abril Lead-Zinc Mine, Cochise County, Ariz., Docket DMA-399X, Contract Idm-R210.

The Abril Mine was visited on June 18 by the writer and W. R. Hardwick, mining engineer, U. S. Bureau of Mines, Tucson. The visit was for the purpose of checking progress for May and to determine if the work continues to conform with the contract.

An inspection of pertinent mine workings with A. W. Gerhardt, project supervisor, indicated the following work was done during May.

1. No. 4 level. Crosscut 13 was advanced 23 feet. The heading, after crosscutting the mineralized zone, was turned to follow the footwall of the mineralized zone. It will be advanced an additional 30 or 40 feet. Ore mineralization is confined to the upper half of the crosscut on its hanging wall side. A few long-holes will be drilled from the crosscut. They will be drilled normal to the dip of the mineralized zone. Results of the drilling will be used to determine the potential reserves of the mineralized zone.

2. No. 5 level. Crosscut 4 was advanced 34 feet. No ore has been encountered in the crosscut. The narrow section of garnetized rock cut at Shattuck Denn's vertical diamond drill hole pinched out.

Three long-holes were drilled from the crosscut for a total of 102.2 feet. The results of this drilling indicate that the crosscut is at or near the footwall of a zone favorable for ore mineralization. Seven long-hole drill stations were cut in the crosscut at about 50-feet intervals. Drilling from these stations will test the favorable zone.

CC W. H. King (orig. & 6)
DMA-399X
DF

TMRomslo:frj

J. A. Wilcox, geologist for Shattuck-Denn Mining Corp., owner of the property, has kept in close contact with the project and has given prior approval for all explorations, according to the Operator and project engineer.

The only potential ore zone found to date is on No. 4 level where explorations are to be continued in an effort to obtain sufficient data for an estimate of potential ore reserves.

Contract, Forms MF-104 and 104A, and Operator's Narrative Report

The following is indicated from the inspection of the project and a review of subject data:

1. The work performed and for which claim is made is in conformance with the contract and is as reported on Form MF-104A.

2. The supply and service charges were necessary and do not appear to be excessive. They have been accepted as correct pending and on-site audit.

3. Work was terminated on July 17. Expenditures to that date, according to the Operator, were in excess of that authorized. The excess expenditures, used in completion of desirable work, will not be claimed by the Operator.

4. Reimbursement of the Operator's share of costs for this report is apparently in order because his share of the remaining costs of the project should be more than sufficient to cover; (1) possible deductions by the auditor, (2) the cost of disposing of items in which the Government has an equity (in event such items are abandoned by the Operator), and (3) the cost of preparing a final report if not furnished by the Operator.

5. The Operator's Narrative Report is considered adequate. Logs of all holes drilled, with assays of drill-hole and other samples, are reportedly being prepared ~~as stated~~ in the Operator's July report.

TMRomalo

T. M. Romalo, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

July 14, 1953

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona

Re: Contract Idm-E210
DMA Docket 309K

Dear Mr. Storms:

Herewith narrative report for the month of May, 1953 on the above contract.

Work performed during the month consisted of crosscutting on both #4 and #5 levels as well as cutting of drilling stations on #5 level and completion of three long holes.

No. 13 crosscut on No. 4 level was advanced a total of 23'. The crosscut was turned from S 4 d. E to approximately S 70 d. E and followed the footwall slip of a mineralized zone. The zinc content is estimated at 2%.

No. 4 crosscut on No. 5 level was advanced a total of 34'. The garnetized streak which was in the breast at the beginning of the month pinched out. No other ore had been encountered by the endof May.

Preparation for long hole drilling on No. 5 level consisted of cutting seven drilling stations at 50' intervals.

Three long holes were completed during the month. No. 1 hole was driven directly ahead in the face of No. 4 crosscut for a distance of 29'. At this point the hole was lost and two sections of steel and a bit were left in same. No. 2 hole was started a few inches to the side of No. 1 hole and drilled parallel to same for total footage of 38.5'. The limestone penetrated was similar to that in the face of the crosscut. No. 3 hole was drilled at right angles to the crosscut or approximately S 32 d. W. Arkose was encountered from 23.0' to 32.7'. The hole was continued to 34.7' total, the last 2' being in a micaceous arkose or granite.

We will continue #13 crosscut on No. 4 level to a point sufficient to cut through the slip which contained asbestos at the beginning of #13 crosscut and then to drill a few long holes through the mineralized zone.

The work on No. 5 level will be continuation of long hole drilling.

Checks have been issued covering items listed on the April statement.

Yours very truly,
SHERWOOD B. OWENS

Sherwood B. Owens

SBO/j

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

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

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

Month of April, 1953 Docket No. DMEA 399X Contract No. Idm-E210
Operator's Name Sherwood B. Owens Minerals Zinc-Copper
Address P. O. Box 769 Tucson, Arizona
Contract Amount, $63,926.00 Government Participation: 50 % Amount, $ 31,963.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1153.00	19330.88	20483.88	1121.75	19330.88	20452.63
Supervision	450.00	6975.00	7425.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		1125.19	1125.19			
Explosives	596.14	4876.08	5472.22			
Pipe		1031.75	1031.75			
Track		934.53	934.53			
Miscellaneous	185.17	7130.50	7315.67			
(4) Operating Equipment:						
Rental						
Purchase		2752.80	2752.80			
Depreciation	289.25	3904.87	4194.12			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		1380.00	1380.00			
(7) Miscellaneous:						
Repairs to Equipment	63.86	1443.91	1507.77			
Sampling and Analysis		25.00	25.00			
Payroll Taxes	52.89	922.70	975.59	52.43	922.70	975.13
Liability Insurance	159.01	2609.52	2768.53			
Part time Auditor	50.00	750.00	800.00			
(8) Contingencies (specify):						
TOTALS	2999.32	55192.73	58192.05	2967.61	55192.73	58160.34

I certify that the above bill is correct and just and that payment therefor has not been received.
Date May 9, 1953 *Payee Sherwood B. Owens

Per _____ Title _____

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

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

(Instructions on reverse)

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

$ 1483.80

Signature _____
(Authorized Certifying Officer)

Date 5/20/53 Vou. No. DMA 53-138
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E210 in accordance with the terms of the contract.

Signature D M Romolo Title Mining Engineer Date May 12, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.D.B.

Signature W. H. King Title Executive Officer Date MAY 15 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1962)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1953 Docket No. DMEA 399X Contract No. Idm-E210
Operator's Name Sherwood B. Owens Minerals Zinc-Copper
Address P. O. Box 769 Tucson, Ariz.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Feet	2999.32	93	41079.99	869	47.27	1100	30.00
Crosscutting								
Raising	Feet	- -	- -	8539.41	142	60.13	450	30.00
Shafts								
Winzes								
Drilling: Core X Long Hole	Feet	- -	- -	941.93	246.6	3.82	Amt. necessary	
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		2999.32		50561.33				Total Costs Authorized by Contract
Operating Equipment Purchased				2752.80				6400.00
Initial Rehabilitation and Repairs				3497.92				4000.00
New Buildings, Improvements, etc.				1380.00				2500.00
Total Costs		2999.32		58192.05				

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

Date May 9, 1953 Operator Sherwood B. Owens

Per _____ Title _____

Remarks Advance on #13 X-cut on #4 level - 17' for total footage of 68'. Advance on #4 X-cut on #5 level - 76' for total footage of 271'.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Date May 20, 1953
Payroll
Reference Progress Report
April, 1953

Sherwood B. Owens
P O Box 769
Tucson, Arizona
I-HA-E210

[illegible] Reference a check to [illegible] in the amount of your recent accounting:

Amount Claimed	$ 2999.32
Deductions	$ 31.71
Amount Approved	$ 2967.61

[illegible]

Payroll for period April 16 thru 30, 1953 shows
Marcelo J. Molina (Miner) worked 80 hours at
$1.56¼ PER HOUR

Amount claimed on payroll(80 hrs at 1.56¼)	$156.25	
Amount earned (80 hrs at 1.56¼)	125.00	31.25
Social Security tax on $31.25		.46
		31.71

[illegible]

Very truly yours,

M. R. Sechler
Audit Supervisor

[illegible] Form No. 1

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

224 New Customhouse
Denver 2, Colorado

May 15, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 399X, Contract Idm-R210 (Zinc-Copper) Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Arizona. Operator's Monthly Progress Report for the period April 1953.

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been accomplished as authorized in the contract and payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Remarks:

Date of Report	May 9, 1953.
Date Received in Field Office	May 11, 1953.
Date Received in Region Office	May 13, 1953.
Date Processed for Payment	May 15, 1953.

W. H. King
W. H. King

Enclosures

RDB:cwm

cc: Contract
Secretary to the Oper. Comm. (2)
WRStorms
Chron.

n MINING DIVISION
REGION IV

May 12, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : April 1953 Progress Report, Docket DMA-399X, Contract Idm-E210, Sherwood B. Owen's Abril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

(3) Forms MF-104 and MF-104 A, with documentation.

Also enclosed are 2 extra copies of our engineer's report.

As all work is in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-399X
DF

WRStorms:frj

MINING DIVISION
REGION IV

May 12, 1953

Memorandum

To : Walter R. Storms, Chief, Mining Methods Br., Mining Div., Region IV

From : T. M. Romslo, Mining Engineer, Tucson, Arizona

Subject : Progress Report for April 1953, Abril Lead-Zinc Mine, Cochise County, Ariz., Docket DMA-399X, Contract Idm-E210.

The Abril mine was visited on May 8 for the purpose of checking progress for April and to determine if the work continues to be in conformance with the contract. A. W. Gerhardt, project supervisor, accompanied me during an inspection of pertinent mine workings.

Progress for April was found to consist of the following:

1. No. 4 level - Crosscut 13 was advanced 17 feet to place its face at 68 feet from the starting point.

2. No. 5 level - Crosscut 4 was advanced 76 feet. The face of this heading on May 1, was reportedly 136 feet from Survey station 15C and 271 feet from the starting point. A new survey station, 15D, was located 48 feet from the face of the crosscut on May 1.

Crosscut 13, No. 4 level, Now shows a flat-lying lense of ore in a zone of fractured and altered limestone about 20 feet wide that appears to be localized by shears striking east-west and dipping about 50 degrees to the north. The lense of ore, about 2 feet thick and containing an estimated 12 percent zinc and 1.0 percent copper where first encountered, dips about 5 degrees to the north. It disappears into the back of the crosscut at one of the shears, possibly the footwall of the zone. The zone has a strike length of at least 50 feet as indicated by the "leg-hole". Further exploration of the zone is planned and is necessary before a reasonably accurate estimate of the grade and extent of the deposit can be made. To date the zone contains an estimated 100 tons of 2 to 3 percent combined zinc and copper per foot of depth. No samples were taken because they would be worthless at this stage.

CC W. H. King (Orig. & 6)
DMA-399X
DF
TMRomslo:frj

Crosscut 4, No. 5 level, was advanced in blocky limestone to a point about 20 feet beyond Shattuck Denn's vertical drill hole that showed some ore mineralization at this horizon. No ore mineralization was encountered at the hole nor in the remainder of the crosscut. A minor amount of garnetization and other evidence indicates the crosscut is being driven in the favorable horizon. The crosscut will be advanced to a point where long holes may be drilled to explore the favorable zone shown on maps attached to the Operator's Narrative Report. Long holes also will be drilled into both walls of the crosscut at about 50-foot intervals.

CONTRACT, FORMS MF-104 AND 104A, AND OPERATOR'S NARRATIVE REPORT

The following is indicated from the inspection of the project and a review of subject data:

1. The work performed and for which claim is made is in accordance with the contract and is asreported on Form MF-104A.

2. The supply and service charges of Form MF-104 were necessary and do not appear excessive. Attention is called to the tax on labor on O. P. Myrmo's invoice. Such taxes were previously not allowed on this project but the operator has found that tax on skilled labor and parts are allowable on the basis of a recent ruling by the Arizona Tax Commission. The supply and service charges have been accepted as correct, pending an on-site audit.

3. The operator's Narrative Report is considered adequate. In the future these reports will contain more detailed information on ore occurrences.

T M Romslo

T. M. Romslo, Mining Engineer
Mining Methods Branch
Mining Division, Region IV.

May 9, 1953

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona

Re: Contract Idm-E210
DMA Docket 399X

Dear Mr. Storms:

Herewith narrative report for the month of April, 1953 on the above contract.

All work for the month consisted of crosscutting and a total advance of 93' was had for the month.

No. 13 crosscut on No. 4 level was advanced 17'. This places us 10' beyond the end of long drill hole No. 2. There is garnet with a small amount of sphalerite in the face of the crosscut. We plan to continue this work until we are beyond the mineralized zone before dropping back to crosscut, drilltest holes or possibly raise in the best mineralized section of the zone. Additional exploratory work is definitely indicated.

No. 4 crosscut on No. 5 level was advanced 76' giving us total advance on this level of 271'. We hit Shattuck Denn's drill hole exactly as planned and are now 20' beyond same. It may be noted that we tapped the drill hole without any noticeable zinc mineralization being found, only minute specks of pyrite being discernible in the rock. The rock presently in the face of the drift is a blocky black lime which contains occassional chert like streaks.

It is to be noted that some 20' before encountering the above mentioned drill hole we passed through approximately 12½' of quartzite which crossed our crosscut diagonally in a Southeasterly direction.

A small amount of garnetization has begun showing up in the present face of this crosscut since May 1 so we continue to carry this work forward in the hope that it may give us a clue to a position for some long hole drilling if no ore develops.

Checks have been issued covering items listed on March statement.

Yours very truly,

SHERWOOD B. OWENS

SBO/j

Sherwood B. Owens

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

MAY 4 1953

Month of March, 1953 Docket No. DMEA 399X Contract No. Idm-E210
Operator's Name Sherwood B. Owens Minerals Zinc-Copper
Address P. O. Box 769 Tucson, Arizona
Contract Amount, $ 63,926.00 Government Participation: 50 % Amount, $ 31,963.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1181.19	18149.69	19330.88			
Supervision	450.00	6525.00	6975.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		1125.19	1125.19			
Explosives	73.25	4802.83	4876.08			
Pipe	143.97	887.78	1031.75			
Track		934.53	934.53			
Miscellaneous	27.71	7102.79	7130.50			
(4) Operating Equipment:						
Rental						
Purchase		2752.80	2752.80			
Depreciation	289.25	3615.62	3904.87			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		1380.00	1380.00			
(7) Miscellaneous:						
Repairs to Equipment	21.60	1422.31	1443.91			
Sampling and Analysis		25.00	25.00			
Payroll Taxes	53.83	868.87	922.70			
Liability Insurance	161.81	2447.71	2609.52			
Part time Auditor	50.00	700.00	750.00			
(8) Contingencies (specify):						
TOTALS	2452.61	52740.12	55192.73	2452.61	52,740.12	55,192.73

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

Date April 9, 1953 Payee Sherwood B. Owens

Per _____ Title _____

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

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

(Instructions on reverse)

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

$1226.30

Signature _____ (Authorized Certifying Officer)

Date 4/23/53 Vou. No. DMA 53-127

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E-210 in accordance with the terms of the contract.

Signature D M Pomalo WRH Title Mining Engineer Date April 17, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.D.B.

Signature W. H. King Title Executive Officer Date APR 21 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104X
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 195 3 Docket No. DMEA 399X Contract No. Idm-E210
Operator's Name Sherwood B. Owens Minerals Zinc-Copper
Address P. O. Box 769 Tucson, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Feet	2452.61	97	38080.67	776	49.07	1100	30.00
Crosscutting								
Raising	Feet	- -	-	8539.41	142	60.13	450	30.00
Shafts								
Winzes								
Drilling: Long Hole	Feet	- -	-	941.93	246.6	3.82	Amt Necessary	
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2452.61		47562.01				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				2752.80				6400.00
Initial Rehabilitation and Repairs				3497.92				4000.00
New Buildings, Improvements, etc.				1380.00				2500.00
TOTAL COSTS				55192.73				

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

Date April 9, 1953 Operator Sherwood B. Owens

Per ..... 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.

REMARKS: Advance on #13 X-cut on #4 Level - 13' for total footage of 51'.

Advance on #4 X-cut on #5 Level - 84' for total footage of 195'.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

April 21, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 399K, Contract Idm-2210 (Zinc-Copper), Sherwood B. Owens' Ahril Lead-Zinc Mine, Cochise County, Arizona. Operator's Monthly Progress Report for the period March 1953.

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been accomplished as authorized in the contract and payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Remarks:

Date of Report	April 9, 1953.
Date Received in Field Office	April 10, 1953.
Date Received in Region Office	April 20, 1953.
Date Processed for Payment	April 21, 1953.

W. H. King
W. H. King

Enclosures

RDB:cwm

cc: Contract
Secretary to the Oper. Comm. (2)
WRStorms
Chron.

MINING DIVISION
REGION IV

April 17, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : March 1953 Progress Report, Contract Idm-E210, Docket DMA-399X, Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report with map;
(3) Forms MF-104 and MF-104A with documentation.

Also enclosed are two extra copies of our engineer's report.

As all work is in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC: W. H. King (6)
DMA-399X
DF

WRStorms:als

MINING DIVISION
REGION IV

April 17, 1953

Memorandum

To : Walter R. Storms, Chief, Mining Methods Branch, Mining Division, Region IV

From : T. M. Romslo, Mining Engineer, Tucson, Arizona

Subject : Progress Report for March 1953, Abril Lead-Zinc Mine, Cochise County, Ariz., Docket DMA-399X, Contract Idm-E210.

The Abril Mine was visited on April 3 for the purpose of checking progress for March and to determine if the work continues to be in accordance with subject contract. Ray Robinson, U.S.G.S., accompanied me to the property and during an inspection of pertinent mine working that was made with A. W. Gerhart, Project Supervisor. The purpose of Robinson's visit was to become acquainted with the geology of the property.

Progress for March was found to consist of the following:

1. No. 4 level -- Crosscut 13 was advanced 13 feet to place its face at 51 feet from the starting point.
2. No. 5 level -- Crosscut 4 was advanced 84 feet. The face of this heading, on April 1, was 60 feet from station 15 C and 195 feet from the starting point.

A 2-foot thick, flat-lying lense of good zinc ore was encountered near the face of crosscut 13 on the 4 level. Information as to the possible extent of the mineralized zone may be available upon completion of planned exploratory work.

The advance in crosscut 4 on level 5 was in fractured, unaltered limestone.

The suggested improvements in safety conditions, contained in Rodrigues's report of Feb. 13 to A. D. Look, have been made.

CC: W. H. King (Orig. & 6)
DMA-399X
DF

TMRomslo:als

CONTRACT, FORMS MF-104 and 104A, AND OPERATOR'S NARRATIVE REPORT

The following is indicated from an inspection of the project and subject data:

1. The work performed and for which claim is made is in accordance with the contract and as reported on Form MF--104A.

2. The supply and service charges of Form MF-104 were necessary and do not appear excessive. They have been accepted as correct pending an on-site audit.

3. All changes in distribution and charges found necessary during the recent audit of accounts have apparently been incorporated in Forms MF-104 and 104A.

4. The Operator's Narrative Report with attached maps prepared in this office is considered adequate.

T. M. Romslo

T. M. Romslo, Mining Engineer
Mining Methods Branch, Mining
Division, Region IV

April 9, 1953

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona

Re: Contract Idm-R210
DMA Docket 398K

Dear Mr. Storms:

Herewith narrative report for the month of March, 1953 on the above contract.

All work consisted of crosscutting and a total advance of 97' was had for the month. We also slabbed and removed 360 cu. ft. of wall rock for installation of a new siding during the month.

No. 13 crosscut on No. 4 level was advanced 13' for a total of 51'. We have encountered a flat lying lense of good zinc ore about two feet thick across the face of this crosscut.

No. 4 crosscut on No. 5 level was advanced 84' for a total of 195' since beginning of work on same. No ore has been encountered during this advance. The rock continues to be a black limestone and is somewhat blocky or fractured.

Work will be continued on these two crosscuts during the current month.

Checks have been issued covering items listed on February statement.

Yours very truly,

SHERWOOD B. OWENS

SBO/j

Sherwood B. Owens

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 6 1953

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

Month of February, 1953 Docket No. DMEA 399X Contract No. Idm-E210
Operator's Name Sherwood B. Owens Minerals Zinc-Copper
Address P. O. Box 769 Tucson, Ariz.
Contract Amount, $63,926.00 Government Participation: 50 % Amount, $31,963.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1202.32	17046.96	18249.28	1,191.32	17,046.96	18,238.28
Supervision	405.00	6120.00	6525.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		1125.19	1125.19			
Explosives		4802.83	4802.83			
Pipe						
Track						
Miscellaneous	51.44	7243.36	7294.80	51.32	7,243.36	7,294.68
(4) Operating Equipment:						
Rental						
Purchase		4334.44	4334.44			
Depreciation	289.25	3326.37	3615.62			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		1380.00	1380.00			
(7) Miscellaneous:						
Repairs to Equipment	109.40	1213.99	1323.39	109.20	1,213.99	1,323.19
Sampling and Analysis		25.00	25.00			
Payroll Taxes	53.04	819.28	872.32	52.87	819.28	872.15
Liability Insurance	159.45	2298.15	2457.60	158.35	2,298.15	2,456.50
Part time Auditor	50.00	550.00	600.00			
(8) Contingencies (specify):						
Transportation	5.36	142.54	147.90			
				~~2,312.67~~	~~50,428.11~~	~~52,740.78~~
				~~*-100.66~~		~~*-100.66~~
TOTALS	2325.26	50428.11	52753.37	~~*100.00~~		~~*100.00~~
				2,312.01	50,428.11	52,740.12

I certify that the above bill is correct and just and that payment therefor has not been received.
Date March 9, 1953 *Payee Sherwood B. Owens

Per _____ Title _____

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

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

(Instructions on reverse)

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

$ 1156.00

Signature _____
(Authorized Certifying Officer)

Date 4/1/53 Vou. No. 53-113
(See other side)

* Per Audit Report

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E210 in accordance with the terms of the contract.

Signature T M Pamalo WRS Title Mining Engineer Date March 16, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.D.B.

Signature W. H. King Title Executive Officer Date MAR 23 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 6 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1953 Docket No. DMEA 399X Contract No. Idm-E210
Operator's Name Sherwood B. Owens Minerals Zinc-Copper
Address P. O. Box 769 Tucson, Ariz.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Feet	2325.26	86	35599.14	679	52.43	1100	30.00
Raising	Feet	-	-	8539.41	142	60.13	450	30.00
Shafts								
Winzes								
Drilling: Core Long Hole	Feet	-	-	941.93	246.6	3.82	Amt. necessary	
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Prep.work & underground rehab.No.5 Level.		-		1958.45				
TOTAL DISTRIBUTED COSTS		2325.26		47038.93				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				4334.44				6400.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc				1380.00				2500.00
TOTAL COSTS		2325.26		52753.37				

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

Date March 9,1953 Operator Sherwood B Owens

Per ..... Title .....

REMARKS: No. 13 crosscut on No. 4 level - advance this month 12' for total of 38'.
No. 4 crosscut on No. 5 level - advance this month 74' for total of 111'.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION IV

Administrative Audit Difference Statement

Date March 31, 1953
Payee's
Reference: Progress Report
February, 1953

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $2,325.26

Difference $ 13.25

Amount Approved $2,312.01

The reason for the difference was due to:

DMEA Auditors disallowances due to charges in 1952 on operator's payroll in excess of that shown on time book.	$ 88.59
Payroll taxes before July, 1952 - disallowed	1.33
Payroll taxes after July, 1952 - disallowed	1.95
Workmen's Compensation as per audit report	8.79
Tax charged on Myrmo labor disallowed	.12
Tax charged on Tucson Auto Parts labor disallowed	.20
Overpayment to Alejo E. Antunez (2/16 to 28)	11.00
Social Security Tax on above amount	.17
Liability Insurance on above amount	1.10
	$113.25
Reinstatement of Accountant's previous disallowance	100.00
	12.35

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-IV-S & F Form No. 4
4-15-52 D

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

224 New Customhouse
Denver 2, Colorado

March 23, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 395K, Contract Idm-E210, (Zinc and Copper), Sherwood B. Owens'Abril Lead-Zinc Mine, Cochise County, Arizona. Operator's Monthly Progress Report for the period February 1953.

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been accomplished as authorized in the contract and payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

In conformance with Interim Audit Report by the Contract Administration and Audit Division dated March 16, 1953, the following deductions and reinstatements are to be made to this report:

Disallowances per Audit Report		
Labor	$88.39	
Payroll Taxes	3.28	
Liability Insurance	8.79	
Total Disallowances per Audit Report		$100.66
Reinstatements per Audit Report		
Accountant	$100.00	
Total Reinstatements per Audit Report		$100.00

Other disallowances as suggested by the inspecting engineer are for tax charges to labor as included in the following invoices:

O. P. Myro	$ 0.12
Tucson Auto Parts and Equip. Co.	0.20
Recommended disallowance	$ 0.32

Remarks:

Date of Report	March 9, 1953.
Date Received in Field Office	March 11, 1953.
Date Received in Region Office	March 18, 1953.
Date Processed for Payment	March 20, 1953.

W. H. King

W. H. King

Enclosures

RDB:cwm

cc: Contract
Secretary to the Oper. Comm. (2)
WRStorms
Chron.

MINING DIVISION
REGION IV

March 16, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div.
Region IV

Subject : February 1953 Progress Report, Docket DMA-399X, Contract Idm-E210, Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report with map;
(3) Forms MF-104 and MF-104A with documentation.

Also enclosed are two extra copies of our engineer's report.

As all work is in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-399X
DF

WRStorms:frj

MINING DIVISION
REGION IV

March 16, 1953

Memorandum

To : Walter R. Storms, Chief, Mining Methods Branch, Mining Division, Region IV

From : T. M. Romslo, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for February 1953, Abril Lead-Zinc Mine, Cochise County, Ariz., Docket DMA-399X, Contract Idm-E210.

The Abril Mine was visited March 4, 1953 for the purpose of checking progress for February and to determine if the work continues to be in accordance with subject contract. A. W. Gerhart, Project supervisor, accompanied me during an inspection of pertinent workings.

Progress for February was found to be as follows:

1. No. 4 level - Crosscut 13 was advanced 12 feet to place its face at 38 feet from the established starting point.

2. No. 5 level - Crosscut 4 was advanced 74 feet and its face was 54 feet from survey plug 15B, a new reference point for future measurements.

CONTRACT, FORMS MF-104 and 104A, AND OPERATOR'S NARRATIVE REPORT

This project was audited on February 24-26, 1953 by Thos. Brading and Jas. Townsend.

Adjustments to entries on Forms MF-104 and 104A, found through the audit, will be made after the audit report is received.

The operator's report was received March 11 and this report was completed March 16.

Inspection of the project and subject data indicates the following.

CC W. H. King (Orig. & 6)
DMA-399X
DF

TMRomslo:frj

1. The work performed and for which claim is made is in accordance with the contract and is as reported on Form MF-104A;

2. The supply and service charges of Form MF-104 were necessary and do not appear to be excessive. However, a rough check of the invoices shows that the following disallowances should be made for tax charged to labor;

Invoice	Tax
O. P. Myrmo	$0.12
Tucson Auto Parts & Equip. Co., No. T74195	0.20
Recommended disallowance	$0.32

3. Operator's Narrative Report and attached map is considered adequate. The report contains the statement: "Checks have been issued covering items listed on January statement".

T M Romslo

T. M. Romslo, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

March 9, 1953

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona

Re: Contract Idm-E210
DMA Docket 399X

Dear Mr. Storms:

Herewith narrative report of the month of February, 1953.

All work consisted of crosscutting and a total advance of 86' was had for the month.

No. 13 crosscut on No. 4 level was advanced 12' for a total of 38'. We are following long drill hole No. 2 and are working this particular place when held up for any reason on No. 5 level.

No. 4 crosscut on No. 5 level was advanced 74' during the month making total advance of 111' since we started work on same.

We have not intersected the ore showing as yet in No. 13 crosscut on No.. 4 level.

The face of No. 4 crosscut on No. 5 level is presently in a black limestone.

Work will be continued on these two crosscuts during the current month.

Checks have been issued covering items listed on January statement.

Yours very truly,

SHERWOOD B. OWENS

SBO/j

Sherwood B. Owens

Form MF-[illegible] (Rev.)
(April 1952)

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

MAR 23 1953

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

Month of January, 1953 Docket No. DMEA 360 X Contract No. Idm-5210
Operator's Name Sherwood D. Owens Minerals Zinc-Copper
Address P. O. Box 769 Tucson, Ariz.
Contract Amount, $ 63,926.00 Government Participation: 50 % Amount, $ 31,963.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1246.12	15800.84	17046.96			
Supervision	465.00	5655.00	6120.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		1125.19	1125.19			
Explosives	546.72	4256.11	4802.83			
Pipe						
Track						
Miscellaneous	676.29	6567.07	7243.36			
(4) Operating Equipment:						
Rental						
Purchase		4334.44	4334.44			
Depreciation	269.25	3057.12	3326.37			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		1380.00	1380.00			
(7) Miscellaneous:						
Repairs to Equipment		1213.99	1213.99			
Sampling and Analysis	11.50	13.50	25.00			
Payroll Taxes	56.47	762.81	819.28			
Liability Insurance	169.74	2128.41	2298.15			
Part time Auditor	50.00	500.00	550.00			
(8) Contingencies (specify): Transportation	6.06	136.48	142.54			
TOTALS	3517.15	46910.96	50428.11	3517.15	46,910.96	50,428.11

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

Date Feb. 10, 1953 *Payee Sherwood D. Owens

Per _____ Title _____

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

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

(Instructions on reverse)

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

$1758.57

Signature [illegible]
(Authorized Certifying Officer)

Date 3/16/53 Vou. No. DMA 53-108

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E210 in accordance with the terms of the contract.

Signature T M Pamola WAM Title Mining Engineer Date Feb. 16, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: L.D.B.

Signature John F. Shaw for W. H. King Title Executive Officer Date MAR 10 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MT-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 23 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1953 Docket No. DMEA 599X Contract No. Idm-P210
Operator's Name Sherwood B. Owens Minerals Zinc-Copper
Address P. O. Box 769 Tucson, Ariz.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Feet	2763.53	37	53273.88	593	56.11	1100	30.00
Raising	Feet	--	-	8539.41	142	60.13	450	30.00
Shafts								
Winzes								
Drilling: Long Hole	Feet	332.16	112.1	941.93	246.6	3.82	Amt Necessary	
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Prepatory work & Underground rehabilitation No. 5 Level		421.46		1958.45				
TOTAL DISTRIBUTED COSTS		3517.15		44713.67				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				4334.44				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				1380.00				
TOTAL COSTS		3517.15		50428.11				

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

Date Feb. 10, 1953 Operator Sherwood B. Owens

Per ..... 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.

(Instructions on reverse)

REMARKS: Crosscutting costs include all work to date on both 4 and 5 levels. The disproportionately high expense to footage advance for January is by reason of purchase of 546.72 explosives and 408.99 drill steel during the month. These supplies not used during the month but will be expended over future period of use.

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

March 10, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 399X, Contract Idm-R210, (Zinc-Copper) Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Arizona. Operator's Monthly Progress Report for the period January 1953.

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been accomplished as authorized in the contract and payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Remarks:

Date of Report	February 10, 1953.
Date Received in Field Office	February 16, 1953.
Date Received in Region Office	February 19, 1953.
Date Processed for Payment	March 10, 1953.

File copy of Contract taken to Arizona by Auditors. Held up pending their return.

John F. Shaw
John F. Shaw
For W. H. King
Executive Officer
DMEA Field Team, Region IV

Enclosures

RDB:cwm

cc: Contract
WRStorms
Secretary to the Oper. Comm. (2)
Chron.

MINING DIVISION
REGION IV

February 16, 1953

Memorandum

To : W. R. Storms, Chief, Mining Methods Br., Mining Div., Region IV

From : T. M. Romslo, Mining Engineer, Tucson, Ariz.

Subject : Monthly Progress Report for January 1953, Abril Lead-Zinc Mine, Cochise County, Ariz., Docket DMA-399X, Contract Idm-E210.

The Abril mine was visited on Feb. 5, 1953 for the purpose of checking progress on the exploratory project and to determine if the work continues to be in accordance with subject contract. E. R. Rodriquez, Health and Safety Engineer, U. S. Bureau of Mines, Phoenix, Ariz., accompanied me on the trip to the mine where he inspected safety conditions. Both the progress and safety inspections were made in the company of A. W. Gerhardt, project supervisor.

Progress for January was found to consist of the following.

1. Long hole drilling in holes 3, 4, 5, and 6 for a total of 112.1 feet.

2. Preparatory work and underground rehabilitation necessary for work on No. 5 level were completed. This consisted of lowering equipment from No. 4 to No. 5 level, installing about 50 feet of air and water lines, and ballasting 370 feet of track.

3. Crosscut No. 4, No. 5 level, was advanced 37 feet to Feb. 1 to put the face of the crosscut at 132 feet from survey plug No. 15.

CONTRACT, FORMS MF-104 and 104-A, and OPERATOR'S NARRATIVE REPORT

Inspection of the project and subject data indicates the following:

1. The work performed and for which claim is made is in accordance with the contract and is as reported on Form MF-104A. Detailed costs of each operation conducted during January are shown on distribution sheets included with the Operator's report. It should be noted that the costs of preparatory work on No. 4 level at the

CC W. H. King (Orig. & 6)
DMA-399X
DF

WRStorms:frj

MINING DIVISION
REGION IV

February 16, 1953

Memorandum

To : W. H. King, Chief, Mining Div., Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : January 1953 Progress Report, Docket DMA-399A, Contract Idm-6210, Sherwood B. Owens' April Lead-Zinc Mine, Cochise County, Ariz.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report,

(2) Operator's narrative report with map,

(3) Forms MF-104 and MF-104A with documentation.

Also enclosed are two extra copies of our engineer's report.

As all work is in accordance with the terms of the agreement, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-399X
DF

WRStorms:frj

beginning of the project have not been segregated from the cost of other operations. Thus it is impossible to determine if the $4,000.00 allowed for preparatory work on the project has been exceeded. The Operator has been instructed to provide a break down of costs for the period covered by preparatory work on No. 4 level. These data should be available for any adjustments in cost distribution that may be found necessary by the BMLA auditor who is expected to check this project during February.

2. The supply and service charges of Form MF-104 were necessary and do not appear to be excessive. All charges have been supported by certified invoices.

The disallowances of $100.00 for auditor during July and August 1952, and the $60.00 for transportation during December 1952 have been deducted by the Operator. He intends to file a reclaim report for the $100.00 during the present month.

3. The Operator's Narrative Report and attached working map is considered adequate. It contains the statement: "Checks have been issued covering December statement".

T. M. Romslo
Mining Engineer

Feb. 10, 1953

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Ariz.

Re: Contract Idm-E210
DMA Docket 399X

Dear Mr. Storms:

Herewith narrative report for the month of January, 1953.

A total of 112.1 feet of additional long hole drilling was completed on No. 4 level. Hole No. 3 was drilled an additional 22.5' for total footage of 55.5' with no ore showing. Hole No. 4 was drilled an additional 15' for total footage of 33' with the following results:

From	To	Results
20.5'	22.5'	.7 zinc
25.75'	26.75'	Epidote
26.75'	31.0'	.06 cu, .6 oz ag, 21.0 zn
31.75'	33.0'	1.3 zn

We moved to location in No. 6 crosscut, same being 25' W of Station 63E and drilled long hole No. 5 for total footage of 40' with no ore showing.

We then drilled long hole No. 6 from the breast of No. 61 incline raise. This hole was drilled a total of 34.6' with the following results:

From	To	Results
7.8'	8.5'	Epidote
27.3'	29.7'	Dark dike rock

The preparatory work and underground rehabilitation which was necessary before work could begin on new crosscutting on No. 5 level has all been completed. During the month we installed a siding 60' from beginning of the new work; some 370' of new track was ballasted; air and water lines were completed; mucking machine, air locomotive, mine cars and other necessary equipment were lowered down the hillside from No. 4 to No. 5 level.

Actual work was started on the extension of No. 4 crosscut, No. 5 level. Our direction here is approximately S 57 E and at month's end we had 37' of new footage on the crosscut.

Checks have been issued covering December statement.

Yours very truly,

SHERWOOD B. OWENS

Sherwood B. Owens

SBO/j

[illegible]
[illegible]
[illegible]

Administrative Audit Discrepancy Statement

Date January 26, 1953
Payee:
Reference: Progress Report - December 1952

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

Upon examination of the above Payee's Reference a discrepancy has been noted which must be corrected before your account can be paid. Please correct your account accordingly:

Amount Claimed	$ 2,903.63
Difference	* $ 60.00
Amount Approved	$ 2,843.63

The reason for the difference was due to:

* Buda Engine, Reduction Gear Unit and Single Drum Hoist not included in contract, therefore transportation of same not chargeable to DIEA.

Any credit for differences made above must be supported by the [illegible] of this form.

Very sincerely yours,

R. A. Stokes
Audit Section

[illegible] Form No. [illegible]
[illegible]

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

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

Month of December, 1952 Docket No. DMEA 399X Contract No. Idm-E210
Operator's Name Sherwood B. Owens Minerals Zinc-Copper
Address P. O. Box 769 Tucson, Ariz.
Contract Amount, $ 63,926.00 Government Participation: 50 % Amount, $ 31,963.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1251.12	14549.72	15800.84			
Supervision	450.00	5205.00	5655.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	106.91	1018.28	1125.19			
Explosives	24.48	4231.63	4256.11			
Pipe						
Track						
Miscellaneous	201.79	6365.28	6567.07			
(4) Operating Equipment:						
Rental						
Purchase		4334.44	4334.44			
Depreciation	289.25	2747.87	3037.12			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		1380.00	1380.00			
(7) Miscellaneous:						
Repairs to Equipment	246.54	967.45	1213.99			
Sampling and Analysis	13.50		13.50			
Payroll Taxes	41.29	721.52	762.81			
Liability Insurance	168.75	1959.66	2128.41			
Part time Auditor	50.00	550.00	600.00			
(8) Contingencies (specify):						
Transportation	60.00	136.48	196.48	00	136.48	136.48
				2,843.63	44,167.33	47,010.96
TOTALS	2903.63	44167.33	47070.96		*-100.00	-100.00
				2,843.63	44,067.33	46,910.96

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Jan. 10, 1953 Payee Sherwood B. Owens

Per _____ Title _____

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

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

(Instructions on reverse)

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

$1421.81

Signature _____
(Authorized Certifying Officer)

Date 1/27/53 Vou. No. 55.89
(See other side)

* Previous deductions

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E210 in accordance with the terms of the contract.

Signature T M Romolo WRM Title Mining Engineer Date Jan 13, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.D.B.

Signature W. H. King Title Executive Officer Date JAN 22 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1952 Docket No. DMEA 399X Contract No. Idm-E210

Operator's Name Sherwood B. Owens Minerals Zinc-Copper

Address P. O. Box 769 Tucson, Ariz.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Feet	696.87	13	30610.35	556	55.05	600*	30.00
Raising	Feet			8539.41	142	60.13	300*	30.00
Shafts								
Winzes								
Drilling: xxLong Hole	Feet	609.77	134.5	609.77	134.5	4.53	No set amount	
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Preparation No. 5 level to mine**		1596.99		1596.99				
TOTAL DISTRIBUTED COSTS		2903.63		41356.52				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				4334.44				6400.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc				1380.00				2500.00
TOTAL COSTS		2903.63		47070.96				

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

Date Jan. 10, 1953 Operator Sherwood B. Owens

Per _____ Title _____

REMARKS: *No. 4 level only. We changed designation all lateral work to "crosscutting" in order to conform with map designation. **This work of installing mchy, track, air, water lines etc will later be absorbed in over-all footage costs for work on this No. 5 level.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

[illegible] New Customhouse
Denver 2, Colorado

January 21, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 399K, Contract IAm-2210 (Zinc and Copper) Sherwood B. Greene Abril Lead-Zinc Mine, Cochise County, Arizona - Operator's Monthly Progress Report for the period of December, 1952

Enclosed are the original and four copies of Form MF-104 and 104A, Narrative Report and Engineer's Report for the above period.

Work has been accomplished as authorized in the contract and payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deductions.

Transportation of Equipment - $60.00

The equipment transported is not allowed by contract; therefore the incurred costs are not allowable.

Remarks:

Date of Report - January 10, 1953
Date Received in Field Office - Unknown
Date Received in Region Office - January 19, 1953
Date Processed for Payment - January 21, 1953

W. H. King

W. H. King

Enclosures

HDB:oc
cc: Contract
Secretary to the Operating Committee (2)
WRStorms
Chron.

MINING DIVISION
REGION IV

January 13, 1953

Memorandum

To : W. H. King, Mining Div., Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : December 1952 Progress Report, Docket DMA-399X, Contract Idm-E210, Sherwood B. Owen's Abril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report;

(3) Forms MF-104 and 104A with documentation;

also enclosed are two extra copies of our engineer's report.

As all work is in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC (W. H. King) (6)
DMA-399X
DF

WRStorms:frj

MINING DIVISION
REGION IV

January 13, 1953

Memorandum

To : W. R. Storms, Chief, Mining Methods Br., Region IV

From : T. M. Romslo, Mining Engineer, Tucson, Ariz.

Subject : Monthly Progress Report for December 1952, Abril Lead-Zinc Mine, Cochise County, Ariz. Docket DMA-399X, Contract Idm-E210

The Abril mine was visited Jan. 7, 1953 for the purpose of checking progress on the exploratory project and to determine if the work continues to be in accordance with subject contract. A. W. Gerhardt, project supervisor, accompanied me during an inspection of the pertinent mine workings.

Progress for December was found to consist of the following:

1. No. 13 crosscut was completed at 26.0 feet for an advance of 13.0 feet. A minor amount of commercial grade, slip-fiber asbestos was found along a strong fracture cut by the working.

2. Long-hole drilling was done from the face of the above crosscut. Holes 1 and 2 were completed at 51 and 32.5 feet, respectively, and at the end of the month holes 3 and 4 were at 33 and 18 feet, respectively. Sulfide-zinc mineralization was found in each of the completed holes. The grade of ore encountered is noted in the operator's report and the advance in crosscutting and drilling is shown on attached progress map.

The operator intends to complete a few more drill holes in the area now being explored and then shift all operations to No. 5 level. His reason for leaving the potential ore zone of the drill holes before determining its significance by further exploration is that funds available under the contract are sufficient only to complete the projected work on No. 5 level.

3, Rehabilitation of No. 5 level was started and was near completion at the end of the month. A total of 450 feet of air and water pipe, and 350 feet of track was installed. The rails and pipe used in this work, and an air-receiver tank were removed from the No. 4 level and transported down the mountain side on a track-tramway. A hoist was transported to the mine and installed at the head of the tramway. A map of No. 5 level will be submitted next month.

CC W. H. King (Orig & 6); DMA-399X; DP
WRStorms:frj

CONTRACT, FORMS MF-104 AND 104-A, AND OPERATOR'S NARRATIVE REPORT

Inspection of the project and subject data indicates the following:

1. The work performed and for which claim is made is as reported on Form MF-104A. Attention is called to the operator's remarks on Form MF-104A. I feel that the change in designation of lateral workings from drifting to crosscutting is in order but I am not sure that the method of charging out preparatory costs is correct. The question of proper cost distribution is left to a decision by the Denver office.

2. The supply and service charges of Form MF-104 were necessary and do not appear to be excessive. Attention is called to the charge of $60.00 for transportation that is explained by the operator in a letter attached to his narrative report. It is my opinion that the hoist and engine were necessary and that the transportation charge is reasonable. The validity of the charge and the decision as to the acceptability of the invoice covering the charge is left up to Denver.

3. The Operator's Narrative Report is considered adequate. It contains the statement: "Checks have been issued covering November statement".

T. M. Romslo

T. M. ROMSLO
Mining Engineer

January 10, 1953

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona.

Re: Contract Idm-2210
DMA Docket 399X

Dear Mr. Storms:

Herewith narrative report for the month of December, 1952.

We continued our No. 15 crosscut an additional 13' for total length of 26'. We then started our long hole drilling from this face.

Drilling progress was slow. The ground is hard and this resulted in excessive steel breakage. Time lost in fishing out broken steel was considerable.

We completed a total footage of this drilling during the month of 134½', divided as follows:

Hole No. 1 - 51'
Hole No. 2 - 32½'
Hole No. 3 - 33'
Hole No. 4 - 18'

Holes No's. 1 and 2 have been completed in an ore zone. Holes 3 and 4 were not completed at month's end. We are apparently meeting with some success in our efforts to locate an ore body at target point "A". Holes 1 and 2, each of which was drilled at an angle of plus 6 degrees, both encountered ore. In Hole No. 1 we had ore zone from point 43½' to point 51'. We have received an assay only on the sample from point 43½' to point 46½' but this sample assayed 5.6% zn. In Hole No. 2 we had ore zone from point 21' to point 30½'. The assay on this whole ore zone ran 13.5% zn.

We have transported and installed heavy duty hoist in order that material, supplies and equipment can be handled between No. 4 and No. 5 levels. Since the only means of supply is by truck road and then down the mountain side by rail the hoist was of course a prerequisite. We then proceeded with rehabilitation of the No. 5 level and this work is rapidly nearing completion. At month's end track had been laid in some 350' from the Adit and air and water lines were in place for some 450'. A large air receiver not needed on No. 4 level had been dismantled and moved to No. 5 level.

At month's end we were continuing long hole drilling to the target points outlined on No. 4 level and were proceeding with transfer of material and equipment in order that projected work on No. 5 level may be underway as soon as possible.

Checks havebeen issued covering November statement.

Yours very truly,
SHERWOOD B. OWENS

SBO/j

Jan. 10, 1953

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Ariz.

Re: Contract Idm-E210
DMA Docket 399X

Dear Mr. Storms:

I would like to call your attention to an item listed in December accounts under the sub-heading "Transportation". This item is a statement from Owens Trucking Co. and is in the amount of $60.00.

In making original application to DMA we overlooked the fact that the use of a hoist would be necessary in order to transport supplies, material and equipment between No. 4 and No. 5 levels at the Abril Mine. We do have rail laid down the mountain between the two levels but it is useless without power.

It is my desire to co-operate in every way possible to hold the costs down in order that our joint funds may cover as much work as possible. With this thought in mind I am making this complete hoisting unit consisting of Buda Engine, reduction gear unit and single drum hoist available to the joint operation without charge either for rental or depreciation.

This $60.00 charge for transportation billed to the Exploration Project represents our estimate of actual costs incurred for labor, insurance and fuel expenditures during two days operation of a truck engaged in moving this equipment from Lowell, Arizona to the Abril Mine. No charge was made for truck.

Yours very truly,

SHERWOOD B. OWENS

Sherwood B. Owens

SBO/j

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 15 1953

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

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

Month of November 195 2 Docket No. DMEA 399X Contract Idm-E210

Operator's Name Sherwood B. Owens Minerals Zinc-Copper

Address P. O. Box 769 Tucson, Arizona

Contract Amount, $63,926.00 Government Participation: 50 % Amount, $ 31,963.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1044.13	13505.59	14549.72			
Supervision	450.00	4755.00	5205.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		1018.28	1018.28			
Explosives	22.19	4209.44	4231.63			
Pipe						
Track						
Miscellaneous	181.55	6183.73	6365.28			
(4) Operating Equipment:						
Rental		4334.44	4334.44			
Purchase	289.25	2458.62	2747.87			
Depreciation						
(5) Initial Rehabilitation and Repairs		1380.00	1380.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	69.30	898.15	967.45			
Sampling and Analysis						
Payroll Taxes	34.45	687.07	721.52			
Liability Insurance	148.22	1811.44	1959.66			
Part time Auditor	50.00	500.00	550.00			
(8) Contingencies (specify): Transportation	1.55	134.93	136.48			
TOTALS	2290.64	41876.69	44167.33	2290.64	41,876.69	44,167.33
					*-100.00	-100.00
				2290.64	41,776.69	44,067.33

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

Date Dec. 8, 1952 *Payee Sherwood B. Owens

Per _____ Title _____

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

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

(Instructions on reverse)

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

$ 1145.32

Signature Alfred R. Olsen
(Authorized Certifying Officer)

Date 1-8-53 Vou. No. 53-78
(See other side)

* Erroneous total carried forward

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Edm-E210 in accordance with the terms of the contract.

Signature T M Pamelo WRK Title Mining Engineer Date Dec. 15, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.DB.

Signature W. H. King Title Executive Officer Date 1/5/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 15 1953

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 195 2 Docket No. DMEA 399X Contract No. Idm-E210
Operator's Name Sherwood B. Owens Minerals Zinc-Copper
Address P. O. Box 769 Tucson, Ariz.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract Units	Authorized by Contract Unit Costs
Drifting	Feet	458.13	13	29913.48	543	55.08	600*	30.00
Crosscutting								
Raising	Feet	1832.51	43	8539.41	142	60.13	200*	30.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		2290.64		38452.89				Total Costs Authorized by Contract
Operating Equipment Purchased				4334.44				6400.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				1380.00				2500.00
Total Costs		2290.64		44167.33				

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

Date Dec. 8, 1952 Operator Sherwood B. Owens

Per _____ Title _____

Remarks: * These units "Authorized by Contract" are for No. 4 level only - all work thus far has been on No. 4 level.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

53-78

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

224 New Customhouse
Denver 2, Colorado

January 5, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 399K, Contract Idm-E210 (Lead-Zinc-Copper)
Sherwood B. Owens, Abril Lead Zinc Mine, Cochise County,
Arizona - Operator's Monthly Progress Report for the period of
November, 1952

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been accomplished as authorized in the contract and payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Remarks:

Date of Report - December 8, 1952
Date Received in Ariz.-New Mexico Branch Off. - ?
Date Received in Region IV Office - December 29, 1952
Date Processed for Payment - January 2, 1953

W. H. King
W. H. King

Enclosures

RDB:oc

cc: Contract
Secretary to the Oper. Comm. (2)
WRStorms
Chron.

MINING DIVISION
REGION IV

December 23, 1952

Memorandum

To : W. H. King, Chief, Mining Div., Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : November 1952 Progress Report, Docket DMA-399X, Contract Idm-E210, Sherwood D. Owens Abril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed in quintuplicate are:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report with map;
(3) Forms MF-104 and 104A with documentation.

Also enclosed are two extra copies of our engineer's report.

As all work is in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-399X
DF

WRStorms:frj

MINING DIVISION
REGION IV

December 15, 1952

Memorandum

To : W. R. Storms, Chief, Mining Methods Branch, Mining Div.

From : T. M. Romslo, Mining Engineer, Tucson, Ariz.

Subject : Monthly Progress Report for November 1952, Docket DMA-399 x Contract Idm- E210 Abril Lead-Zinc Mine. Cochise County, Ariz

The Abril mine was visited December 10, 1952 by the writer and L. L. Farnham, Bureau of Mines mining engineer, Tucson, Ariz., to check progress on the exploratory project and to determine if the work continues to be in conformance with subject contract. Pertinent mine workings were inspected in the company of A. W. Gerhardt, project supervisor.

Progress for November was found to consist of the following advances: 5.0 feet in raise 60; 15.0 ft. in finger raise from raise 60; 23.0 ft. in low-angle raise and 13.0 ft. in the crosscut, both driven from the same point in the main crosscut. These advances are shown on attached map, a new progress map that includes pertinent geologic features related to present operations on No. 4 level and future explorations on No. 5 level.

No further exploration from Raise 60 will be done because the small zone of minor zinc mineralization was essentially mined out by the workings and because the possibilities of opening up other ore from the raise are unfavorable. Present operations are confined to Raise 61 and crosscut 13XC from which long hole drilling will be done to prospect the fracture zone of Raise 60. Both the raise and crosscut had been completed with all advance in the raise and 13.0 ft. of the 26-foot long crosscut having been driven during November. Long-hole drilling from the faces of these headings will be started as soon as drill bits are available, probably within a few days. While waiting for bits, track and pipe is being salvaged from workings beyond the present operations and preparations are being made to lower all equipment to level No. 5, the site of future explorations.

CC W. H. King (Orig. & 6)
DMA-399X
DF

TMRomslo:frj

CONTRACT, FORMS MF-104 and 104A, and OPERATOR'S NARRATIVE REPORT

The following conclusions are based on the inspection of the project and the data furnished by the operator:

1. The work performed is in accordance with the contract and is as reported on Form MF-104A with the exception that all advance in lateral workings has been reported as drifting on MF-104 and as crosscutting in the operator's reports and maps. Technically the original working of the contract, listed as crosscut 6XC, is a drift because it roughly follows the limestone bedding. On this basis, all other laterals driven under the contract should be classified as crosscuts. In event Denver decides the advances should be classified and reported in this manner, the operator will be instructed to make the necessary changes in future Forms MF-104 and progress maps.

2. The supply andservices charges of Form MF-104 were necessary and do not appear to be excessive.

3. Charges on Form MF-104 have been properly distributed and are supported by certified documents that appear to be in order. Totals, previously reported and to date, include the disallowed $100 for part time auditor which will be reclaimed shortly by the operator.

4. The Operator's Narrative Report is considered adequate. For the purpose of record, the salvage operations mentioned by the operator were started in December and consequently no changes for this work appear in the Forms MF-104 for November. The Operator's Report contains the statement: "Checks have been issued covering Oct. Statement".

T. M. Romslo

T. M. ROMSLO

December 9, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona.

Re: Contract Idm-E210
DMA Docket 399 X

Dear Mr. Storms:

Herewith narrative report for the month of November, 1952.

We continued our No. 60 raise a distance of 5'. This terminated at point 43' on the incline with no ore showing.

We then dropped back to point 28' on the incline and drove a split raise to explore the ore showing which had been encountered in No. 60 raise at point 32' on the incline. The split raise proceeded in a Northwesterly direction following a shear zone approximately N. 40 degrees W. This new part of the raise was driven a distance of 15' at an incline of 45 degrees. The face of the split raise was sampled at point 8' on zone. Two samples were taken, one of the left hand and the other of the right hand sides of the face. The samples assayed as follows:

Sample No.	Width	Ag	Cu	Zn
1	46"	0.3	0.52	9.70
2	48"	0.3	0.03	3.30

At point 15' the face of the split raise was composed almost entirely of garnetized rock with only a few specks of sphalerite. Work stopped at this point.

Since the strike and dip of the shear zone encountered here does coincide closely with a similar shear zone crossing No. 6 crosscut, No. 4 level, we decided to prospect the shear zone on the fourth level by a low angle raise to the Northwest and a crosscut to the South East.

As of the end of the month the low angle incline raise had been completed at point 23'. Some garnetization was encountered along a dike-like rock in the last two rounds in the raise.

As of the end of the month the advance on the crosscut was 15'. No mineralization has been observed.

Pending authorization to proceed with long hole drilling as per our request dated Nov. 17, 1952 we are salvaging material and equipment and making preparations to start authorized work on No. 5 level.

Checks have been issued covering Oct. statement.

Yours very truly,

Merwin S. Dunn

enc/4

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Budget Bureau No. 42-R1036.3.
RECEIVED
DEC 12 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1952 Docket No. DMEA 399X Contract No. Idm-E210
Operator's Name Sherwood B. Owens Minerals Zinc-Copper
Address P. O. Box 769 Tucson, Ariz.
Contract Amount, $ 63,926.00 Government Participation: 50 % Amount, $ 31,963.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1199.00	12306.59	13505.59			
Supervision	450.00	4305.00	4755.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		1018.28	1018.28			
Explosives	64.57	4144.87	4209.44			
Pipe						
Track						
Miscellaneous	181.09	6002.64	6183.73			
(4) Operating Equipment:						
Rental						
Purchase		4334.44	4334.44			
Depreciation	289.25	2169.37	2458.62			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		1380.00	1380.00			
(7) Miscellaneous:						
Repairs to Equipment	22.83	875.32	898.15			
Sampling and Analysis						
Payroll Taxes	111.27	575.80	687.07			
Liability Insurance	163.58	1647.86	1811.44			
Part time Auditor	50.00	450.00	500.00			
(8) Contingencies (specify):						
Transportation	2.00	132.93	134.93			
				2533.59	39343.10	41876.69
				*	100.00	100.00
TOTALS	2533.59	39343.10	41876.69	2533.59	39243.10	41776.69

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Nov. 8, 1952 *Payee Sherwood B. Owens

Per _____ Title _____

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

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

(Instructions on reverse)

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

$1266.79

Signature _____
(Authorized Certifying Officer)

Date 12/1/52 Voucher No. DMA 53-65
(See other side)

* Erroneously not carried forward by operator.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IDM-E210 in accordance with the terms of the contract.

Signature D. M. Ramsey Title Mining Engineer Date Nov 19, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Act for WRS

Signature W. H. King Title Executive Officer Date 11/26/52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 12 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1952 Docket No. DMEA 399X Contract No. Idm-3210
Operator's Name Sherwood B. Owens Minerals Zinc-Copper
Address P. O. Box 769 Tucson, Ariz.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Feet	- -	- -	29455.35	530	55.58	600*	30.00
Crosscutting								
Raising	Feet	2533.59	38	6706.90	99	67.74	200*	30.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2533.59		36162.25				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				4334.44				6400.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				1380.00				2500.00
TOTAL COSTS		2533.59		41876.69				

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

Date Nov. 8, 1952 Operator Sherwood B. Owens

Per ..... Title .....

REMARKS: * These units "authorized by contract" are for no. 4 level only - all work thus far has been on no. 4 level.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

[illegible] New Customhouse
Denver 2, Colorado

November 25, 1952

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 399K, Contract Idm-8210, (Zinc and Copper) Sherwood B. Owens, Abril Lead-Zinc Mine, Cochise County, Ariz. Operator's Monthly Progress Report for the period of October, 1952

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report and Engineer's Report for the above period.

Work has been accomplished as authorized in the contract and payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Remarks:

The charge on Form MF-104 of 163.58 to "Industrial Commission" for liability insurance is a valid project cost but the method of calculating this charge has not been indicated.

W. H. King
W. H. King

Enclosures

RDB:oc

cc: Contract
Secretary to the Operating Committee (2)
WRStorms
Chron.
AHKoschmann (2)

MINING DIVISION
REGION IV

November 19, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Division, Region IV

From : Lincoln A. Stewart for Walter R. Storms, Chief
Arizona-New Mexico Branch, Mining Div., Region IV

Subject : October 1952 Progress Report, Docket 399X, Contract Idm-E210, Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Arizona

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report with map;

(2) Operator's narrative report;

(3) Forms 104 and 104A with documentation.

Also enclosed are 2 extra copies of our engineer's report.

As this project is being operated in accordance with terms of the contract, and in the absence of Mr. Storms, I recommend that the Government's share of the costs be paid.

Lincoln A. Stewart

Lincoln A. Stewart, Mining Engineer
for Walter R. Storms, Chief
Arizona-New Mexico Branch
Mining Division, Region IV

CC W. H. King (6)
DMA-399X
BF

LAStewart:frj

MINING DIVISION
REGION IV

November 14, 1952

Memorandum

To : W. R. Storms, Chief, Arizona-New Mexico Br., Mining Div., Region IV, Tucson, Ariz.

From : T. M. Romslo, Mining Engineer, Tucson, Ariz.

Subject : Monthly Progress Report for October 1952, Docket DMA-399X, Contract Idm-L210, Abril Lead-Zinc mine, Cochise County, Ariz.

I visited the Abril mine November 12, 1952 to check progress on the exploratory project and to determine if the work continues to be in conformance with the contract. Pertinent mine workings were inspected in the company of A. W. Gerhardt, project supervisor, and J. N. Faick, U.S.G.S.

The inspection trip showed that progress for October was confined to 38 feet of advance in the raise from No. 4 level. This advance is shown on attached map that includes previous contract explorations. A mineralized zone at 32 to 36 feet in the inclined section of the raise consists of widely scattered pods of high-grade zinc sulfide. During the period Nov. 1 to 12, the raise was advanced about 5 feet and an 8-foot finger raise was driven. The mineralized zone exposed by this work does not contain commercial ore in the opinion of Gerhardt, Faick and the writer. Faick will prepare a memorandum on his findings for the U.S.G.S.

The project supervisor and Sherwood Owens, the operator, had agreed to blast one more round in the finger-raise and to then abandon operations on No. 4 level if the findings are still unfavorable. Later, the writer called Mr. Owens' attention to the geologic possibility that the mineralized zone of the raise might be encountered by a little work from the original exploratory heading of the contract. This possibility is now being studied and if explorations are to be carried out the operator will submit a geologic map and a report covering the projected work with data regarding costs of past and future operations.

CC W. H. King (Orig. & 6)
DMA-399X
DF

TMRomslo:frj

CONTRACT, MF-104's and OPERATORS NARRATIVE REPORT

The following conclusions are based on the inspection of the project and the data furnished by the operator:

1. The work performed is in accordance with the contract and is as reported on Form MF-104A.

2. The supply and service charges of Form MF-104 were necessary and are not excessive for the prevailing conditions.

3. Charges on MF-104 are supported by certified documents that appear to be in order. Attention is called to the operator's Recap. on charge "Balance Payroll Taxes Third Quarter", that accounts for the lower tax rate and shows the remaining tax charged for in October.

4. The Operator's Narrative Report is considered adequate. It contains the statement: "Checks have been issued covering items listed on the September statement".

The invoices covering purchases from the start of the project through June 1952, now on file in the Tucson office of the Bureau of Mines, will be turned over to Mr. Owens.

T. M. Romslo

T. M. Romslo, Mining Engineer
Arizona-New Mexico Branch,
Mining Division, Region IV

November 8, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona.

Re: Contract Idm- E210
DMA Docket 399 X

Dear Mr. Storms:

Herewith narrative report for the month of October, 1952.

All work for the month was continuation of new raise on no. 4 level to intersect ore showing in Surface Diamond Drill Hole no. 10.

At the start of the month we left the vertical in the raise at a point 68' above track level (no. 4 level). The new incline headed approximately S 12 W at an angle of approximately 45 degrees.

At a point 18' from beginning on this incline we again encountered the drill hole. We then steepened the incline to approximately 63 degrees in order to follow the drill hole. At a point 32' on the incline we encountered mineralized rock with high grade zinc in spots. We had 4' of this general showing and at month's end were apparently through the zone at point 38' on present inclination of the incline.

There is still a small showing on the right hand side in the raise so we plan to take another round on this showing to definitely determine if we are through the ore strata. Should no ore open up at this point, we will slab the raise to greater width at the mineralized showing for working convenience and attempt to determine direction and extent of the showing. If this can be done, we can then continue our raise at a flatter angle through the showing and ascertain if any ore is present.

The total advance for the month was 38'. The ground has been quite hard and working conditions in the raise very difficult. We have found no ore of commercial value as yet in the raise.

Checks have been issued covering items listed on the September statement.

Yours very truly,

SHERWOOD B. OWENS

SBO/j

Sherwood B. Owens

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1952 Docket No. DMEA 399X Contract No. Idm-E210
Operator's Name Sherwood B. Owens Minerals Zinc-Copper
Address P. O. Box 769 Tucson, Arizona
Contract Amount, $ 63,926.00 Government Participation: 50 % Amount, $ 31,963.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1135.00	11171.59	12306.59			
Supervision	450.00	3855.00	4305.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	109.31	908.97	1018.28			
Explosives	71.91	4072.96	4144.87			
Pipe		671.64	671.64			
Track		910.00	910.00			
Repair parts		191.95	191.95			
Miscellaneous	108.97	3246.29	3355.26			
(4) Operating Equipment:						
Rental						
Purchase		2752.80	2752.80			
Depreciation	289.25	1880.12	2169.37			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		1380.00	1380.00			
(7) Miscellaneous:						
Repairs to Equipment		607.35	607.35			
Sampling and Analysis						
Payroll Taxes		575.80	575.80			
Liability Insurance W.C.	157.23	1490.63	1647.86			
Transportation	1.00	131.93	132.93			
(8) Contingencies (specify):						
Part time Auditor	50.00	400.00	450.00			
Welding		187.00	187.00			
Diesel Fuel	124.19	2428.59	2552.78			
TOTALS	2496.86	36862.62	39359.48	2,496.86	36,862.62	39,359.48
				* -	100.00	100.00
				* -	16.38	16.38
				2,496.86	36,746.24	39,243.10

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Oct. 9, 1952 *Payee Sherwood B. Owens

Per _____ Title _____

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

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

(Instructions on reverse)

I hereby certify that this account is correct and proper for payment in the amount of:

$ 1248.43

Signature _____
(Authorized Certifying Officer)

Date 10/29/52 Vou. No. 53-54
(See other side)

* Previous Disallowances

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E210 in accordance with the terms of the contract.

Signature [illegible] Title Mining Engineer Date Oct 14, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE

Signature W. H. King Title Executive Officer Date 10/22/52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1952 Docket No. DMEA 399X Contract No. Idm-E210

Operator's Name Sherwood B. Owens Minerals Zinc-Copper

Address P. O. Box 769 Tucson, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Feet	-	-	29455.35	530	55.58	600*	30.00
Crosscutting								
Raising	Feet	2496.86	48	4189.69	61	68.68	200*	30.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2496.86		33645.04				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				4334.44				6400.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				1380.00				2500.00
TOTAL COSTS		2496.86		39359.48				

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

Date Oct. 9, 1952 Operator Sherwood B Owens

Per ..... 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.

REMARKS: * These units authorized by contract are for No. 4 level only. All work thus far has been on No. 4 level.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

October 21, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 399K, Contract I4m-M210, (Zinc-Copper) Sherwood B. Owens, Abril Mine, Cochise County, Arizona - Operator's Monthly Progress Report for the period of September, 1952

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been accomplished as authorized in the contract and payment is recommended as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and mathematical accuracy of computations.

Remarks: Discrepancies in the manner of reporting on Forms MF-104 and 104A have been called to the operator's attention for correction on the subsequent report.

Documentation and other data pertaining to the reclaim of $100.00 for part time auditor fees for the months of July and August, which was disallowed on the August Report pending documentation, have been removed from the data attached to the September Report and returned to the operator for his use in submitting a supplemental MF-104 and MF-104A Report to accomplish the reclaim.

W. H. King
W. H. King

Enclosures

JWT:oc

cc: Contract
Secretary to the Operating Committee
WRStorms
Chron.
Koschmann (2)

MINING DIVISION
REGION IV

October 14, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : September 1952 Progress Report, Docket DMA-399X, Contract Idm-E210, Sherwood B. Owen's Abril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report with map;

(2) Operator's narrative report;

(3) Forms MF-104 and 104A with documentation;

(4) Memo from operator regarding disposition of remaining funds.

Also enclosed are two extra copies of our engineer's report.

As this project is being operated in accordance with terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms, Chief
Arizona-New Mexico Branch
Mining Division, Region IV

CC W. H. King (6)
DMA-399X
DF

WRStorms:frj

1. The work is in accordance with the contract and is as reported on Form MF-104A.

2. The supply and service charges of Form MF-104 were necessary and do not appear to be excessive.

3. Charges on MF-104 are supported by payrolls, certified invoices, and the rate schedule for Workmen's Compensation on file at Denver. A check of supporting documents indicates they are correct with the exception of an overcharge of one cent for sales tax on items covered by Lindsey's Hardware invoice of September 27. An explanation of Standard Oil Co's. invoice R446937 appears to be in order. The sales tax of 2 percent is applied only to the last 3 items because the cost of gasoline (item No. 1) includes all state taxes. Further, the cost of gasoline is believed to be a legitimate charge because it was used for washing equipment parts on repair jobs.

4. The operator's reclaim for part-time auditor charges of $50.00 for July and August is supported by certified invoices and should be approved.

5. Operator's total expenditures (PREVIOUSLY REPORTED ~~AND~~ AND TO DATE) on Mf-104:

1. The $119.57 overcharge for August has been deducted.

2, The $50.00 charge for part-time auditor for July and August has not been deducted because it is probable that these charges will be reinstated at Denver.

3. The operator's totals exceeds the correct totals by $16.38 - all but one cent of which is accounted for by a double-entry of a $16.37 item for miscellaneous supplies. The error occurred at the time the Denver office disallowed and later reinstated the charge. The operator will make the necessary correction in October's statement.

4. The Operator's Narrative Report is considered adequate although it fails to make mention of a geological survey made of the project's lateral workings at no expense to the project or Government. The results of this work, which may be extended to include the raise now being driven, will be covered by the operator in October's report. His present report contains the statement: "Checks have been issued covering items listed on the August statement".

Disposition of remaining funds:

The attached operator's memo was prepared at the writer's request in order to determine if sufficient funds would be available for the project work on No. 5 level. The reason for this request being that the Governmental participation in the work on No. 5 level would not be justified unless sufficient funds were available for reaching the objective. The writer has checked the operator's data and concurs in the conclusion that sufficient funds will be available. This conclusion is based on the assumption that the findings in the raise now being driven will not justify further explorations on or above No. 4 level and that the findings will not be adequate to justify leaving the track and pipe for use in removing the ore at some future date.

T M Romslo

T. M. Romslo, Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

October 9, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona

Re: Contract Idm-2210
DMA Docket 399 X

Dear Mr. Storms:

Herewith narrative report for month of September, 1952 on the above contract.

All work for the month was continuation of the new raise on No. 4 level to intersect ore showing in Surface Diamond Drill Hole No. 10.

At month's end the raise was 61' above the back of the drift or 68' above track level. This our total progress for the month was 49'. All of this footage was continued vertical and the raise is timbered.

We encountered a small amount of mineralization beginning at point 45' above track level. It contains a small amount of scattered zinc and is apparently the beginning of a fracture zone.

We are now starting an inclined raise from the vertical and the incline should intersect the ore showing above mentioned within some fifteen to twenty feet. The incline will be approximately 45 degrees and the direction will be approximately S 12 W.

The position of our raise has checked perfectly with the Diamond Drill Hole No. 10 as mapped. We first hit the drill hole at 30' above track level and left it at 49' above track level.

Present plans are to continue the incline to intersection with Surface Diamond Drill Hole No. 10 and ascertain extent of ore showing at that point.

Checks have been issued covering items listed on the August statement.

Yours very truly,

SHERWOOD B. OWENS

Sherwood B. Owens

SBO/j

ABRIL MINE - Memo to Mr. Romslo

Re: Disposition remaining funds

Total amount provided in Exploration Contract		$63,926.00
Expended through Sept. 30, 1952	$39,359.48	
Antidpated expenditures to complete raising on No. 4 level, dismantle and move equipment from No. 4 to No. 5 level, rehabilitate No. 5 level. Estimated time - 1½ months @ Sept. rate of expenditures.	3,750.00	
Funds remaining applicable to actual drifting and cross cutting on No. 5 level		$20,816.52

We estimate that the distance from starting point on No. 5 level to intersection with ore showing in Diamond Drill Hole T 3 - 3 x cut - 1 (this being the objective on No. 5 level) is approximately 250'.

Thus, if we make an estimate of $50.00 per foot average cost for drifting and crosscutting on No. 5 level, we have sufficient funds remaining for 400' plus of work.

If our costs average does not exceed that on No. 4 level, we can of course do even more work with the allocated funds but in any event we should have sufficient funds to make a real determination of the possibilities of this No. 5 level.

ABRIL MINE - Breakdown by months on Drift costs

Month (all 1952)	Drift Footage	Costs	Average Cost Per Foot
February	71	$3,247.68	$45.74
March	70	3,610.39	51.58
April	69	2,441.45	35.38
May *			
June	91	3,751.83	41.23
July	94	4,181.06	44.48
August	67	2,919.27	43.57

Average for the Period

Drift Footage	Total Costs	Average Cost Per Foot
462	$20,151.68	$43.62

May * - This month was not included in our calculations for the reason that the operation was inactive for some 24 days while waiting on parts and overhauling the compressor unit.

October 1, 1952

Progress
Report - August 1952

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

Upon audit [illegible] above by the Arizona a difference was found which [illegible] your account accordingly:

Amount Claimed	$4,731.67
Difference	$ 219.57
Amount Allowed	$4,512.10

The reason for the difference was due to:

Overcharge on Bisbee Lumber Co. Invoice	117.23
Invoice No. 08775 1st item should be 1344 B.F.	
Invoice No. 08775 2nd item should be 1109 B.F.	
Tax on above	2.34
No documentation for charges of part-time auditor - July 50.00	
Aug. 50.00	

Any question for deductions made above may be repeated by the [illegible] of this [illegible].

Very truly yours,

N. E. Stokes
Audit Section

[illegible] - AAP Form No. [illegible]
[illegible]-52 [illegible]

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1952 Docket No. DMEA 399X Contract No. Idm-E210
Operator's Name Sherwood B. Owens Minerals Zinc-Copper
Address P. O. Box 769 Tucson, Arizona
Contract Amount, $63,926.00 Government Participation: 50 % Amount, $31,963.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1766.07	9405.52	11171.59			
Supervision	465.00	3390.00	3855.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber 119.57	839.68	188.86	1028.54	720.11		908.97
Explosives	524.54	3548.42	4072.96			
Pipe		671.64	671.64			
Track		910.00	910.00			
Repair parts		191.95	191.95			
Miscellaneous	262.63	2983.66	3246.29			
(4) Operating Equipment:						
Rental						
Purchase		2752.80	2752.80			
Depreciation	289.25	1590.87	1880.12			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		1380.00	1380.00			
(7) Miscellaneous:						
Repairs to Equipment		607.35	607.35			
Sampling and Analysis						
Payroll Taxes		575.80	575.80			
Liability Insurance	221.32	1269.31	1490.63			
Transportation	1.00	130.93	131.93			
(8) Contingencies (specify):						
Part time Auditor	50.00	350.00	400.00	50.00		300.00
Welding	114.00	73.00	187.00			
Diesel Fuel	198.18	2230.41	2428.59			
TOTALS	4731.67	32250.52	36982.19	~~4,512.10~~ 4,512.10	~~32,250.52~~ ~~*16.38~~ 32,234.14	~~36,762.62~~ ~~16.38~~ 36,746.24

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept. 6, 1952 payee Sherwood B. Owens

Per _____ Title _____

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

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

(Instructions on reverse)

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

$2256.05

Signature _____
(Authorized Certifying Officer)

Date 10/1/52 Vou. No. 53-42
(See other side)

* Previous Deductions

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 210 in accordance with the terms of the contract.

Signature M Ramolo WRR Title Mining Engineer Date 9/11/52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: $2256.05

Signature ..... Title B Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1952 Docket No. DMEA 399X Contract No. Idm-E210
Operator's Name Sherwood B. Owens Minerals Zinc-Copper
Address P. O. Box 769 Tucson, Ariz.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Feet	2919.27	67	29455.35	530	55.58	600*	30.00
Crosscutting								
Raising	Feet	1812.40	13	1812.40	13	139.41	200*	30.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		4731.67	80	31267.75				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				4334.44				6400.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				1330.00				2500.00
TOTAL COSTS		4731.67		36982.19				

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

Date Sept. 6, 1952 Operator Sherwood B. Owens

Per _____ Title _____

REMARKS: * These units authorized by contract are for No. 4 level only. All work thus far has been on No. 4 level.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

September 23, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 399X, Contract Idm-E210 (Zinc-Lead), Sherwood B. Owens, Cochise County, Arizona - Operator's Monthly Progress Report for the period of August 1952

Enclosed are the original and four copies of Forms MF-104 & MF-104a Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended as follows:

Total Reported		$4,731.67
Disallowances:		
Overcharge on Bisbee Lumber Co. invoice (explained below)	117.23	
Tax	2.34	
No documentation for charges of part-time auditor - July	50.00	
August	50.00	
		219.57
		$4,512.10
Government participation 50 percent		$2,256.05

The board feet extensions of the first two items on the invoice of the Bisbee Lumber Company, Inc., dated August 30, 1952, are shown as 1680 and 1390, whereas the correct figures are 1344 and 1109 respectively. This accounts for the disallowance shown above.

WLD:jp

W. H. King

Enclosures

W. H. King

cc Secretary to the Operating Committee (2)
MRStorms
Contract
Chron
AHKoschmann (2)

MINING DIVISION
REGION IV

September 10, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : August 1952 Progress Report, DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report;

(3) Forms MF-104 and 104A, with documentation.

Also enclosed are two extra copies of our engineer's report.

As all accounts conform to the contract, I recommend that the Government's share of 50 percent of the costs be paid.

Walter R. Storms

Walter R. Storms, Chief
Arizona-New Mexico Branch
Mining Division, Region IV

cc W. H. King (6)
DMA-399X
DF

WRStorms:frj

MINING DIVISION
REGION IV

September 10, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Br., Mining Div., Region IV, Tucson, Ariz.

From : T. M. Romslo, Mining Engineer, Tucson, Ariz.

Subject : Monthly Progress Report for August 1952, Docket DMA-399X, Contract Idm-E210, Abril Lead-Zinc Mine, Cochise County, Ariz.

The writer visited the Abril mine Sept. 4, 1952 to check progress on the exploration project and to determine if the work continues to be in conformance with the contract. A. W. Gerhardt, project supervisor, accompanied the writer during an inspection of the pertinent mine workings.

Progress for August consisted of driving 67 feet on crosscut No. 12 and 13 feet of advance in No. 60 raise, as shown on attached map. The crosscut was completed at the limestone-quartzite contact after penetrating fractured limestone that locally has been partially altered to contact silicates. No ore mineralization was encountered. Raise No. 60 is being run to intersect an ore section of diamond-drill hole No. 10. It is being carried 5 by 7 feet in size with a 2.5-foot stulled-and-lagged manway.

Mr. Sherwood Owens, the operator, submitted on Sept. 9, a narrative report and Forms MF-104 and 104A with documentary support of charges.

The following conclusions by the writer are based on the inspection of the project and data furnished by the operator:

1. The work performed is in accordance with the contract and is as reported on Form MF-104A.

2. The supply and service charges of Form MF-104 were necessary and do not appear to be excessive. The charge of $839.68 for timber, includes stockpiled timber that will probably be sufficient for completion of the raise now being run. This accounts, in part, for the excessive cost of $139.41 per foot of raising as shown on Form MF-104A.

CC W. H. King (orig. & 6)
DMA-399X
DF

WXX T.M.Romslo:frj

September 6, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona

Re: Contract Idm-2210
DMA Docket 399 X

Dear Mr. Storms:

Herewith narrative report for month of August, 1952 on the above contract.

Work was completed on the No. 12 crosscut, No. 4 level, and a raise started from this crosscut to intersect ore showing in Surface Diamond Drill Hole No. 10.

Our starting point for the month was 21' beyond station 63-J. We continued in the same direction (approximate S 25 E) an additional 31' at which point we changed direction to approximate S 18 W. This crosscut was then continued an additional 36' at which point we encountered the arkosic quartzite, thus establishing definite limit of possible productive horizon. We completed 67' of new crosscut during the month.

Center point for a new raise was established approximately 47' S 25 E from Station 63-J. The necessary slabbing and squaring up was completed, two rounds shot, and then chute was installed. At month's end the raise was 13' above the back of the drift or 20' above floor level. The first set was in and progress is satisfactory. We are carrying this raise as 5 x 7 with manway of not less than 30" at any point.

We plan to continue this raise approximately vertical to intersection with Surface Diamond Drill Hole No. 10.

Checks have been issued covering items listed on the July statement.

Yours very truly,

SHERWOOD B. OWENS

Sherwood B. Owens

SBO/j

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1952 Docket No. DMEA 399X Contract No. Idm-E210

Operator's Name Sherwood B. Owens Minerals Zinc & Copper

Address P. O. Box 769 Tucson, Arizona

Contract Amount, $63,926.00 Government Participation: 50 % Amount, $31,963.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,834.33	7571.19	9405.52			
Supervision	465.00	2925.00	3390.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		188.86	188.86			
Explosives	560.49	2987.93	3548.42			
Pipe		671.64	671.64			
Track		910.00	910.00			
Repair parts		191.95	191.95			
Miscellaneous	368.61	2615.05	2983.66			
(4) Operating Equipment:						
Rental						
Purchase		2752.80	2752.80			
Depreciation	289.25	1301.62	1590.87			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		1380.00	1380.00			
(7) Miscellaneous:						
Repairs to Equipment		607.35	607.35			
Sampling and Analysis						
Payroll Taxes	103.47	472.33	575.80			
Liability Insurance						
Workmens Compensat'n	228.09	1041.22	1269.31			
Transportation	5.01	125.92	130.93			
(8) Contingencies (specify):						
Part time Auditor	50.00	300.00	350.00			
Welding		73.00	73.00			
Diesel Fuel	276.81	1953.60	2230.41			
TOTALS	4181.06	28069.46	32250.52	4,181.06	28,069.46	32,250.52
					-16.38	- 16.38
				4,181.06	28,053.08	32,234.14

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

Date Aug. 6, 1952 *Payee Sherwood B. Owens

Per _____ Title _____

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

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

(Instructions on reverse)

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

$2090.53

Signature _____ (Authorized Certifying Officer)

Date 9/16/52 Vou. No. MA 53-32

(See other side)

*Previous Disallowances

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IDm-E210 in accordance with the terms of the contract.

Signature N. M. Ramsey WCH Title Mining Engineer Date Aug. 12, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Received
SEP 22 1952

Month of July 1952 Docket No. DMEA 399X Contract No. Idm-E210

Operator's Name Sherwood B. Owens Minerals Zinc & Copper

Address P. O. Box 769 Tucson, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Feet	4181.06	94	26,536.08	463	57.35	600*	30.00
Crosscutting						57.31		
Raising								
Shafts								
Winzes							(* - On No. 4 level)	
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
		NBO		NBO				
TOTAL DISTRIBUTED COSTS		4181.06		26,536.08				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				4,334.44				6,400.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		NBO		1,380.00				2,500.00
				NBO				
TOTAL COSTS		4181.06		32,250.52				

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

Date August 6, 1952 Operator Sherwood B. Owens

Per _____ 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.

(Instructions on reverse)

REMARKS: Excess of actual over estimated costs has been due to extreme difficulty encountered in drilling and breaking of unusually hard formation.

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

August 22, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 399X, Contract Ida-8210 (Zinc-Copper), Sherwood B. Owens, Cochise County, Arizona - Operator's Monthly Progress Report, for the period of July, 1952

Enclosed are the original and four copies of Form MP-104, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended for the amount of $2,090.53, which is 50 percent of the total of $4,181.06.

A major portion of the charge of $168.61 under item "(3) Repair Parts Miscellaneous" should have been charged under item "(7) Repairs to Equipment."

for John F. Shaw
W. H. King

Enclosure

JWT:fwo

cc: Sec. Oper. Comm. (2)
Storms
Contract
Koschmann (2)
Chron

MINING DIVISION
REGION IV

August 11, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : July 1952 Progress Report, DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report;
(3) Forms MF-104 and 104A (original with documents).

Also enclosed are two extra copies of our engineer's report.

As all accounts conform to the contract, I recommend that the Government's share of 50 percent of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-399X
DF

WRStorms:frj

MINING DIVISION
REGION IV

August 11, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Br., Mining Div., Region IV, Tucson, Ariz.

From : T. M. Romslo, Mining Engineer, Tucson, Ariz.

Subject : Monthly Narrative Report for July 1952, Docket DMA-399X, Contract Idm-E210, Abril Lead-Zinc Mine, Cochise County, Ariz.

The monthly visit to the Abril mine was made on August 5, 1952 to check progress on the exploratory project and to determine if the work continues to be in conformance with the contract. Mr. Sherwood Owens, the operator, and A. W. Gerhardt, project supervisor, accompanied the writer during an inspection of the pertinent mine workings.

To date, all exploratory work has been confined to No. 4 level. Crosscut No. 12 was started in July and was driven 94 feet during the month. It has penetrated limestone that in places is highly fractured. The fractured zones contain some specularite, garnet, epidote, and other contact silicates. They also contain pyrite and minor amounts of sphalerite. The crosscut will be continued to the limestone-quartzite contact and a raise will be run from the crosscut to intersect the zone of ore mineralization cut by diamond drill hole No. 10. The total advance to date of 463 feet consists of 369 feet in No. 6 crosscut and the 94 feet for crosscut No. 12.

The operator submitted a narrative report on August 8, and Forms MF-104 and 104A with documents supporting all charges.

CONCLUSIONS

1. The work performed is in conformance with the contract and is as reported on Forms MF-104 and 104A.

2. The supply and service charges were necessary and do not appear to be excessive with the possible exception of 2 charges to miscellaneous under item 3. These charges include 2 plumb bobs, $1.33; and a 100-foot metallic tape costing $17.34. Both the plumb bobs and

CC W. H. King (Orig. & 6)
DMA-399X
DF

TMRomslo:frj

tape were used on a transit survey of the contract exploratory headings that was carried out without other charges to the project. These supplies will continue to be used during the life of the project. They are necessary to the project and are allowable charges in the opinion of the writer. However, if Denver rules otherwise, the total cost of these supplies, $18.67, should be deducted from the miscellaneous supply charge of $368.61. These supplies will be added to the inventory of supplies and equipment if found to be allowable charges.

3. Charges on form MF-104 are supported by payrolls, seller's invoices and prevailing tax rates for Social Security, Unemployment, and Workmen's Compensation of 1½, 3.0, and 9.92 percent, respectively.

The Operator's Narrative Report is considered adequate. It contains the statement: "Checks have been issued covering items listed on the June statement".

A map showing the work performed under the contract is attached.

T. M. Romslo, Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

August 6, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona

Re: Contract Idm-E210
DMA Docket 399X

Dear Mr. Storms:

Herewith narrative report for month of July, 1952, on the above contract.

All work performed was the driving of a new crosscut on No. 4 level.

Our previous work has been continuation of drifting in No. 6 crosscut, No. 4 level. We decided to drive a new crosscut beginning at a point 72' East from Station 63 E. This would place the new crosscut 304' from the beginning point of our work. This new crosscut is being driven S 25 E and will be known as No. 12 crosscut, No. 4 level.

We slabbed off sufficient ground to make our turn, installed switch, and drove 94 feet of crosscut in the direction above stated.

The formation has been somewhat irregular, varying from a mineralized dike at the point of departure through a series of lime, epidote, garnet and gouge formation, then back into very hard limestone. We are presently in a rather broken formation characterized by iron mineralization. A small amount of sulphide zinc has been discernable but has in all cases been in the form of small pieces distributed through the broken formation.

We plan to continue No. 12 crosscut, No. 4 level, to a contact with the arkosic quartzite in order that we may definitely establish limit of the possible productive horizon.

Checks have been issued covering items listed on the June statement.

Yours very truly,

SHERWOOD B. OWENS

Sherwood B. Owens

SBO/j

SHERWOOD B. OWENS

Abril Mine - - - - - - Exploration

(NAME OR PLACE OF OPERATION)

PAYROLL PERIOD FROM July 1 TO July 15 19 52 INCL.

(NOTE: DAYS OR DATE OF WEEK MUST BE INDICATED IN SPACES BELOW).

EMPLOYEE'S NAME	OCCUPATION	T 1	W 2	T 3	F 4	S 5	S 6	M 7	T 8	W 9	T 10	F 11	S 12	S 13	M 14	T 15		TOTAL HOURS	RATE
Fred R. Montijo	Miner	8	8	8	12	6	8	8	8	8	8	12	12	8	8	8		130	1.56¼
Jesus Molina	Miner	8	8	8	12	12	8	8	8	8	8	15	14	8	8	8		141	1.56¼
Alfonso Altamirano	Miner-Trammer	8	8	8	12	-	8	8	8	8	8	12	12	8	8	8		124	1.37½
Frank Molina	Miner-Trammer	8	8	8	12	-	8	8	8	8	8	12	12	8	8	8		124	1.37½
A. B. Rodriquez	Trammer	8	8	8	-	-	8	8	8	8	8	-	-	-	8	8		80	1.25
A. W. Gerhardt	Supervisor	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8		15days	15.00 per day

Alvin W. Gerhardt

FOREMAN OR SUPERINTENDENT

DATE	CHECK No.	EMPLOYEE'S NAME	AMOUNT EARNED	SOC. SEC. DEDUCTIONS	W. H. TAX DEDUCTIONS	NET AMOUNT DUE	REMARKS
		Fred R. Montijo	203.13	3.04	5.10	194.99	
		Jesus Molina	220.31	3.30	15.40	201.61	
		Alfonso Altamirano	170.50	2.56	2.40	165.54	
		Frank Molina	170.50	2.56	-	167.94	
		A. B. Rodriquez	100.00	1.50	-	98.50	
		A. W. Gerhardt	225.00	3.37	22.80	198.83	
		Total	1089.44				

Certified true transcript

W. B. Owens

SHERWOOD B. OWENS

Abril Mine - - - - - - - - Exploration
(NAME OR PLACE OF OPERATION)

PAYROLL PERIOD FROM July 16 TO July 31 19 52 INCL.

(NOTE: DAYS OR DATE OF WEEK MUST BE INDICATED IN SPACES BELOW).

EMPLOYEE'S NAME	OCCUPATION	W 16	T 17	F 18	S 19	S 20	M 21	T 22	W 23	T 24	F 25	S 26	S 27	M 28	T 29	W 30	T 31	TOTAL HOURS	RATE
Fred R. Montijo	Miner	8	8	12	15	8	8	8	8	8	12	12	8	8	8	8	8	147	1.56¼
Jesus Molina	Miner	8	8	12	15	8	8	8	8	8	12	12	8	8	8	8	8	147	1.56¼
Alfonso Altamirano	Miner-Trammer	8	8	12	17	-	8	8	8	8	8	12	8	8	8	8	8	137	1.37½
Frank Molina	Miner-Trammer	8	8	12	15	-	-	8	8	8	8	8	8	8	8	8	8	123	1.37½
A. B. Rodriquez	Trammer	8	8	8	-	8	8	8	8	8	-	-	8	8	-	-	-	80	1.25
Cecil Ramirez	Miner-Trammer	-	-	-	-	8	-	-	-	-	-	-	-	-	-	-	-	8	1.37½
Nicolas Alvarez	Miner-Trammer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8	8	16	1.37½
Alejo Antunez	Trammer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8	8	16	1.25
A. W. Gerhardt	Supervisor	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	16days	15.00 per day

Alvin W. Gerhardt
FOREMAN OR SUPERINTENDENT

DATE	CHECK NO.	EMPLOYEE'S NAME	AMOUNT EARNED	SOC. SEC. DEDUCTIONS	W. H. TAX DEDUCTIONS	NET AMOUNT DUE	REMARKS
		Fred R. Montijo	229.69	3.45	6.10	220.14	
		Jesus Molina	229.69	3.45	17.20	209.04	
		Alfonso Altamirano	188.38	2.83	3.00	182.55	
		Frank Molina	169.13	2.54	-	166.59	
		A. B. Rodriquez	100.00	1.50	-	98.50	
		Cecil Ramirez	11.00	.16	-	10.84	
		Nicolas Alvarez	22.00	.33	-	21.67	
		Alejo Antunez	20.00	.30	-	19.70	
		A. W. Gerhardt	240.00	3.60	26.80	209.60	
		Total	1209.89				

Certified True Transcript
N.B. Owens

MF-104
(August 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. 210
Idm-E

Name of Operator Sherwood B. Owens
Docket No. DMA 399 X
Total Contract Amount $ 63,926.00
Government Participation: 50 % Amount $ 31,963.00
Distribution of Expenditures for Month of June 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 4 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.

Sherwood B. Owens
(Name of Company)

By Sherwood B. Owens
(Signature of Authorized Official)

July 9, 1952
(Date)

(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					1,380.00	1,380.00 ✓
		1380.00	1380.00			
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
					2,752.80	2,752.80 ✓
Drilling machines		2752.80	2752.80		910.00	910.00 ✓
Rail (used)		910.00	910.00		671.64	671.64 ✓
Air & Water lines		671.64	671.64			
(b) Rented[2]						
(c) Furnished by operator						
				37.50	187.50	225.00
* Mucking machine	37.50	187.50	225.00	112.50	562.50	675.00
* Compressor	112.50	562.50	675.00	24.75	123.72	148.47 ✓
* Tramaire Locomotive	24.75	123.72	148.47	42.19	210.96	253.15
* Mine cars	42.19	210.96	253.15			
3. Maintenance and Repairs:						
(a) Facilities						1301.62
(b) Buildings						
(c) Installations						

16—64068-3

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]	1514.27	6056.92	7571.19	1,514.27	6,056.92	7,571.19
5. Supervision	450.00	2475.00	2925.00	450.00	2,475.00	2,925.00
6. Supplies						
(a) Timber	29.57	159.29	188.86	29.57	159.29	188.86
(b) Explosives	524.54	2463.39	2987.93	524.54	2,463.39	2,987.93
(c) Repair Parts		191.95	191.95		191.95	191.95
(d) Other Misc.	312.18	2302.87	2615.05	312.18	2,302.87	2,615.05
7. Power						
8. Transportation	8.37	117.55	125.92	8.37	117.55	125.92
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	194.86	846.36	1041.22	194.86	846.36	1,041.22
S.S. & Unemp.	88.39	383.94	472.33	88.39	383.94	472.33
10. Contract Work						
11. Other (specify)						
Part time Auditor	50.00	250.00	300.00	50.00	250.00	300.00
Welding	28.00	45.00	73.00	28.00	45.00	73.00
** Diesel Fuel	300.04	1653.56	1953.60	300.04	1,653.56	1,953.60
*** Machinery Repairs	34.67	572.68	607.35	34.67	572.68	607.35
Total	3751.83	24317.63	28069.46	3,752.83	24,317.63	28,069.46
Deletions						
Adjusted totals						
Totals previously reported				24,317.63		
Totals to date				28,069.46		

[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
Entered by
Approved by M. Pomalo WRS
Amount approved for payment ~~$3751.82~~ 1875.91
Remarks

16—64068-3

* See attached sheet
** " " "
*** " " "

Schedule DMA 53-13
July 24, 1952
1875.91

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF June, 1952

(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	1964.27		1174.70	329.61	3468.58	Feet	91.2	277.8	369	600 on No 4 Level
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Workman's Compensation				194.86	194.86					
Social Security & Unemply.				88.39	88.39					
Totals	1964.27		1174.70	612.86	3751.83					

[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

OTHER: Machinery Depreciation $216.94
Machinery repairs 34.67
Welding 28.00
Part time Auditor 50.00
$329.61

Mining Division
Region IV

July 14, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 399K, Contract Idm-1210 (Zinc-Copper), Sherwood B. Owens, Abril Mine, Cochise County, Arizona - Operator's Monthly Progress Report, for the period of June 1952

Enclosed are the original and four copies of Form MF-104, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended for the amount of $1,875.91 which is 50 percent of the total of $3,751.83.

It has been recommended by the Tucson Office that the amount of $16.37 disallowed in the Operator's May MF-104 Report be allowed. This amount represents the purchase of 1 pair of rubber boots and carbide. The cost of the boots was not deemed to be an allowable item and inasmuch as their cost could not be segregated from the total, the $16.37 was disallowed. On the basis of the explanation given by the Operator and Engineer we are now allowing it. The Operator has included this reclaim in item 6 (d), and has attached the original Audit Differences Statement.

W. H. King

W. H. King

Enclosures

WLD:fms

cc: Sec. Oper. Comm. (2)
Storms
Contract
Koschmann
Contract
Chron

MINING DIVISION
REGION IV

July 11, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : June 1952 Progress Report, DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report;
(3) Form MF-104 with payroll.

Also enclosed are 2 extra copies of our engineer's report.

The amount of $16.37 was deducted from the May costs by the Denver Accounting Office as rubber boots had been purchased, together with carbide. I recommend that this amount be added to the June accounts as these rubber boots should be an allowable item of equipment under the contract. As Owens explains, the labor scale at the Abril is somewhat lower than that paid in other areas; the mine also is in an isolated locality so it is difficult to keep men there. For these reasons, Owens furnishes rubber boots to the men when they are working in very wet places. These boots are not given to the men but remain the property of the project.

As the operator's accounts are in order and conform to the contract, I recommend that the Government's share of 50 percent be paid.

Walter R. Storms

Walter R. Storms, Chief
Arizona-New Mexico Branch
Mining Div., Region IV

CC W. H. King (6)
DMA-399X
DF

WRStorms:frj

MINING DIVISION
REGION IV

July 11, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Br., Mining Div., Tucson, Ariz.

From : T. M. Romslo, Mining Engineer, Tucson, Arizona

Subject : Monthly progress report for June 1952, Docket No. DMA-399X, Contract Idm-D210, Abril Lead-Zinc Mine, Cochise County, Ariz.

In company with Mr. Sherwood Owens, the applicant, the writer and R. W. Ageton visited the Abril mine, July 1, 1952 to check the progress on the exploratory project being conducted under subject contract.

The contract and its amendments provides for purchase of equipment, rehabilitation and preparatory work, 600 feet of drifts and crosscuts and 200 feet of raises on No. 4 level, 500 feet of drifts and crosscuts and 250 feet of raises on No. 5 level, and 1,400 feet of diamond drill holes from Nos. 4 and 5 levels.

The project was started December 1, 1951. To date the preparatory work and rehabilitation of No. 4 level has been completed and No. 6 crosscut, No. 4 level has been advanced 369 feet. The monthly advances and total footage are shown below:

No. 6 Crosscut, No. 4 level.

Period	Feet
December 1951	18.0
January 1952	17.0
February 1952	70.8
March 1952	70.0
April 1952	69.0
May 1952	33.0
June 1952	91.2
Total footage	369.0

CC W. H. King (6)
DMA-399X
DF
TMRomslo:frj

Item 4. The applicant's payrolls are for semi-monthly periods. Work in excess of 40 hours weekly is at 1½ times the basic rate. On the payrolls, overtime days are circled in red and the encircled number of hours includes the hours of overtime worked. The payrolls, after checking, are approved.

Item 5. The charge of $450 for supervision has been checked and approved.

Item 6. The sellers invoices covering purchase of all supply items are on file in the Tucson office. Amount of purchase includes 2 percent sales tax.

(a)	Foxworth-Killon Lumber Co., Benson, Ariz.	
	8 - 2" x 12" x 12', #1 Co.	$29.57
(b)	Ed Holderness, Tucson, Ariz.	
	40 cases, 2,000 lbs., Gelamite #1, 6,000 ft. Black Sequio Fuse, 1,000 #6 Blasting caps Total	524.54
(d)	Following invoices:	
	Copco Pacific, Ltd.,	
	Drill steel and drill parts	84.97
	Lindsey's, Tombstone, Ariz.	
	Cable clamps, chain links, pipe compound, etc.	7.74
	Ed Holderness,	
	Drill steel	158.10
	Albert Steinfeld & Co., Tucson, Ariz., 4 pr. miners boots (pacs), parts for wrench, track splice bolts, and 100 lbs. carbide	46.00
	Total	$295.81

The total of other supplies, $312.18, includes a reclaim of $16.37 that was disallowed in the May costs. The original of the form of the suspended amount is attached to the original of the applicant's narrative report that gives reasons for the reclaim. The writer feels, that under prevailing conditions, the purchase of boots should be an allowable charge.

The invoices have been examined and approved.

Item 9c. Workmen's Compensation Insurance in the amount of $194.86 (9.92 percent) has been checked and approved.

Social Security and Unemployment Insurance of 4.5 percent or $88.39 have been checked and approved.

Item 11. The $50.00 for a part-time auditor is an allowable charge.

Welding - Beach Garage, Tombstone, made 2 caps for oil bottles, and cutting and hole burning job on muck sheet at mine.	$14.50
O. P. Myrmo, Tucson. Repairs to 9 pieces of drill steel	13.50
Total	$28.00

Diesel Fuel - J. Giacoma of Tombstone, agent for the Standard Oil Co., of Calif., presented invoices to the applicant for diesel fuel and lubricants amounting to $365.22. Invoices for deliveries prior to June 20 totaled $173.20 of which 62.5 percent or $108.64 is chargeable to the contract. The remaining fuel and lubricants totalling $191.40 was delivered after mining operations were terminated and have been charged 100 percent to the project costs. The break-down of the costs are shown on the additional sheet to Form MF-104.

Machinery repairs - unloader diaphrams, gaskets, and oil seals for compressor amounting to $34.29 are covered by invoices from Albert Steinfeld & Co. This amount plus miscellaneous charges total $55.48. These costs were incurred prior to the termination of mining operations on June 20. The prorata charge of 62.5 percent of $55.48 amounts to $34.67 as shown in the applicant's narrative report.

All invoices for purchases under item 11 have been examined and have been filed at the Tucson office.

The operator's accounts have been found in order and are in accordance with the contract. The report is approved.

The operator's narrative report of July 9, 1952 contains the following statement: "Checks have been issued covering items listed on the May statement".

A map showing the work performed under the contract is attached.

T. M. Romslo

T. M. Romslo, Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

July 9, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Ariz.

Re: Contract Idm-E210
DMA Docket 399X

Dear Mr. Storms:

Herewith narrative report for month of June, 1952 on the above contract.

All work performed was continuation of drift in No. 6 crosscut, No. 4 level. We extended this drift a total of 91.2 feet during the month.

The formation continues to be extremely hard and difficulty is experienced in both drilling and breaking. The only change in formation during the month was at a point 72' E from Station 63 E. (This point of change is approximately 304' from place of beginning.) We had some four feet of mineralized material and then went back into the extremely hard silicified limestone and continued in same until the end of the month.

We made careful examination of the mineralized material above noted. Inasmuch as it is trending NW - SE, the usual rake of the ore bodies in the mine, a cross cut in a SE direction at this point would bring us under our primary target, diamond drill hole no. 10 (surface). Inasmuch as the four foot zone contains garnet, epidote, hornblend, specular iron, pyrite and some small zinc mineralization we have decided to start a cross cut at this point in a South Easterly direction following the mineralized zone.

As regards attached Form MP-104 listing expenditures for June, I have resubmitted an invoice from Steinfeld and Co. covering rubber boots (miners pacs) and carbide which same was disallowed by Denver office on our May statement. Although it is not always customary, we have made it a practice to furnish rubber footwear without charge to miners that work in wet ground or water. The labor scale in this area is rather low and we find that the addition of a few items such as this more than pay their way in good will. The footwear is of course the property of the mine and is used only for work.

I have submitted separate sheet giving breakdown on depreciation charges and fuel charges for the month. As per notice to your office, we suspended all ore mining operations effective June 20 at the Abril Mine. Thus depreciation would be charged at rate of 62.5% for two thirds and 100% for one third of the month. Fuel purchased prior to June 20 has been prorated while purchases June 20 and forward are 100% for the Exploration account.

Checks have been issued covering items listed on the May statement.

Yours very truly,
Sherwood B. Ames

Contract No.
Idm-E 210

Additional Sheet to accompany Form MF-104

Name of Operator - Sherwood B. Owens
Docket No. DMA 399X

Distribution of Exepnditures for month of June, 1952

2.

* (c) Machine	Dep. per Month	Dep. for 2/3 Month	62.5% of 2/3 Month	100% for 1/3 Month	Total
Mucking Machine	$ 50.00	$ 33.33	$ 20.83	$ 16.67	$ 37.50
Compressor	150.00	100.00	62.50	50.00	112.50
Tramaire Locomotive	33.00	22.00	13.75	11.00	24.75
Mine Cars	56.25	37.50	23.44	18.75	42.19
	Total charge to Exploration Project				$216.94

11. Other

** Diesel Fuel

Invoices for deliveries prior to June 20 - $173.82		
To charge 62.5% of the total to Exploration	=	$108.64
Invoices for deliveries June 20 forward - 191.40		
To charge 100% of the total to Exploration	=	191.40
Total charge to Exploration Project		$300.04

*** Machinery Repairs

62.5% of total repairs (compressor) of $55.48	$34.67

SHERWOOD B. OWENS

ABRIL MINE - - - - - - - EXPLORATION

(NAME OR PLACE OF OPERATION)

PAYROLL PERIOD FROM June 1 TO June 15 19 52 INCL.

(NOTE: DAYS OR DATE OF WEEK MUST BE INDICATED IN SPACES BELOW).

EMPLOYEE'S NAME	OCCUPATION	S 1	M 2	T 3	W 4	T 5	F 6	S 7	S 8	M 9	T 10	W 11	T 12	F 13	S 14	S 15		TOTAL HOURS	RATE
Jesus Molina	Miner-Trammer	-	-	-	-	-	-	-	8	8	8	8	8	12	12	-		64	1.37½
Arthur Blakey	Miner-Trammer	-	-	8	-	8	8	8	-	8	8	8	8	8	-	-		72	1.37½
A. B. Rodriques	Trammer	-	8	8	8	-	-	-	-	8	8	8	-	-	-	-		48	1.25
Cecil Ramirez	Miner-Trammer	8	6	8	8	8	8	12	-	-	-	-	-	-	-	-		58	1.37½
Federico Montijo	Miner	8	6	8	8	8	8	12	8	8	8	8	8	12	12	-		122	1.56¼
Alfonso Altamirano	Miner	8	6	8	8	8	8	12	8	8	8	8	8	12	12	-		122	1.56¼
Alvin W. Gerhardt	Supervisor	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8		15 days	15.00 per day

Alvin W. Gerhardt

FOREMAN OR SUPERINTENDENT

DATE	CHECK No.	EMPLOYEE'S NAME	AMOUNT EARNED	SOC. SEC. DEDUCTIONS	W. H. TAX DEDUCTIONS	NET AMOUNT DUE	REMARKS
		Jesus Molina	88.00	1.32	-	86.68	
		Arthur Blakey	99.00	1.48	9.50	88.02	
		A. B. Rodriques	60.00	.90	-	59.10	
		Cecil Ramirez	79.75	1.20	10.20	68.35	
		Federico Montijo	190.63	2.86	2.10	185.67	
		Alfonso Altamirano	190.63	2.86	7.20	180.57	
		Alvin W. Gerhardt	225.00	3.37	22.80	198.83	
		Total	933.01				

Sherwood B. Owens

SHERWOOD B. OWENS

ABRIL MINE - - - - - - EXPLORATION

(NAME OR PLACE OF OPERATION)

PAYROLL PERIOD FROM June 16 TO June 30 19 52 INCL.

(NOTE: DAYS OR DATE OF WEEK MUST BE INDICATED IN SPACES BELOW).

EMPLOYEE'S NAME	OCCUPATION	M 16	T 17	W 18	T 19	F 20	S 21	S 22	M 23	T 24	W 25	T 26	F 27	S 28	S 29	M 30		TOTAL HOURS	RATE
Frank Molina	Miner-Trammer	-	-	-	-	-	-	9	8	8	8	-	3	3	8	8		65	1.37½
Jesus Molina	Miner	8	8	8	8	8	12	8	8	8	8	8	12	12	8	8		152	1.56¼
Cecil Ramirez	Miner-Trammer	8	8	8	8	8	-	-	8	8	-	-	-	-	-	-		56	1.37½
A. B. Rodriquez	Trammer	8	8	8	8	8	-	-	-	-	-	-	-	-	-	-		40	1.25
Federico Montijo	Miner	8	8	8	8	8	12	8	8	8	8	8	12	12	8	8		152	1.56¼
Alfonso Altamirano	Miner-Trammer	8	8	8	8	8	12	9	8	8	8	8	8	12	8	8		129	1.37½
Alvin W. Gerhardt	Supervisor	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8		15days	15.00 per day

Alvin W. Gerhardt

FOREMAN OR SUPERINTENDENT

DATE	CHECK No.	EMPLOYEE'S NAME	AMOUNT EARNED	SOC. SEC. DEDUCTIONS	W. H. TAX DEDUCTIONS	NET AMOUNT DUE	REMARKS
		Frank Molina	89.38	1.34	-	88.04	
		Jesus Molina	206.25	3.09	7.70	195.46	
		Cecil Ramirez	77.00	1.15	9.80	66.05	
		A. B. Rodriquez	50.00	.75	-	49.25	
		Federico Montijo	206.25	3.09	2.10	201.06	
		Alfonso Altamirano	177.30	2.66	2.30	172.42	
		Alvin W. Gerhardt	225.00	3.37	22.80	198.83	
		Total	1031.28				

Sherwood B. Owens

MF-104
(August 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 210

Name of Operator Sherwood B. Owens
Docket No. DMA 399X
Total Contract Amount $63,926.00
Government Participation: 50 % Amount, $ 31,963.00
Distribution of Expenditures for Month of December 1, 1951 - April 30, 1952.

SUPPLEMENTAL REPORT

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 28 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.

Sherwood B. Owens
(Name of Company)

By Sherwood B. Owens
(Signature of Authorized Official)

July 7, 1952
(Date)

(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]						
(b) Rented[2]						
(c) Furnished by operator						
Mucking machine	93.75	Red		93.75	Red	
Compressor	281.25			281.25		
Tramaire Loco.	61.90			61.90		
Mine cars	105.45			105.45		
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

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]						
5. Supervision						
6. Supplies						
(a) Timber						
(b) Explosives						
(c) Repair Parts						
(d) Other						
7. Power						
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation						
10. Contract Work						
11. Other (specify)						
Diesel fuel	726.05			726.05		
Machine repairs	11.86			11.86		
Total	195.56			195.56		
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date				195.56		

[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
Entered by
Approved by Walter R. Storms. WRS
Amount approved for payment $97.78
Remarks

16—64068-3

Schedule DMA 53-10
July 18, 1952
97.78

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF _____

(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										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals										

[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)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 210

Name of Operator Sherwood B. Owens
Docket No. DMA 399X
Total Contract Amount $ 63,926.00
Government Participation: 50 % Amount, $ 31,963.00
Distribution of Expenditures for Month of April 1952

AMENDED COST STATEMENT

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 28 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.

Sherwood B. Owens
(Name of Company)

By Sherwood B. Owens
(Signature of Authorized Official)

June 5 1952
(Date)

(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]						
(b) Rented[2]						
(c) Furnished by operator						
*Mucking machine	31.25			31.25		
*Compressor	93.75			93.75		
*Tramaire loco.	20.62			20.62		
*Mine cars	35.16			35.16		
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

*62.5% of depreciation charged to contract

16—64068-3

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]	992.52			992.52		
5. Supervision	450.00			450.00		
6. Supplies						
(a) Timber						
(b) Explosives						
(c) Repair Parts						
(d) Other misc.	90.78			90.78		
7. Power						
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	143.10			143.10		
S.S. & Unemp.	64.92			64.92		
10. Contract Work						
11. Other (specify)						
*Diesel fuel	293.01			293.01		
Auditor	50.00			50.00		
Machine repairs	117.08			117.08		
** " "	59.26			59.26		
Total	2,441.45			2,441.45		
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date						

[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
Entered by
Approved by Walter R. Storms
Amount approved for payment
Remarks

16—64068-3

Schedule DMA 53-2

July 1, 1952

97.78

*62.5% of total Diesel fuel used
Or 62.5 x 468.81.

**62.5% of total compressor cost of $94.81

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF .....

(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										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals										

[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)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. 210
Idm-E

Name of Operator Sherwood B. Owens
Docket No. DMA 399X
Total Contract Amount $ 63,926.00
Government Participation: 50 % Amount, $ 31,963.00
Distribution of Expenditures for Month of March 1952

AMENDED COST STATEMENT

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 28 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.

Sherwood B. Owens
(Name of Company)

By Sherwood B. Owens
(Signature of Authorized Official)

June 5 1952
(Date)

(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]						
(b) Rented[2]						
(c) Furnished by operator						
*Mucking machine	31.25			31.25		
*Compressor	93.75			93.75		
*Tramaire loco.	20.62			20.62		
*Mine cars	35.16			35.16		
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

*62.5% of depreciation charged to contract

16—64068-3

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]	1358.63			1,358.63		
5. Supervision	450.00			450.00		
6. Supplies						
(a) Timber						
(b) Explosives	775.05			775.05		
(c) Repair Parts	156.47			156.47		
(d) Other misc.	29.15			29.15		
7. Power						
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	179.42			179.42		
S.S.& Unemp.(4½%)	81.39			81.39		
10. Contract Work						
11. Other (specify)						
*Diesel fuel & oil	349.50			349.50		
Auditor	50.00			50.00		
Total	3,610.39			3,610.39		
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date						

[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
Entered by
Approved by Walter R. Storms
Amount approved for payment
Remarks

16—64008-3

*62.5% of total Diesel fuel used, or
62.5 x 559.20

~~Schedule DMa 53-2~~
~~July 1, 1952~~
~~97.76~~

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF _____

(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										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals										

[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)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 210

Name of Operator Sherwood B. Owens
Docket No. DMA 399X
Total Contract Amount $ 63,926.00
Government Participation: 50 % Amount, $ 31,963.00
Distribution of Expenditures for Month of February 1952

AMENDED COST STATEMENT

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 28 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.

Sherwood B. Owens
(Name of Company)

By Sherwood B. Owens
(Signature of Authorized Official)

June 5 1952
(Date)

(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]						
(b) Rented[2]						
(c) Furnished by operator						
*Mucking machine	31.25			31.25		
*Compressor	93.75			93.75		
*Tramaire loco.	20.62			20.62		
*Mine cars	35.16			35.16		
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

16—64068-3

.5% of depreciation charged to contract

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]	1,468.88			1,468.88		
5. Supervision	435.00			435.00		
6. Supplies						
(a) Timber	44.98			44.98		
(b) Explosives	107.87			107.87		
(c) Repair Parts						
(d) Other Misc.	316.13			316.13		
7. Power						
8. Transportation	1.40			1.40		
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	188.86			188.86		
S.S. & Unemp.	85.68			85.68		
10. Contract Work						
11. Other (specify)						
*Diesel fuel	323.10			323.10		
Auditor	50.00			50.00		
Welding	45.00			45.00		
Total	3,247.69			3,247.68		
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date						

[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
Entered by
Approved by Walter R. Storms
Amount approved for payment
Remarks

16—64068-3

*62.5% of total Diesel fuel used or
62.5 x $516.96

Schedule DMA 53-2
July 1, 1952
97.78

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF .....

(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										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals										

[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)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 210

Name of Operator Sherwood B. Owens
Docket No. DMA 399X
Total Contract Amount $ 63,926.00
Government Participation: 50 % Amount, $ 31,963.00
Distribution of Expenditures for Month of January 1952

AMENDED COST STATEMENT

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 28 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.

Sherwood B. Owens
(Name of Company)

By Sherwood B. Owens
(Signature of Authorized Official)

June 5 1952
(Date)

(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]						
Drilling machine	345.60			345.60		
(b) Rented[2]						
(c) Furnished by operator						
*Mucking machine	31.25			31.25		
*Compressor	93.75			93.75		
*Tramaire loco.	20.62			20.62		
*Mine cars	35.16			35.16		
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

*62.5% of depreciation charged to contract

16—64068-3

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]	420.50			420.50		
5. Supervision	225.00			225.00		
6. Supplies						
(a) Timber						
(b) Explosives	14.43			14.43		
(c) Repair Parts	35.48			35.48		
(d) Other						
7. Power						
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	64.03			64.03		
S.S. & Unemp.	29.04			29.04		
10. Contract Work						
11. Other (specify)						
*Diesel fuel	312.96			312.96		
Part time auditor	50.00			50.00		
Total	1,677.82			1,677.82		
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date						

[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
Entered by
Approved by Walter R. Storms
Amount approved for payment
Remarks

16—64068-3

*62.5% of total Diesel fuel used or
62.5 x 500.73

Schedule DMC 53-2
July 7, 1952
97.78

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF .....

(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										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals										

[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-194
(August 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. 210
Idm-E

Name of Operator Sherwood B. Owens
Docket No. DMA 399X
Total Contract Amount $ 63,926.00
Government Participation: 50 % Amount $ 31,963.00
Distribution of Expenditures for Month of December 1951

AMENDED COST STATEMENT

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 28 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.

Sherwood B. Owens
(Name of Company)

By Sherwood B Owens
(Signature of Authorized Official)

June 5 1952
(Date)

(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						
1 room house	550.00			550.00		
Change room bldg.	650.00			650.00		
Moving expense	180.00			180.00		
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
Drilling machines	2,407.20			2,407.20		
Rail (used)	910.00			910.00		
Air & water line	671.64			671.64		
(b) Rented[2]						
(c) Furnished by operator						
*Mucking machine	31.25			31.25		
*Compressor	93.75			93.75		
*Tramaire loco.	20.62			20.62		
*Mine cars	35.16			35.16		
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

*62.5% of depreciation charged to contract.

16—64068-3

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]	1,153.88			1,153.88		
5. Supervision	450.00			450.00		
6. Supplies						
(a) Timber	114.31			114.31		
(b) Explosives	1,492.96			1,492.96		
(c) Repair Parts						
(d) Other misc.	1,792.79			1,792.79		
7. Power						
8. Transportation	116.15			116.15		
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	159.10			159.10		
Soc.Sec. & Unemp.	72.17			72.17		
10. Contract Work						
11. Other (specify)						
*Diesel fuel	301.28			301.28		
Total	11,202.26			11,202.26		
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date						

[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
Entered by
Approved by Walter R. Storms.
Amount approved for payment
Remarks

16—64068-3

*62.5% x $482.05 . Total fuel used was $82.05.

Prorated between contract & production.

~~Schedule DMA 52.2~~
~~July 1, 1952~~
9775

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF _____

(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						Feet	18	0	18	600
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals										

[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

Mining Division
Region IV

July 14, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 399X, Contract Idm-X210 (Zinc and Copper)
Sherwood B. Owens, Abril Mine, Cochise County, Arizona -
Operator's Supplemental Monthly Progress Report for the
periods of December, 1951 through April, 1952

Enclosed are the original and four copies of Form MF-104, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended for the amount of $97.78, wich is 50 percent of the total of $195.56.

The operator has not brought forward the totals previously reported nor has he shown his totals to date. Inasmuch as the operator will have to revise his total cost to date breakdown for the change-over to the new form MF-104, we are approving this supplemental as it stands.

We are attaching the revised MF-104 Reports to give adequate support to this supplemental.

W. H. King

W. H. King

WID:oc
cc: Contract
Secretary to the Oper. Comm.
WRStorms
Chron.
Koschmann (2)

MINING DIVISION
REGION IV

July 8, 1952

Memorandum

To: W. H. King, Acting Chief, Mining Div., Region IV

From: Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject: Supplemental Cost Report, December 1, 1951 - April 30, 1952, DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Ariz.

As requested in your memorandum of July 3, we have had Owens make out a Supplemental Report on Form MF-104 for the period from December 1, 1951 to April 30, 1952 for the above contract. Enclosed are original and four copies of this supplemental Form MF-104, which I have approved.

The amended MF-104 forms for this period are being returned to you.

Walter R. Storms

CC W. H. King
DMA-399X
DF

WRStorms:frj

COPY

Mining Division
Region IV

June 20, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 399X, Contract Idm-E210, (Zinc and Copper)
Sherwood B. Owens, Abril Mine, Cochise County, Arizona

Enclosed are the original and four copies of each of five Form MF-104, and Engineers' Report for the periods of December, 1951 through April, 1952. These revised MF-104 Reports incorporate changes in various costs charged previously to the project.

The split in charges was computed on a more sound basis than was the arbitrary split as previously used to effect a more equitable charge to the project. The split used by the operator has the recommendation and approval of the examining engineers. The attached tabulation showing charges listed on the revised MF-104 Reports as compared to costs shown on the original MF-104 Reports results in the necessity of reimbursing the operator the amount of $97.78 which is 50 percent of the total difference of $195.56.

The revised MF-104 Reports do not show totals brought forward in the "Totals Previously Reported" and "Totals to Date" columns; nor is page four completed. In this case it is not deemed necessary that the forms be completed in that the MF-104 reports were submitted specifically as statements to show changes in costs chargeable to the project.

W. H. King
W. H. King

WLD:ec
cc: Secretary to the Oper. Comm. (2)
WRSterms
Contract
Chron.
Keschmann (2)

COMPLETE BREAKDOWN SHOWING COSTS AS ORIGINALLY SUBMITTED AS COMPARED WITH AMENDED COSTS,
DECEMBER 1951 THROUGH APRIL 1951

ITEMS	DECEMBER COSTS		JANUARY COSTS		FEBRUARY COSTS		MARCH COSTS		APRIL COSTS	
	As Orig. Submitted	As Amended	As Orig. Submitted	As Amended	As Orig. Submitted	As Amended	As Orig. Submitted	As Amended	As Orig. Submitted	As Amended
1. Fixtures & Improvements										
(a) Buildings										
1 Room House	$550.00	$550.00								
Change Room Bldg.	650.00	650.00								
Moving Expense	180.00	180.00								
2. Operating Equipment										
(a) Purchased										
Drilling Machines	2407.20	2407.20	$345.60	$345.60						
Rail (used)	910.00	910.00								
Air & Water Lines	671.64	671.64								
(c) Furnished by Operator										
Mucking Machine	50.00	31.25	50.00	31.25	50.00	31.25	50.00	31.25	50.00	31.25
Compressor	150.00	93.75	150.00	93.75	150.00	93.75	150.00	93.75	150.00	93.75
Tramaire Locomotive	33.00	20.62	33.00	20.62	33.00	20.62	33.00	20.62	33.00	20.62
Mine Cars	56.25	35.16	56.25	35.16	56.25	35.16	56.25	35.16	56.25	35.16
4. Labor	1153.88	1153.88	420.50	420.50	1468.88	1468.88	1358.63	1358.63	992.52	992.52
5. Supervision	450.00	450.00	225.00	225.00	435.00	435.00	450.00	450.00	450.00	450.00
6. Supplies										
(a) Timber	114.31	114.31			44.98	44.98				
(b) Explosives	1492.96	1492.96	14.43	14.43	107.87	107.87	775.05	775.05		
(c) Repair Parts			55.48	55.48			156.47	156.47		
(d) Other	1792.79	1792.79			316.13	316.13	29.15	29.15	90.78	90.78
8. Transportation	116.15	116.15			1.40	1.40				
9. Insurance										
(c) Workmen's Compensation	159.10	159.10	64.03	64.03	188.86	188.86	179.42	179.42	143.10	143.10
Soc. Sec. & Unemp.	72.17	72.17	29.04	29.04	85.68	85.68	81.39	81.39	64.92	64.92
10. Other										
Diesel Fuel	143.82	301.28	118.40	312.96	215.75	323.10	199.92	349.50	175.93	293.01
Part Time Auditor			50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
Welding					45.00	45.00				
Mach. Repairs									164.48	117.08
Mach. Repairs										59.26
	11,153.27	11,202.26	1591.73	1677.82	3248.78	3247.68	3569.28	3610.39	2420.98	2441.45

TABULATION OF MONTHLY CHARGES AS ORIGINALLY
REPORTED AND AS REPORTED ON THE REVISED
MF-104 REPORTS

	As Originally Submitted	As amended
December, 1951	$11,153.27	$11,202.26
January, 1952	1,591.73	1,677.82
February, 1952	3,248.78	3,247.68
March, 1952	3,569.28	3,610.39
April, 1952	2,420.98	2,441.45
Totals	$21,984.04	$22,179.60

Difference	$195.56
Government participation of difference	$97.78

MINING DIVISION
REGION IV

June 5, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : BMA Docket 399X, Contract Idm-K210, Sherwood B. Owen's Abril Lead-Zinc Mine, Cochise County, Ariz.

In regard to your memorandum of May 21 concerning the prorating of equipment depreciation charges, etc., at the Abril mine between the exploration project and mine production, Kumke, Reusle, and Agetan from this office discussed this matter with Owens and his mine superintendent on June 3. All finally agreed that a fair rate for depreciation on equipment listed in the contract, Diesel fuel and oil used in the compressor, and repairs for equipment would be 62.5 percent for the exploration project and 37.5 percent for the production end. A copy of their memorandum is attached, explaining why they agreed to these figures.

Therefore, we have amended all Forms MF-104 for December 1951, and January, February, March and April 1952, charging 62.5 percent of all equipment depreciation charges, Diesel fuel and oil used by the compressor, and compressor repairs to Contract Idm-K210. By comparing these new MF-104's with Kumke's monthly progress reports, the auditor should have no trouble with the changes. Total Diesel fuel and oil used by the compressor was shown by months in Kumke's memorandum of May 26, copies of which were sent to you.

As explained in Kumke's monthly progress report of January 14, the supervision charge of $15.00 a day is fair and reasonable. Gerhardt, the superintendent, usually earns from $7,000 to $13,000 a year as explained, as he gets 10 percent of the earnings from Owens' projects, so the $15.00 a day that he charges to Contract Idm-K210 seems fair enough.

I approve the 62.5 - 37.5 percent split for the equipment depreciation charges, Diesel fuel and lubricants, and repairs to owner's equipment as listed in the contract (mucking machine, compressor, tramaire locomotive and mine cars), and recommend that

CC W. H. King (orig. & 6)
BMA-399X
RF

WRSTORMS:frj

the costs be adjusted as per enclosed amended forms MF-104.

In the future the same 62.5-37.5 split will be used unless the production end of the mine closes down. In that event all charges mentioned will be for the contract alone.

Walter R. Storms

Walter R. Storms, Chief
Arizona-New Mexico Branch

MINING DIVISION
REGION IV

June 4, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Br., Mining Div., Region IV, Tucson, Ariz.

From : Chas. A. Kumke, Mining Engineer, Tucson, Ariz.

Subject : Determining pro rata share of depreciation, fuel costs, and current machinery repairs at Abril mine, Docket 399X, contract Idm-E210.

On June 3, 1952 at the Abril mine, the applicant, Sherwood Owens, his mine superintendent, Alvin Gerhardt, and mining engineers C. A. Kumke, T. M. Remele, and R. W. Ageton of the Bureau of Mines held a joint meeting to discuss pro rata sharing of depreciation on equipment furnished by the operator under the contract. In addition to the contract heading, the applicant is carrying a stoping operation in a nearby area of the mine. This operation uses the same equipment and facilities as those furnished for the contract.

In order to arrive at a fair split for the compressor, air tram locomotive, and mucking machine operations, the following procedure was adopted:

The compressor is in use 2 shifts of each working day. The exploration heading uses air the entire night shift and 2 hours of the day shift - or 1½ shifts. This amounts to 62.5 percent of the 2 shifts that the compressor is running.

It was decided by all present that this 62.5 percent charged to contract Idm-E210 represented the best basis for a split in the depreciation of all the equipment, as well as for the consumption of compressor fuel and lubricants, and also for all repair costs on depreciable equipment.

The production end of the mine does not work at all on the night shift and only makes full use of the air after the first 2 hours of the day shift. Hence the charge of 37.5 percent of the depreciation against stoping was approved.

CC W. H. King (orig. & 6)
DMA-399X
BF

CAKumke:frj

The ore streak in the stopes has been failing and there is a possibility that this end of the mine work will have to stop. In that case, the exploration contract will have to carry the entire depreciation charge.

Unless otherwise instructed, the May 1952 report will adopt the newly agreed-upon split, or prorating (62.5 percent to the contract and 37.5 percent to production).

Chas. A. Kunke
C. A. Kunke

T. M. Romalo
T. M. Romalo

Robert W. Ageton
R. W. Ageton

Mining Engineers,
Arizona-New Mexico Branch
Mining Division, Region IV

MINING DIVISION
REGION IV

May 26, 1952

Memorandum

To : W. R. Storms, Chief, Arizona-New Mexico Dr., Mining Div., Region IV

From : C. A. Kumke, Mining Engineer, Tucson, Ariz.

Subject : DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens' Abril Mine, Cochise County, Arizona, Form MF-104, Progress Report, King's memo of May 21.

Reference is made to operator Owens' claim for full depreciation on air compressor if the operator has another unrelated operation in progress at the same time.

It is suggested in Executive Officer's memorandum of May 21 that in addition to prorating the cost of labor, repairs and operating expense, the depreciation on compressor also be prorated.

It will be remembered that the contract was not drawn in Tucson. The contract, as received in Tucson, allows $150.00 per month depreciation <u>when used.</u> There is only one compressor on the job. It furnishes air to the contract heading and to the stoping operation. The exploration head required air for the drills on one shift and for the mucking machine and air-trammer on the other shift. If there were no other operations being carried on, the compressor would still have to operate <u>two full</u> shifts to furnish air for the contract heading.

The contract is worded "Allowable depreciation per month when used" and the monthly amount on compressor is given as $150.00. The charge is considered in accordance with the contract and is deemed a reasonable amount for a 500-cu. ft. machine.

The third paragraph of Executive Officer's memorandum of May 12 contains the following: "The appearance of the split charge in compressor repairs brings to light a condition of which we were not aware" yet a month earlier in my March narrative report I gave the split in fuel oil and grease charges for the compressor operation since inception of contract. These figures are here repeated with April month added:

CC W. M. King (Original & 6)
DMA-399X
DF

WRStorms:frj

Fuel Oil and Greases

Abril mine Total Charges		Am't charged to contract
Dec. 1951	$482.05	$143.82
Jan. 1952	500.73	118.40
Feb. 1952	516.96	215.73
Mar. 1952	559.20	199.92
Apr. 1952	468.81	175.93
Total	$2,527.75	$853.80

The amount charged to this contract was approved as fair to the Government.

In the examining engineer's April narrative reports, repair parts and repair labor for the compressor amounted to $94.81 and this amount was split. One-half this amount $47.40 was prorated to the contract. This account was approved.

There have been no other occasions where charges have been split on cost pertaining to equipment.

Chas. A. Kumke

Chas. A. Kumke, Mining Engineer
Arizona-New Mexico Branch

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

224 New Customhouse
Denver 2, Colorado

May 21, 1952

Memorandum

To: W. R. Storms

From: Executive Officer, Field Team, Region IV

Subject: DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens, Abril Mine, Cochise County, Arizona - Form MF-104 Progress Reports

Reference is made to the engineer's narrative report accompanying Sherwood B. Owen's MF-104 Monthly Progress Report for April, 1952, wherein mention is made of the operator assuming one-half of compressor repair costs amounting to $94.81. The reason for this, as explained in the engineer's report: "The other one-half by agreement with applicant, is taken care of by the stoping operations at the mine." The implication that the compressor is used jointly for both a mining operation and the exploration project gives rise to questions which preclude processing the Progress Report for April until clarification is obtained.

The operator can claim full depreciation on items of equipment as stipulated in the contract only when the equipment is used for the exclusive benefit of the exploration project. If the operator has another unrelated operation in progress at the same time and uses equipment the depreciation of which is charged to the DMEA Project, then it will be necessary that the depreciation be prorated. In addition to the depreciation charge, the cost of labor, repairs, operating expense, or any other expense incident to the operation of the compressor should also be prorated.

The appearance of the split charge in compressor repairs brings to light a condition of which we were not aware. It indicates that a complete review of project charges to date be made to ascertain whether or not there are other items of charge to the DMEA project which should have been prorated between the exploration work and the mining operation, or were nonchargeable to the exploration project.

Some equitable basis, which is consistant with company accounting procedures should be established as a basis for the prorations. In the case of the compressor, it might be on the basis of machine shifts or air consumption, or on a tonnage basis. If supervision is involved in the dual operation it should be prorated on the basis of man-shifts expended for the benefit of each operation.

In the event you determine that there are other items of charge which should be prorated please furnish this office with a tabulation by months showing the adjustments to be made. Where prorations are involved each copy of the MF-104 Report must be accompanied by the proration

sheet to support the charge to the DMEA project.

We are returning the MF-10[illegible] [illegible]. Report [illegible] [illegible]pril for your use in the analysis of charges to date.

The engineers at your office should be [illegible] [illegible] watch[illegible] similar cases on other DMEA exploration projects.

W. H. King

Enclosures

WLD:ld

cc: Contract, chron
Koschmann
Dare

MF-104
(August 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. 210
Idm-E

Name of Operator: Sherwood B. Owens
Docket No. DMA: 399X
Total Contract Amount $: 63,926.00
Government Participation: 50 % Amount, $: 31,963.00
Distribution of Expenditures for Month of: May 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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUL 24 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.

Sherwood B. Owens
(Name of Company)

By Sherwood B. Owens
(Signature of Authorized Official)

June 10, 1952
(Date)

(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		1380.00	1380.00		1,380.00	1,380.00
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
Drlg. machines		2752.80	2752.80		2,752.80	2,752.80
Rail (used)		910.00	910.00		910.00	910.00
Air & Water line		671.64	671.64		671.64	671.64
(b) Rented[2]						
(c) Furnished by operator						
* Mucking machine	31.25	156.25	187.50	31.25	156.25	187.50
* Compressor	93.75	468.75	562.50	93.75	468.75	562.50
* Tramaire Loco.	20.62	103.10	123.72	20.62	103.10	123.72
* Mine cars	35.16	175.80	210.96	35.16	175.80	210.96
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

16—64068-3

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]	662.51	5394.41	6056.92	662.51	5,394.41	6,056.92
5. Supervision	465.00	2010.00	2475.00	465.00	2,010.00	2,475.00
6. Supplies						
(a) Timber		159.29	159.29		159.29	159.29
(b) Explosives	73.08	2390.31	2463.39	73.08	2,390.31	2,463.39
(c) Repair Parts		191.95	191.95		191.95	191.95
(d) Other Misc.	74.02	2228.85	2302.87	57.65	2,228.85	2,286.50
7. Power						
8. Transportation		117.55	117.55		117.55	117.55
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	111.85	734.51	846.36	111.85	734.51	846.36
S S & Unemp.	50.74	333.20	383.94	50.74	333.20	383.94
10. Contract Work						
11. Other (specify)						
Part time auditor	50.00	200.00	250.00	50.00	200.00	250.00
Welding		45.00	45.00		45.00	45.00
** Diesel fuel	73.71	1579.85	1653.56	73.71	1,579.85	1,653.56
*** Machinery repair	396.34	176.34	572.68	396.34	176.34	572.68
Total	2138.03	22179.60	24317.63	2,121.66	22,179.60	24,301.26
Deletions	16.37			16.37		
Adjusted totals	2121.66					
Totals previously reported				22,179.60		
Totals to date				24,301.26		

[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
Entered by
Approved by Chas. A. Kunkes WRS
Amount approved for payment ~~$2121.66~~ 1060.83
Remarks

DS Schedule DSA 53-3
July 1, 1952
1060.83

16—64068-3

Legend: * 62.5% of allowable depreciation per unit
** 62.5% of total account of $117.95
*** 62.5% of total repairs of $634.14

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF May 1952

(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	1127.51		220.81	627.12	1975.44	Feet	33	244.8	277.8	600 on #4 level
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Workmen's Compensation				111.85	111.85					
S. S. & Unemp. Ins.				50.74	50.74					
Totals	1127.51		220.81	789.71	2138.03					

[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

Other:		
	Machinery Depreciation	$180.78
	Machinery Repairs	396.34
	Part time Auditor	50.00
		$627.12

Mining Division
Region IV

June 25, 1952

Memorandum

To: W. A. Christenson

From: Mining Chief, Mining Division, Region IV

Subject: [illegible] 2000, Contract [illegible] (Inc-Copper), Charles D. Owens, Mill Site, Cochise County, Arizona - Operator's Monthly Progress Report, for the period May 1952

Enclosed are the original and FOUR copies of Form MI-10b, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is shown on the following:

Amount Reported	$10,195.63
Miscellaneous	16.37
	$10,212.00
Government Participation 50 percent -	$5,060.00

The amount of $16.37 represents the cost of 100 lbs. of cordite and 3 pair rubber boots. We have no objection to the purchase of the cordite but will not participate in the purchase of the boots. We classify the boots as personal wearing apparel. Since we do not know what portion of the $16.37 represents the cost of the boots, we are disallowing the cordite cost. Upon notification by the operator of the cost for the cordite we will reimburse him the Government's share.

There is some question as to the expenditure of the overtime paid Engineer, Foreman, and Timekeeper. The engineer makes a definite statement that all overtime was found satisfactory and on this basis it is allowed.

As in the past the foreman is shown as drawing wages at a daily rate even though there are some days when none of the project day-pay men are shown to be working. Our allowance is based on the explanation made by the engineer on the operator's initial MI-10b Report of December 1951.

W. H. King

W. H. King

WHK:fm

cc: Ass. Spec. (Inc.), Owens, Gantwell, Christenson (2), Mean

✓(2)

MINING DIVISION
REGION IV

June 16, 1952

Memorandum

To : W. H. King, acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div,, Region IV

Subject : May 1952 Progress Report for DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report;

(2) Operator's progress report;

(3) Form MF-104 with payroll.

Also enclosed are 2 extra copies of our engineer's report.

As all accounts conform to the contract, I recommend that 50 percent of the total cost be paid by the Government.

Walter R. Storms

Walter R. Storms

CC W. H. King (orig. & 6)
DMA-399X
DF

WRStorms:frj

MINING DIVISION
REGION IV

June 13, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Br., Mining Div., Region IV., Tucson, Ariz.

From : Chas. A. Kumke, Mining Engineer, Tucson, Ariz.

Subject : Monthly progress report for May 1952: Docket No. BMA-398X, Contract Ida-8210, Abril Lead-Zinc mine, Cochise County, Ariz.

In company with Mr. Sherwood Owens, the applicant, Engineers C. A. Kumke, T. M. Ramalo, and R. W. Agsten visited the Abril mine, June 3, 1952 to check the progress of the Abril mine project under the above contract. Engineer Ramalo made the trip to familiarize himself with this project. He will take care of the monthly progress reports while Kumke is away on an extended leave.

The project is exploratory and proposes to advance No. 6 crosscut on the No. 4 level, 600 feet, and the No. 4 crosscut on the No. 5 level, 500 feet.

The project was started December 1, 1951. The total advance from December 1, 1951 to June 1, 1952 is tabulated as follows:

December	1951	18.0 feet	in the No. 6 crosscut, 400 level
January	1952	17.00	" " " " " " " "
February	1952	70.8	" " " " " " " "
March	1952	70.0	" " " " " " " "
April	1952	69.0	" " " " " " " "
May	1952	31.0	" " " " " " " "
Total		277.8 feet	

To date all work has been confined to the No. 4 level.

Compressor trouble was the cause of considerable time lost during May. A faulty governor and a cracked engine head caused the shut down. Neither Phoenix, El Paso, nor Los Angeles could furnish the necessary repair parts. The parts were then ordered from the factory at Quincy, Ill. The shipment was not made until May 20. Work was resumed May 25.

CC W. H. King (Orig. & 6)
BMA-398X
BF

CAKumke:frj

sheet to support the charge to the DMEA project.

We are returning the MF-104 Progress Report for April for your use in the analysis of charges to date.

The engineers at your office should be instructed to watch for similar cases on other DMEA exploration projects.

W. H. King

Enclosures

WLD:ld

cc: Contract, chron
Koschmann
Dare

MF-104
(August 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. 210
Idm-E

Name of Operator: Sherwood B. Owens
Docket No. DMA: 399X
Total Contract Amount $: 63,926.00
Government Participation: 50 % Amount, $ 31,963.00
Distribution of Expenditures for Month of: May 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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUL 24 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.

Sherwood B. Owens
(Name of Company)

By Sherwood B. Owens
(Signature of Authorized Official)

June 10, 1952
(Date)

(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		1380.00	1380.00		1,380.00	1,380.00
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
Drlg. machines		2752.80	2752.80		2,752.80	2,752.80
Rail (used)		910.00	910.00		910.00	910.00
Air & Water line		671.64	671.64		671.64	671.64
(b) Rented[2]						
(c) Furnished by operator						
* Mucking machine	31.25	156.25	187.50	31.25	156.25	187.50
* Compressor	93.75	468.75	562.50	93.75	468.75	562.50
* Tramaire Loco.	20.62	103.10	123.72	20.62	103.10	123.72
* Mine cars	35.16	175.80	210.96	35.16	175.80	210.96
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

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]	662.51	5394.41	6056.92	662.51	5,394.41	6,056.92
5. Supervision	465.00	2010.00	2475.00	465.00	2,010.00	2,475.00
6. Supplies						
(a) Timber		159.29	159.29		159.29	159.29
(b) Explosives	73.08	2390.31	2463.39	73.08	2,390.31	2,463.39
(c) Repair Parts		191.95	191.95		191.95	191.95
(d) Other Misc.	74.02	2228.85	2302.87	57.65	2,228.85	2,286.50
7. Power						
8. Transportation		117.55	117.55		117.55	117.55
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	111.85	734.51	846.36	111.85	734.51	846.36
S S & Unemp.	50.74	333.20	383.94	50.74	333.20	383.94
10. Contract Work						
11. Other (specify)						
Part time auditor	50.00	200.00	250.00	50.00	200.00	250.00
Welding		45.00	45.00		45.00	45.00
** Diesel fuel	73.71	1579.85	1653.56	73.71	1,579.85	1,653.56
*** Machinery repair	396.34	176.34	572.68	396.34	176.34	572.68
Total	2138.03	22179.60	24317.63	2,121.66	22,179.60	24,301.26
Deletions	16.37			16.37		
Adjusted totals	2121.66					
Totals previously reported				22,179.60		
Totals to date				24,301.26		

[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
Entered by
Approved by Chas. A. Hunter WRS
Amount approved for payment ~~$2121.66~~ 1060.83
Remarks

DS Schedule DSA 53-3
July 1, 1952
1060.83

16—64068-3

Legend:
* 62.5% of allowable depreciation per unit
** 62.5% of total account of $117.95
*** 62.5% of total repairs of $634.14

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF May 1952

(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	1127.51		220.81	627.12	1975.44	Feet	33	244.8	277.8	600 on #4 level
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Workmen's Compensation				111.85	111.85					
S. S. & Unemp. Ins.				50.74	50.74					
Totals	1127.51		220.81	789.71	2138.03					

[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

Other:		
	Machinery Depreciation	$180.78
	Machinery Repairs	396.34
	Part time Auditor	50.00
		$627.12

Mining Division
Region IV

June 25, 1952

Memorandum

To: E. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: [illegible] 3[illegible], Contract [illegible] (Inc-Supr), Charmond L. Cross, Lord Fire, Centre [illegible], Orleans - Operator's Monthly Progress Report, for the period May 1952

Enclosed are the original and FOUR copies of Form ID-10b, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is based on the following:

Amount Reported	$8,[illegible].03
Miscellaneous	16.37
	$8,[illegible].40
Government Participation 50 percent -	$3,060.03

The amount of $16.37 represents the cost of 100 lbs. of carbide and 1 pair rubber boots. We have no objection to the purchase of the carbide but will not participate in the purchase of the boots. We classify the boots as personal working apparel. Since we do not have that portion of the $16.37 represents the cost of the boots, we are disallowing the carbide [illegible]. Upon notification by the operator of the cost for the carbide we will reimburse him the Government's share.

There is some question as to the expenditure of the overtime paid Dodson, Montijo, and Alderman. The engineer notes a definite improvement that all overtime was found satisfactory and on this basis it is allowed.

As in the past the foreman is shown as drawing wages at a daily rate even though there are some days when none of the project Gny-pay men are shown to be working. Our allowance is based on the explanation made by the engineer on the operator's initial ID-10b Report of December 1951.

W. H. King

W. H. King

WHK:ffm

cc: Asst. Supr. (Inc.), Orleans, Calif.; Reclamation (6), Chron

MINING DIVISION
REGION IV

June 16, 1952

Memorandum

To : W. H. King, acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div,, Region IV

Subject : May 1952 Progress Report for DMA Docket 399X, Contract Idm-EX10, Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report;

(2) Operator's progress report;

(3) Form MF-104 with payroll.

Also enclosed are 2 extra copies of our engineer's report.

As all accounts conform to the contract, I recommend that 50 percent of the total cost be paid by the Government.

Walter R. Storms

Walter R. Storms

CC W. H. King (orig. & 6)
DMA-399X
DF

WRStorms:frj

MINING DIVISION
REGION IV

June 13, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Br., Mining Div., Region IV., Tucson, Ariz.

From : Chas. A. Kumke, Mining Engineer, Tucson, Ariz.

Subject : Monthly progress report for May 1952: Docket No. RMA-398K, Contract Ida-8210, Abril Lead-Zinc mine, Cochise County, Ariz.

In company with Mr. Sherwood Owens, the applicant, Engineers C. A. Kumke, T. M. Remsle, and R. W. Agoton visited the Abril mine, June 3, 1952 to check the progress of the Abril mine project under the above contract. Engineer Remsle made the trip to familiarize himself with this project. He will take care of the monthly progress reports while Kumke is away on an extended leave.

The project is exploratory and proposes to advance No. 6 crosscut on the No. 4 level, 600 feet, and the No. 4 crosscut on the No. 5 level, 500 feet.

The project was started December 1, 1951. The total advance from December 1, 1951 to June 1, 1952 is tabulated as follows:

December	1951	18.0	feet	in	the	No.	6	crosscut,	400	level	
January	1952	17.00	"	"	"	"	"	"	"	"	
February	1952	70.8	"	"	"	"	"	"	"	"	
March	1952	70.0	"	"	"	"	"	"	"	"	
April	1952	69.0	"	"	"	"	"	"	"	"	
May	1952	31.0	"	"	"	"	"	"	"	"	
Total		277.8	feet								

To date all work has been confined to the No. 4 level.

Compressor trouble was the cause of considerable time lost during May. A faulty governor and a cracked engine head caused the shut down. Neither Phoenix, El Paso, nor Los Angeles could furnish the necessary repair parts. The parts were then ordered from the factory at Quincy, Ill. The shipment was not made until May 20. Work was resumed May 25.

CC W. H. King (Orig. & 6)
RMA-398K
RF

CAKumke:frj

ANALYSIS OF ENTRIES ON FORM MF-104

Item 2a. This item represents the allowable depreciation on mucking machine, compressor, tramaire locomotive, and mine cars. It was decided to prorate the depreciation as follows: 62.5 percent against this contract and 37.5 percent against stoping operations. In accordance with this prorating, the amounts under item 2b have been checked and are approved.

Item 4 (payrolls). The Government requests payrolls to be presented semi-monthly. The applicant pays his crew in two-week periods. Overtime is paid for all hours over 40 hours per week. In presenting semi-monthly payrolls, the overtime days vary as to when they occur. For further clarification, overtime days are being encircled in red. The encircled figure includes the overtime hours earned for that day. Each encircled day on the May payroll was discussed separately with applicant and his explanation, in each case, was found satisfactory and the payrolls for May are approved.

Item 5. The item for supervision for $460.00 was checked and is approved.

Item 6b. An invoice for $73.08 was presented by Ed. Holderness, Tucson agent for Hercules explosives. Two items were included. They were: 1 pint celakap and 12,000 ft. Black Sequoia fuse. This invoice has been examined and is approved.

Item 6d. Invoices totalling $74.02 were presented: Albert Steinfeld Co., Tucson, pipe wrench, pick and hammer handles (replacements)---------- $38.44;

Albert Steinfeld Co., Tucson - 100 lbs. carbide and 1 pr miners boots (pads)---------- $16.37;

Copco Pacific Ltd., Rotation chuck, lock ring and nut--------$ 19.21

These invoices have been examined and have been approved.

Item 8c. Workmen's Compensation Insurance in the amount of $111.85 (3.02 percent) has been checked and is approved.

Social Security and unemployment insurance of 4.5 percent, amounting to $50.74, has been checked and is approved.

Item 11. The $50.00 item for part-time auditor has been allowed and is approved.

J. Giacoma of Tombstone, agent for Standard Oil Co. of California, presented invoices covering Diesel fuel and lubricants in the amount of $117.93. Applying the agreed-upon prorating (62.5 percent), the figure of $73.71 is correct and is approved.

The compressor break-down caused a delay of over three weeks. The complete job amounted to $634.14. This amount includes;

Mechanic's expense - 6 trips	$327.36
New cylinder head	178.54
Miscellaneous, and numerous small parts, thrust bearing, gaskets, bushings, valves, etc.	128.24

The invoices covering every item of this repair expense have been examined, checked, and approved. The prorata charge of 62.5 percent of this repair cost amounts to $396.34. This amount is approved.

Remarks. In a letter dated June 10, 1952, applicant stated as follows: "Checks have been issued covering items listed in May statement".

The operator's accounts have been found in order and in accordance with this contract. The report is approved.

Map showing locality of drifting performed under the contract is attached.

Chas. A. Kumke

CHAS. A. KUMKE, Mining Engineer
Arizona-New Mexico Branch

June 10, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona

Re: Contract Idm-E210
DMA Docket 399X

Dear Sir:

Herewith narrative report for month of May, 1952 on the above contract.

All work performed was continuation of drift in No. 6 crosscut, No. 4 level. We extended this drift a total of 33 feet during the month.

The formation continues extremely hard with some difficulty being experienced both in drilling and breaking.

We lost considerable time during the period because of shut down to repair the Gardner-Denver compressor. In my report for April I advised that we had been experiencing some difficulty with this machine because of faulty governor. The continued difficulty from this source led to additional trouble soon after the first of the month. We shut down the work on May 3 and expected a delay not to exceed one week. Arizona MachineryCo.'s mechanics made up parts order and same were ordered by wire from the factory at Quincy, Illinois. The parts were apparently not in stock as theywere not shipped until May 20 and received by us on May 24. We resumed work on May 25.

Present labor seems ample and is doing a good job at the moment.

Checks have been issued covering items listed on April statement.

Yours very truly,

SHERWOOD B. OWENS

SBO/j

Sherwood B. Owens

SHERWOOD B. OWENS

ABRIL MINE - - - - - - EXPLORATION

(NAME OR PLACE OF OPERATION)

PAYROLL PERIOD FROM May 1 TO May 15 19 52 INCL.

(NOTE: DAYS OR DATE OF WEEK MUST BE INDICATED IN SPACES BELOW).

EMPLOYEE'S NAME	OCCUPATION	T 1	F 2	S 3	S 4	M 5	T 6	W 7	T 8	F 9	S 10	S 11	M 12	T 13	W 14	T 15		TOTAL HOURS	RATE
Cecil Ramirez	Miner-Trammer	8	8	12	-	-	-	-	-	-	-	-	-	-	-	-		28	1.37½
A. B. Rodriquez	Trammer	8	8	-	-	8	8	8	8	-	-	-	8	8	8	8		80	1.25
Forrest G. Withey	Miner-Trammer	8	4	-	-	-	-	-	-	-	-	-	-	-	-	-		12	1.37½
Concepcion Gonzales	Miner-Trammer	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-		8	1.37½
Abraham N. Ybarra	Miner	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-		8	1.56¼
Alvin W. Gerhardt	Supervisor	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8		15 days	15.00 per day

SHERWOOD B. OWENS

ABRIL MINE - - - - EXPLORATION
(NAME OR PLACE OF OPERATION)

PAYROLL PERIOD FROM May 16 TO May 31 19 52 INCL.
(NOTE: DAYS OR DATE OF WEEK MUST BE INDICATED IN SPACES BELOW).

EMPLOYEE'S NAME	OCCUPATION	F 16	S 17	S 18	M 19	T 20	W 21	T 22	F 23	S 24	S 25	M 26	T 27	W 28	T 29	F 30	S 31	TOTAL HOURS	RATE
A. B. Rodriques	Trammer	-	-	-	8	8	8	8	-	8	8	8	8	-	-	-	8	72	1.25
Arthur Blakey	Miner-Trammer	-	-	-	-	-	-	-	-	-	-	8	8	8	8	-	8	40	1.37½
Cecil Ramirez	Miner-Trammer	-	-	-	-	-	-	-	-	-	-	12	10	10	10	12	13	67	1.37½
Federico Montijo	Miner	-	-	-	-	-	-	-	-	-	12	12	10	10	10	12	13	79	1.56¼
Alfonso Altamirano	Miner	-	-	-	-	-	-	-	-	-	12	12	10	10	10	12	13	79	1.56¼
Alvin W. Gerhardt	Supervisor	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	16 Days	15.00 per day

Alvin W. Gerhardt
FOREMAN OR SUPERINTENDENT

DATE	CHECK NO.	EMPLOYEE'S NAME	AMOUNT EARNED	SOC. SEC. DEDUCTIONS	W. H. TAX DEDUCTIONS	NET AMOUNT DUE	REMARKS
		A. B. Rodriques	90.00	1.35	-	88.65	
		Arthur Blakey	55.00	.82	-	54.18	
		Cecil Ramirez	92.13	1.38	13.50	77.25	
		Federico Montijo	123.44	1.95	-	121.49	
		Alfonso Altamirano	123.44	1.95	-	121.49	
		Alvin W. Gerhardt	240.00	3.60	26.80	209.60	
		Total	724.01				

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION IV

Administrative Audit Difference Statement

Date: June 30, 1952
Payee's Reference: Progress Report - May 1952

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount claimed $ 2,138.03

Difference $ 16.37

Amount Approved $ 2,121.66

The reason for the difference was due to:

Albert Steinfeld Co. invoice in the amount of $16.37, has been disallowed inasmuch as the cost of the boots is not an allowable item, and we had no means of segregating the cost of the boots from the cost of the carbide. The cost of the carbide may be reclaimed.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-IV - E&F Form No. 4
4-15-52 D

F-194
(August 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 210

Name of Operator Sherwood B. Owens
Docket No. DMA 399 X
Total Contract Amount $ 63,926.00
Government Participation: 50 % Amount, $ 31,963.00
Distribution of Expenditures for Month of April, 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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 24 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.

SHERWOOD B. OWENS
(Name of Company)

By Sherwood B. Owens
(Signature of Authorized Official)

May 12, 1952
(Date)

Owner
(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	-	1380.00	1380.00		1,380.00	1,380.00
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
Drilling Machines	-	2752.80	2752.80		2,752.80	2,752.80
Rail (used)	-	910.00	910.00		910.00	910.00
Air & Water line	-	671.64	671.64		671.64	671.64
(b) Rented[2]						
(c) Furnished by operator						
Mucking machine	50.00	200.00	250.00	50.00	200.00	250.00
Compressor	150.00	600.00	750.00	150.00	600.00	750.00
Tramaire Locomotive	33.00	132.00	165.00	33.00	132.00	165.00
Mine cars	56.25	225.00	281.25	56.25	225.00	281.25
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

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]	992.52	4401.89	5394.41	992.52	4,401.89	5,394.41
5. Supervision	450.00	1560.00	2010.00	450.00	1,560.00	2,010.00
6. Supplies						
(a) Timber	-	159.29	159.29		159.29	159.29
(b) Explosives	-	2390.31	2390.31		2,390.31	2,390.31
(c) Repair Parts	-	191.95	191.95		191.95	191.95
(d) Other Misc.	90.78	2138.07	2228.85	90.78	2,138.07	2,228.85
7. Power						
8. Transportation	-	117.55	117.55		117.55	117.55
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	143.10	591.41	734.51	143.10	591.41	734.51
S.S. & Unemp.	64.92	268.28	333.20	64.92	268.28	333.20
10. Contract Work						
11. Other (specify)						
Diesel Fuel	175.93	677.87	853.80	175.93	677.87	853.80
Part time Auditor	50.00	150.00	200.00	50.00	150.00	200.00
Welding	-	45.00	45.00		45.00	45.00
Machinery Repairs	164.48	-	164.48	164.48		164.48
Total	2420.98	19563.06	21984.04	2,420.98	19,563.06	21,984.04
Deletions						
Adjusted totals						
Totals previously reported				19,563.06		
Totals to date				21,984.04		

[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
Entered by
Approved by Chas. A. Kumke WRS WR
Amount approved for payment $1210.49
Remarks

16—64068-3

Schedule DMA 53-2
July 1, 1952
1210.49

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF APRIL, 1952

(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	1442.52	-	266.71	503.73	2212.96	Feet	69	175.8	244.8	600
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Workmen's Compensation				143.10	143.10					
S.S. and Unemployment				64.92	64.92					
Totals	1442.52	-	266.71	711.75	2420.98					

[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

OTHER: Depreciation Machinery	$289.25	
Part time Auditor	50.00	
Machinery repairs	164.48	$503.73

WWD

Mining Division
Region IV

June 18, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 399X, Contract Idm-E210, (Zinc & Copper) Sherwood B. Owens, Abril Mine, Cochise County, Arizona - Operator's Monthly Progress Report for the period of April, 1952.

Enclosed are the original and four copies of Form MF-104, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended for the amount of $1,210.49, which is 50 percent of the total of $2,420.98.

We are allowing the depreciation charges of the equipment listed as "Furnished by the operator;" the diesel fuel costs; and the compressor repair costs as shown. There will follow this current MF-104 Report a complete set of revised MF-104 Reports for the periods of December through April, that will amend certain costs charged to the project over this 6 month period. Certain costs as originally submitted were based as an arbitrary split but the revised costs will be based as a more sound distribution.

We are allowing the charge of $117.40 for auto repairs as explained on the last page of the Engineer's Report.

WLD:oc
cc: Secretary to the Oper. Comm. (2)
WRStorms
Contract
Chron.
Koschmann (2)

W. H. King
W. H. King

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 24 1952

MINING DIVISION

REGION IV

May 16, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : April 1952 Progress Report, DMA Docket 399X, Contract Idm-E210, Sherwood B. Owen's Abril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed in quintuplicate are the following for the Abril report:

(1) Bureau of Mines engineer's report;

(2) Operator's progress report;

(3) Form MF-104 and payroll

Also enclosed are 2 extra copies of our engineers report.

As all accounts have been found in order and in accordance with the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

CC W. H. King (6)
DMA-399X
DF

WRStorms:frj

MINING DIVISION
REGION IV

May 16, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Branch., Mining Div., Region IV., Tucson, Ariz.

From : Chas. A. Kumke, Mining Engineer, Arizona-New Mexico Br., Tucson, Ariz.

Subject : Monthly Progress Report for April 1952: Docket No. DMA-399X, Contract Idm-E210, Abril Lead-Zinc Mine, Cochise County, Ariz.

In company with Mr. Sherwood Owens, the applicant, I visited the Abril mine May 6, 1952 to check the progress of the Abril mine project under the above contract.

This project is exploratory and proposes to advance No. 6 crosscut on the No. 4 level, 600 feet, and the No. 4 crosscut on the No. 5 level, 500 feet.

The project was started December 1, 1951. The total advance from December 1, 1951 to May 1, 1952 is tabulated as follows, all in the No. 6 crosscut of No. 4 level:

December, 1951	18 feet
January 1952	17 feet
February 1952	70.8 feet
March 1952	70.0 feet
April 1952	69.0 feet
Total	244.8 feet

The progress continues to be slow. The rock remains very hard. It drills hard and breaks poorly. There has been a 100 percent turnover of the crew in the heading. Compressor trouble has caused several days shut-down for repairs. A Diesel mechanic was brought from Phoenix to make the repairs. All work was confined to the No. 4 level during the month.

ANALYSIS OF ENTRIES ON FORM MF-104

Payrolls

The Government requests payrolls to be presented semi-monthly. The applicant pays his crew in 2-week periods. Overtime is paid for all hours over 40 hours per week. In presenting semi-monthly payrolls, the

CC W. H. King (Orig. & 6)
DMA-399X
DF

CAKumke:frj

However, only one-half of this amount is charged to this exploration contract. The other one-half by agreement with applicant, is taken care of by the stoping operations at the mine. This amount, $94.81 ÷ 2 = $47.40, is approved.

The final invoice under item 11 will need some explaining. This invoice is presented by the Criswell Garage of Tombstone for repair parts ($57.43) and ($59.65) for labor for repairing the car belonging to employee Dryden. This car was used to transport a fatally injured miner to the Tombstone hospital Dec. 26, 1951. The car was very low on oil. The driver, a third party, had never driven this car. He was not a good driver. The engine got overheated and the repair job was claimed as necessary by theowner of the car. Both the applicant and this engineer agreed that the repair bill be allowed. This item $117.08 plus the $40.47 allowed on the Ariz. Machine Company just discussed, amounts to $164.48 and this checks with the last item on Form MF-104. The amount is approved.

Remarks

In a letter dated May 12, 1952, applicant stated as follows: "Checks have been issued covering items listed on March statement".

The operator's accounts have been found in order and in accordance with this contract. The report is approved.

At this writing the exploration work at the property has been shut down for nearly two weeks. There has been much trouble obtaining compressor parts. These parts were first ordered in El Paso. The order was switched to Los Angeles andagain switched to Quincy, Illinois. After a week of delay, the factory at Quincy advised parts were being shipped by Parcel Post. At this writing they have not arrived.

Map showing locality of drifting performed under the contract is attached.

Chas. A. Kumke

Chas. A. Kumke, Mining Engineer
Arizona-New Mexico Branch

SHERWOOD B. OWENS
P. O. BOX 769
TUCSON, ARIZONA

May 12, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona

Re: Contract Idm-E210
DMA Docket 399X

Dear Sir:

Herewith narrative report for month of April, 1952 on the above contract.

All work performed was continuation of drift in No. 6 crosscut, No. 4 level. We extended this drift a total of 69 feet during the month.

The formation continues extremely hard with some difficulty being experienced both in drilling and breaking.

We lost considerable time during the period because of trouble with governor on the 500 cfpm Gardner-Denver compressor which we have on this job. Mechanic from Arizona Machinery Co. (Caterpillar distributors) was sent from Tucson twice during the month but was unable to make permanent adjustment pending receipt of certain parts which are on order.

Labor supply has been ample in number but low in grade. Considerable turnover is being experienced and this makes for additional delay.

Checks have been issued covering items listed on March statement.

Yours very truly,

SHERWOOD B. OWENS

Sherwood B. Owens

SBO/j

SHERWOOD B. OWENS

ABRIL MINE - - - - - EXPLORATION

(NAME OR PLACE OF OPERATION)

PAYROLL PERIOD FROM April 1 TO April 15 19 52 INCL.

(NOTE: DAYS OR DATE OF WEEK MUST BE INDICATED IN SPACES BELOW).

EMPLOYEE'S NAME	OCCUPATION	T 1	W 2	T 3	F 4	S 5	S 6	M 7	T 8	W 9	T 10	F 11	S 12	S 13	M 14	T 15	TOTAL HOURS	RATE
Arthur Blakey	Miner-Trammer	-	-	8	8	8	-	-	8	8	-	-	-	-	-	-	40	1.37½
A. B. Rodriquez	Trammer	8	8	-	-	-	-	-	-	-	8	8	-	-	8	8	48	1.25
Forrest G. Withey	Miner	8	8	8	8	8	8	8	8	8	8	12	-	6	8	8	114	1.56¼
James Cain	Miner	8	8	8	8	8	8	8	8	8	8	12	-	-	-	-	92	1.56¼
Concepcion M. Gonzales	Miner-Trammer	8	8	8	8	6	-	8	9	8	-	8	-	-	-	-	71	1.37½
Lee H. Hulse	Miner	-	-	-	-	-	-	-	-	-	-	-	-	-	8	8	16	1.56¼
Abraham N. Ybarra	Miner	-	-	-	-	-	-	-	-	-	-	-	-	-	3	8	11	1.56¼
Alvin W. Gerhardt	Supervisor	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	15 days	15.00 per day

Alvin W. Gerhardt

FOREMAN OR SUPERINTENDENT

DATE	CHECK NO.	EMPLOYEE'S NAME	AMOUNT EARNED	SOC. SEC. DEDUCTIONS	W. H. TAX DEDUCTIONS	NET AMOUNT DUE	REMARKS
		Arthur Blakey	55.00	.83	-	54.17	
		A. B. Rodriquez	60.00	.90	-	59.10	
		Forrest G. Withey	178.15	2.67	13.40	162.06	
		James Cain	143.75	2.16	6.20	135.39	
		Concepcion M. Gonzales	97.63	1.46	8.30	87.87	
		Lee H. Hulse	25.00	.38	-	24.62	
		Abraham N. Ybarra	17.19	.26	-	16.93	
		Alvin W. Gerhardt	225.00	3.37	22.80	198.83	
		TOTAL	801.70				

SHERWOOD B. OWENS

ABRIL MINE * * * * * * * EXPLORATION

(NAME OR PLACE OF OPERATION)

PAYROLL PERIOD FROM April 16 TO April 30 1952 INCL.

(NOTE: DAYS OR DATE OF WEEK MUST BE INDICATED IN SPACES BELOW).

EMPLOYEE'S NAME	OCCUPATION	W 16	T 17	F 18	S 19	S 20	M 21	T 22	W 23	T 24	F 25	S 26	S 27	M 28	T 29	W 30	TOTAL HOURS	RATE
A. B. Rodriquez	Trammer	8	-	-	-	-	-	8	8	8	-	-	-	8	8	8	56	1.25
Forrest G. Withey	Miner	8	8	8	12	-	8	8	-	-	8	-	-	8	8	8	84	1.56¼
Concepcion Gonzales	Miner-Trammer	-	-	-	-	-	-	-	-	-	-	-	-	8	8	8	24	1.[illegible]
Lee H. Hulse	Miner	8	8	8	9	-	-	-	-	-	-	-	-	-	-	-	33	1.5[illegible]
Abraham N. Ybarra	Miner-Trammer	8	8	8	8	-	-	-	-	-	-	-	-	-	-	-	32	1.37½
" "	Miner						8	8	-	-	8	-	-	8	8	8	48	1.56¼
Jose Sabaleta	Miner-Trammer	-	-	-	-	-	-	-	-	-	8	-	-	-	-	-	8	1.37½
Alvin W. Gerhardt	Superviser	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	15days	15.00 per day

Alvin W. Gerhardt

FOREMAN OR SUPERINTENDENT

DATE	CHECK NO.	EMPLOYEE'S NAME	AMOUNT EARNED	SOC. SEC. DEDUCTIONS	W. H. TAX DEDUCTIONS	NET AMOUNT DUE	REMARKS
		A. B. Rodriquez	70.00	1.05	-	68.95	
		Forrest G. Withey	131.25	1.97	3.80	125.48	
		Concepcion Gonzales	33.00	.50	-	32.50	
		Lee H. Hulse	51.57	.77	-	50.80	
		Abraham N. Ybarra	44.00				
			75.00				
			119.00	1.79	1.60	115.61	
		Jose Sabaleta	11.00	.16	-	10.84	
		Alvin W. Gerhardt	225.00	3.37	22.80	198.83	
		TOTAL	640.82				

MF-104
(August 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 210

Name of Operator Sherwood B. Owens
Docket No. DMA 399 X
Total Contract Amount $ 63,926.00
Government Participation: 50 % Amount, $ 31,963.00
Distribution of Expenditures for Month of March, 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.

SHERWOOD B. OWENS
(Name of Company)

By Sherwood B Owens
(Signature of Authorized Official)

April 14, 1952
(Date)

Owner-Principal
(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

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF March, 1952

(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	1808.63	- -	1160.59	339.25	3308.47	Feet	70.0	105.8	175.8	600
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Workman's Compensation Ins.				179.42	179.42					
Social Sec. & Unempl. Ins.				81.39	81.39					
Totals	1808.63	- -	1160.59	600.06	3569.28	Feet	70.0	105.8	175.8	600

[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

Other: Machinery Depreciation $289.25
Part time Auditor 50.00

$339.25

Mining Division
Region IV

April 22, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens, Abril Mine, Cochise County, Arizona - Operator's Monthly Progress Report for the period of March, 1952

Enclosed are the original and three copies of Form MF-104, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended for the amount of $1,784.64, which is 50 percent of the total of $3,569.28.

The amendment dated February 25, 1952, lists the labor classification of "Miner Trammer", but allows but one man at this rate. An amendment is in process, effective the same date as the amendment mentioned above, that will delete the figure "1" before the words "Miner-Trammer."

W. H. King
W. H. King

Enclosure

WLD:oc
cc: DMA Contract, Chron.
WRStorms
Secretary to the Oper. Comm.
AHKoschmann (2)

Schedule DMA 52-46

May 1, 1952

$1784.64

5-7-52

Mining Division
Date Rec'd.

APR 18 1952

BUREAU OF MINES
Denver, Colorado

MINING DIVISION
REGION IV

April 16, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div,, Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : March 1952 Progress Report, DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed in quadruplicate are the following for the above report:

(1) Bureau of Mines engineer's report;

(2) Operator's progress report;

(3) Form MF-104

Also enclosed are 2 extra copies of our engineer's report.

As the accounts have been found in order and conform to the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (5)
DMA 399X
DF

WRStorms:frj

MINING DIVISION
REGION IV

April 15, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Dr., Mining Division, Region IV, Tucson, Ariz.

From : Chas. A. Rumke, Mining Engineer, Arizona-New Mexico Dr., Tucson, Ariz.

Subject : Monthly Progress Report for March 1952: Docket No. DMA-399X, Contract Idm-8210, Abril Lead-Zinc Mine, Cochise County, Arizona.

In company with Mr. Sherwood Owens, the applicant, I visited the Abril mine April 2, 1952 to check the progress of the Abril mine project under the above contract.

This project is exploratory and proposes to advance No. 6 crosscut on the No. 4 level, 600 feet, and the No. 4 crosscut on the No. 5 level, 500 feet.

The project was started December 1, 1951. The total advance from December 1, 1951 to April 1, 1952, is tabulated as follows:

December 1951	18	feet
January 1952	17	feet
February 1952	70.8	feet
March 1952	70.0	feet
Total	175.8	feet

The progress has been slow. The rock is hard. It drills hard and breaks poorly. All work was confined to the No. 4 level.

ANALYSIS OF ENTRIES OF FORM MF-104

Payrolls

The Government requests payrolls to be presented semi-monthly. The applicant pays his crew in 2-week periods. Overtime is paid for all hours over 40 hours per week. In presenting semi-monthly payrolls, the overtime days vary as to when they occur.

CC - W. H. King (5)
DMA-399X
DF

WRStorms:frj

For the March payrolls, the overtime days are encircled in red. In each case, the encircled figure includes the overtime hours earned for that day.

Most of the men live in Tombstone. Instead of taking off 1 day each week, the crew works right through for 2 weeks and then takes off for 2 days. This also makes the overtime days on payroll appear more confusing. However, each red encircled day on the March paaroll was discussed separately with applicant and his explanation in each case was found satisfactory and the payrolls for March are approved.

Item 2 C

The allowable depreciation of equipment in contract has been checked and is approved.

Item 5

The item for supervision for $450.00 was checked and is approved.

Item 6B

An invoice for $775.05 presented by Ed. Molderness, Hercules Powder representative in Tucson, Ariz. has been checked and is approved. This bill is for 62 cases of powder and 9,000 feet of fuse.

Item 6C

Two invoices totalling $156.47 presented by the COPCO Pacific Ltd. of San Carlos, California for drill repair parts has been examined and is approved.

The major items in these invoices are a Feed Cylinder for $113.55 and two rotation chucks for $36.00. The balance consists of minor items such as cup leathers, spiral springs, washers, etc.

Item 6 d

An invoice for $22.64 presented by the Universal Dredge Mfg. Co. of Denver for 2 tail hoses, has been examined and is approved. This invoice could have been included under item 6c.

An invoice for $6.51 ~~is~~ presented by A. Steinfeld Co. of Tucson, Ariz. covering small items, such as track bolts, brush handles, and gaskets, has been examined and is approved.

Item 11

Three invoices totalling $199.92 have been presented by J. P. Giacoma of Tombstone, Ariz., agent for Standard Oil Co. of California, covering 1,000 gals. of Diesel fuel and 78 gals. of lubricants. These invoices have been examined and are approved.

Since the applicant carries on a stoping operation in addition to this exploration contract, the consumption of Diesel fuel for power assumes importance. Applicant was requested to present his total Diesel fuel consumption since December 1, 1951 to permit the examining engineer to judge if the amount charged against this project was satisfactory. All fuel, oil and greases for the entire Abril operation were obtained from Standard Oil of Calif.

The investigation disclosed the following:

	Total charges	Amount charged to project
Dec. 1951	$482.05	$143.82
Jan. 1952	500.73	118.40
Feb. 1952	516.96	215.73
Mar. 1952	559.20	199.92
Total	$2,058.94	$677.87 (approved)

The amount of $50.00 for part time auditor is approved.

Item 9C

Workmen's Compensation, $179.42 (9.92%), has been checked and is approved.

Social security and unemployment, $81.39 (4.5%), has been checked and is approved.

Remarks

Map showing locality of drifting performed under the contract is attached.

In a letter dated April 14, applicant stated as follows: "Checks have been issued covering items listed on February statement".

The operator's accounts have been found in order and in accordance with this contract. The report is approved.

Chas. A. Kumke

Chas. A. Kumke, Mining Engineer
Arizona-New Mexico Branch

April 14, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona.

Re: Contract Idm-E210
DMA Docket 399X

Dear Sir:

Herewith narrative report for month of March, 1952 on the above contract.

All work performed was continuation of drift in No. 6 crosscut, No. 4 level. We extended this drift a total of 70 feet during the month.

The formation is extremely hard with difficulty being experienced both in drilling and breaking.

Labor supply continues ample for the present scope of the work.

Checks have been issued covering items listed on February statement.

Yours very truly,

SHERWOOD B. OWENS

SBO/j

Sherwood B. Owens

SHERWOOD B. OWENS

ABRIL MINE - - - - - - - EXPLORATION

(NAME OR PLACE OF OPERATION)

PAYROLL PERIOD FROM March 1 TO March 15 1952 INCL.

(NOTE: DAYS OR DATE OF WEEK MUST BE INDICATED IN SPACES BELOW).

EMPLOYEE'S NAME	OCCUPATION	1 S	2 S	3 M	4 T	5 W	6 T	7 F	8 S	9 S	10 M	11 T	12 W	13 T	14 F	15 S	TOTAL HOURS	RATE
Arthur Blakey	Miner-Trammer	12	-	8	8	8	8	8	12	-	8	8	8	8	8	-	104	1.37½
A. B. Rodriquez	Trammer	-	-	-	-	-	-	-	-	-	-	8	8	8	-	-	24	1.25
Lee H. Hulse	Miner	12	8	8	8	8	8	12	12	9	8	8	8	8	8	12	137	1.56¼
J. Wayne Hulse	Miner	12	8	8	8	8	8	12	12	9	8	8	8	8	8	12	137	1.56¼
Forrest G. Withey	Miner-Trammer	-	-	6	8	8	8	8	8	6	8	8	8	8	-	-	84	1.37½
Alvin W. Gerhardt	Supervisor	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	15days	15.00 per day

Alvin W. Gerhardt

FOREMAN OR SUPERINTENDENT

DATE	CHECK No.	EMPLOYEE'S NAME	AMOUNT EARNED	SOC. SEC. DEDUCTIONS	W. H. TAX DEDUCTIONS	NET AMOUNT DUE	REMARKS
		Arthur Blakey	145.00	2.14	17.30	125.56	
		A. B. Rodriquez	30.00	.45	-	29.55	
		Lee H. Hulse	214.06	3.21	20.80	190.05	
		J. Wayne Hulse	214.06	3.21	31.90	178.95	
		Forrest G. Withey	115.50	1.75	6.30	107.47	
		Alvin W. Gerhardt	225.00	3.37	22.80	198.83	
		TOTAL	941.62				

SHERWOOD B. OWENS

ABRIL MINE - - - - - - - EXPLORATION

(NAME OR PLACE OF OPERATION)

PAYROLL PERIOD FROM March 16 TO March 31 1952 INCL.

(NOTE: DAYS OR DATE OF WEEK MUST BE INDICATED IN SPACES BELOW).

EMPLOYEE'S NAME	OCCUPATION	16 S	17 M	18 T	19 W	20 T	21 F	22 S	23 S	24 M	25 T	26 W	27 T	28 F	29 S	30 S	31 M	TOTAL HOURS	RATE
Arthur Blakey	Miner-Trammer	-	8	8	8	8	8	12	-	-	8	8	8	8	8	-	8	100	1.37½
A. B. Rodriquez	Trammer	-	-	8	8	8	-	-	-	8	8	8	8	-	-	-	8	64	1.25
J. Wayne Hulse	Miner	-	-	8	8	8	8	8	-	8	8	8	8	8	-	-	-	80	1.56¼
Forrest G. Withey	Miner-Trammer	-	-	-	-	8	8	8	-	8	8	8	8	8	-	-	-	64	1.37½
Forrest G. Withey	Miner	-	-	-	-	-	-	-	-	-	-	-	-	-	12	-	6	18	1.56¼
James Cain	Miner	-	-	8	8	8	8	8	-	8	8	8	8	8	12	-	6	98	1.56¼
Conception M. Gonsales	Miner-Trammer	-	-	-	-	-	-	-	-	-	-	-	-	8	8	-	6	22	1.37½
Alvin W. Gerhardt	Supervisor	8	8	8	8	8	8	8	8	8	8	8	8	8	8	-	8	15days	15.00 per day

Alvin W. Gerhardt

FOREMAN OR SUPERINTENDENT

DATE	CHECK No.	EMPLOYEE'S NAME	AMOUNT EARNED	SOC. SEC. DEDUCTIONS	W. H. TAX DEDUCTIONS	NET AMOUNT DUE	REMARKS
		Arthur Blakey	137.50	2.07	16.50	118.93	
		A. B. Rodriquez	80.00	1.20	-	78.80	
		J. Wayne Hulse	125.00	1.87	14.10	109.03	
		Forrest G. Withey	88.00				
			28.13				
			116.13	1.74	6.70	107.69	
		James Cain	153.13	2.30	14.10	136.73	
		Concepcion M. Gonsales	30.25	.45	-	29.80	
		Alvin W. Gerhardt	225.00	3.37	22.80	198.83	
		TOTAL	867.01				

MF-104
(August 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 210

Name of Operator Sherwood B. Owens
Docket No. DMA 399 X
Total Contract Amount $63,926.00
Government Participation: 50 % Amount, $31,963.00
Distribution of Expenditures for Month of February, 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.

SHERWOOD B. OWENS
(Name of Company)

By Sherwood B. Owens
(Signature of Authorized Official)

March 12, 1952
(Date)

Owner
(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		1380.00	1380.00		1380.00	1380.00
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
Drilling machines		2752.80	2752.80		2752.80	2752.80
Rail (used)		910.00	910.00		910.00	910.00
Air & Water line		671.64	671.64		671.64	671.64
(b) Rented[2]						
(c) Furnished by operator						
Mucking machine	50.00	100.00	150.00	50.00	100.00	150.00
Compressor	150.00	300.00	450.00	150.00	300.00	450.00
Tramaire locomotive	33.00	66.00	99.00	33.00	66.00	99.00
Mine cars	56.25	112.50	168.75	56.25	112.50	168.75
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

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]	1468.88	1574.38	3043.26	1468.88	1574.38	3043.26
5. Supervision	435.00	675.00	1110.00	435.00	675.00	1110.00
6. Supplies						
(a) Timber	44.98	114.31	159.29	44.98	114.31	159.29
(b) Explosives	107.87	1507.39	1615.26	107.87	1507.39	1615.26
(c) Repair Parts		35.48	35.48		35.48	35.48
(d) Other Misc.	316.13	1792.79	2108.92	316.13	1792.79	2108.92
7. Power						
8. Transportation	1.40	116.15	117.55	1.40	116.15	117.55
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	188.86	223.13	411.99	188.86	223.13	411.99
S.S. & Unemp.	85.68	101.21	186.89	85.68	101.21	186.89
10. Contract Work						
11. Other (specify)						
Diesel fuel	215.73	262.22	477.95	215.73	262.22	477.95
Part time Auditor	50.00	50.00	100.00	50.00	50.00	100.00
Welding	45.00		45.00	45.00		45.00
Total	3248.78	12745.00	15993.78	3248.78	12,745.00	15,993.78
Deletions						
Adjusted totals						
Totals previously reported				12,745.00		
Totals to date				15,993.78		

[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
Entered by
Approved by Chas. A. Tjunke WRB
Amount approved for payment #16243
Remarks

$3248.78 / 70.8 = 45.89

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF FEBRUARY, 1952

(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	1903.88	-	686.11	384.25	2974.24					
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Workmans Comp. Ins.				188.86	188.86					
SS & Unemp. Ins.				85.68	85.68					
Totals	1903.88	-	686.11	658.79	3248.78					

[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

OTHER: Machinery Depreciation - 289.25
Part time Auditor - 50.00
Welding - 45.00
384.25

Mining Division
Region IV

April 9, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 399X, Contract Idm-210, S. B. Owen's Abril Mine, Cochise County, Arizona - Operator's Monthly Progress Report for the period of February, 1952

Enclosed are the original and three copies of Form MP-101, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended for the amount of $1,624.39, which is 50 percent of the total of $3,248.78, subject to arithmetical check by Audit Section.

W. H. King
W. H. King

Enclosures

WLD:cc
cc: secretary to the Operating Comm.
WRSterns
DMA Contract
DMA Chron.
AHKoschmann (2)

Mining Division
Date Rec'd.

MAR 20 1952

BUREAU OF MINES
Denver, Colorado

MINING DIVISION
REGION IV

March 18, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : February 1952 Progress Report, DMA Docket 399X, Contract Idm-E210, Abril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed in quadruplicate are the following for the above contract:

(1) Bureau of Mines engineer's report;
(2) Operator's progress report with map;
(3) Form MF-104 with payroll.

Also enclosed are 2 extra copies of our engineer's report.

Work accomplished is in accordance with the contract, so payment of 50 percent of the total February costs is recommended.

Walter R. Storms

Walter R. Storms

CC W. H. King (5)
DMA-399X
DF

WRStorms:frj

MINING DIVISION
REGION IV

March 18, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Br., Mining Division, Region IV, Tucson, Ariz.

From : Chas. A. Kumke, Mining Engineer, Arizona-New Mexico Br., Tucson, Ariz.

Subject : Monthly progress report for February 1952, Docket No. DMA-399X, Contract Idm-E210, Abril Lead-Zinc Mine, Cochise County, Arizona.

In company with Wm. Griswold, I visited the Abril mine on March 11, 1952 to check the progress of the Abril mine project under the above contract.

This project is exploratory, and proposes to advance No. 6 crosscut on the No. 4 level, 600 feet, and the No. 4 crosscut on the No. 5 level, 500 feet.

The project was started December 1, 1951. During December 310 feet of track was placed on the surface incline between No. 4 and No. 5 levels. No. 4 level was rehabilitated from its adit to the face of No. 6 crosscut and 18 feet of advance was recorded in the crosscut.

A fatal blasting accident in this heading, and the death of the supervisor's mother in California caused a loss of much time in January and only 17 feet advance was reported in January. The month of February was more satisfactory and an advance of 70.8 feet was recorded.

The total advance from December 1, 1951 to March 1, 1952, is tabulated as follows:

December 1951----------	18 feet
January 1952 ----------	17 feet
February 1952 ----------	70.8 feet
Total----------	105.8 feet

CC W. H. King (5)
DMA-399X
DF

CAKumke:frj

Analysis of Entries of Form MF-104

Payrolls

The Government requests payrolls to be presented semi-monthly. The applicant pays his crew in two week periods. Overtime is paid for all hours over 40 hours per week. In presenting semi-monthly payrolls. the overtime days vary as to when they occur.

In order to facilitate the checking of total pay earned, this month's payrolls show the overtime days encircled in red. In each case, the encircled figure will include the overtime hours earned for that day. This practice will be followed in the future.

Item 2 C

The allowable depreciation of equipment in contract has been checked and is approved.

Item 6 a

The invoice for lumber for $44.98 from Benson Lumber Co., Benson, Arizona, has been examined and is approved.

Item 6 b

The invoice for 3 reels, 9,000 feet Black Sequois Fuse presented by Ed. Holderness, Hercules Agent, Tucson, Ariz. for $107.87 has been examined and is approved.

Item 6 d

Four invoices presented by COPCO Pacific Ltd. of San Carlos, California, for drill steel, $220.61, Packing and Cup leathers, $7.94, have been examined and are approved.

An invoice presented by Albert Steinfeldt Co. of Tucson for $18.02 for track spikes, washers, machine bolts, etc., has been examined and is approved.

An invoice from Ed Holderness of Tucson for 4 pieces of Fagersta "seco" Drill Rods in the amount of $77.50 has been examined and is approved.

Item 8

An invoice presented by the Arizona Express, Inc. of Bisbee, Arizona for transportation of 1 bundle of drill steel in the amount of $1.40 has been checked and is approved.

Item 9

The payroll taxes as shown are in order, and are approved.

Item 11 (other)

Three invoices presented by Standard Oil Company, J. Giacoma of Tombstone, agent, for 1,500 gals. Diesel fuel delivered at mine, have been examined and are approved.

The item of $50.00 for part time auditor is approved.

An invoice presented by Beach's Garage of Tombstone, Ariz. in the amount of $45.00 for a trip to the mine with welding equipment to weld mine machinery has been examined and is approved.

Map showing locality of drifting performed under the contract is attached.

Mr. Owens has presented in his february narrative report the folloing statement: "Checks have been issued covering items listed on our January statement".

All items discussed above were found in order and in accordance with the contract. The writer is approving the report.

Chas. A. Kumke

Chas. A. Kumke, Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

March 12, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Ariz.

Re: Contract Idm-E210
DMA Docket S99X

Dear Sir:

Herewith narrative report for month of February, 1952 on the above contract.

All work performed was continuation of drift in No. 6 crosscut, No. 4 level. We extended this drift a total of 70.8 feet during the month.

The formation continues to be extremely hard and difficulty is experienced in drilling and breaking. An extremely abrasive silicified limestone predominates.

The labor supply is ample for the present scope of the work. Weather has been bad but the operation had sufficient supplies on hand in anticipation of such a possibility.

Checks have been issued covering items as listed on our January statement.

Yours very truly,

SHERWOOD B. OWENS

Sherwood B. Owens

SBO/j

SHERWOOD B. OWENS

ABRIL MINE - EXPLORATION

(NAME OR PLACE OF OPERATION)

PAYROLL PERIOD FROM Feb. 1 TO Feb. 15 19 52 INCL.

(NOTE: DAYS OR DATE OF WEEK MUST BE INDICATED IN SPACES BELOW).

EMPLOYEE'S NAME	OCCUPATION	1 F	2 S	3 S	4 M	5 T	6 W	7 T	8 F	9 S	10 S	11 M	12 T	13 W	14 T	15 F	TOTAL HOURS	RATE
Lee H. Hulse	Miner	12	-	8	8	8	8	8	12	12	8	8	8	8	8	12	128	1.56½
Jewell W. Hulse	Miner	12	-	8	8	7½	8	8	8	12	8	8	8	8	8	12	123½	1.56½
Alvin W. Gerhardt	Superviser	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	15 day	15.00 per day
Arthur Blakey	Miner Trammer	8	-	-	8	8	8	8	8	12	-	8	8	8	8	8	100	1.37½
John C. Tull	Miner Trammer	8	-	8	8	8	8	8	12	12	8	8	-	-	-	-	88	1.37½
A. B. Rodriquez	Trammer	-	-	-	8	8	8	8	-	-	-	-	8	8	8	-	56	1.25
Forrest G. Withey	Miner Trammer	-	-	-	-	-	-	-	-	-	-	-	-	8	8	8	24	1.37½

Alvin W. Gerhardt

FOREMAN OR SUPERINTENDENT

CHECK NO.	EMPLOYEE'S NAME	AMOUNT EARNED	SOC. SEC. DEDUCTIONS	W. H. TAX DEDUCTIONS	NET AMOUNT DUE	REMARKS
	Lee H. Hulse	200.00	3.00	18.80	178.20	
	Jewell W. Hulse	192.96	2.89	27.70	162.37	
	Alvin W. Gerhardt	225.00	3.37	22.80	198.83	
	Arthur Blakey	137.50	2.06	16.50	118.94	
	John C. Tull	121.00	1.81	7.70	111.49	
	A. B. Rodriquez	70.00	1.05	-	68.95	
	Forrest G. Withey	33.00	.49	-	32.51	
	Total for period	979.46				

SHERWOOD B. OWENS

ABRIL MINE - EXPLORATION

(NAME OR PLACE OF OPERATION)

PAYROLL PERIOD FROM Feb. 16 TO Feb. 29 19 52 INCL.

(NOTE: DAYS OR DATE OF WEEK MUST BE INDICATED IN SPACES BELOW).

EMPLOYEE'S NAME	OCCUPATION	16 S	17 S	18 M	19 T	20 W	21 T	22 F	23 S	24 S	25 M	26 T	27 W	28 T	29 F			TOTAL HOURS	RATE
Lee H. Hulse	Miner	7½	-	8	8	8	8	8	12	8	8	8	8	8	12			111½	1.56¼
Jewell W. Hulse	Miner	7½	-	8	8	8	8	8	12	8	8	8	8	8	12			111½	1.56¼
Alvin W. Gerhardt	Supervisor	8	8	8	8	8	8	8	8	8	8	8	8	8	8			14 days	15.0 per day
Arthur Blakey	Miner Trammer	12	-	8	8	8	8	8	12	-	8	8	8	8	8			104	1.37½
A. B. Rodriquez	Trammer	-	-	8	8	8	8	-	-	-	8	8	8	8	-			64	1.25
Forrest G. Withey	Miner Trammer	-	-	8	8	8	8	8	12	8	8	8	8	8	12			104	1.37½

Alvin W. Gerhardt

FOREMAN OR SUPERINTENDENT

CHECK No.	EMPLOYEE'S NAME	AMOUNT EARNED	SOC. SEC. DEDUCTIONS	W. H. TAX DEDUCTIONS	NET AMOUNT DUE	REMARK
	Lee H. Hulse	174.21	2.61	12.60	159.00	
	Jewell W. Hulse	174.21	2.61	23.70	147.90	
	Alvin W. Gerhardt	210.00	3.15	20.80	186.05	
	Arthur Blakey	143.00	2.14	17.30	123.56	
	A. B. Rodriquez	80.00	1.20	-	78.80	
	Forrest G. Withey	143.00	2.14	11.70	129.16	
	Total for period	924.42				

MF-101
(August 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 210

Name of Operator Sherwood B. Owens
Docket No. DMA 399 X
Total Contract Amount $ 63,926.00
Government Participation: 50 % Amount, $ 31,963.00
Distribution of Expenditures for Month of January, 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.

SHERWOOD B. OWENS
(Name of Company)

By Sherwood B. Owens
(Signature of Authorized Official)

Feb. 20, 1952
(Date)

Principal
(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		1380.00	1380.00		1380.00	1380.00
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
Drilling Machine	345.60	2407.20	2752.80	345.60	2407.20	2752.80
Rail (used)		910.00	910.00		910.00	910.00
Air & Water Line		671.64	671.64		671.64	671.64
(b) Rented[2]						
(c) Furnished by operator						
Mucking machine	50.00	50.00	100.00	50.00	50.00	100.00
Compressor	150.00	150.00	300.00	150.00	150.00	300.00
Tramaire Locomotive	33.00	33.00	66.00	33.00	33.00	66.00
Mine cars	56.25	56.25	112.50	56.25	56.25	112.50
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

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]	420.50	1153.88	1574.38	420.50	1153.88	1574.38
5. Supervision	225.00	450.00	675.00	225.00	450.00	675.00
6. Supplies						
(a) Timber		114.31	114.31		114.31	114.31
(b) Explosives	14.43	1492.96	1507.39	14.43	1492.96	1507.39
(c) Repair Parts	35.48		35.48	35.48		35.48
(d) Other Misc.		1792.79	1792.79		1792.79	1792.79
7. Power						
8. Transportation		116.15	116.15		116.15	116.15
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	64.03	159.10	223.13	64.03	159.10	223.13
S. S. & Unemp. Ins.	29.04	72.17	101.21	29.04	72.17	101.21
10. Contract Work						
11. Other (specify)						
Diesel Fuel	118.40	143.82	262.22	118.40	143.82	262.22
Part time Auditor	50.00		50.00	50.00		50.00
Total	1591.73	11153.27	12745.00	1591.73	11,153.27	12,745.00
Deletions						
Adjusted totals						
Totals previously reported				11,153.27		
Totals to date				12,745.00		

[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
Entered by
Approved by Walter R. Storms. WLD 6795.87 W.R.K.
Amount approved for payment
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF January, 1952

(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	645.50	345.60	168.31	339.25	1498.66					
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) S. S. & Unemp. Ins.				29.04	29.04					
Workman's Compensation Ins.				64.03	64.03					
Totals	645.50	345.60	168.31	453.32	1591.73					

[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.

OTHER: Part Time Auditor $50.00
Machinery Depreciation 289.25
339.25

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

February 25, 1952

Memorandum

From : Walter R. Stoman, Tucson, Arizona

To : Chas. A. Kumke, Tucson, Arizona

Subject : Monthly progress report for January 1952, Abril Mine - Docket No. DMA-399X, Cochise County, Ariz. Contract Idm-E210.

In company with Brinton Brown, I visited the Abril mine February 1, 1952 to check the progress of the Abril mine project under the above contract.

This project is exploratory, and proposes to advance No. 6 crosscut on the No. 4 level 600 feet and No. 4 crosscut on the No. 5 level, 500 ft.

The project was started December 1, 1951. During December, 310 feet of track was placed on the surface incline between No. 4 and No. 5 levels. Rehabilitation on the No. 4 level was completed from the No. 4 Adit to the face of No. 6 crosscut, and 18 feet advance was recorded in the No. 6 crosscut.

On December 26, the miner in this heading was fatally injured in a blasting accident while loading the second last hole in a 29-hole round. No work was attempted in this heading during the remainder of the month.

In attempting to resume work after the holidays the supervisor found that none of the remaining miners (Mexicans) would work in this heading where the accident had occurred.

About this time, the Supervisor was called to California on account of the serious illness of his mother. He returned to the project Jan. 14. After considerable difficulty he succeeded in assembling an entirely new crew and actual work was resumed in the project heading on January 22. From then until the end of the month a 17 ft.

CAKumke:mls

Schedule 52-32

Mar 13, 1952

$795.87

WWD 3/17/5

advance was recorded. The new crew was unfamiliar with this hard ground and their progress was, at first, very slow.

Dec. 11, 1951 - Distance from Survey Pt. No. 63 to face = 35 ft.
Jan. 2, 1952 - Distance from Survey Pt. No. 63 to face = 53 ft.
Advance in Dec. = 18 ft.

Feb. 1, 1952 - Distance from Survey Pt. No. 63 to face = 70 ft.
Jan. 2 1952 - Distance from Survey Pt. No. 63 to face = 53 ft.
Advance in Jan. = 17 ft.

Total advance to Feb. 1 = 18 ft. + 17 ft. = 35 ft.

No contract work was done on the No. 5 level during January.

Analysis of Exhibit of Form MF-104

Payrolls

It will be noted that only the payroll covering the second half of January is presented. No work was done on the project during the first period.

The Supervisor informed the engineers that permission had been obtained to use the miner-trammer classification with a rate of $1.37-1/2 per hour. This makes it possible to hire miners for tramming work with the understanding that they will fill in for miners when needed. The payroll arithmetic has been checked and the payroll as presented is approved.

Item 2a. Operating Equipment

An invoice from Copco Pacific Ltd., 930 Brittan Ave, San Carlos, California for an Atlas Rock Drill and included parts for $345.60 has been checked and is approved.

Item 2e

The allowable depreciation of equipment in contract has been checked and is approved.

Item 6b - Explosives

The invoice for 10 boxes of 9 inch Hot Wire Fuse Lighters presented by Ed Holderness, Hercules agent, Tucson, Arizona for $14.43 has been examined and is approved.

Item 10

An invoice from Copco Pacific in the amount of $33.48 for drill parts, has been examined and is approved.

Item 9a

The items of Workman's Compensation and K. S. for Unemployment Insurance have been examined and checked and are approved.

Item 11

An invoice from Standard Oil Co. of California presented by J. L. Giacoma of Tombstone in the amount of $118.10 for Diesel fuel and lubricants, has been examined and is approved.

Item 12

Mr. Owens has informed me that he received permission to enter an item of $30.00 for part time auditor expense.

Map showing locality of drifting performed under the contract is attached.

Mr. Owens has presented a signed statement as follows "I have issued checks to cover all bills and items listed in our December statement".

All items discussed above were found in order and in accordance with the contract. The Writer is approving this report.

Chas. A. Kunke

Chas. A. Kunke, Mining Engineer
Arizona-New Mexico Branch

SHERWOOD B. OWENS
P. O. Box 769
Tucson, Arizona

Feb. 20, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona

Re: Contract Idm-E210
DMA Docket 399X

Dear Sir:

Herewith narrative report for month of January, 1952 on the above contract.

Following the usual New Year holiday shutdown we found that none of the regular employees at our Abril Mine were willing to go to work in the heading on No. 4 level, No. 6 crosscut, this being the location of the fatal accident which occured on Dec. 26. These men are all Spanish-American and this superstition is common in Southern Arizona.

This necessitated employment of a new crew for the exploration work and Mr. Gerhardt, Supervising Engineer for the project, started looking for capable men. After only two or three days he was called to California because of serious illness on the part of his mother and did not return until Jan. 14, 1952. He then resumed his efforts to assemble a new crew and after considerable difficulty did find some men and resumed operations in the mine on Jan. 22. Some clean-up work performed by one man on the 21 was the first work performed (except by Mr. Gerhardt) during the month.

These new men, while apparently good mines, were not familiar with the extreme difficulty of progressing in the hard ground at Abril so were rather slow in getting started. They had only seventeen feet of new drift at the end of the month but were doing a great deal better so we feel that they will be able to break the ground all right.

At month's end, Mr. Gerhardt had sufficient labor to meet his requirements.

Yours very truly,

/s/ Sherwood B. Owens

SHERWOOD B. OWENS

SBO/j

C O P Y

SHERWOOD B. OWENS

ABRIL MINE - - EXPLORATION

(NAME OR PLACE OF OPERATION)

PAYROLL PERIOD FROM Jan. 16 TO Jan. 31 19 52 INCL.

(NOTE: DAYS OR DATE OF WEEK MUST BE INDICATED IN SPACES BELOW).

EMPLOYEE'S NAME	OCCUPATION	16 W	17 T	18 F	19 S	20 S	21 M	22 T	23 W	24 T	25 F	26 S	27 S	28 M	29 T	30 W	31 T	TOTAL HOURS	RATE
William Lumm	Miner-Trammer									4	8							12	1.37½
Lee M. Hulse	Miner							8	8	8	8	8	8	8	8	8	8	80	1.56¼
Jewell W. Hulse	Miner							8	8	8	8	8	8	8	8	8	8	80	1.56¼
Charles Smith	Miner-Trammer								8									8	1.37½
Alvin W. Gerhardt	Supervisor		8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	15 days	15.00 per day
Arthur Blakey	Miner-Trammer						8	8	8	8	8	8		8	8	8	8	80	1.37½
John C. Tull	Miner-Trammer														4	8	8	20	1.37½

MF-104
(August 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 210

Name of Operator Sherwood B. Owens
Docket No. DMA 399X
Total Contract Amount $ 63,926.00
Government Participation: 50 % Amount, $31,963.00
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.

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.

SHERWOOD B. OWENS
(Name of Company)

By Sherwood B. Owens
(Signature of Authorized Official)

January 9, 1952
(Date)

(an individual)
(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						
1 room house	550.00			550.00		550.00
Change room bldg	650.00			650.00		650.00
Moving expense	180.00			180.00		180.00
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
Drilling machines	2407.20			2407.20		2407.20
Rail (used)	910.00			910.00		910.00
Air & water line	671.64			671.64		671.64
(b) Rented[2]						
(c) Furnished by operator						
Mucking machine	50.00			50.00		50.00
Compressor	150.00			150.00		150.00
Tramaire Locomotive	33.00			33.00		33.00
Mine Cars	56.25			56.25		56.25
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

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]	1153.88			1153.88		1153.88
5. Supervision	450.00			450.00		450.00
6. Supplies						
(a) Timber	114.31			114.31		114.31
(b) Explosives	1492.96			1492.96		1492.96
(c) Repair Parts						
(d) Other Misc.	1792.79			1792.79		1792.79
7. Power						
8. Transportation	116.15			116.15		116.15
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	159.10			159.10		159.10
Soc. Sec. & Unemp.	72.17			72.17		72.17
10. Contract Work						
11. Other (specify)						
Diesel fuel	143.82			143.82		143.82
Total	11,153.27			11,153.27		11,153.27
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date						

[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
Entered by Lauritz A. Stewart
Approved by W.H.K. JME
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	756.38	2407.20	3543.88	289.25	6996.71					
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	847.50	1581.64			2429.14					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)				1727.42	1727.42					
Totals	1603.88	3988.84	3543.88	2016.67	11,153.27					

[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

OTHER- Depreciation Eqpt. 289.25

OTHER - Transportation - 116.15
Housing - 1380.00
SS & Unemp. Taxes - 72.17
Comp. Ins. - 159.10 1727.42

MINING DIVISION
REGION IV

January 17, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Lincoln A. Stewart for W. R. Storms

Subject : Progress report for December 1951, Sherwood B. Owens' Abril mine, Cochise County, Ariz. Docket DMA-399X, Contract IDM-X210

We are enclosing the following progress reports for the above company and period:

1. Form MF-104;
2. Company's progress report;
3. Bureau of Mines progress report.

Also enclosed are 2 extra copies of our engineer's progress report.

In order to facilitate checking by the auditor, tabs have been attached to the various bills correlating them with the items of the summary cost statements. It will be noted that a 2-cent mistake was made by the operator under item 8 and carries forward through the totals.

Except for this slight error the account seems to be in order and I recommend that it be paid.

Lincoln A. Stewart

Lincoln A. Stewart, Mining Engineer
For Walter R. Storms, Chief
Arizona-New Mexico Branch
Mining Division, Region IV

CC W. H. King (5)
DMA-399X
DF

LAStewart:frj

Sch 2ma 52-21

MINING DIVISION
REGION IV

January 14, 1952

Memorandum

To : Walter R. Storms, Tucson, Arizona

From : Chas. A. Kumke, Tucson, Arizona

Subject : Monthly progress report for December, Abril mine, Docket No. DMA-399X, Cochise County, Arizona, Contract No. Idm-E210.

In company with Brinton Brown, I visited the Abril mine January 2, 1952 to check the progress of the Abril mine project under the above contract.

This project is exploratory and proposes to advance No. 6 crosscut on the No. 4 level 600 feet and No. 4 crosscut on the No. 5 level 500 feet.

The first work under this contract was started December 1, 1951 and consisted of laying 30-pound rail on the surface incline between the No. 4 and No. 5 levels. Three hundred and ten feet of track was placed.

Next in order was the job of rehabilitating the mine drift from the entrance of No. 4 adit to the face of the (No. 6) contract crosscut. This work called for 22 feet of new drift to make a new turn into the No. 6 crosscut for safety reasons. Twelve-pound rail was laid to the face of this crosscut and the necessary air and water lines were installed for a distance of 400 feet. A switch was installed in No. 11 crosscut near the face of the project heading to provide a car switching place.

All this rehabilitation work on the No. 4 level was completed by December 17 and the new project heading was started. On the morning of December 26, the miner in this heading was fatally injured in a blasting accident while loading the second last hole in a 29-hole round. He was taken to the hospital in Tombstone. He died shortly after arriving there. His partner was injured in the blast, but not seriously. The miner was

CC W. H. King (5)
DMA-399X
DF

CAKumke:frj

experienced and considered the best and most conservative man on the job. The mine management and the foreman were held free of blame by the State Mine Inspector after a careful investigation. Due to the accident, the inquest, etc., this heading was idle the remaining 5 days of the month. Only 18 feet advance had been completed when the blasting accident occurred.

Dec. 11, 1951	distance from Survey Pt. No. 63 to face	=	35'
Jan. 2, 1952	" " " " " " "	=	53'
	Advance in Dec.	=	18'

No contract work was started on the No. 5 level during December 1951.

A 2-room house and a 1-room house were hauled from Bisbee to the mine. The 2-room house was set up at the mouth of No. 4 adit and is in use as a changeroom. The 1-room house was placed on the 5 level near the compressor and is used as a bunk house.

Analysis of entries of form MF-104

Payrolls: The payrolls contain 3 points deserving of clarification:

(1) Payroll Dec. 1 to Dec. 15, incl. A workweek is considered as beginning on Sunday and overtime is paid only on time above 40 hrs. for each calender week. The entire crew received overtime for Saturday Dec. 1 because they had worked the preceeding 40 hours on production. In order to secure the benefit of a full calendar month of operation, Owens started the project work on December 1. In order to do so he had to take his men from the stopes and put them on project work on a Saturday which brought them in line for overtime.

(2) Supervisor Gerhardt is shown as working 15 days on each payroll without any overtime. Contractor Owens explained that Gerhardt has been his foreman for several years and has been receiving 10 percent of the earnings of the Owens' ventures. Gerhardt's share has fluctuated from $7,000 to $13,000 per year. The contract allows $15.00 per day for supervision. Gerhardt also supervises the production crew (about 5 men). The arrangement appears fair and not out of balance to charge $15.00 per day to the project for the entire month.

(3) On the payroll of the second half of December, Wm. G. Lumm is shown as a miner-trammer at a rate of $1.37½ per hour ($11.00/day). Applicant Owens explains it is greatly to his advantage to have an extra miner working as a trammer who can pinch-hit for a miner when a miner lays off or quits. There is no $1.37½ rate shown on contract but applicant Owens' reasoning seems sound. He saves the Government money by not charging this man as a miner at $12.50/day. The payroll is approved.

Buildings (item 1b). The contract allows $2,500.00 (estimated) for additional buildings. Some time ago when an area in Bisbee was being cleared of houses in preparation for pit mining, Owens purchased a 2-room and a 1-room house for the Silver Reef mine near Casa Grande, Arizona. This mine is now idle. It belongs to Sherwood Owens (65%), a Mr. E. Green (25%), and Alvin Gerhardt, mine foreman, (10%). The buildings are shown as sold to the Abril applicant, Sherwood Owens, by the Silver Reef mine which is owned by Sherwood Owens, E. Green, and Alvin Gerhardt. The buildings were obtained by the Abril mine at a reasonable and fair price.

Mine Rail - Item 2. Again, the submitted bills show the Silver Reef mine selling 3.5 tons of 30-pound used mine rail and 3.0 tons of 12-pound used rail to the Abril project, for $140.00 per ton laid down at the mine. The rail is in good condition and the price is fair and reasonable.

Transportation - item 8. One of the submitted bills, ($116.13) is from the Owens Trucking Company to the Abril mine for hauling supplies to the mine. Applicant Owens explained that he has ten trucks for contract hauling. He says he has been in the hauling business for 10 years.

The prices involved in the foregoing instances are fair and reasonable, but it was considered advisable to explain, in detail, the connections of applicant Owens with the Silver Reef mine and the Owens Trucking Co. and also to show supervisor, or foreman, Alvin Gerhardt's 10 percent participation in the earnings of Sherwood Owens' mining ventures.

Supplies - item 6(d). The warehouse fire on December 10 was a severe blow to the operation. So many of the smaller items - fittings, tools, parts, etc., had to be replaced that the miscellaneous supply bills are high. Air hose purchases seem high at first glance but air is used to operate mine drills, mucking machine, air trammer, air hoist, and slusher. Considerable air hose is needed.

Timber - item 6a. The lumber purchased from Foxworth-Killen Lumber Company was used on rehabilitation work. This work and the bill $114.31 are approved.

Air and water lines - item 2. In order to show air and water lines as specified under contract, the following items were taken out of the Steinfeldt invoice of 12/1/51.

		$345.44
		161.68
		107.95
		26.95
		16.45
		$658.47
	2% sales tax	13.17
Total air and water lines	=	$671.64

Miscellaneous - item 6d. One steinfeldt invoice

(salesman J. Nermert)	$1,273.32
Less air and water lines (above paragraph)	671.64
	601.68
Steinfeldt invoice (salesman AMG)	747.99
Steinfeldt invoice (salesman JEP)	3.86
Copco invoice No. PA239	402.54
" " No. Pa263	36.72
Total miscellaneous	$1,792.79

Explosives - item 6b. In order to obtain a better price, explosives are purchased in 3-ton lots. The bill for $1,492.96 is in order and is approved.

Drilling machines - item 2a. The Copco Pacific Ltd. invoice for drilling machines and accessories has been examined. Three of the included drills were completely ruined in the warehouse fire of December 10. Submitted with this report is a letter from applicant to J. H. East, Jr., Chief of Region IV, requesting an amendment for an additional $1,500.00 to replace the drills, raising feed and pushers lost in this fire.

Diesel Fuel - item 11.

Standard Oil Co. of Calif. invoice Dec. 7	=	$71.91
" " " " " " Dec. 19	=	71.91
(approved) Total	=	$143.82

Insurance - 9c.

Workmen's compensation 9.92%----------	-$159.10
Social security and unemployment 4.5%---	72.17
Checked and approved---- ----	$231.27

Map showing locality of drifting performed under the contract is attached.

As all items appear to be in order and all charges seem reasonable and fair, the writer is approving this report.

Chas. A. Kumke

Chas. A. Kumke, Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

SHERWOOD B. OWENS
P. O. BOX 769
TUCSON, ARIZONA

Jan. 9, 1952

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Arizona

Re: Contract Idm-E210
DMA Docket 399X

Dear Sir:

Herewith narrative report for month of December, 1951 on the above contract.

The first work under this contract was began Dec. 1, 1951. This consisted of laying three hundred ten feet of thirty pound railroad on the hillside between elevation of 6479' (our no. 4 level) and 6324' (our no. 5 level). This was necessary to the transportation of supplies and/or equipment between these two levels.

It was necessary that we make a new turn into no. 6 crosscut on no. 4 level. This was accomplished by driving 22' of new drift at this point.

Twelve pound rail was laid from this point to the face of no. 6 crosscut, a distance of two hundred fifty feet, and a switch installed and track laid into no. 11 crosscut. It was necessary to timber at the intersection of 11 crosscut with 6 crosscut. This was done, the drifts cleaned up and all rehabilitation work completed on no. 4 level.

Air and water lines were brought in from connection inside no. 4 level and laid some four hundred feet to the place of beginning of the exploration work.

The above completed rehabilitation on no. 4 level and work was began on new drift. Only eighteen feet of new work had been completed through Dec. 26 when we had an accident which resulted in the death of one miner and injury to another. Complete and proper investigation was made by myself, Mr. Gerhardt and Mr. J. C. Anglin, State Deputy Mine Inspector. Inquest was held at Tombstone, Arizona and the accident held to be unavoidable. The mine and management were cited as being both safe and careful and no blame was attached. This accident, investigation, inquest and subsequent delays prevented any progress after Dec. 26.

On Dec. 10 a fire occured in the combination changeroom and warehouse resulting in the loss of practically all of the supplies and equipment purchased for the exploration project. Everything in the warehouse was a total loss. Not only were the project's new drilling machines, etc stored here but the regular operational mine stock including full stocks of machine parts and supplies were completely destroyed.

Yours very truly,
SHERWOOD B. OWENS

Sherwood B. Owens

SBO/j

SHERWOOD B. OWEN

ABRIL MINE - EXPLORATION

(NAME OR PLACE OF OPERATION)

PAYROLL PERIOD FROM Dec. 1 TO Dec. 15 19 51 INCL.

(NOTE: DAYS OR DATE OF WEEK MUST BE INDICATED IN SPACES BELOW).

EMPLOYEE'S NAME	OCCUPATION	S 1	S 2	M 3	T 4	W 5	T 6	F 7	S 8	S 9	M 10	T 11	W 12	T 13	F 14	S 15	TOTAL HOURS	RATE
Harry Dryden	Miner	8	-	8	8	8	8	-	-	-	-	8	8	8	8	8	80	1.56¼
Gerald Kirkham	Miner	8	-	8	8	8	8	-	-	-	-	8	8	8	8	8	80	1.56¼
Charles Smith	Trammer	8	-	8	8	8	8	8	-	-	8	8	8	8	8	8	96	1.25
Juan Molina	Mucker	8	-	8	8	8	8	8	-	-	-	8	8	8	8	8	88	1.25
A. B. Rodriquez	Mucker	8	-	8	8	8	8	8	-	-	-	8	8	8	8	8	88	1.25
Alvin W. Gerhardt	Supervisor	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	15 Days	15.00

A. W. Gerhardt

FOREMAN OR SUPERINTENDENT

DATE	CHECK No.	EMPLOYEE'S NAME	AMOUNT EARNED	SOC. SEC. DEDUCTIONS	W. H. TAX DEDUCTIONS	NET AMOUNT DUE	REMARKS
12/22	4172	Harry Dryden	131.25	1.97	10.30	118.98	
"	4173	Gerald Kirkham	131.25	1.97	10.30	118.98	
"	4174	Charles Smith	130.00	1.95	17.90	110.15	
"	4175	Juan Molina	115.00	1.72	4.80	108.48	
"	4176	A. B. Rodriquez	115.00	1.72	-	113.28	
12/20	4164	Alvin W. Gerhardt	225.00	3.37	22.80	198.83	
		Total this period	847.50				

SHERWOOD B. OWENS

APRIL MINE - EXPLORATION

(NAME OR PLACE OF OPERATION)

PAYROLL PERIOD FROM Dec. 16 TO Dec. 31 19 51 INCL.

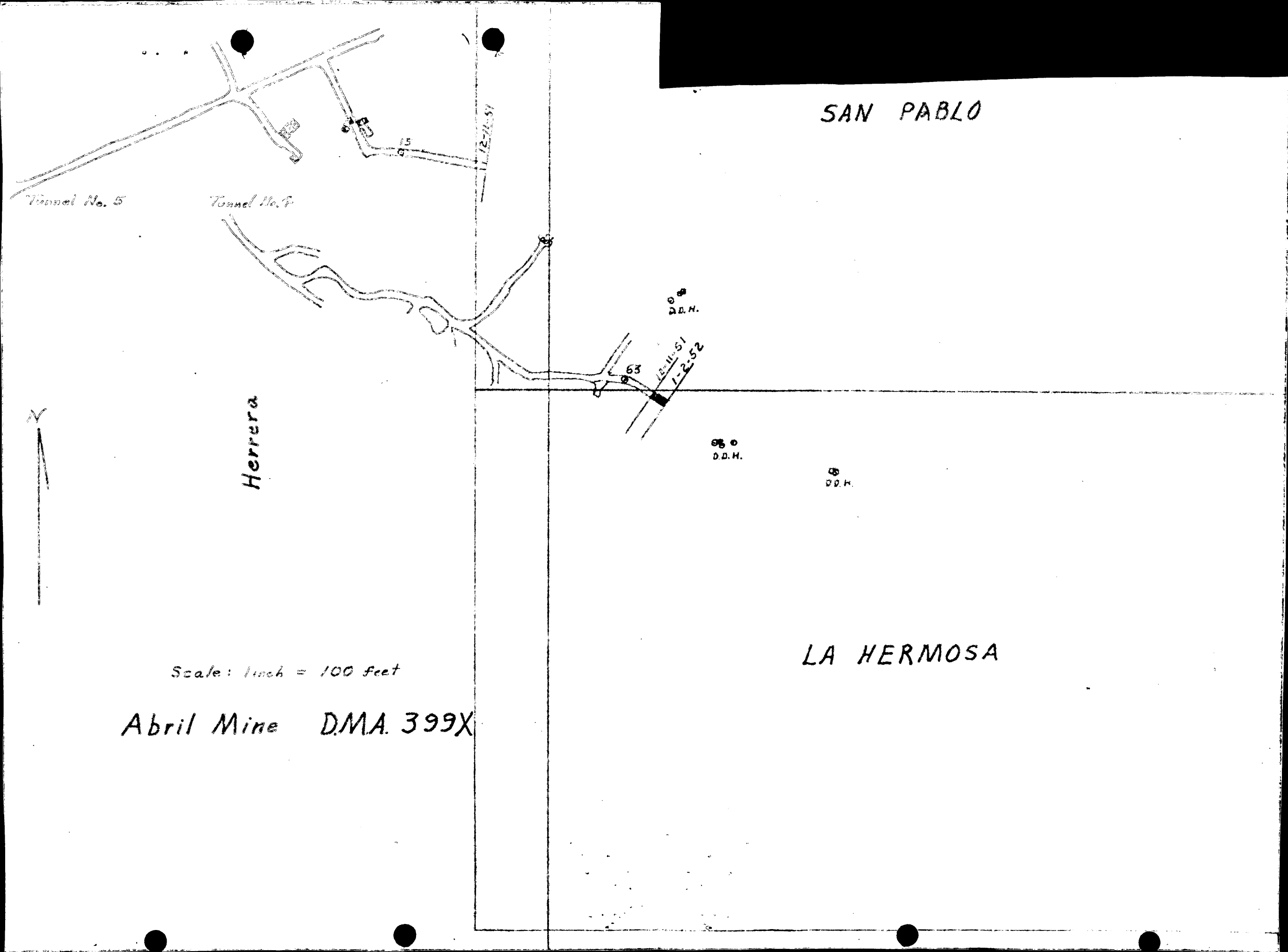
(NOTE: DAYS OR DATE OF WEEK MUST BE INDICATED IN SPACES BELOW).

EMPLOYEE'S NAME	OCCUPATION	S 16	M 17	T 18	W 19	T 20	F 21	S 22	S 23	M 24	T 25	W 26	T 27	F 28	S 29	S 30	M 31	TOTAL HOURS	RATE
Harry Dryden	Miner	-	8	8	8	8	8	8	3	-	-	8	-	-	-	-	-	59	1.56¼
Gerald Kirkham	Miner	-	8	8	8	8	8	8	3	-	-	8	-	-	-	-	-	59	1.56¼
Charles Smith	Mucker	8	8	8	8	8	8	8	-	-	-	-	-	-	-	-	-	56	1.25
A. B. Rodriques	Mucker	8	8	8	8	8	8	8	8	-	-	8	8	8	8	8	8	112	1.25
William G. Lunn	Miner-Tramner	-	8	8	8	8	8	8	8	-	-	8	8	-	-	-	-	72	1.37½
Alvin W. Gerhardt	Supervisor	8	8	8	8	8	8	8	8	8	-	8	8	8	8	8	8	15 Days	15.00

A. W. Gerhardt

FOREMAN OR SUPERINTENDENT

DATE	CHECK NO.	EMPLOYEE'S NAME	AMOUNT EARNED	SOC. SEC. DEDUCTIONS	W. H. TAX DEDUCTIONS	NET AMOUNT DUE	REMARKS
1/5	4205	Harry Dryden	98.44	1.47	9.50	87.47	
"	4204	Gerald Kirkham	98.44	1.47	9.50	87.47	
"	4202	Charles Smith	75.00	1.13	9.90	63.97	
"	4203	A. B. Rodriques	155.00	2.33	-	152.67	
"	4206	William G. Lunn	104.50	1.57	.50	102.43	
"	4196	Alvin W. Gerhardt	225.00	3.37	22.80	198.83	
		Total this period	756.38				


SAN PABLO
Tunnel No. 5
Tunnel No. 4
15
12-11-51
D.D.H.
63
12-11-51
1-2-52
D.D.H.
D.D.H.
Herrera
N
LA HERMOSA
Scale: 1 inch = 100 feet
Abril Mine DMA. 399X

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C. 500

April 15, 1954

PROJECT SUMMARY REPORT

By: W. R. Griswold

1. Docket No. DMEA-399 (Zinc-Copper)
Contract No. Idm-E210
Property: Abril Mine
Location: Cochise County, Arizona

Operator: Sherwood B. Owens
P. O. Box 769
Tuscon, Arizona

Operator's Property Rights:
Agreement dated February 1, 1951, between Operator and the Shattuck Denn Mining Corp.
Landlord's Subordination Agreement dated October 20, 1951

2. Contract dated November 14, 1951
Completion date February 14, 1953

Work Authorized

1,100 ft. of crosscutting and drifting at $30.00 per foot	$33,000.00
450 feet raising at $30 per foot	13,500.00
1,400 ft. diamond drilling at $6.09	8,526.00
Rail, air and water lines	4.000.00
Drilling machines	2,400.00
Housing	1,000.00
Compressor and change room	1,500.00
	$63,926.00
Government Participation 50%	$31,963.00

Amendments

No number, dated January 5, 1952
Provides that replacing rail on hillside grade and rehabilitation of No. 4 and 5 levels are allowable costs.

No number, dated February 5, 1952
Allows part-time auditor at $50.00 monthly.

No number, dated February 25, 1952
Pertains to rock drill purchase, also to trammer wage rates. No cost increase to project.

No. 4, dated April 16, 1952
Pertains to number of trammers.

No. 5, dated December 22, 1952
Re-locates a certain amount of the work, also allows long hole drilling in lieu of diamond drilling. No cost increase is involved.

No. 6, dated February 16, 1953
Extends completion time for work to November 14, 1953.

No. 7, dated March 18, 1953
Establishes new wage rate for miners

Work Completed

964 ft. crosscutting and drifting at $45.34	$ 43,707.76
142 ft. raising at $60.13	8,538.46
891 ft. long hole drilling at $5.73	5,105.43
Initial rehabilitation	3,497.92
New buildings and improvements	1,380.00
New equipment, after final credits	878.76
	$63,108.33
Government participation 50%	$31,554.16

Work completed in July, 1953

3. Audit Certificate issued February 24, 1954.

4. Certification of Discovery - None

5. Comments

During previous operations the Abril Mine had produced from five levels, a total of some 30,000 tons of zinc ore with an average grade of about 12 percent zinc and 0.75 percent copper.

The ore bodies were irregular replacements within an impure limestone, generally localized beneath the zone of bedding plane faults which form the hanging wall of the old stopes.

The general purpose of the exploration project was to look for continuation at depth of ore shoots previously worked and for new ore leases. Nothing of any importance was found. A couple of insignificant low grade pods were noted but generally the project was a failure. No further work could be recommended on this property.

The work was done in a moderately satisfactory manner, but costs were not good.

W. R. Griswold

☒ Audited

☐ Certified

[redacted]RK ANALYSIS SHEET - DMEA PROJE[redacted]

Analysis as of 1/12/55
Incl. Voucher for 7/53

☒ Actual Cost

☐ Agreed Unit Costs

Nam[redacted] Sherwood B Deacus

Docket No. 399

State Arizona

Commodity Lead-Zinc-Copper

Idm-E No. 210

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	1100	33000	964	43538 ~~43,713~~	42,636 ~~42,863~~
Raising	450	13,500	141	8539	8539
Shafts			?		8538.46
Winzes					
Drilling (Specify) Diamond and/or Long hole auth. Long hole (only) actually done	1400	8,526	879 (104A 891 field tons)	5082 ~~3705~~	5082
[redacted]e Excavation					
Underground Excavation					
Roads and Trails					878.76
Operating Equipment Purchased		2400		2753	2044*
Surface Rehabilitation & Repairs					
Underground Rehabilitation					3493.92
New Building, Improvements, etc.		2500		1380	1317*
Other (Specify) Supplies & "rehab"		(4000		(3498	(3498
Totals		63,926		~~64,965~~ 64,790.33	~~63,283~~ 63,108.33

* Liquidation procedure
Supplies $910 (assumed all applicable to D + X cutting
Equip pchs 709
[redacted]bg 63
$1,682 -

Prepared by Adams & Chamberlain

~~* $174 disallowed by auditor so accepted basis for payment was $63,109~~

71626

☒ Audited

WORK ANALYSIS SHEET - DMEA PROJECT

☒ Actual Cost

☐ Certified

Analysis as of 12/8/54
Incl. Voucher for July 1953

☐ Agreed Unit Costs

Name Sherwood R. Owens

Docket No. DMEA-399

State Arizona

Commodity Zinc-Copper

Idm-E No. 210

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	1494'	$44,827.70	964'	$43,707.76	43708 ~~$44,442.91~~
Raising	295'	8850.00	142'	8,538.46	8538 ~~8,683.07~~
Shafts					
Winzes					
Drilling (Specify) ~~Diamond~~ (Core)	870'	5298.30	881' Long Hole	5,105.43	5,105.43
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased		2,400.00		2,497.24	878.76
Surface Rehabilitation & Repairs					
Underground Rehabilitation		3,500.00		3,497.92	3,497.92
New Building, Improvements, etc.		1450.00		1,443.00	1,380.00
Other (Specify)					
Totals		$63,926.00		$64,789.81	$63,108.33

Proceeds of Liquidation

Houses	$ 63.00
Explosives	310.20
Pipe	298.70
Fuse	338.88
Small tools	26.25
Drill steel	35.70
Machine drills	608.75
Total	$1,681.48

Wrong

Prepared by W. P. Hugenschmidt

71626

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

224 New Customhouse
Denver 2, Colorado

March 25, 1954.

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMA-399X (Lead-Zinc), Contract Idm-E210, Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Arizona.

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data pertaining to work under the subject contract for the months of June and July 1953.

Also enclosed are two copies of a memorandum to Mr. T. A. Christensen, dated March 15, 1954, relative to final payment under the terms of the subject contract.

Final payment to the Operator in the amount of $1,274.24 has now been made in conformance with the Audit Certificate and Report by the Contract Administration and Audit Division, dated February 24, 1954.

John F. Shaw
For W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

March 17, 1954

Final F.T. Rpt

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region IV

Subject: Docket DMA 399X (Lead-Zinc), Contract Idm-E210, Sherwood B. Owens, Abril Lead-Zinc Mine, Cochise County, Arizona

Enclosed are the following final reports pertaining to work completed under the subject contract:

1. Original and one copy of the operator's final report.

2. Original and three copies of the final geologic report by the U.S. Geological Survey.

3. Original and three copies of the final engineering report by the Bureau of Mines.

Final payment to the operator was processed by this office March 15, 1954, in conformance with the audit certificate and report by the Contract Administration and Audit Division dated February 24, 1954, which was released to this office March 8, 1954.

The work completed under the contract consisted of initial rehabilitation and repairs, 964 feet of drifting and crosscutting, 141 feet of raising and 576.4 feet of long hole percussion drilling, at a total accepted cost of $63,108.33, in which the Government participated to the extent of 50 percent or an amount of $31,554.16.

The results of the work were disappointing in that the mineralization encountered was all of submarginal grade. It appears in this instance that the issuance of a certificate of discovery or development is not warranted, however the DMEA policy on such matters may indicate otherwise, therefore the matter is left for your consideration without specific recommendations.

W. H. King

W. H. King

A. H. Koschmann

A. H. Koschmann

Enclosures

Mining Division
Box Hand
MAR 16 1954
BUREAU OF MINES
Denver Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SOUTHWEST EXPERIMENT STATION
Box 4097
UNIVERSITY STATION

TUCSON, ARIZONA

March 10, 1954

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : Final Engineering Report, Contract Idm-E210, Docket DMA-399X, Sherwood B. Owens' Abril Zinc Mine, Dragoon Mining District, Cochise County, Ariz.

Enclosed are original and 8 copies of the final engineering report on DMEA Exploration Project Contract No. Idm-E210 by L. L. Farnham of the Bureau of Mines. This report has my approval.

Walter R. Storms

Walter R. Storms

CC W. H. King (8)
A. F. Shride
DMA-399X
DF

WRStorms:frj

Reviewed by
DMEA OPERATING COMMITTEE
3-26-54
(date)

Bel
4/12/54

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

FINAL ENGINEERING REPORT

DMA-399X, Contract Idm-E210

Sherwood B. Owens' Abril Zinc Mine

Cochise County, Arizona

L. L. Farnham, Mining Engineer
U. S. Bureau of Mines

March 1954

Reviewed by
DMEA OPERATING COMMITTEE
3-26-54
(date)

DMA-399X, CONTRACT Idm-E210
SHERWOOD B. OWENS' ABRIL ZINC MINE
COCHISE COUNTY, ARIZ.

CONTENTS

Final engineering report	Page
Summary, conclusions and recommendations	1
Introduction	3
Acknowledgments	4
Location and physical features	4
History and production	5
Ownership and extent	6
Description of the deposit	6
Description of the project work	7
Results of the project work	8
Ore reserves	10
Cost of the project	11
Equipment purchased for the project	13
Salvage value of the equipment	13
Appendix	14

ILLUSTRATIONS

Figure		Following page
1	Location map	4
2	Claim map	6
3	Composite level map	6

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Early in 1951 Sherwood B. Owens applied to the Defense Minerals Administration under the Defense Production Act of 1950, as amended, for assistance in the further exploration of the Abril Zinc property in Cochise County, Ariz. Following the investigation of the application, designated as DMA-399X, but with no field examination, the project was authorized by Exploration Project Contract I-DMA-E210. The contract provided for a maximum expenditure of $63,926 of which the Government would participate to the extent of 50 percent of the incurred costs. The project work was started on December 1, 1951 and completed early in July 1953, when the funds authorized by the contract were exhausted.

The Abril mine had been operated intermittently since 1943. It was acquired by the Shattuck Denn Mining Corp. in 1945 and operated by that company until 1949. Sherwood Owens obtained a lease on the property late in 1950.

Records show that the mine has produced nearly 31,000 tons of ore averaging about 12 percent zinc, 0.70 percent copper, 0.06 percent lead, and 0.35 ounces of silver per ton. The bulk of this production came from a single replacement ore body apparently localized along a roll in the lower portion of the Naco limestone. Other small scattered bodies were mined but their production was relatively insignificant. No ore was ever found on the 5th or bottom level of the mine. The principal ore body bottomed a short distance below the 4th level. The chief ore minerals were sphalerite and chalcopyrite occurring in a gangue of contact metamorphic silicates.

The Government sponsored project was designed to explore certain undeveloped areas on the 2 lower levels where former diamond drilling had indicated the presence of zinc mineralization. The work authorized by the exploratory contract comprised 1,100 feet of drifting and crosscutting, 450 feet of raising, and 1,400 feet of drilling. The work actually accomplished was less than this in all categories yet it reached and explored the principal target areas.

The results of the work were disappointing. The exploration on the 4th level, consisting of 659 feet of lateral work, 142 feet of raising, and 358 feet of long-hole drilling, found 2 small disconnected pods of zinc mineralization. The largest of these was estimated to contain about 1,200 tons averaging 5.0 percent zinc. The other was of the order of a few tens of tons containing between 3 and 5 percent zinc. The project work on the 5th or bottom level of the mine consisted of 305 feet of drifting, and 533 feet of long-hole drilling in 14 holes. This work found only spotty mineralization. The best drill hole intersection contained 1.9 percent zinc across a width of 7.5 feet.

The total cost of the project, after the liquidation of the remaining jointly owned equipment, was $63,108.33 of which the Government's share was $31,554.16.

Additional exploration does not appear warranted. The former work, together with the project exploration, has "cut up" the ore bearing zone to such an extent that any remaining undisclosed ore bodies, if found, would be, in all probability, small and relatively unimportant.

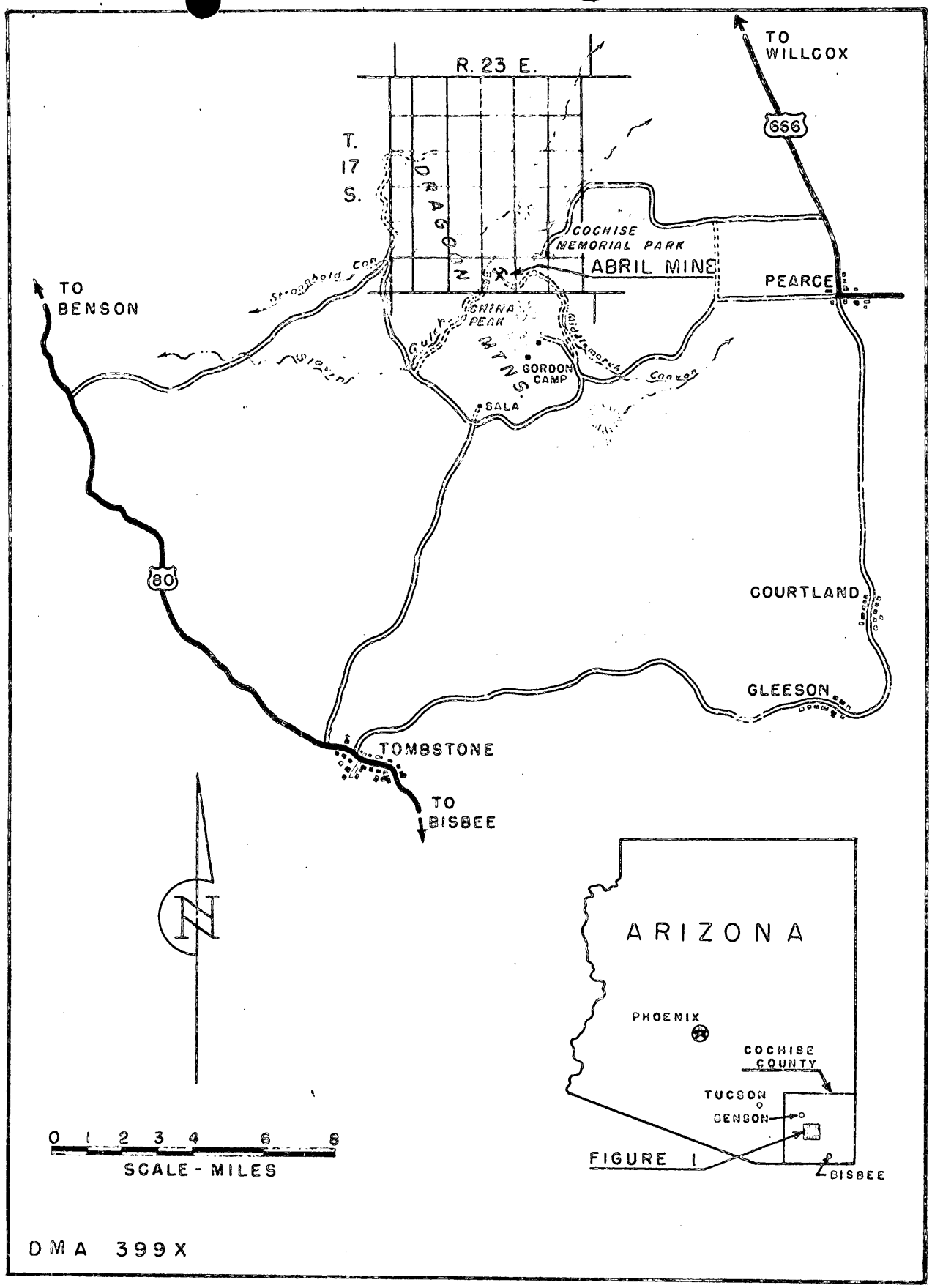


FIGURE 1

FIGURE 1. - LOCATION MAP - ABRIL MINE
COCHISE COUNTY, ARIZONA

It is questionable whether or not the project should be certified. If zinc should again reach a price of 16 to 19 cents a pound, it would be possible to produce a few hundred tons of sorted ore from the mineralized areas disclosed by the project work. The Government then would be reimbursed to some small extent by royalty payments. On the other hand, the cost to the Government for the semi-annual inspection visits, as required in case of certification, could readily exceed any royalty payment that might result if the mine were certified.

INTRODUCTION

This report describes the results of a completed exploration project authorized by the Defense Minerals Administration under the Defense Production Act of 1950.

Early in 1951, Sherwood B. Owens applied for Governmental assistance for the purpose of exploring certain undeveloped areas in the Abril zinc-copper property in Cochise County, Ariz. Following an investigation, but no field examination, of the application, docketed as DMA-399X, the proposed project was authorized by Exploration Project Contract I-DMA-E210. The contract was dated November 14, 1951 and provided for a maximum expenditure of $63,926, of which the Government would furnish 50 percent of the incurred costs. The contract, with amendments, authorized additional buildings, the purchase of certain operating equipment, and the rehabilitation of the 2 lower levels of the mine from which lateral work, raises and drilling would explore the proposed target areas.

The project was started on December 1, 1951 and completed during July 1953. Very soon after the work started a fire destroyed the mine's warehouse with a loss of about $1,500 in jointly owed equipment.

Inspections of the project were made monthly by an engineer of the U. S. Bureau of Mines for the Defense Minerals Exploration Administration. Progress and narrative reports with costs of the work were submitted each month by both the operator and the examining engineer. The operator's final report was not submitted until January 1954. The final on-site audit of the operator's accounts was completed on February 8, 1954.

ACKNOWLEDGMENTS

Acknowledgments are made to Sherwood B. Owens, the operator, and A. W. Gerhardt, the mine superintendent, for their help and cooperation during the course of the project work.

LOCATION AND PHYSICAL FEATURES

The Abril mine is situated in Sec. 34, T. 16 S.; R. 23 E., Dragoon mining district, Cochise County, Ariz. It may be reached by traveling northeast from Tombstone over 21 miles of dirt road via Middlemarch and Sorens Canyon (figure 1). Another route, preferable during the winter months, branches north from the Middlemarch road near Sala's ranch and follows Slavin gulch to the mine's ore bins, a few hundred feet below the portal of the lower adit. Both routes have steep grades and are impassable at times following a snow storm.

The mine workings are on the rugged western flank of the Dragoon mountains, well up near the crest of the range. Altitudes above sea level range from 6,324 feet at the lower adit to 6,641 feet at the uppermost adit.

HISTORY AND PRODUCTION

The Abril mine was located in 1903 but remained an undeveloped prospect until 1943. In that year, with the aid of a $15,000 development loan from the Reconstruction Finance Corporation and a Government sponsored access road, the property was further explored and a promising zinc ore body was discovered. The mine operated intermittently until 1945 when it was purchased by the Shattuck-Denn Mining Corp. That company operated the property continuously until June 1949, when due to the low price of zinc, all work ceased and the equipment was removed. With the advent of the Korean war and higher zinc prices, Sherwood Owens obtained a lease on the property late in 1950 and proceeded to mine the ore still remaining exposed in the workings.

Available production records are as follows:

Production prior to 1946 (estimated)	4,000 tons
Shattuck-Denn production, 1946-1949	19,762 tons
Sherwood Owens' production, 1951-1952	7,032 tons
Total	30,794 tons

The Bulk of this ore was treated in the Shattuck-Denn flotation mill at Bisbee. The average grade of the early production is not known. The 19,762 tons produced by Shattuck-Denn was reported to have averaged 0.35 ounces of silver per ton, 12.38 percent zinc, 0.80 percent copper, and 0.06 percent lead. The 7,032 tons shipped by

Sherwood Owens averaged 11.5 percent zinc, and 0.37 percent copper. Thus the average grade of 26,794 tons was 12.15 percent zinc, 0.68 percent copper, with small unimportant amounts of silver and lead.

OWNERSHIP AND EXTENT

The Abril property consists of a group of 15 contiguous unpatented lode claims, owned by the Shattuck-Denn Mining Corporation and presently leased to Sherwood B. Owens (figure 2).

DESCRIPTION OF THE DEPOSIT

The zinc mineralization at the Abril occurs as irregular, disconnected replacements in the lower portion of the Naco limestone. In the vicinity of the mine the limestone is about 550 feet thick, dips from 25 to 50 degrees in a northeasterly direction, and lies between 2 beds of quartzite. The underlying quartzite ranges from 25 to 100 feet in thickness and rests upon a large intrusive mass of granite.

The ore, found in association with a series of bedding-plane fractures, was confined within the lower 70 feet of the limestone. Although several relatively small ore bodies were mined, the bulk of the Abril production came from a single irregular ore body that had a length of about 500 feet, varied from 20 to 125 feet in width, and ranged from 4 to as much as 30 feet in thickness (figure 3). This large ore body apparently was localized along a flat-plunging roll in the limestone where there was an evident change in the dip of the bedding plane fractures. The ore bottomed a short distance below the 4th level. One small body was mined about half way between the 2 lower levels, but no ore was found on the 5th or bottom level of the mine.

The principal ore minerals were sphalerite and chalcopyrite. Garnet, epidote and other silicates constituted the chief gangue minerals.

DESCRIPTION OF THE PROJECT WORK

Prior to the inception of the Government-sponsored exploration, the Abril had been developed and exploited from 5 adit levels, totaling several thousand feet of underground workings. During the Shattuck-Denn operations a large amount of exploratory core drilling was completed in various parts of the mine and surrounding areas. Several of these holes encountered zinc mineralization in areas some distance from existing development openings. The DMEA project was undertaken for the purpose of reaching and exploring 2 of the best areas indicated by these former drill-hole intersections.

The project was started on December 1, 1951 and terminated early in July 1953. During that time the following work was performed:

Two small frame buildings were purchased and moved to the property. One served as an office and the other as a combination warehouse and change room. The latter was destroyed in a fire early in the project and was replaced with another building by the operator at his own expense.

After the purchase of the necessary equipment, the 2 lower levels of the mine (No. 4 and 5) were rehabilitated and pipe and track installed where necessary (figure 3).

The exploration on No. 4 level was designed to explore the area where an inclined surface drill hole (No. 10) had encountered a 4-foot section containing 19 percent zinc. The proposed work on this level eventually reached its objective and the drill hole was found in raise No. 60(figure 3). All told, a total of 659 feet of lateral work, 142 feet of raising, and 358 feet of long-hole drilling in 10 holes was completed on No. 4 level.

Exploration on the 5th level consisted of 305 feet of drifting, and 533 feet of long-hole drilling in 14 holes. The drift encountered the old vertical diamond drill hole, T3, which was the general objective of the work on the 5th level (figure 3). That both the former diamond drill holes were found so readily by the underground work speaks well for the surveying ability of A. W. Gerhardt, the mine superintendent.

The total work completed on both levels consisted of 964 feet of drifting and crosscutting, 142 feet of raising, and 891 feet of drilling in 24 holes. Although this amount of work was less in all categories than that allowed by the contract, it nevertheless reached the intended objectives and essentially accomplished the purpose for which it was designed.

RESULTS OF THE PROJECT WORK

The results of the exploration were disappointing. Only a small amount of submarginal zinc ore was found on the 4th level, and nothing remotely approaching the grade of ore was found by the work on the 5th level.

The project work on the 4th level consisted of extending the drift, designated as 6XC on figure 3, in an easterly direction to the projected position of the mineralization encountered in drill hole No. 10. No ore was found by this drifting, so crosscut 12XC was driven to get directly under the mineralization shown by the drill hole. After reaching this area, raise No. 60 was driven vertically until the drill hole was encountered, then the raise was inclined and followed the hole upward to the mineralized area. Drifting and other work in this area of the raise disclosed a small pod of zinc mineralization limited to a length of about 15 feet, a width of 10 feet, and a thickness of 4 feet. Two samples, taken by the applicant across 3.9 feet of the better mineralization, averaged 0.2 ounces of silver per ton, 6.5 percent zinc, and 0.3 percent copper. All told, this pod contained a few tens of tons that would probably average between 3 and 5 percent zinc. It was all extracted during the course of the exploration. The former drill hole, which had shown a 4-foot intersection of 19 percent zinc, had evidently followed a high-grade stringer in this small mineralized lense.

The mineralization found in the raise appeared to be localized within a steeply-dipping zone of northwest fractures which had been previously crossed in the new drift. T. M. Romslo of the U. S. Bureau of Mines was the first to recognize the advisibility of exploring this zone further. This work consisted of driving inclined raise No. 61, 13 and 14 crosscuts, and the drilling of 10 long holes (figure 3). Crosscuts 13 and 14, together with drill holes No. 4, 7, 8 and 9, disclosed an irregular lenticular body of zinc mineralization having

an indicated length of about 100 feet, ranging from 2 to 10 feet in thickness, and probably extending for about 15 feet up and down the dip. Sludge and chip samples of this mineralization contained from 3 to 21 percent zinc. Some of the exploratory drill holes followed more or less the strike of the mineralization so the sludge samples collected from such holes were not representative. Holes No. 7, 8, and 9 were drilled normal to the apparent dip of the mineralized body and for that reason are considered to represent the probable grade of the deposit. The weighted average of all the representative samples, both sludge and chip, was 4.9 percent zinc with minor amounts of silver and copper.

On the 5th level, No. 4XC was advanced to the vicinity of vertical diamond drill hole T3. After reaching this area without finding significant mineralization, 14 hammer drill holes, averaging 38 feet in length, were drilled across the favorable zone from various points along the drift. The sludge samples from 6 of these holes showed small amounts of zinc. The highest sample, coming from hole No. 5, contained 1.9 percent zinc across an interval of 7.5 feet.

A complete log of all the drill holes is shown in the appendix of this report.

ORE RESERVES

The exploration near the top of No. 60 raise found a small pod of mineralization that contained not more than 50 tons which probably averaged between 3 and 5 percent zinc. All of this material was extracted during the course of the exploration.

The project work on the 4th level indicated a lenticular body of zinc mineralization of the order of 1,200 tons, estimated to average about 5 percent zinc with small amounts of silver and copper. No attempt was made to mine any of this deposit, so it remains in place, essentially intact. By careful mining and sorting, this body might yield a few hundred tons having a grade of 10 to 12 percent zinc. It is possible that other small disconnected pods of mineralization may exist in the fracture zone, both above and below the 4th level, but if found, they, like the others, would probably prove of little, if any importance.

The 5th level project work explored the favorable portion of the limestone for some 330 feet along the strike and across a width of about 80 feet, yet nothing, other than spots containing from 0.2 to 1.9 percent zinc, was found.

Drilling by Shattuck Denn, prior to the DMEA project, indicated the presence of a mineralized body a short distance below the 4th level near the intersection of No. 11 and No. 6 crosscuts. A single hole in this area reportedly cut 17 feet that averaged 11.7 percent zinc. No project work was attempted in this area.

COST OF THE PROJECT

The total cost of the project, as shown by the preliminary figures resulting from the final on-site audit, was as follows:

	Total to date, MF-104, July 1953	Disallowed by audit	Proceeds from liquidation	Allowed by audit
Labor	$23,729.13	$5.56	-	$23,677.57
Supervision	8,775.00	--	-	8,775.00
Timber	1,125.19	--	-	1,125.19
Explosives	5,472.22	--	$310.20	5,162.02
Pipe	1,031.75	--	298.70	733.05
Track	934.53	--	238.88	695.65
Miscellaneous supplies	8,077.43	110.48	61.95	7,905.00
Equipment purchased	2,752.80	--	708.75	2,044.05
Equipment depreciation	4,777.99	--	-	4,777.99
New buildings	1,380.00	--	63.00	1,317.00
Repairs to equipment	1,524.87	--	-	1,524.87
Sampling and analyses	78.50	--	-	78.50
Payroll taxes	1,127.79	4.62	-	1,123.17
Liability insurance	3,227.47	8.20	-	3,219.27
Accountant	950.00	--	-	950.00
	$64,964.67	$174.86	$1,681.48	$63,108.33

The Government's share of the above cost was $31,554.16.

The unit costs of the work, as distributed by the operator, were approximately as follows:

Drifting and crosscutting	$45.00 per foot
Raising	60.00 " "
Long-hole percussion drilling	5.60 " "

As originally estimated in the contract, the cost of drifting, crosscutting and raising was $30.00 a foot. The difference between this and the actual cost was due largely to the extreme hardness of the silicified limestone through which the work was driven. Most of the long-hole drilling was done when no other work was in progress, so practically all the overhead expense during that period was charged to a relatively small drill footage. This, together with the hardness of the rock and excessive steel breakage, accounts in a large measure for the extra ordinary high cost of the long-hole drilling.

In general, it appeared that the exploratory work was conducted in an efficient and competent manner.

EQUIPMENT PURCHASED FOR PROJECT

	Cost
5 Atlas rock drills with accessories	$2,752.80
2 Small frame buildings	1,380.00
Miscellaneous hand tools	173.65
Drill hose	642.60
Pipe and fittings	1,031.75
Track, 6.5 tons of rails, with bolts, etc.	934.50
Drill steel and bits (approximate)	1,250.00
Total	$8,165.33

Soon after the project was started a fire destroyed 2 of the above drills, one of the buildings, some of the drill hose, and a few miscellaneous small tools and supplies.

SALVAGE VALUE OF EQUIPMENT

After the completion of the project 3 bids were submitted covering the purchase of the remaining jointly owned equipment and supplies. The highest of these bids was that of the operator, who bid 5 percent more on each item than the highest of the other 2 bids. The operator's bid was as follows:

3 Remaining rock drills and accessories	$708.75
2 Small frame buildings (in place)	63.00
Remaining hand tools	26.25
Drill hose (included in item 1)	----
Pipe and fittings (in place)	298.70
Track(in place)	238.88
Remaining drill steel and bits	35.70
Remaining explosives (100 percent of cost)	310.20
	$1,681.48

Excluding the explosives, the above bid amounted to about 17 percent of the original cost of the equipment. After taking into consideration the loss occasioned by the fire, the cost of recovering

the pipe and tracks from the mine, and the expendable nature of some of the material, it was recommended that the above bid be accepted.

DMA-399X, CONTRACT Idm-E210
SHERWOOD B. OWENS' ABRIL ZINC MINE
COCHISE COUNTY, ARIZ.

APPENDIX

March 1954

Long-Hole Drill Logs - 4th Level

No. 1 Location: East side of breast, 13 crosscut, 32 feet from Sta. 63E, 3.5 feet above floor. Bearing: S 34° E dip plus 6°

Depth	Zn-%	Remarks
0 - 24.3	-	White limestone with occasionally slight color change
24.3 - 26.3	-	Dark rock
26.3 - 43.5	-	White limestone
43.5 - 46.5	5.6	Epidote with sphalerite
46.5 - 51.0	10.1	" " "

No. 2 Location: Center of breast, 13 crosscut, 32 feet from Sta. 63E, 3.5 feet above floor. Bearing: S 4° E Dip plus 6°

0 - 21.0	-	White limestone
21.0 - 30.5	15.0	Epidote with sphalerite and chalcopyrite (Cu 0.95%, Ag 1 oz.)
30.5 - 32.5	-	White limestone with little epidote

No. 3 Location: Above Holes 1 and 2, 6 feet from floor, 32 feet from Sta. 63E. Bearing: S 19° E dip plus 31°

0 - 42.0	-	White limestone
42.0 - 55.0	-	White limestone with some yellow stain.
55.0 - 55.5	-	White limestone with some yellow stain (soft)

No. 4 Location: West side of breast 13 crosscut, 42" from floor, 32 feet from Sta. 63E Bearing: S 26° W Dip: Plus 6°

0 - 20.5	-	White limestone
20.5 - 22.5	0.7	Gray limestone with a few shines
22.5 - 25.8	-	White limestone
25.8 - 31.0	21.0	Epidote with sphalerite, Ag .6 oz., Cu .06%
31.0 - 31.8	-	White limestone
31.8 - 33.1	1.3	Limestone with epidote

No. 5 Location: S. Wall, 6 crosscut, 25 feet west of Sta. 63E, 42" from floor. Bearing: S 22° W Dip: Plus 5°

0 - 13.0	-	Gray limestone
13.0 - 22.0	-	Layers of white and gray limestone
22.0 - 24.0	-	White limestone with yellow stained material.
24.0 - 40.0	-	Gray limestone

No. 6 Location: Raise 61, middle of breast, 24" from bottom
Bearing: N 37° W Dip: Plus 16°

Depth	Zn-%	Remarks
0 - 7.8	-	Gray limestone
7.8 - 8.5	-	Epidote
8.5 - 12.0	-	Alternating gray and white limestone
12.0 - 27.2	-	White limestone
27.2 - 29.7	-	Fine grained diabasic dike
29.7 - 30.7	-	Gray limestone
30.7 - 34.6	-	White limestone

No. 7 Location: Junction of 13 and 14 crosscuts, back of crosscut
Bearing: N 20° E Dip: Plus 40°

0 - 6.8	0.6	Garnet and epidote with sphalerite
6.8 - 12.8	-	Gray limestone
12.8 - 25.0	-	White limestone

No. 8 Location: 7 feet from floor, N. side of 14 Crosscut, 27 feet E of Hole No. 7. Bearing: N 20° E Dip: Plus 40°

0 - 8.1	2.2	Garnet and epidote with sphalerite
8.1 - 14.3	0.9	Garnet and epidote with sphalerite
14.3 - 22.5	-	White limestone

No. 9 Location: 2 feet from face of 14 crosscut, North side, 7 feet from floor. Bearing: N 20° E Dip: plus 40°

0 - 7.9	8.3	Garnet and epidote
7.9 - 24.8	-	White limestone

No. 10 Location: West side of breast of 13 crosscut, 42" from floor. Bearing: S 20° W Dip: Plus 7°

0 - 11.9	-	Gray limestone
11.9 - 22.7	-	Gray limestone
22.7 - 23.3	-	Gray limestone plus garnet blackrock, serpentine and trace of asbestos
23.3 - 28.1	-	Gray limestone
28.1 - 30.7	-	White limestone with epidote
30.7 - 37.8	-	White limestone with epidote
37.8 - 39.3	0.9	Epidote with shines of some limestone

Long-Hole Drill Logs - 5th Level

	Depth	Zn-%	Remarks
No. 1	Location: Middle of face of 4 crosscut Bearing: S 58° E Dip: Plus 6°		
	0 - 15.5	-	Dark rock similar to crosscut with some serpentine
	15.5 - 18.0	-	Gray rock does not effervesce with HCl
	18.0 - 28.6	-	Dark rock
	28.6 - 29.1	-	Dark gouge-like material
			Lost steel in hole
No. 2	Location: 6" from Hole No. 1 Bearing: S 58° E Dip: Plus 6°		
	0 - 15.0	-	Dark rock
	15.0 - 18.5	-	Gray rock
	18.5 - 29.5	-	Dark rock
	29.5 - 30.0	-	Soft brown cuttings with hematite
	30.0 - 38.6	-	Gray rock
No. 3	Location: 4 feet from face and 4 feet from floor of #4 Crosscut. Bearing: S 32° W Dip: Plus 6°		
	0 - 8.0	-	Dark rock
	8.0 - 18.0	-	Gray chert-like rock, some serpentine and little pyrite
	18.0 - 23.0	-	Siliceous black rock with serpentine and little pyrite
	23.0 - 25.5	-	Arkose, slight effervescence with HCl
	25.5 - 32.7	-	Arkose contains trace of magnetite and yellow garnet
	32.7 - 34.6	-	Similar to above but contains white mica
No. 4	Location: Back of 4 Crosscut, 4 feet from face Bearing: S 32° W Dip: Plus 60°		
	0 - 9.7	-	Dark rock with serpentine
	9.7 - 11.0	-	Gray and black cherty rock, much serpentine, a little epidote
	11.0 - 13.0	-	Epidote and serpentine with some gray and black rock
	13.0 - 19.0	-	Dark rock with serpentine
	19.0 - 24.0	-	White and black cherty rock
	24.0 - 26.0	-	Mostly epidote with some limestone
	26.0 - 27.5	-	Dark rock with some epidote

Depth	Zn-%	Remarks

No. 5 Location: 2 feet from breast on N. side of 4 Crosscut at back. Bearing: N. 50° E Dip: Plus 43°

0 — 0.5	-	Dark rock
0.5- 2.5	0.4	Garnet
2.5- 15.0	0.3	Epidote, garnet and gray limestone
15.0- 16.0	1.2	Dark gray limestone with garnet
16.0- 23.5	1.9	Garnet with epidote and dark gray limestone
23.5- 31.0	0.3	More gray limestone, less garnet, small amount of pyrite
31.0—33.7	0.4	Ditto
33.7- 35.6	0.4	Less garnet, otherwise about same
35.6- 38.6	0.6	Less Garnet, otherwise about same
38.6- 39.6	-	Trace of garnet in gray limestone

No. 6 Location: Middle of south wall of 4 Crosscut at DDH No. 4T-10 plus C-2. Bearing: S 32° W Dip: Plus 6°

0 - 4.0	-	Dark rock with serpentine
4.0 - 10.7	-	Cherty gray rock with some epidote and lime
10.7 - 21.5	-	Arkose with some lime
21.5 - 23.3	-	" " " " plus mica
23.3 - 26.9	-	Arkose without mica.
26.9 - 39.8	-	Clay-like light gray cuttings with some lime, some epidote
39.8 - 42.5	-	Less slimes, trace muscovite and biotite and epidote

No. 7 Location: N. side of face of 4 Crosscut, 3.5 feet from floor Bearing: Due East Dip: Plus 6°

0 - 15.3	-	Black rock with serpentine and epidote
15.3 - 18.3	-	Garnet and epidote with some limestone
18.3 - 39.0	0.5	Pyrrhotite, pyrite, epidote and limestone
39.0 - 42.5	0.3	Epidote, garnet and limestone with pyrrhotite

No. 8 Location: Wall of 4 Crosscut opposite Hole No. 6, 7 feet from floor. Bearing: N. 32° E. Dip: Plus 40°

0 - 1.6		Garnet
1.6 - 3.1		Dark gray limestone, black rock, chert, epidote
3.1 - 7.7		Layers of epidote, limestone and a little garnet
7.7 - 9.4	0.3	Garnet and epidote with black rock
9.4 - 15.7		Mixture of black rock, serpentine garnet and epidote

Depth	Zn-%	Remarks
No. 8 Continued.		
15.7 - 18.3		Epidote and garnet with light and dark limestone, trace pyrite
18.3 - 25.4	0.3	White limestone with some epidote and garnet, trace pyrite
25.4 - 40.0		White limestone with little garnet and epidote

No. 9 Location: Wall of Crosscut, 100 feet from face
Bearing: N 32° E Dip: Plus 40°

0 - 3.1	-	Gray and black rock with chert
3.1 - 5.4	0.3	12" of epidote, then gray limestone
5.4 - 9.1	1.2	Garnet
9.1 - 40.5	-	White limestone with little garnet

No. 10 Location: North wall of 4 Crosscut 150 feet from breast
Bearing: N. 32° E Dip: Plus 40°

0 - 2.7	-	Dark gray rock with chert
2.7 - 14.0	0.6	Garnet and epidote streaks with a little limestone
(8.9 - 14.0)	0.5	Principally epidote
14.0 - 22.1	0.3	Epidote
22.1 - 24.6	-	Gray limestone with a little epidote and garnet
24.6 - 28.1	0.4	Epidote with a little limestone and pyrite
28.1 - 40.5	-	White and gray limestone

No. 11 Location: North wall of 4 crosscut, 200 feet from face
Bearing: N 32° E Dip: Plus 40°

0 - 7.8	-	Mixture of white and dark limestone and chert
7.8 - 17.0	-	White limestone with a little garnet and trace of pyrite
17.0 - 33.1	-	Ditto
33.1 - 41.0	-	Light gray limestone with trace of pyrite

No. 12 Location: Back of 4 Crosscut, 150 feet from face
Bearing: S. 32° W Dip: Plus 70°

0 - 6.7	-	Dark rock with chert and epidote
6.7 - 21.7	0.4	Garnet and epidote streaks with a litfle lime
21.7 - 26.5	0.2	Epidote with a little garnet, black rock and little lime
26.5 - 35.3	0.2	Ditto

Depth	Zn-%	Remarks

No. 13 Location: North wall of 4 crosscut, 250 feet from face
Bearing: N. 32° E Dip: Plus 40°

0 - 17.1	-	White limestone
17.1 - 25.1	-	White limestone
25.1 - 40.9	-	Slightly garnetized limestone with trace pyrite

No. 14 Location: North wall of 4 crosscut, 300 feet from face
Bearing: N 32° E Dip: 40°

0 - 6.0	-	White garnetized limestone
6.0 - 20.1	-	White limestone
20.1 - 40.3	-	Garnet with some limestone

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
Denver Federal Center
Denver 2, Colorado

November 23, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMA-399X, Contract Idm-E210, Abril Mine (lead-zinc), S. B. Owens, Cochise County, Arizona

Enclosed are 9 copies of the final geologic report by J. N. Faick of the U. S. Geological Survey covering the above docket.

It has been recommended that no certification of discovery be made.

A. H. Koschmann

A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (9)

Reviewed by
DMEA OPERATING COMMITTEE
3-26-54
(date)

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 4126, University Station
Tucson 5, Arizona

November 17, 1953

Memorandum

To: A. H. Koschmann

From: A. F. Shride

Subject: Completion report, DMA-399X (Contract E-210), Abril Mine (Zinc-Lead), S. B. Owens, Cochise County, Arizona

Enclosed are the original and 8 copies of the above report by J. N. Faick.

The report recommends that no certification be made.

A. F. Shride

A. F. Shride
Acting District Supervisor
Arizona - New Mexico

Reviewed by
DMEA OPERATING COMMITTEE
3-26-54
(date)

NOV 1953
RECEIVED
U.S. Geological Survey
Mineral Deposits Branch
Denver

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV
FINAL GEOLOGICAL REPORT

DOCKET DMA-399X (ZINC-LEAD)

CONTRACT Idm E-210

SHERWOOD B. OWENS, OPERATOR

ABRIL MINE
(ZINC)
DRAGOON MINING DISTRICT
COCHISE COUNTY, ARIZONA

by
JOHN N. FAICK
Geologist, U. S. Geological Survey
OCTOBER 1953

Reviewed by
DMEA OPERATING COMMITTEE

_____
(date)

FINAL GEOLOGICAL REPORT
ABRIL MINE, COCHISE COUNTY, ARIZONA
SHERWOOD B. OWENS, OPERATOR
DMA 399X, Contract Idm E-210

CONTENTS

	Page
INTRODUCTION	1
GEOLOGY	2
DEVELOPMENT AND PRODUCTION	4
PURPOSE OF EXPLORATION	5
DESCRIPTION OF THE WORK COMPLETED	5
RESULTS OF EXPLORATION	6
Exploration on 4-level	6
Exploration on 5-level	9
Logs of Hammer Drill Holes	12
ORE RESERVES	15
INTERPRETATION OF RESULTS	16
CONCLUSIONS AND RECOMMENDATIONS	17

ILLUSTRATIONS

Figure 1 GENERALIZED PLAN AND SECTION, ABRIL MINE Following Page 2

TABLES

Table 1 LOGS OF DRILL HOLES 12

INTRODUCTION

The Abril zinc-lead mine, Dragoon Mining District, Cochise County, Arizona, was explored by Sherwood B. Owens, P. O. Box 769, Tucson, Arizona. The exploration project consisted of drifting, raising, and drilling. Government aid was provided by the Defense Minerals Administration as authorized by the Defense Production Act of 1950, as amended. The total authorized cost of the project was $63,926; however, about $1000 more than this was spent on the project, and the excess cost was paid by the operator.

The Abril Mine was leased by the operator from the Shattuck Denn Mining Company, owner. A field examination for DMEA was not made; the contract Idm E-210 was issued directly to the operator on the basis of data supplied by the applicant, and on data already available. The contract was issued November 14, 1951, and the work was completed July 17, 1953.

The Abril mine is 21 miles northeast from Tomstone, Arizona, via the Middlemarch road and Sorens Canyon. A lower road via Slavin Gulch branches north from the Middlemarch road near Slavin Ranch and terminates at the mine.

The Abril mine is on the western slope of the Dragoon Mountains, at an altitude of approximately 6000 feet, or a few hundred feet below the crest of the range. The topography is rugged.

GEOLOGY

The geology in the vicinity of the Abril mine has been described by Wilson[1] and the description given below was abstracted from his report.

The top of the ridge east of Abril Camp consists of fine-grained light-colored quartzite approximately 80 feet thick. It is overlain, on the eastern backslope, by a thick series of metamorphosed, locally foliated shale and arkosic sandstone.

Underlying the quartzite is limestone, approximately 570 feet thick. Its upper portion consists of massive, locally cherty beds which are largely metamorphosed to marble. Its lower portion, 70 feet thick, is made up of impure, shaly limestone, locally converted to contact-silicate minerals (tactite). Fine-grained, light-colored arkosic quartzite, commonly 25 to 100 feet thick, underlies the limestone and rests upon the intrusive Stronghold granite. The two quartzite members and the limestone between them are regarded as Permian. The sedimentary beds at the Abril mine dip northeastward at angles of 25 to 50 degrees from horizontal.

Underground exploration (see Fig. 1) has shown that the Stronghold granite intrudes the lower quartzite subparallel to its bedding. A northeastward-trending dike of the granite 175 to 300 feet wide cuts

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[1] Wilson, E. D., Dragoon Mountains, Arizona Lead and Zinc Deposits: Univ. Ariz., Ariz. Bureau of Mines Bulletin 158, pp. 23-26, 1951.

the sedimentary beds immediately north of adit No. 5. Near this dike the beds have been complexly faulted and sharply folded.

A fault dipping 50 to 60 degrees northeastward strikes N. 30 to 45 degrees W. through the portal of adit No. 3, bringing quartzite on the southwest against limestone on the northeast.

The mine workings show a prominent zone of bedding-plane faults which form the hanging wall of the stopes. The zone steepens, with a roll down the dip, from 25 degrees in the adit No. 1 workings to 45 degrees in adit No. 4, and about 55 degrees in No. 5 adit. Northeast fissures of little or no displacement intersect the bedding-plane faults. Also there are a few minor breaks of northwestward trend, sub-parallel to the portal fault of adit No. 3.

The ore minerals found in the Abril mine are principally sphalerite and chalcopyrite, together with subordinate amounts of galena. Silver occurs in unrecognized form. Molybdenite and yellow molybdenum oxide are sparingly present. These minerals occur more or less closely associated with garnet, epidote, and other contact silicates.

The ore bodies are irregular replacements in impure beds within the lower 70 feet of the limestone. They are localized beneath the zone of bedding-plane faults, previously described. These fissures tend to be inconspicuous, but some of them are marked by concentrations of iron

oxides. Their association with the known ore bodies and the fact that Shattuck Denn had found mineralized areas by diamond drilling suggested the possibility that additional deposits might occur down the dip, northeast of the present stopes, in areas that had not been explored.

DEVELOPMENT AND PRODUCTION

The Abril mine (see Fig. 1) has been developed by 5 adit levels, amounting to a few thousand feet of workings, at successively lower elevations. These development and exploration workings resulted in essentially complete exhaustion of the ore. A single large ore body (Fig. 1) nearly 500 feet long, having a maximum width of about 125 feet and a maximum thickness of about 30 feet was the source of nearly all the ore produced. Total production from the mine is about 30,000 tons of ore.

Total production of the Abril mine prior to November 28, 1951, is given in a letter from Sherwood B. Owens, applicant, to Charles Kumke, U. S. Bureau of Mines. Production is as follows:

4000 tons (estimated) produced by original owners.

19,762 tons produced by Shattuck Denn Company, through 1946 to June 1949 inclusive.

5,056 tons produced by S. B. Owens from March 1951 to November 1951 inclusive.

The amount of ore produced since November 1951 is not known to this writer.

Grade of the ore is indicated by the average of the 19,762 tons shipped by Shattuck Denn. This ore contained an average of 12.38 percent zinc, .796 percent copper, .064 percent lead and .346 ounces of silver per ton.

PURPOSE OF EXPLORATION

During the period of Shattuck Denn operations from 1946 through June 1949, several diamond drill holes were drilled, and two or three of these encountered short intervals of commercial grade zinc-lead mineralization. The operator, S. B. Owens, requested Government aid to explore with drifts, crosscuts and raises, the ore that Shattuck-Denn had discovered by drilling, and the project was undertaken for this purpose.

DESCRIPTION OF THE WORK COMPLETED

The exploration work done under contract Idm E-210 consisted of drifting, crosscutting, raising and "long-hole" type drilling (See Fig. 1).

The work done on No. 4 level consisted of 674 feet of drifts and crosscuts, a raise about 90 feet long and ten short hammer drill holes.

The work done on No. 5 level consists of driving 305 feet of drift and drilling of 14 short hammer drill holes.

The progress of the work was closely followed and the geology mapped as the work proceeded, by Mr. Al. Gerhardt, mine manager. The completed project was examined and the workings partly remapped by the writer July 22-23, 1953.

RESULTS OF EXPLORATION

Exploration on 4-level

The plan and sections shown on Figure 1 illustrate the work accomplished and its relationship to the mine workings and diamond drill holes. On 4-level the main drift, referred to as No. 6 crosscut, was driven in or near the favorable beds; i.e. the limestone beds in which the principal ore body was localized. From this drift, which was driven approximately parallel to the bedding, a crosscut (No. 12 XC) was driven about 150 feet south and from it a raise (No. 60) was put up about 90 feet to explore the ore previously found in Shattuck Denn diamond drill hole No. 10. Neither the drift nor crosscut found ore; however, a small amount of ore was found in the raise, at the place where the drill hole had indicated the presence of ore.

In the No. 60 raise ore was exposed in a zone about 15 feet long, 10 feet wide and about 4 feet thick. Within this zone relatively pure masses of sphalerite have replaced some of the limestone. The ore formed as irregular, rounded bleb-like masses in the limestone and also as vein-like stringers that dip at a low angle along possible fractures or bedding planes. Some of the individual masses of ore were estimated to contain from 15 to 30 percent zinc; however these masses occupied only a very small portion of the ore zone, probably not over about 15 percent. It is estimated that a typical face of ore large enough to mine

averaged only about 3 or 4 percent zinc. The diamond drill hole, toward which exploration was directed, penetrated about 4 feet of ore containing 19 percent of zinc, which represented the higher grade part of the ore exposed by the raise. Nearly all of this ore, probably 15 to 20 tons, was extracted by the exploration raise.

In the raise, the replacement of limestone by ore appears to have been controlled by nearly vertical joints that strike about N. 45° W. Several of these joints are exposed at the top of the raise, and correspond in position and attitude to an extension of a fault zone that crosses the drift (6 XC) at coordinates 5010 east and 4980 north. Although this fault was unmineralized where crossed by the drift, it was recognized as a potential ore zone by T. M. Romslo, engineer, U. S. Bureau of Mines, who recommended exploration of the fault zone. To explore this fault the 13 XC (See Fig. 1) was driven south 75 feet from the main drift (6 XC) until it crossed a pre-ore dike; then a drift was driven for a distance of about 50 feet along the dike. Exploration by the drift and crosscut was supplemented by 10 hammer drill holes. A 15°-25° inclined raise (No. 61) was driven northwest from the main drift (6 XC) and explored the fault for about 20 feet.

Driving of the 13 crosscut and drift, and drilling of the hammer drill holes resulted in the discovery of a small ore body. Available data indicate that this is a lenticular shaped ore body which has replaced some of the limestone near where it is intersected by a pre-ore dike.

The ore body, in so far as can be determined, is from about 2 to 8 feet thick, about 80 feet long, and about 15 feet wide. The ore body is elongated in a southwesterly direction along the dike. This ore body appears to have been localized by especially favorable conditions. It is localized in a favorable limestone bed near the intersection of a northwesterly trending pre-ore fault, and an easterly trending pre-ore dike.

The ore body is adequately proved by drifting, crosscutting and drilling. Most of the ore is in the back of the drift and reaches the floor of the drift in only one or two places, but apparently does not extend below 4-level. The ore body is apparently thin as indicated by the drilling. The low angle holes obtained ore at the greatest distance from the dike; the high angle holes either passed through the ore, or through barren limestone above the ore. There is a possibility that the ore might extend upward along the hanging wall of the dike, a possibility which remains unproved. The strike length of the ore body is probably not much over 100 feet; otherwise, some evidence of it would probably have been obtained in drill hole No. 5, or in the No. 12 XC or in the No. 60 raise. The ore found in the raise undoubtedly bears a close structural relationship to the ore body found on 4-level, 13 XC, and both bodies may have replaced the same limestone bed; however, there is no evidence of a connection of ore between the two ore bodies.

Along the fault explored by the 13 XC and the south end of 12 XC the limestone beds have been altered in a few places to massive serpentine which reaches a maximum width of several inches. Along the fault on the northeast wall of the 13 XC, and extending a short distance southeast of the main drift (6 XC) a vein of high quality chrysotile asbestos was localized along the fault. The asbestos vein had a maximum width of about 1 inch, and was exposed for a strike length of about 20 feet. Identification of the chrysotile was made by Lamar G. Evans, U. S. Bureau of Mines, Tucson, Arizona.

Exploration on 5-level

Exploration on the 5-level of the Abril mine consisted of driving the No. 4 crosscut (or drift) in a southeasterly direction 305 feet, and drilling of 14 hammer drill holes from this crosscut. The purpose of this 5-level exploration is to explore a zone where Shattuck Denn's vertical diamond drill hole (T3-3XC-2) was reported to have penetrated a mineralized zone in the favorable limestone beds approximately at the elevation of 5-level.

The drift or crosscut (referred to as T5-4XC) by Shattuck Denn) was driven along or near a fault which brings limestone into contact with a dark colored rock, probably the rock called arkosic quartzite by Shattuck Denn. This fault, which dips from 54° to 57° northeast, strikes approximately parallel to the drift and is exposed along the back of the drift and along the north wall of it. The displacement

along the fault probably is not great, possibly a few tens of feet, but considerable gouge and breccia is localized along it. The dip of the fault is several degrees greater than the dip of the beds.

An unusual rock type is exposed in the drift from 150 to 250 feet southeast of the starting point of the drift. This rock is dark gray, relatively fine-grained and has an igneous appearance or texture. This writer believes it is a marginal facies of the granitic intrusion that underlies part of the Abril area, and is probably part of the same mass penetrated near the portal of the No. 5 adit. That part of the granitic rock penetrated by the recently completed exploration heading is classified as granodiorite by this writer. The granodiorite is intensely altered by epidotization and within 15 or 20 feet of the margins has been converted almost entirely to a mass of granular epidote, which contains disseminated grains of unidentified impurities. This alteration is interpreted by the writer as being due to passage along faults, fractures and contacts, of hydrothermal solutions, which are probably the same solutions that deposited the ore in other parts of the mine. Both margins of this igneous rock have been shattered by faults, which developed later than the granodiorite and facilitated movement of hydrothermal solutions through it.

The principle fault along which the 5-level drift was driven apparently is the same fault as was explored by the new drifts and cross-cuts on 4-level. It appears to be the same fault as the bedding plane fault exposed in the back of the main stope on 4-level and above it.

The ore is localized where this fault, or zone of faults, changes in dip from about 25 degrees in the upper workings to about 45 degrees at the No. 4 level and to about 55 degrees on 5-level. Most of the ore is localized west of the 3 XC (3-level) near the intersection of the curved fault and a zone of northeasterly trending fractures. West of the 3 XC the ore occupies the strike fold beneath the bedding plane fault, but east of the 3 XC the trend of ore turns and follows up the dip of the fault like a pipe or manto. East of the 3 XC the fault steepens to a 75 or 80 degree dip, and in so far as can be determined has no rolls or warps similar to the one over the main ore body. The fault is obscure near the No. 60 raise.

No ore was found by the 5-level exploration work; however, both the drift (4 XC) and the drill holes encountered mineralized zones. The host rocks were found to be strongly altered to garnet and epidote, and small amounts of pyrite, pyrrhotite and sphalerite were encountered in the hammer drill holes. The objective of the exploration, a penetration of zinc ore in diamond drill hole 3T-3XC-2, was proved to be of no consequence. Although the diamond drill hole was found at the exact location predicted, the zone penetrated by the drift was found to be barren of zinc, but it contained traces of pyrite.

LOGS OF HAMMER DRILL HOLES

Complete detailed logs are not available to this writer but probably will be submitted by the applicant with his final report. It is unlikely that additional data will modify this writer's interpretation of results; therefore the data presently available which was supplied by the applicant, is given here. The available data from the 24 hammer drill holes are as given in Table 1.

Table 1

No.	Inclination in degrees	Interval and depth in feet (Drilled from 4-level)	Generalized Description	Assays Zn	Cu	Ag
1	6	0-43.5	Limestone			
		43.5-46.5	Mineralized	5.6		
		46.5-51.0	Mineralized	10.1		
2	6	0-21	Limestone			
		21-30.5	Mineralized	15.0	1.0	1.0
		30.5-32.6	Epidote			
3	31	0-55	Limestone			
4	8	0-20.5	Limestone			
		20.5-22.5	Mineralized	0.7		
		22.5-26.7	Epidote			
		26.7-31.0	Mineralized	21.0	0.6	0.6
		31.0-31.7	Limestone			
		31.7-33.0	Mineralized	1.3		
5	16	0-40	Limestone			
6	5	0-7.8	Limestone			

No.	Inclination in degrees	Interval and depth in feet	Generalized Description	Assays
		(Drilled from 4-level)		
6	5	7.8-8.5	Epidote	
		8.5-27.3	Limestone	
		27.3-29.7	Dike	
		29.7-34.6	Limestone	
7	40	0-8	Mineralized	
	40	8-25	Limestone	
8	40	0-14.3	Mineralized	
		14.3-22	Limestone	
9	40	0-7.9	Garnet and Ore	
		7.9-24.8	White limestone	
10	7	0-22.7	Limestone	
		22.7-23.3	Garnet, Serpentine Asbestos	
		23.3-39.3	Limestone, little epidote	
		(Drilled from 5-level)		
1	6	0-29	Limestone	
2	6	0-38.5	Limestone	
3	6	0-23	Limestone	
		23.32.7	Arkose	
		32.7-34.7	Granite ?	
4	60	0-27.5	Arkosic quartzite	
5	43	0-39.6	Mineralized 0.4-1.9 Zn	

No.	Inclination in degrees	Interval and depth in feet	Generalized Description
		(Drilled from 5-level)	
6	6	0-43.5	Arkosic quartzite
7	6	0-18.3	Silicated limestone
		18.3-39.0	Pyrrhotite
		39.0-42.5	Garnet
8	40	0-28	Garnet and limestone
9	40	0-5.5	Limestone and epidote
		5.5-9.1	Garnet
		9.1-40.5	Limestone, some garnet
10	40	0-14	Limestone, garnet, epidote
		14-22	Epidote
		22-28	Limestone, garnet, epidote, pyrite
		28-40.5	Limestone
11	40	0-7.8	Limestone and chert
		7.8-33.1	Limestone, garnet, trace of pyrite
		33.1-40	Limestone, trace of pyrite
12	70	0-35.3	Limestone, garnet, epidote
13	40	0-25.1	Limestone
		25-40.9	Limestone, garnet, trace of pyrite
14	40	0-6	Limestone and garnet
		6-20.1	Limestone
		20.1-40.3	Garnet, limestone

ORE RESERVES

A small amount of ore was found in the No. 60 raise, and in the 13-crosscut and a few of the hammer drill holes drilled from 4-level.

The ore in the raise was extracted during exploration but was too low grade to ship, therefore was left on the dump.

The ore body found in 13-crosscut has not been mined, but has been thoroughly explored, therefore is considered as indicated reserves. This ore body is about 15 feet wide, 80 feet long and probably averages about 5 feet thick. It is estimated to contain about 600 tons of ore. The north limit of the ore body is well established by drill holes, the south side by a pre-ore dike, and both ends are fairly well established by drill holes and drifts and crosscuts. The bottom of the ore is exposed in the 13 XC; therefore the only part of the ore body not well proved is the top. It is possible that ore follows up the pre-ore dike, therefore may be slightly larger than estimated. The ore probably does not extend beyond the favorable limestone bed and certainly does not extend to the surface; therefore it is possible for only a small tonnage of ore to exist in this area.

Only 6 samples of this ore are available to this writer, but other samples have been taken and assays will probably be submitted

with the applicant's final report. The weighted average of the 6 samples available is 12.2 percent zinc, and the copper content is estimated to be 0.75 percent. This grade evaluation may be subject to revision when additional data become available.

INTERPRETATION OF RESULTS

The work done under contract explored the down dip extension and the strike extension of the main fault zone, which was the principle ore controlling structure in the mine. This project explored the two objectives for which it was undertaken, i.e. to explore ore mineralization in 2 diamond drill holes. Both holes were found by drifting or raising. A hole intersected by 5-level was proved by the drift to be practically barren, whereas the hole intersected by a raise above 4-level was found to have a few tons of zinc ore. All of this ore was extracted by the exploration raise, but was not shipped.

Crosscutting and hammer drilling on 4-level, which supplemented the original plan of exploration, was successful in discovering a small ore body in the 13 crosscut. This body contains about 600 tons of ore, estimated to contain about 12 percent zinc and about 0.75 percent copper.

This writer believes the Abril mine is adequately explored and no additional work is recommended for Government participation. Private enterprise might be justified in exploring the small ore body in the 13 crosscut by actually mining it, and a short raise into the mineralized zone penetrated by holes No. 5 and 7 on 5-level appears justified.

Significant amounts of ore will probably not be obtained from either of these areas.

The ore body found on 4-level by this exploration project is too small to justify certification; therefore certification is not recommended. The exploration venture is regarded as unsuccessful.

CONCLUSIONS AND RECOMMENDATIONS

This project (See Fig. 1) explored the down dip extension of the main fault zone on the 5-level and the southeastward extension of the fault on the 4-level. A small ore body was found on 4-level near the intersection of this fault with an east-southeasterly trending pre-ore dike. This ore body is estimated to contain about 600 tons of ore having an average grade of 12 percent zinc and 0.75 percent copper.

The area in which the Abril mine is developed is adequately explored and there is little chance that important amounts of ore will be found in it. Future search for ore near the Abril mine will depend upon finding other favorable geologic conditions beyond the present mine workings, and this is comparable to searching for a new mine.

Private enterprise might be justified in mining the small ore body discovered on 4-level, and exploring the mineralized zone encountered on 5-level, holes No. 5 and No. 7, by means of a short raise. These objectives are too small for Government participation; therefore further expenditures of Government funds are not recommended.

The ore body found on 4-level by this exploration project is too small to justify certification; therefore certification is not recommended. The project is regarded as unsuccessful.

THE ABRIL MINE

FINAL REPORT

By

SHERWOOD B. OWENS

DMEA CONTRACT
No. Idm-E 210

DMA DOCKET
399-X

OPERATOR'S
FINAL REPORT

U. S. BUREAU OF MINES
MINING DIVISION
JAN 11 1954
TUCSON, ARIZONA

THE ABRIL MINE

Sherwood B. Owens
Final Report

Idm-E 210
DMA Docket 399 X

INTRODUCTION

An application for a Government Exploration Loan was made by Sherwood B. Owens for the Abril Mine on May 29, 1951. The loan was approved under D.M.A. Docket 399 on November 14, 1951. and work commenced December 1, 1951. Contract No. Idm-E 210 was assigned to the project.

The two main objectives for which the loan was granted were the prospecting of the mineralized zones on the 4th and 5th levels. These were indicated by knowledge gained from (1) mining known ore bodies and (2) data obtained from diamond drilling.

Field Engineer Chas. Kumke of the U.S.B.M. was assigned to the project. Later Engineer T. M. Romslo of the U.S.B.M. took over Mr. Kumke's duties.

Alvin W. Gerhardt was assigned by Mr. Owens as engineer in charge of operations at the Abril Mine.

LOCATION AND ACCESSIBILITY

The Abril Mine is located on the Herrera Mining Claim, one of a group of 15 claims owned by the Shattuck Denn Mining Corporation and leased to Sherwood B. Owens. The Abril Mine is the only workings in the group from which ore has been shipped. This group of claims is situated in the Dragoon

Mining District, Dragoon Mountains, Cochise County, Arizona, approximately 16 miles north of Tombstone. Elevation of the camp is 6500 feet above sea level.

The mine is accessible by two roads, one through Sorns Canyon (20 miles) the other through Slavin Canyon (16 miles). If one enters Slavin Canyon, a steep mountain climb on foot of approximately 100 yards is necessary to reach the lowest or 5th level workings. The other road reaches the mine on the 4th level.

By either route the road has some very steep grades, the steepest being approximately 24 percent. The Slavin Canyon road is accessible practically every day of the year except for a few possible washouts during the summer rains. Only a few inches of snow falls on this lower road in the winter and usually melts the next day after a storm.

The Sorns Canyon road has been known to have as much as 10-foot snow drifts with 4 to 7 feet on the level near the summit at 7500 elevation. This road therefore may be blocked for as much as a month at a time. During the past two years, however, there has not been more than one foot of snow at any time so the road has not been closed for more than a week following a storm.

GEOLOGY

The southern end of the Dragoon Mountains in the vicinity of the Abril Mine is composed of segments of sedimentary formations overlying a large granitic mass. Some of these segments are apparently roof pendants of a granitic mass and are entirely surrounded by igneous rocks. The sedimentary rocks are so metamorphosed that no fossils have been found that would definitely place the age of the formations. The granitic intrusion has been called post-Cretaceous by some geologists.

The granite mass is overlain by a rock of varying characteristics which was classified by Shattuck Denn's geologists as arkosic quartzite. It varies in thickness from a few feet to over 100 feet. Some of this formation looks very much like true quartzite but other portions appear to be arkosic, rhyolitic, micaceous or calcareous. Some is very much like schist, while some which looks like a dark gray marble can be easily scratched with a knife.

Above the quartzite are approximately 560 feet of limestone beds which are marblized or recrystallized. These have been classified as Upper Naco or Permian by most authorities. Many portions of the limestones are garnetized, epidotized or silicified. Non-sulphide minerals occurring in the limestones are chert, wollastonite, hematite, specularite, serpentine and occasionally asbestos of the slip-fibre type. Most of the ore deposition has taken place in the lower section of these limestone beds within 40 feet of the quartzite.

Overlying the limestone is another bed of quartzite which caps the top of the ridge above the mine.

The strike and dip of the bedding is not always apparent in the underground workings. Where a semblance of bedding appears strikes vary from S. 55 E. to S. 81 E. and dips from 30 to 50 degrees to the north. The contact between the arkosic quartzite and the limestone is characterized by a bedding plane slip and some alteration of the adjoining rocks.

On the surface there is a narrow mineralized outcrop exposed for approximately 1200 feet at or near the arkosic limestone

contact. This outcrop contains occasional good zinc values and most of the tunnel work was started along this zone.

The sulphide minerals occurring with the sphalerite ore are pyrite, chalcopyrite, pyrrhotite, molybdenite and a very small amount of argentite. The sphalerite, which is the predominant sulphide mineral, is usually associated with small amounts of chalcopyrite and argentite. After sphalerite, pyrite is the next most abundant sulphide mineral in the mine but is widely disseminated and frequently occurs as small specks in the quartzite as well as the limestone. Three bodies of pyrrhotite have been found, two of which adjoin the main ore body. One of these is in the breast of No. 1 crosscut on the 4th level, one is on the south side of stope 4 of the 3rd level, and the third was discovered in the long drill hole No. 7 on the 5th level. The pyrrhotite lens in No. 4 stope is approximately 15 feet long and about 6 feet maximum thickness.

ORE DEPOSITION

Ore bodies are apparently replacement deposits of magmatic origin, the lower limestone being the most susceptible to replacement. The main ore bodies have been found where northeast fractures cross the favorable limestone beds and where these beds have been slightly folded to produce a plunging roll. The northeast fractures were apparently the avenue for the penetration of the mineralizing solutions and the folding offered by open ground received these solutions in quantity.

Some fracture systems with northwesterly direction (which is more or less the strike of the main ore body) have yielded pockets of ore where they contact favorable spots in the limestone. One

of such fracture systems was prospected on the 4th level in raise 60 and crosscuts 13 and 14.

HISTORY

The Abril Mine was located in 1903 by Jose Herrera, Marcos Herrera and Frank Abril. It was first worked principally for silver ore which is said to have been found on the surface. Equipment and supplies at that time had to be hauled in by burro for several miles. Very little work was done other than assessment until World War II when the government approved an access road for Bargin Mines, Inc., lessees with option. Later in 1946 the mine was subleased to Shattuck Denn Mining Corporation. At the time of acquisition by Shattuck Denn the No. 1 and No. 2 tunnels were the only development. No. 1 tunnel had approximately 200 feet of workings, drifts, crosscuts, and winze. Some good zinc ore was exposed in the lower openings which were on the vein. The No. 2 tunnel was about 70 feet lower and approximately 300 feet from the first tunnel. This tunnel was in about 40 feet with an inclined winze on the ore for some 70 feet. Good zinc ore was on both sides of this winze. Ore production from the mine before Shattuck Denn obtained a lease is estimated at approximately 4,000 tons and averaged 23% zinc and 20 ounces silver per ton.

Work was started in 1947 on the exposed vein on a third level 57 feet lower and 180 feet north of the 2nd level. This tunnel was driven to cut the ore below the winze on the 2nd level. A good ore body was exposed here which spread out and extended up to the first tunnel workings. Tunnel No. 4 was started on the mineralized outcropping 37 feet below and 130 feet north of

Tunnel No. 3 to get below the ore body. When ore was found to extend below the 4th level a 5th level was started 150 feet below in the underlying granite. It was driven through the granite and into the limestone for a total distance of 600 feet. Exploratory crosscuts and raises were driven but the only ore found was that in a single small stope halfway between the 4th and 5th levels in No. 53 raise.

During the time that Shattuck Denn operated the mine they had a diamond drill crew constantly at work and drove many exploratory drifts and crosscuts. The ore mined was from stopes above the 3rd and 4th levels.

The production record of the mine is shown in the following table.

PRODUCTION RECORD

Operator	Date	Dry Tons	Average Assay per Ton			
			Ag-oz	Cu-%	Pb-%	Zn-%
Herrera and others	Prior to 1946	Approx. 4,000	Approx. 20.0	-	-	23.0
Shattuck Denn	1946	7,123.50	0.332	0.588	0.076	13.46
	1947	8,762.74	.359	.968	.065	12.45
	1948	1,214.33	.345	.690	.050	8.15
	1949	2,661.17	.338	.835	.036	11.14
Total		19,761.74	.346	.796	.064	12.38
Sherwood B. Owens	1-1-51 to 12-1-51	5,056.34		0.39		10.9
	12-1-51 to 6-30-52	1,976.24		.50		13.0
Total		7,032.58		.37		11.49
GRAND TOTAL		30,794.32				13.5

The drop in price of zinc in 1948 caused Shattuck Denn to close the mine although they still had a few thousand tons of ore exposed and some promise of new ore bodies indicated by diamond drill holes.

After the rise in price of zinc in 1950 Sherwood B. Owens obtained a lease from Shattuck Denn and proceeded to mine the ore reserves from the 3rd, 4th and 5th levels.

Anticipating a continuation of the ore body below the 4th level, an incline raise was run from the stope half way between the 4th and 5th levels to the 4th level. This raise was supposedly in the favorable limestone beds. Although a diamond drill hole on the dip of the beds had shown good zinc values some 30 feet below the level, no ore was encountered until within 3 feet of the 4th level. The diamond drill hole with the ore showing was tapped with a short crosscut off the raise and was found to have followed a small stringer of ore.

The ore below the stopes on the 4th level was then mined out by underhand methods and was found to extend only 15 feet below the level at the deepest point.

D.M.E.A.

Soon after the start of mining operations Owens applied for an exploration loan, which was approved in November and work under DMEA commenced December 1, 1951. Ore production by Mr. Owens to this date was 5,056.34 tons averaging 10.9% zinc and .39% copper. Production while the exploration program was being carried out was 1,976.24 tons averaging 13.0% Zn, 0.5% Cu. No ore was mined from exploration work.

The progress of the exploration program was as follows:

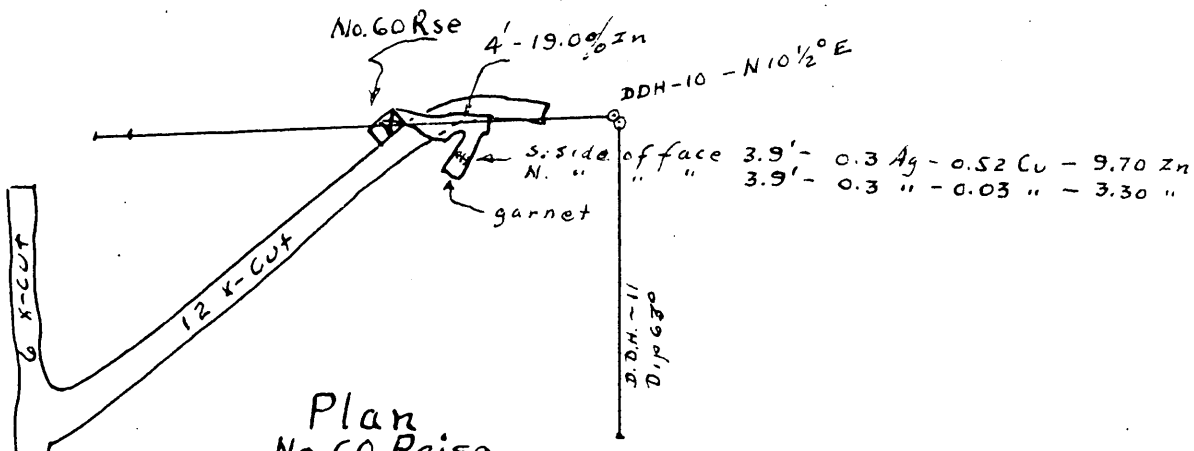
Place	Month	Footage	To Date Total Footage	Sub-Total
4th Level 6 Crosscut	Dec. 1951	18.0	18.0	
	Jan. 1952	17.0	35.0	
	Feb. 1952	70.8	105.8	
	Mar. 1952	70.0	175.8	
	Apr. 1952	69.0	244.8	
	May 1952	33.0	277.8	
	June 1952	91.0	368.8	
	July 1952	8.0	376.8	376.8
4th Level 12 Crosscut	July 1952	86.0	86.0	
	Aug. 1952	67.0	153.0	153.0
4th Level 60 Raise	Aug. 1952	13.0	13.0	
	Sept. 1952	48.0	61.0	
	Oct. 1952	38.0	99.0	
	Nov. 1952	20.0	119.0	119.0
4th Level 13 Crosscut	Dec. 1952	26.0	26.0	
	Feb. 1953	12.0	38.0	
	Mar. 1953	13.0	51.0	
	Apr. 1953	17.0	68.0	
	May 1953	6.0	74.0	74.0
4th Level 14 Crosscut	May 1953	17.0	17.0	
	June 1953	38.0	55.0	55.0
4th Level 61 Raise	Dec. 1952	23.0	23.0	23.0
5th Level 4 Crosscut	Jan. 1953	37.0	37.0	
	Feb. 1953	74.0	111.0	
	Mar. 1953	84.0	195.0	
	Apr. 1953	76.0	271.0	
	May 1953	34.0	305.0	305.0
			GRAND TOTAL	1105.8

The exploration work at the mine was begun December 1, 1951, with the installation of pipe and track in preparation for the planned program which was to start with the extension of No. 6 crosscut on the 4th level. In order to stay in the bedding which was indicated as favorable by surface workings and diamond drill holes Nos. 10 and 11 (see plan and cross section, Sketch 1, page 10) 6 crosscut was extended S. 80° E. When no ore was encountered in this work, crosscut No. 12 was started 60 feet from the face of No. 6 crosscut S. 25° E. in order to get below the ore shown in DD hole No. 10 where a raise could be started. This new crosscut was extended beyond the proposed raise to meet the limestone-quartzite contact.

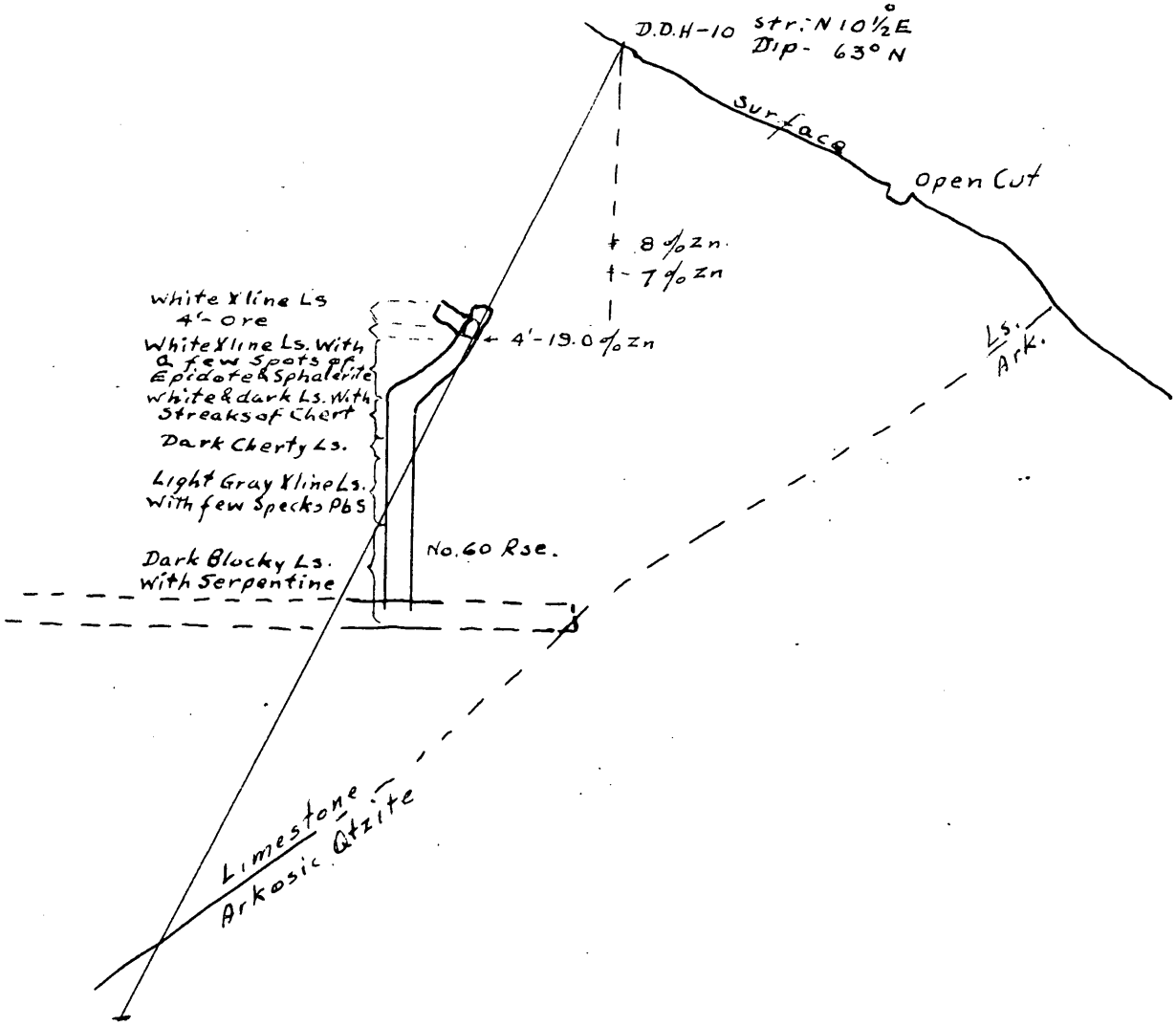
The raise was not started directly below the ore showing in DDH No. 10 but a little to the north in order (1) to tap the diamond drill hole as soon as possible for auxiliary ventilation, and (2) to enter the ore horizon at a lower level. If ore could be encountered lower in the horizon the raise could then be continued on an incline in the ore.

The diamond drill hole was encountered at 29 feet and the raise continued vertically 68 feet above the level. Only a small kidney of zinc ore (possibly 100 pounds) was found in the top of the raise. From the top of the raise a 40° incline was driven to the south again to expose the diamond drill hole and then to follow it at a 60° angle through the ore. (See sketch No. 1, page 10) Ore encountered in the diamond drill hole was 4 feet thick and assayed 19.0% Zn.

The raise was extended 6 feet beyond the mineralized section. The raise was then widened at the ore zone to determine, if



Plan
No. 60 Raise
1" = 50'



No. 60 Raise
Vertical Section N. 10½° E
1" = 50'

SKETCH No. 1

possible, its size and the direction of its extension. After widening the raise the widest portion of the mineralized zone remained on the west side while only a few inches remained on the other side.

A system of fractures extending N. 40° W. indicated a possible controlling factor for the deposition of the ore. The side of the raise was extended in a northwesterly direction. Although the rock was still garnetized, only a few traces of sphalerite remained after 15 feet of advance. The ore blasted from the raise was diluted with waste to such an extent that it was not shipping grade. Assays from the raise were as follows.

	Feet	Ag-oz	Cu-%	Zn-%
At DDH #10	4.0	0.4	0.05	19.00
10' NW of DDH #10 S side of face	3.9	0.3	.52	9.70
N side of face	3.9	0.03	.03	3.30
Face average	8.8	0.3	.18	6.50

It was observed that the fracture zone of N. 40° W when projected with vertical dip coincided with a similar zone in No. 6 crosscut and a fracture zone in DDH T3-3 plus C-1 which extends below the 5th level.

As mineralization occurred in the raise along the N.W. fractures it was decided to explore along the similar fracture zone on the 4th level by driving a short incline raise, No. 61, to the northwest and a short crosscut, No. 13, to the Southeast. From these workings long-hole drilling methods were used for further exploration. The objective to the southeast was a possible ore body at or near the intersection of the fracture zone with the

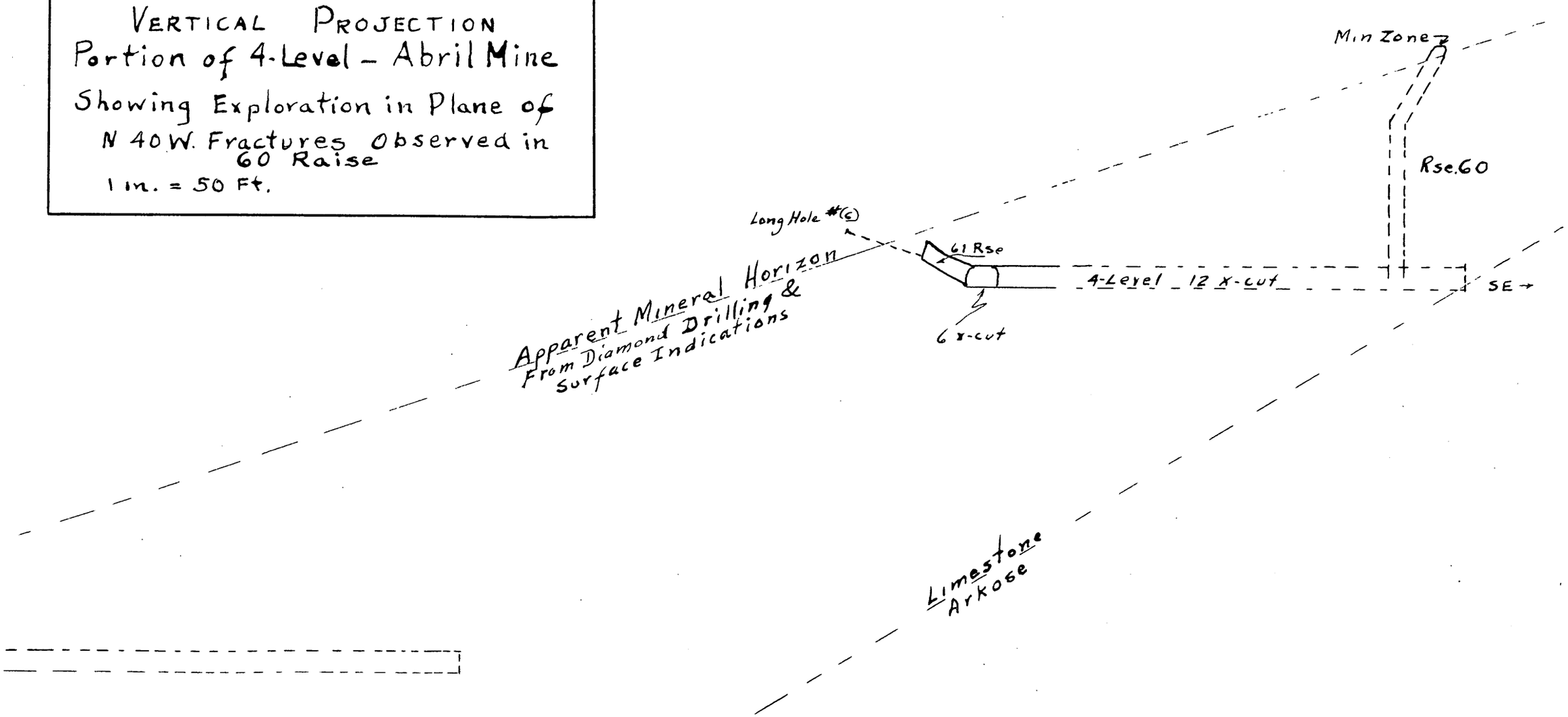
more favorable limestone beds. The objective to the northwest was a possible ore body at the intersections of the N.W. fractures with a diabasic dike and a fracture system trending northeasterly (See Sketch 2, page 13).

As 13 crosscut advanced it was observed that the strike of the vertical fracture system changed from the S 40° E direction to S 34° E with a dip of approximately 78° to the north. (A strong slip containing a good grade of chrysotile asbestos was exposed here.) To the northeast of 6 crosscut in the inclined raise No. 61, the fracture system seemed to feather out and become lost. Such changes in the fracture system in so short a space indicated that its position, if projected to the 5th level, would be very indefinite.

When the 13 crosscut and 61 raise had been advanced 26 feet and 23 feet respectively, long-hole drilling with sectional steel was started. Three of the 4 holes in the face of 13 crosscut encountered ore. No ore was found in No. 6 hole from the inclined raise. An additional hole (No. 5) was driven from the side of 6 crosscut to the south but did not strike any ore. (See Sketch No. 3 in back of report and log of drill holes, pages 18 to 24.

No. 13 crosscut was later advanced an additional 48 feet following No. 2 drill hole (S 4° E). The ore discovered in the drill hole was exposed and found to be a small flat-lying vein 4 feet above the floor of the crosscut. For a distance of 9.5 feet the drill hole had followed this seam of ore, which gradually widened to 2 feet and finally made a quick turn into the back. A sample of the drill hole assayed 15% Zn and a chip sample across a two-foot width assayed 18.8% Zn, 0.6 oz. Ag and 3.15% Cu. As

VERTICAL PROJECTION
Portion of 4-Level – Abril Mine
Showing Exploration in Plane of
N 40 W. Fractures Observed in
60 Raise
1 in. = 50 Ft.



SKETCH No. 2

the vein turned into the back it lost its vein-like identity in a garnetized mass. This mineralized mass bulged almost to the floor as the heading advanced, then ended abruptly against a bedding-like slip.

Another crosscut (No. 14) was started near the end of 13 crosscut to explore the mineralized zone along this slip and was advanced 55 feet. Three long holes were drilled in 14 crosscut at right angles to the bedding and through the mineralized zone. Sludge samples from the drill holes as well as chip samples across the back of the crosscut were taken (See Sketch No. 3 in back of report and log of drill holes, pages 18 to 24.)

The sample widths and assays were averaged for the purpose of estimating the tonnage and average values of the ore reserves. By assuming the ore to extend 5 feet below, 10 feet above and 10 feet beyond the outside drill holes, a reserve of 12,420 cubic feet or 1242 tons of ore was estimated which would average 4.98% Zn.

The sketch on the following page presents cross sections of 13 and 14 crosscuts with assay values along the drill holes. (See Sketch 4, page 15.)

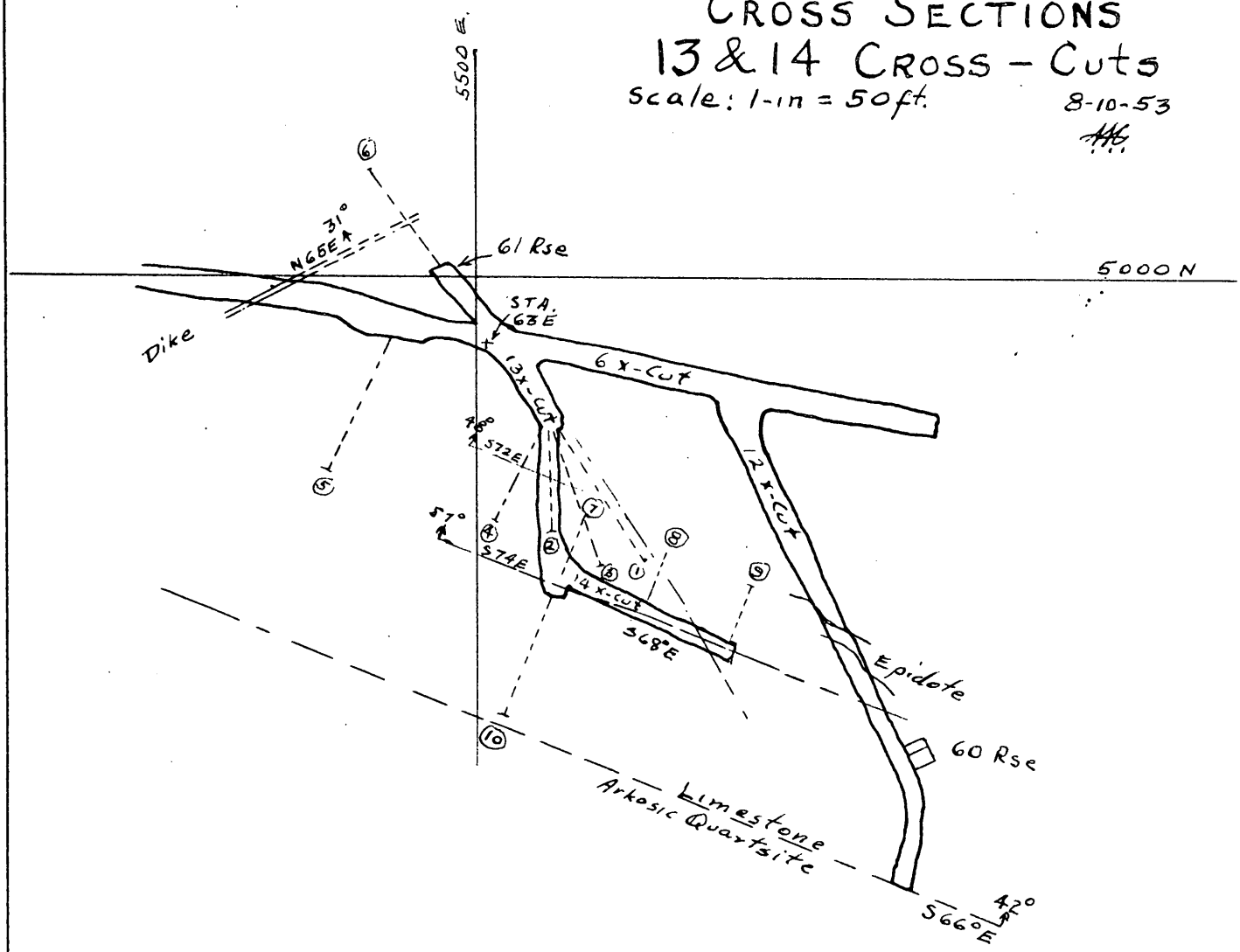
Exploration work on the 5th level consisted of advancement of 4 crosscut and the long-hole drilling along its length. Earlier diamond drilling by Shattuck Denn had given some indications of a possible ore body within 300 feet of the breast of 4 crosscut. Three holes in particular (Nos. 3T, 3 plus C-1, 2, and 3) were the guide to the direction of extension of 4 crosscut. A sectional sketch of these holes with logs is shown on page 16, Sketch 5.

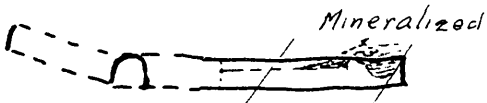
Mineralization in the holes indicated the probable dip and strike of the favorable limestone bed. The crosscut was therefore

PLAN & CROSS SECTIONS 13 & 14 CROSS-Cuts

Scale: 1-in = 50 ft.

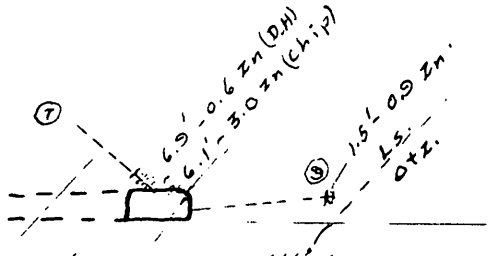
8-10-53



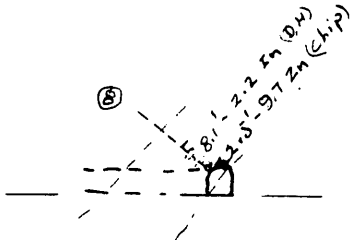


Section No. 2 Drill Hole

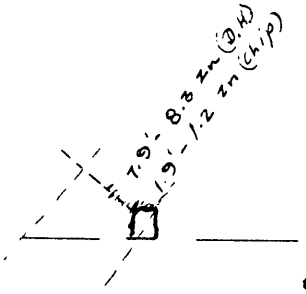
Assay Drillhole 9.5' = 15.0% Zn.
" Chip Sple 2.0' = 18.8 " "



Section Nos. 7&9 Drill Holes



Section No. 8 Drill Hole



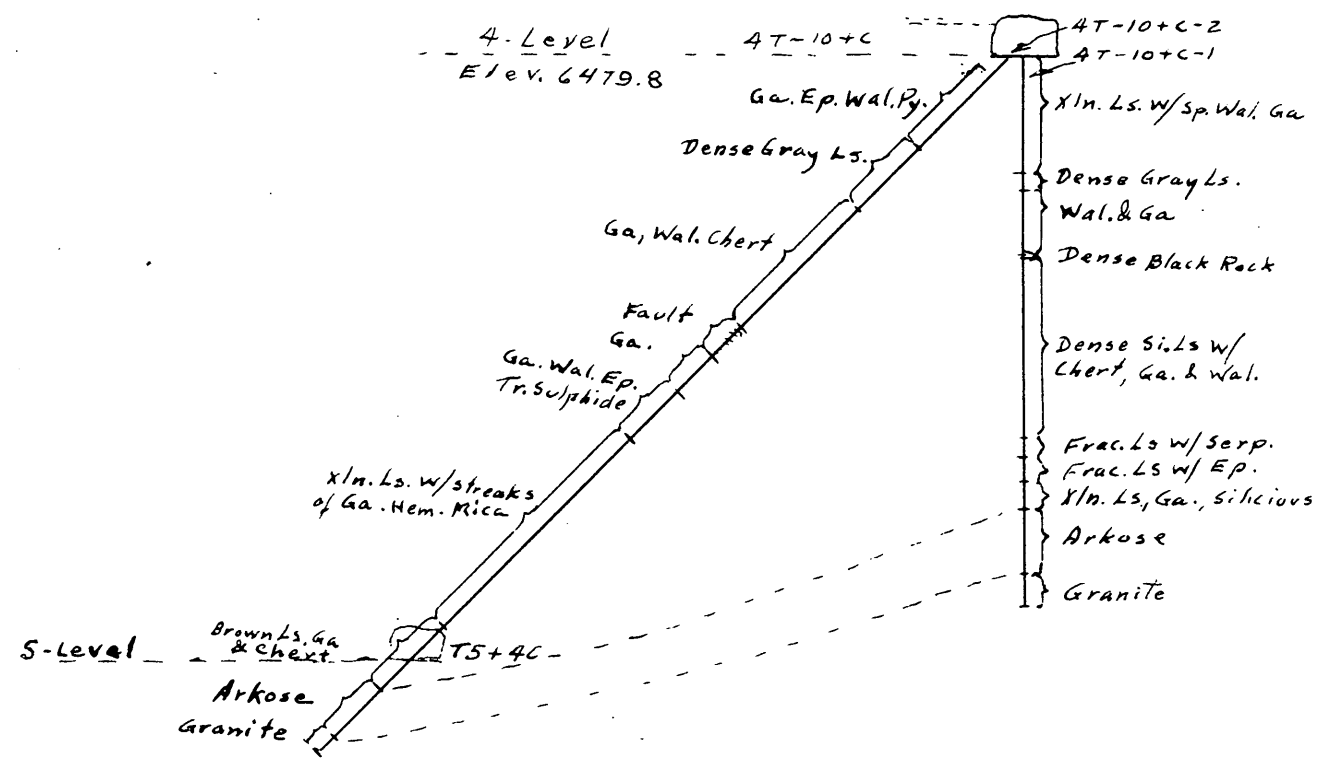
Section No. 9 Drill Hole

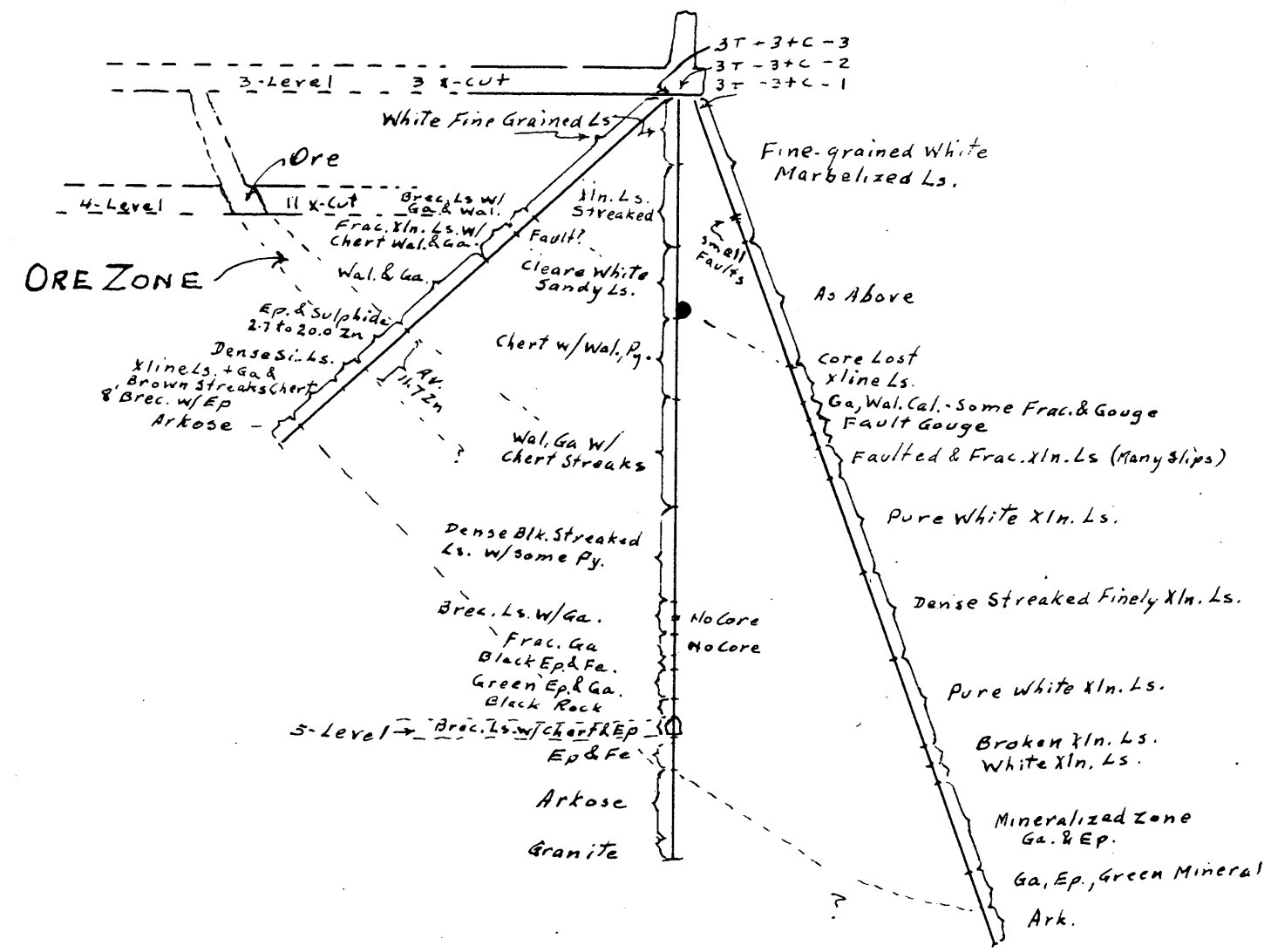
SKETCH No. 4

DIAMOND DRILL HOLES
CROSS - SECTIONS

1 in. = 50 ft. ~~A.H.G.~~

Holes Nos. 3T-3+C-1
-2
-3
4T-10+C -1
-2





SKETCH No. 5

extended S 58° E where it would stay in the favorable bed and also tap the vertical drill hole No. 3T-3 plus C-2 at the elevation of the ore showing.

As the crosscut was extended it entered a rock which appeared to be a dark limestone. Later this rock was identified as one of the variations of the quartzite which had previously been called an arkosic quartzite. The crosscut continued in this rock along a sheared zone containing some epidote and a very small amount of garnet. At the intersection with the diamond drill hole was a narrow band of crushed garnet which may have contained a small percentage of zinc. No sphalerite was observed along the length of the 305 feet of new crosscut.

After completion of the crosscut, long holes were drilled in the breast and to each side to explore the area further. In breast hole No. 7 which was driven due east, a body of pyrrhotite was found which contained 0.5% zinc. This was the most encouraging showing on the 5th level as two known pyrrhotite bodies adjoin the old stoped out area above. At 50 foot intervals from the breast 7 holes were drilled to a depth of approximately 40 feet. These holes were pointed as nearly as possible at right angles to the limestone beds overlying the quartzite. This depth was considered sufficient, as previous ore bodies had lain within this range of the quartzite. Much of the overlying limestone was garnetized. The sludge from the garnetized material was assayed and carried zinc values up to 1.9%, the average being less than 1%.

Two flat holes were drilled into the south wall and two upward within the bedding. (See Map and Sketch 3 in back of report and long-hole drill logs pages 18 et seq.)

Zinc values from drill holes on the 5th level were considered too low to use in estimating tonnages of ore reserves. The following table gives a log of each hole drilled.

Long-Hole Drill Logs - 4th Level

No. 1 Location: East side of breast, 13 crosscut, 32 feet from Sta. 63E, 3.5 feet above floor. Bearing: S 34° E dip plus 6°

Depth	Zn-%	Remarks
0 - 24.3	-	White limestone with occasionally slight color change
24.3 - 26.3	-	Dark rock
26.3 - 43.5	-	White limestone
43.5 - 46.5	5.6	Epidote with sphalerite
46.5 - 51.0	10.1	" " "

No. 2 Location: Center of breast, 13 crosscut, 32 feet from Sta. 63E, 3.5 feet above floor. Bearing: S 4° E Dip plus 6°

0 - 21.0	-	White limestone
21.0 - 30.5	15.0	Epidote with sphalerite and chalcopyrite (Cu 0.95%, Ag 1 oz.)
30.5 - 32.5	-	White limestone with little epidote

No. 3 Location: Above Holes 1 and 2, 6 feet from floor, 32 feet from Sta. 63E. Bearing: S 19° E Dip plus 31°

0 - 42.0	-	White limestone
42.0 - 55.0	-	White limestone with some yellow stain
55.0 - 55.5	-	White limestone with some yellow stain (soft)

No. 4 Location: West side of breast 13 crosscut, 42" from floor, 32 feet from Sta. 63E Bearing: S 26° W Dip: Plus 6°

0 - 20.5	-	White limestone
20.5 - 22.5	0.7	Gray limestone with a few shines
22.5 - 25.8	-	White limestone

Depth	Zn-%	Remarks
No. 4, con't		
25.8 - 31.0	21.0	Epidote with sphalerite, Ag .6 oz, Cu .06%
31.0 - 31.8	-	White limestone
31.8 - 33.1	1.3	Limestone with epidote

No. 5 Location: S. Wall, 6 crosscut, 25 feet west of Sta. 63E, 42" from floor. Bearing: S 22° W Dip: Plus 5°

0 - 13.0	-	Gray limestone
13.0 - 22.0	-	Layers of white and gray limestone
22.0 - 24.0	-	White limestone with yellow stained material
24.0 - 40.0	-	Gray limestone

No. 6 Location: Raise 61, middle of breast, 24" from bottom

Bearing: N 37° W Dip: Plus 16°

0 - 7.8	-	Gray limestone
7.8 - 8.5	-	Epidote
8.5 - 12.0	-	Alternating gray and white limestone
12.0 - 27.2	-	White limestone
27.2 - 29.7	-	Fine grained diabasic dike
29.7 - 30.7	-	Gray limestone
30.7 - 34.6	-	White limestone

No. 7 Location: Junction of 13 and 14 crosscuts, back of crosscut

Bearing: N 20° E Dip: Plus 40°

0 - 6.8	0.6	Garnet and epidote with sphalerite
6.8 - 12.8	-	Gray limestone
12.8 - 25.0	-	White limestone

No. 8 Location: 7 feet from floor, N. side of 14 Crosscut, 27 feet E. of Hole No. 7. Bearing: N 20° E Dip: Plus 40°

0 - 8.1	2.2	Garnet and epidote with sphalerite

Depth	Zn-%	Remarks
No. 8, con't.		
8.1 - 14.3	0.9	Garnet and epidote with sphalerite
14.3 - 22.5	-	White limestone

No. 9 Location: 2 feet from face of 14 crosscut, North side, 7 feet from floor. Bearing: N 20° E Dip: Plus 40°

0 - 7.9	8.3	Garnet and epidote
7.9 - 24.8	-	White limestone

No. 10 Location: West side of breast of 13 crosscut, 42" from floor. Bearing: S 20° W Dip: Plus 7°

0 - 11.9	-	Gray limestone
11.9 - 22.7	-	Gray limestone
22.7 - 23.3	-	Gray limestone plus garnet blackrock, serpentine and trace of asbestos
23.3 - 28.1	-	Gray limestone
28.1 - 30.7	-	White limestone with epidote
30.7 - 37.8	-	White limestone with epidote
37.8 - 39.3	0.9	Epidote with shines of some limestone

Long-Hole Drill Logs - 5th Level

No. 1 Location: Middle of face of 4 Crosscut

Bearing: S 58° E Dip: Plus 6°

0 - 15.5	-	Dark rock similar to crosscut with some serpentine
15.5 - 18.0	-	Gray rock does not effervesce with HCl
18.0 - 28.6	-	Dark rock
28.6 - 29.1	-	Dark gouge-like material Lost steel in hole

No. 2 Location: 6" from Hole No. 1

Bearing: S 58° E Dip: Plus 6°

0 - 15.0	-	Dark rock
15.0 - 18.5	-	Gray rock

Depth	Zn-%	Remarks
No. 2, con't		
18.5 - 29.5	-	Dark rock
29.5 - 30.0	-	Soft brown cuttings with hematite
30.0 - 38.6	-	Gray rock

No. 3 Location: 4 feet from face and 4 feet from floor of #4 Crosscut. Bearing: S 32° W Dip: Plus 6°

0 - 8.0	-	Dark rock
8.0 - 18.0	-	Gray chert-like rock, some serpentine and little pyrite
18.0 - 23.0	-	Siliceous black rock with serpentine and little pyrite
23.0 - 25.5	-	Arkose, slight effervescence with HCl
25.5 - 32.7	-	Arkose contains trace of magnetite and yellow garnet
32.7 - 34.6	-	Similar to above but contains white mica

No. 4 Location: Back of 4 Crosscut, 4 feet from face

Bearing: S 32° W Dip: Plus 60°

0 - 9.7	-	Dark rock with serpentine
9.7 - 11.0	-	Gray and black cherty rock, much serpentine, a little epidote
11.0 - 13.0	-	Epidote and serpentine with some gray and black rock
13.0 - 19.0	-	Dark rock with serpentine
19.0 - 24.0	-	White and black cherty rock
24.0 - 26.0	-	Mostly epidote with some limestone
26.0 - 27.5	-	Dark rock with some epidote

No. 5 Location: 2 feet from breast on N. side of 4 Crosscut at back. Bearing: N 50° E Dip: Plus 43°

0 - 0.5	-	Dark rock
0.5 - 2.5	0.4	Garnet
2.5 - 15.0	0.3	Epidote, garnet and gray limestone

Depth	Zn-%	Remarks
No. 5, Con't.		
15.0 - 16.0	1.2	Dark gray limestone with garnet
16.0 - 23.5	1.9	Garnet with epidote and dark gray limestone
23.5 - 31.0	0.3	More gray limestone, less garnet, small amount of pyrite
31.0 - 33.7	0.4	Ditto
33.7 - 35.6	0.4	Less garnet, otherwise about same
35.6 - 38.6	0.6	Less garnet, otherwise about same
38.6 - 39.6	-	Trace of garnet in gray limestone

No. 6 Location: Middle of south wall of 4 Crosscut at DDH No. 4T-10 plus C-2. Bearing: S 32° W Dip: Plus 6°

0 - 4.0	-	Dark rock with serpentine
4.0 - 10.7	-	Cherty gray rock with some epidote and lime
10.7 - 21.5	-	Arkose with some lime
21.5 - 23.3	-	" " " " plus mica
23.3 - 26.9	-	Arkose without mica
26.9 - 39.8	-	Clay-like light gray cuttings with some lime, some epidote
39.8 - 42.5	-	Less slimes, trace muscovite and biotite and epidote

No. 7 Location: N. side of face of 4 Crosscut, 3.5 feet from floor

Bearing: Due East Dip: Plus 6°

0 - 15.3	-	Black rock with serpentine and epidote
15.3 - 18.3	-	Garnet and epidote with some limestone
18.3 - 39.0	0.5	Pyrrhotite, pyrite, epidote and limestone
39.0 - 42.5	0.3	Epidote, garnet and limestone with pyrrhotite

Depth	Zn-%	Remarks

No. 8 Location: Wall of 4 Crosscut opposite Hole No. 6, 7 feet from floor. Bearing: N. 32° E. Dip: Plus 40°

0 - 1.6	-	Garnet
1.6 - 3.1	-	Dark gray limestone, black rock, chert, epidote
3.1 - 7.7	-	Layers of epidote, limestone and a little garnet
7.7 - 9.4	0.3	Garnet and epidote with black rock
9.4 - 15.7	-	Mixture of black rock, serpentine, garnet and epidote
15.7 - 18.3	-	Epidote and garnet with light and dark limestone, trace pyrite
18.3 - 25.4	0.3	White limestone with some epidote and garnet, trace pyrite
25.4 - 40.0	-	White limestone with little garnet and epidote

No. 9 Location: Wall of Crosscut, 100 feet from face

Bearing: N 32° E Dip: Plus 40°

0 - 3.1	-	Gray and black rock with chert
3.1 - 5.4	0.3	12" of epidote, then gray limestone
5.4 - 9.1	1.2	Garnet
9.1 - 40.5	-	White limestone with little garnet

No. 10 Location: North wall of 4 Crosscut 150 feet from breast

Bearing: N 32° E Dip: Plus 40°

o - 2.7	-	Dark gray rock with chert
2.7 - 14.0	0.6	Garnet and epidote streaks with a little limestone
(8.9 - 14.0)	0.5	Principally epidote
14.0 - 22.1	0.3	Epidote
22.1 - 24.6	-	GRay limestone with a little epidote and garnet
24.6 - 28.1	0.4	Epidote with a little limestone and pyrite
28.1 - 40.5	-	White and gray limestone

Depth	Zn-%	Remarks

No. 11 Location: North wall of 4 crosscut, 200 feet from face

Bearing: N 32° E Dip: Plus 40°

0 - 7.8	-	Mixture of white and dark limestone and chert
7.8 - 17.0	-	White limestone with a little garnet and trace of pyrite
17.0 - 33.1	-	Ditto
33.1 - 41.0	-	Light gray limestone with trace of pyrite

No. 12 Location: Back of 4 Crosscut, 150 feet from face

Bearing: S 32° W Dip: Plus 70°

0 - 6.7	½	Dark rock with chert and epidote
6.7 - 21.7	0.4	Garnet and epidote streaks with a little lime
21.7 - 26.5	0.2	Epidote with a little garnet, black rock and little lime
26.5 - 35.3	0.2	Ditto

No. 13 Location: North wall of 4 crosscut, 250 feet from face

Bearing: N. 32° E Dip: Plus 40°

0 - 17.1	-	White limestone
17.1 - 25.1	-	White limestone
25.1 - 40.9	-	Slightly garnetized limestone with trace pyrite

No. 14 Location: North wall of 4 crosscut, 300 feet from face

Bearing: N 32°E Dip: Plus 40°

0 - 6.0	-	White garnetized limestone
6.0 - 20.1	-	White limestone
20.1 - 40.3	-	Garnet with some limestone

ORE RESERVES DETERMINED PRIOR TO DMEA

One body of a good grade of ore exists in the floor of 6 crosscut on the 4th level at its intersection with 11 crosscut.

This body of ore was not discovered under the DMEA program and has not been developed sufficiently to determine its extent. One diamond drill hole (No. 3T-3 plus C-3), which penetrated this ore zone almost at right angles to the bedding 40 feet below the 4th level, had an average assay of 11.7% Zn for a distance of 17 feet. On the 4th level this ore body is approximately 8 feet thick but its extent to the west is not known. As long-hole drilling on the 5th level did not tap this ore, in all probability it would have to be mined from a winze until its size has been more fully determined. A sketch of this zone is shown on cross section through diamond drill holes 3T-3 plus C-1, 2, and 3, Sketch No. 5, page 16.

There are no other known ore reserves other than a few pillars or narrow stringers along the perimeter of the old stopes.

SUMMARY OF DMEA WORK AND ORE RESERVES

Under the exploration program which was begun December 1, 1951, 963.8 feet of crosscutting, 142.0 feet of raising and 891.2 feet of long-hole drilling was accomplished

A small low-grade body of ore containing approximately 1242 tons, averaging 4.98% Zn was measured above 14 crosscut on the 4th level. The lowness of grade combined with the limitations below and to east and west has made it impractical to estimate either indicated or inferred ore.

Only weak zinc values up to 1.9% were found in drill holes on the 5th level. No other values worth noting were discovered in the course of the exploration program. The program was completed and operations at the mine terminated as of July 31, 1953.

Respectfully submitted,

Sherwood B. Owens

Sherwood B. Owens

MAR 12 1954
BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SOUTHWEST EXPERIMENT STATION
Box 4097
UNIVERSITY STATION

TUCSON, ARIZONA

March 9, 1954

Register

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject: Operator's Final Report, Contract Idm-E210, Docket DMA-399X, Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed are original and 4 copies of the operator's final report for work done under Contract Idm-E210.

We received this report on January 11, but have been holding it until the final engineering report was finished.

Walter R. Storms

Walter R. Storms

CC W. H. King (4)
A. F. Shride
DMA-399X
DF

WRStorms:frj

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAR 11 1954

224 New Customhouse
Denver 2, Colorado

March 9, 1954

Mr. Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

Re: Docket DMEA 399X
Contract Idm-E210

Dear Mr. Owens:

In our letter to you of February 19, 1954, which constituted the Government's acceptance of your bid and proposal in the liquidation of jointly owned property acquired under the contract, we advised you that final payment to you would be effected upon release to this office of a certificate and report of audit by the Contract Administration and Audit Division.

The audit certificate and report has been released, however we find that you have not complied with article 14 of the contract form in rendering a final engineering and geologic report relative to the work performed under the contract.

In lieu of the four copies of your final engineering and geologic report, as stipulated in article 14, please supply this office with five copies, forwarding the report through Mr. W. R. Storms, Tucson, Arizona.

Please expedite the submittal of the final engineering and geologic report as we are desirous of closing the account at an early date.

Very truly yours,

W. H. KING

W. H. King
Executive Officer, DMEA
Field Team, Region IV

JWT:jp
cc Contract
Chron
WRStorms
AHKoschmann
Sec. to Oper. Committee
JWTownsend

FILE COPY
SURNAME:

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

MAR 5 1954

Mr. Donald T. Finch
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: Idm-R21D, DMA-399X
Sherwood B. Owens
Cochise County, Arizona

Dear Mr. Finch:

Receipt is acknowledged of your Audit Report and Audit Certificate covering the above-cited project.

The Report is acceptable and may be released in the usual manner.

Sincerely yours,

Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBorovies/wb
March 5, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

R.C.B. 3-5-54

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

500

Initialed Selfridge
Mr Theodoz

MAR 1 1954

Mr. W. E. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA-399 (Zinc-Copper)
Cherwood S. Owens
Abril Mine
Cochise County, Arizona
Contract No. Idm-1210

Dear Mr. King:

We have received no final reports on the above project, which we understand was completed in July 1953. Will you kindly forward them to us as soon as it is convenient to do so.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

APPROVED:

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

D. M. Larrabee
Member, Geological Survey (JHB)

WRGriswold/bjl (2/26/54)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Bishop
Mr. Kinkel
Chron.

R.C.B. 3-2-54

January 12, 1954

Memorandum

To : Walter R. Sterns, Chief, Mining Methods Br., Mining Div., Region IV, Tucson, Ariz.

From : L. L. Farnham, Mining Engineer, Tucson, Ariz.

Subject : Docket DMA-399K, Sherwood B. Owens, Abril mine, Contract Idm-8310.

On January 11, 1954, Sherwood Owens submitted an inventory of the jointly owned property purchased under the above contract, together with bids for the disposition of the property remaining at the completion of the project. A summary of the original cost and the amount of the bids follows:

(1) The operating equipment originally purchased consisted of 5 rock drills with accessories, costing $2,752.80. Two of these drills, costing $652.80, were destroyed by fire. Bids from 2 outside sources covering the 3 remaining drills with accessories and the used air and water hose were $650 and $675. Owens bid 5 percent more than the highest, or $708.75.

(2) Two small frame buildings were purchased secondhand and moved to the project at a total cost of $1,380. The largest of the buildings was destroyed by fire, but replaced with another by Owens at his own expense. The highest of the 2 bids for these buildings was $60. Owens' bid $63.

(3) The hand tools purchased jointly cost $173.65. Both bids received for these remaining items was $25. Owens bid $26.25.

(4) The drill hose purchased for the project cost $642.60. An unknown amount of this was destroyed in the warehouse fire. Hose is comparatively short lived and after more than a year of service is of questionable value. The bids on this item were included with the drill bids.

(5 & 6) The pipe and fittings purchased cost $1,031.75. The highest bid for this material was $284.48 in place. Owens' bid amounts to $298.70.

(7) The total cost of the track was $934.53 and consisted of 6.5 tons of rail with bolts, spikes, and fishplates. The highest

CC W. H. King (Orig. & 5)
DMA-399K
DF

L.L.Farnham:frj

bid received for the track in place was $35 a ton, amounting to $227.50. Owens' bid amounts to $238.88.

(8) About 1,100 feet of drill steel with carbide inserts was purchased at a total cost of $1,250. At the completion of the project less than 150 feet was of salvageable value. The highest bid for the remaining steel was $34. Owens bid $35.70.

Summary:

	Cost	Highest Bid (Owens)
Equipment	$2,752.80	$708.75
Buildings	1,380.00	63.00
Hand tools	173.65	26.25
Drill hose	642.60	(included in item 1)
Pipe and fittings	1,031.75	298.70
Track	934.53	238.88
Drill steel	1,250.00	35.70
Totals	$8,165.33	$1,371.28

The highest bid on the material amounts to about 17 percent of its original cost. When the loss occasioned by the fire, the cost of recovering the pipe and track from the mine, and the expendable nature of much of the material is taken into consideration, the bids do not appear too far out of line. Consequently, it is recommended that Sherwood Owens' bid be accepted, subject to any adjustments resulting from the final on-site audit of the project accounts.

In addition to the above material the following explosives were in stock at the completion of the project:

1,200 pounds of 60 percent dynamite;
3,000 feet of fuse.

According to Sherwood Owens, this material was disposed of shortly after the completion of the work for 100 percent of its original cost. The costs of these items are not available in this office but are shown on the invoices submitted with the Operator's Report for April 1953.

L. L. Farnham, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

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

224 New Customhouse
Denver 2, Colorado

August 14, 1953

~~Memorandum~~
Betty

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMA Docket 399X, Contract Idm-E210 (Lead-Zinc), Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Arizona.

Enclosed are two copies of the Operator's Monthly Progress Report Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the period of May, 1953, pertaining to DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Arizona.

W. H. King
W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

May 26, 1953.

Gwendolyn
Betty

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMEA Docket 399X, Contract Idm-E210 (Zinc-Copper), Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Arizona.

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of April 1953, pertaining to DMEA Docket 399X, Contract Idm-E210 (Zinc-Copper), Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Arizona.

W. H. King
W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

April 29, 1953.

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMA Docket 399X, Contract Idm-E210 (Zinc-Copper), Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Arizona.

Enclosed are two copies of the Operator's Monthly Progress Report MF-104 and 104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of March 1953, pertaining to DMA Docket 399X, Contract Idm-E210 (Zinc-Copper), Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Arizona.

W. H. King

Enclosures

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

Grosvold
Betty

224 New Customhouse
Denver 2, Colorado

April 2, 1953

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMA Docket 399X, Contract Idm-E210, (Zinc and Copper), Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Arizona

Enclosed are two copies of the Operator's Monthly Progress Report Form MF-104, and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the period of February, 1953, pertaining to DMA Docket 399X, Contract Idm E210, Sherwood B. Owens' Abril Lead-Zinc Mine.

W. H. King
W. H. King

Enclosures

FILE COPY
SURNAME:

Talbert
Chambers

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

MAR 20 1953

Mr. Thomas H. Bending
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: DMA-399X, Idn-8120
Shoshone B. Cuma

Dear Mr. Bending:

F. C. 3/20/53

The Interim Audit Report and Certificate, covering the referenced project, forwarded by your letter of March 16, 1953 has been reviewed.

It is noted that your Audit Certificate indicates "Exceptions (Per Audit Report)" of 66 cents, whereas, the Audit Report discloses that $100.66 was disallowed by audit and that $100.00 previously disallowed by the Certifying Officer was determined to be allowable. Under these circumstances the Audit Certificate should have been stated as follows:

Total cost as billed by Operator		$50,426.11
Exceptions (See Audit Report for details):		
During this audit	$100.66	
Less: Previous exceptions determined to be allowable	100.00	.66
Total accepted cost		$50,427.45

It is suggested that, in future instances of such reinstatements of previous exceptions, the Audit Certificate be stated in a manner similar to the above. This conforms to Exhibit "A" of Supplement 3 to DMEA Circular 19 and the instruction given by Mr. Talbert during the January conference.

In the future it is requested, also, in cases where "Miscellaneous" represents a considerable portion of the Operating Materials and Supplies, that an analysis of such costs be given in the audit report. In this case the "Miscellaneous" costs amount to one-half of the total Operating Materials and Supplies and one-seventh of the total project costs. The need for such an analysis is evident and should be included in your next audit of this project.

There is also a slight inconsistency in Section IV, Conclusions and Recommendations. On page 7 you indicate that the Operator is preparing his next MF-304A in the total amount of $50,427.45,

whereas on page 9 you state that the Operator is preparing his next MF-104 in the total amount of $50,128.11. The difference, of course, represents the net disallowance of 66 cents. However, the Operator should prepare these forms so the totals are in agreement.

Since this is an "Interim" Report and Certificate, I do not believe these differences are sufficient to warrant returning for correction; therefore I am accepting the Audit Report and Certificate as submitted and you are authorized to effect normal distribution of the copies retained by you.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/vb
March 19, 1953

Copy to: Docket
Adm. Reading File
Mr. Chambers
Mr. Mayer
Mr. Hull
Mr. Turner

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

March 19, 1953

224 New Customhouse
Denver 2, Colorado

Department of the Interior
Defense Minerals Exploration
MAR 23 1953

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMA Docket 399X, Contract Idm-E210 (Zinc-Copper), Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Arizona.

Enclosed are two copies of the Operator's Monthly Progress Report MF-104 and 104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of January 1953, pertaining to DMA Docket 399X, Contract Idm-E210 (Zinc-Copper), Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Arizona.

W. H. King
W. H. King

Enclosures

Docket Copy

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

224 New Customhouse
Denver 2, Colorado

March 18, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAR 23 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Amendment No. 7 to Contract Idm-E210, Docket DMA 399X, Sherwood B. Owens

Enclosed are the original and two copies of Amendment No. 7 to Contract Idm-E210. Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

Also enclosed are three copies of a letter from the operator requesting this amendment and three copies of a memorandum from a Bureau of Mines Engineer approving this amendment.

W. H. King
W. H. King

Enclosures

RECEIVED
MAR 27 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

cc 3/23

MINING DIVISION
REGION IV

February 16, 1953

Memorandum

To : W. H. King, Chief, Mining Div., Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : Proposed amendment, Docket DMA-399X, Contract Idm-2210, Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed are original and five copies of a proposed amendment for the above contract.

As Owens' reason for this amendment seems adequate, I recommend that it be approved.

Walter R. Storms

Walter R. Storms

CC W. H. King (5)
DMA-399X
DF

WRStorms:frj

Feb. 10, 1953

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Ariz.

Re: Contract Idm-E210
DMA Docket 399X

Dear Mr. Storms:

I would like to request that the above listed contract be amended to include the following new wage classification:

No. 1 miners - $1.6875 per hour

My reason for making this request is that I find it necessary to give our top miners some small raise in wages in order to retain their services. Considerable new construction work on the State Highway is starting at Tombstone and these men would be able to make considerably more money there. On the other hand, they have been with me a long time and do consider our work permanent. Thus a small raise in wages would be, I believe, ample to keep them on the job. You are of course familiar with the labor situation in Southern Arizona and realize as we do how important it is to keep good men once you have them.

I do not wish to change or modify in any way our presently existing wage classifications under the contract. I merely desire to add this entirely new classification and rate.

The wage rate, top, has been $12.50 per day for miners and this new classification would enable me to raise my top men by $1.00 per day to a new rate of $13.50 per day. This is in line with the Tombstone area wages and is below that paid in most other mining areas of the State.

I would like to request that this amendment be made effective as of this date, Feb. 10, 1953.

Yours very truly,

SHERWOOD B. OWENS

SBO/j

Sherwood B. Owens

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

224 New Customhouse
Denver 2, Colorado

March 16, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 19 1953

Memorandum

To: Jay L. Chambers, Chief
Contract Administration and Audit Division

From: Auditor, Region IV

Subject: Audit Reports and Certificates - Contract Idm-E210, Docket No. DMA 399X, Sherwood B. Owens, Tucson, Arizona

Enclosed are three copies of Interim Audit Certificate and two copies of Interim Audit Report for Sherwood B. Owens, pertaining to Exploration Contract Idm-E210, Docket No. DMA 399X, including Amendments 1 to 6.

3/20/53

T. H. Brading

T. H. Brading

Enclosures

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

224 New Customhouse
Denver 2, Colorado

February 17, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 20 1953

Memorandum

To: C. O. Mittendorf

From: Executive Officer, Field Team, Region IV

Subject: Amendment No. 6, DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens

Enclosed are the original and two copies of Amendment No. 6 to Contract Idm-E210. Copies of this amendment have been given to the Operator, the Fiscal Office of Region IV and a copy has been retained for our files. Also enclosed are three copies of a letter from the operator requesting this amendment.

W. H. King
W. H. King

Enclosures

Cal
2-20-53

MINING DIVISION
REGION IV

February 16, 1953

Memorandum

To : W. H. King, Chief, Mining Div., Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : Proposed amendment, Docket DMA-399X, Contract Idm-E210, Sherwood B. Owens' Abril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed are original and five copies of a proposed amendment for the above contract.

As Owens' reason for this amendment seems adequate, I recommend that it be approved.

Walter R. Storms
Walter R. Storms

CC W. H. King (5)
DMA-399X
DF

WRStorms:frj

Feb. 10, 1953

Mr. W. R. Storms
U. S. Bureau of Mines
Tucson, Ariz.

Re: Contract Idm-E210
DMA Docket 399X

Dear Mr. Storms:

I would like to request that the above listed contract be amended to include the following new wage classification:

No. 1 miners - $1.6875 per hour

My reason for making this request is that I find it necessary to give our top miners some small raise in wages in order to retain their services. Considerable new construction work on the State Highway is starting at Tombstone and these men would be able to make considerably more money there. On the other hand, they have been with me a long time and do consider our work permanent. Thus a small raise in wages would be, I believe, ample to keep them on the job. You are of course familiar with the labor situation in So thern Arizona and realize as we do how important it is to keep good men once you have them.

I do not wish to change or modify in any way our presently existing wage classifications under the contract. I merely desire to add this entirely new classification and rate.

The wage rate, top, has been $12.50 per day for miners and this new classification would enable me to raise my top men by $1.00 per day to a new rate of $13.50 per day. This is in line with the Tombstone area wages and is below that paid in most other mining areas of the State.

I would like to request that this amendment be made effective as of this date, Feb. 10, 1953.

Yours very truly,

SHERWOOD B. OWENS

SBO/j

Sherwood B. Owens

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

[redacted]
Betty

224 New Customhouse
Denver 2, Colorado

January 28, 1953

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 399X, ~~Contract~~ Idm-E210 (Zinc and Copper) Sherwood B. Owens Abril Lead-Zinc Mine, Cochise County, Arizona

Enclosed are two copies of the Operator's Monthly Progress Report Form MF-104, and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the period of December, 1952, pertaining to DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens Abril Lead-Zinc Mine, Cochise County, Arizona.

W. H. King
W. H. King

Enclosures (2)

D. D. Hokes
Show Line ord

January 27, 1953

Mr. W. H. King
Executive Officer, DMEA
Field Team, Region IV
Denver, Colorado.

Re: Docket DMA-392X
Contract Idm-E210

Dear Mr. King:

The above captioned contract is dated Nov. 14, 1951 and was planned to be completed within fifteen months, thus making expiration date under original contract February 14, 1953.

While we have accomplished a great deal of work and made one ore discovery the progress has not been as rapid as planned. This has been due largely to various technical difficulties although considerable operating time was lost because of a fire and a fatal accident. We are proceeding with the work according to plan and have ample funds remaining to complete the project but do not have sufficient time.

We have definite target points for our drifts but the amount of crosscutting, raising and particularly drilling necessary is uncertain until the target point is reached. Thus our time table is subject to wide variation. A concrete example of this was our recent long hole drilling on No. 4 level which resulted in the discovery of an ore body.

In the light of these circumstances I would like to request an amendment to my contract changing the completion time of the project from 15 to 24 months. This would change date of completion from Feb. 14, 1953 to Nov. 14, 1953. Upon securing this amendment there would be no question about my having ample time to properly complete the project.

Thanking you for your consideration, I am

Yours very truly,

SHERWOOD B. OWENS

Sherwood B. Owens

SBO/j

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

224 New Customhouse
Denver 2, Colorado

January 12, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 1 2 1953

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 399X, Contract Idm-E210 (Lead-Zinc-Copper) Sherwood B. Owens, Abril Lead Zinc Mine, Cochise County, Arizona

Enclosed are two copies of the Operator's Monthly Progress Report Form MF-104, and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the period of November, 1952, pertaining to DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens, Abril Lead Zinc Mine, Cochise County, Arizona.

W. H. King
W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

December 22, 1952

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Amendment No. 5 to Contract Idm-E210, Docket DMA 399X, Sherwood B. Owens

Enclosed are the original and two copies of Amendment No. 5 to Contract Idm-E210. Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

Also enclosed are three copies of a letter from the operator requesting this amendment and three copies of a memorandum by a Bureau of Mines engineer approving this amendment.

W. H. King

W. H. King

Enclosures

RECEIVED
JAN 8 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Case
12.29

MINING DIVISION
REGION IV

November 20, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Division, Region IV

From : L. A. Stewart for Chief , Arizona-New Mexico Br., Mining Division, Region IV

Subject : Proposed Amendment, BMA Docket 399X, Contract Idm-E210, Sherwood Owens' Abril Lead-Zinc Mine, Cochise County, Ariz.

Enclosed are original and four copies of a letter, each with plan map and section, from the above operator asking that the contract be amended so that long-hole drilling be allowed.

The geologic possibility of encountering the mineralized zone of raise No. 60 at other places on No. 4 level is explained in the Operators' letter and maps. He also has presented information that indicates sufficient funds will be available for the work on No. 4 level as well as for the contract explorations on No. 5 level.

Both T. M. Romslo, the engineer who checks the contracts and who called Owens' attention to the favorable geologic structure, and I recommend that the proposed amendment be made.

In the event that long-hole drilling is done, the operator will furnish necessary equipment, a drilling machine and sectionalized drill steel, at no expense to the project or the Government.

Please process this proposal as soon as possible.

Lincoln A Stewart

Lincoln A. Stewart, Mining Engineer
for Walter R. Storms, Chief
Arizona-New Mexico Branch
Mining Division, Region IV

CC W. H. King (4)
BMA-399X
DF

LAStewart:frj

We first considered diamond drilling as a method of determining the extent of these possibilities but because of the limited amount of drilling necessary it would be entirely too expensive to use this method. The method proposed will be less costly and will give us the required information.

I would like to note at this point that in examining my contract, diamond drilling is provided for but there is no provision directly providing for long hole drilling. I do not know if same is necessary and I will appreciate it if you will give me your interpretation of this matter. Should long hole drilling be a special item calling for notation in the contract, I would like to request at this time that the contract be amended and provide that we be allowed to use long hole drilling in place of the specified diamond drilling whenever we may deem it advisable to do so. It is possible that this same situation may exist in our work on the next lower level and if so, an amendment of this nature to our contract would enable us to use whichever method was the least expensive and most productive of results.

We estimate that it will take us about three weeks to complete this planned exploration as outlined and that the cost will probably be $2000 to $2500. While it is quite true that we are already over our estimated costs for No. 4 level exploration, I do not feel that we should abandon this level without doing this additional work.

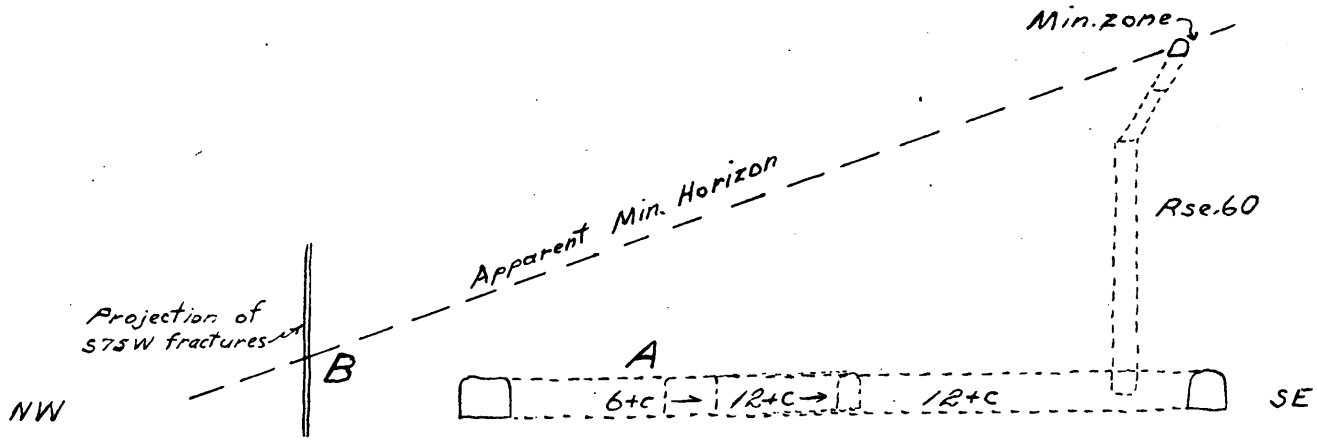
Some time ago we requested an opinion regarding the use of estimated diamond drilling allowances for drifting, raising, etc. since it had proven that the latter was the best method of obtaining results. We were advised at that time that it was the over-all picture which counted, not the method, and that such procedure was allowable. I believe this to be roughly the same situation. Even though our expenditures are actually above our estimates for No. 4 level, we still have ample funds remaining to properly test the target areas on No. 5 level. Thus here again it is a matter of the over-all picture. We believe that it is immaterial as to where the majority of the contract funds are used provided that in the end all of the areas under exploration are properly tested.

We recently furnished cost data and future estimates to your office and a perusal of these figures show that we can count off a considerable amount of the footage originally planned for the No. 5 level and still do a good job of exploration on same. With our past costs for drifting of approximately $44.00 per foot over a several months operational period and a necessity of only three hundred fifty to four hundred feet of work on No. 5 level for proper exploration, the funds remaining in our contract after completion of this new exploration work on No. 4 level will be ample to complete the project.

Plan and section maps of the area as contained herein may be retained for your files.

Yours very truly,
SHERWOOD B. OWENS
Sherwood B. Owens

SBO/j



Vertical Projection in Plane of
N40W Fractures

ABRIL DEVELOPMENT

1" = 50'

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 12 1952

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

New Customhouse
Denver 2, Colorado

December 8, 1952

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMEA Docket 399X, Contract Idm-R210, (Zinc and Copper) Sherwood B. Owens, Abril Lead-Zinc Mine, Cochise County, Arizona

Enclosed are two copies of the Operator's Monthly Progress Report MF-104, and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of October, 1952, pertaining to DMEA Docket 399X, Contract Idm-R210, Sherwood B. Owens.

W. H. King
W. H. King

Enclosures

399

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

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

New Customhouse
Denver 2, Colorado

October 30, 1952

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 399X, Contract Idm-8210, (Zinc-Copper) Sherwood B. Owens, Abril Mine, Cochise County, Arizona

Enclosed are two copies of the Operator's Monthly Progress Report MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of September, 1952, pertaining to DMA Docket 399X, Contract Idm-8210, Sherwood B. Owens.

W. H. King

Enclosures

Noted
11/19/52

399

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

224 New Customhouse
Denver 2, Colorado

Corbett
Betty

October 3, 1952

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 399X, Contract Idm-E210 (Zinc-Lead)
Sherwood B. Owens, Cochise County, Arizona

Enclosed are two copies of the Operator's Monthly Progress Report MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of August, 1952, pertaining to DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens.

W. H. King
W. H. King

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 8 1952

Posted

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

Corbett
Betty

22h New Customhouse
Denver 2, Colorado

September 16, 1952

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 399X, Contract Idm-E210 (Zinc-Copper), Sherwood B. Owens, Cochise County, Arizona

Enclosed are two copies of the Operator's Monthly Progress Report Form MF-104, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the period July, 1952, pertaining to DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens.

W. H. King
W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

August 29, 1952

Memorandum

To: Acting Administrator, Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Amendment No. 3 - Contract Idm-E210, (Zinc), Docket No. DMA-399X, Sherwood B. Owens

On December 10, 1951 a fire at the Abril Mine destroyed the warehouse and three rock drills, which were stored in the building. The operator requested authority to purchase additional rock drills. This equipment is necessary to carry on the project. Therefore the purchase was authorized by Amendment No. 3.

Absenteeism is a problem at this mine, and it is necessary to have a man available to replace a miner when he is absent. The classification of miner-trammer at the rate of $1.375 per hour allows for flexibility of the operation and this man can do the work of the absent miner. It eliminates the necessity of hiring an extra miner at the rate of $1.5625 per hour. This classification is in the interest of the Government as it reduces the overall payroll at the project.

Attached are copies of letters from the operator requesting this amendment.

W. H. King

W. H. King

Enclosure

SHERWOOD B. OWENS
P. O. Box 769
Tucson, Arizona

Jan. 9, 1952

Mr. J. H. East, Jr., Executive Officer
DMA Field Team, Region IV
Denver, Colorado

Re: Idm-E210
DMA Docket 399X

Dear Mr. East:

On Dec. 10, 1951 we suffered a most disastrous fire at Abril Mine.

We are using our warehouse as a part time change room and had installed an oil heater for warmth. The men changed at 8 a.m. as usual and went to work. Our blacksmith and maintainance man usually works in an adjacent building but since he hadn't been feeling well, had failed to appear for shift on this date. During the morning a severe wind came up, apparently causing a backdraft, and the oil heater overflowed and started a fire in the house.

The construction was sheet iron with complete beaverboard lining. Floor was of heavy timber with all joists and underpinning being wooden. By the time the fire was discovered by regular mine workers, it was so far advanced that we were unable to save a single item of either equipment or supplies.

Practically the complete list of small supplies such as air and water hose, clamps, connections, tools, etc. purchased for the Exploration project was in the warehouse. Also, three of the new Atlas drilling machines, one raising feed and two preumatic pushers, all unused, were in the listof equipment. We salvaged the machines and pushers and shipped same back to Copco Pacific at Phoenix. They tore them down, made complete examination, and regretfully informed me that this equipment was unrepairable and was a total loss. It has not even salvage value.

I would like to request an amendment to my exploration contract which would permit the purchase of an additional $1500.00 in drilling equipment. This is the amount necessary to replace the drilling machines, raising feed and pushers lost in the fire.

Yours very truly,

/s/ Sherwood B. Owens
SHERWOOD B. OWENS

SHERWOOD B. OWENS
P.O. Box 769
Tucson, Arizona

January 25, 1952

Mr. J. H. East, Jr., Executive Officer
DMA Field Team, Region IV
Denver, Colorado

Re: Idm-E210
DMA Docket 399X

Dear Mr. East:

In accordance with suggestion from your Denver office I hereby submit a request for an amendment to be allowed to use a miner-trammer rate of $1.375 per hour, effective December 15, 1951.

The above request is considered justified because the project is in an isolated district. If a miner is ill or quits or fails to come to work for any reason it is advisable to have an extra miner who is willing to work part time as a trammer and part time as a miner.

Very truly yours,

Sherwood B. Owens

SHERWOOD B. OWENS

Docket

W.H.K.

JFS

WLD

SHERWOOD B. OWENS
P. O. Box 769
Tucson, Arizona

January 25, 1952

Mr. J. H. East, Jr., Executive Officer
DMA Field Team, Region IV
Denver, Colorado

Re: Idm-8210
DMA Docket 399X

Dear Mr. East:

On Dec. 10, 1951 we suffered a most disastrous fire at the Abril Mine.

We were using our warehouse as a part time change room and had installed an oil heater for warmth. The men changed at 8 a.m. as usual and went to work. Our blacksmith and maintenance man usually works in an adjacent building but since he hadn't been feeling well, had failed to appear for shift on this date. During the morning a severe wind came up, apparently causing a backdraft, and the oil heater overflowed and started a fire in the house.

The construction was sheet iron with complete beaverboard lining. Floor was of heavy timber with all joists and underpinning being wooden. By the time the fire was discovered by regular mine workers, it was so far advanced that we were unable to save a single item of either equipment or supplies.

I would like to request an amendment to my exploration contract which would permit the purchase of an additional $1,484.10 in drilling equipment. This is the amount necessary to replace the drilling machines, raising feed and pushers lost in the fire.

Herewith follows an itemized list covering the above sum ($1,484.10):

From COPCO Pacific Ltd — Order No.-138
930 Britten Ave. — Invoice No. 2305
San Carlos, California

	Unit	Amount
3 RH-656 W Atlas Rock Drill	$320.00	$960.00
Including:		
3 9659-3 hose nipples		
3 609-1 nuts		
3 Metlube grease guns		
3 A1825 lubricators		
3 9662-1 hose nipples		
3 591 nuts		
3 592 washers		
3 A1509 water cocks		
3 67433 A. D. Template		
3 ½" 1' hose		
1 BMT-62A Raising Feed	$195.00	$195.00
Including		
68882 1 exhaust valve		
1 protecting hood		
2 BNA 61A2 Pneumatic Pusher	$150.00	$300.00
Including		
2 9659-11 1 hose nipple		
2 1530 1 nut		
		$1,455.00
Tax		29.10
		$1,484.10

Very truly yours,

Sherwood B. Owens

SHERWOOD B. OWENS

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

224 New Customhouse
Denver 2, Colorado

July 29, 1952

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 399X, Contract Idm-E210 (Zinc-Copper), Sherwood B. Owens, Abril Mine, Cochise County, Arizona - Operator's Monthly Progress Report, for the period of June, 1952

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104, Operator's Narrative Report, Inspecting Engineers' Narrative Report, and other supporting data for the month of June, 1952 pertaining to DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens, Abril Mine, Cochise County, Arizona.

W. H. King

W. H. King

Enclosures

AUG 4 1952

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

224 New Customhouse
Denver 2, Colorado

July 23, 1952

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 399X, Contract Idm-E210 (Zinc and Copper), Sherwood B. Owens, Abril Mine, Cochise, County, Arizona-Operator's Monthly Progress Report for the periods of December, 1951 through April, 1952-Supplemental Report.

Enclosed are two copies of the Operator's Supplemental Monthly Progress Reports, Form MF-104, Operator's Narrative Report, Inspecting Engineers' Narrative Report, and other supporting data for the months of December, 1951 through April, 1952, pertaining to DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens, Abril Mine.

W. H. King

W. H. King

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

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

224 New Customhouse
Denver 2, Colorado

July 18, 1952

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 399X, Contract Idm-E210, (Zinc and Copper) Sherwood B. Owens, Abril Mine, Cochise County, Arizona

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104, Operator's Narrative Report, Inspecting Engineers Narrative Report, and other supporting data for the month of April, 1952, pertaining to DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens.

W. H. King

W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

July 18, 1952

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 399X, Contract Idm-E210 (Zinc-Copper) Sherwood B. Owens, Abril Mine, Cochise County, Arizona

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104, Operator's Narrative Report, Inspecting Engineers Narrative Report, and other supporting data for the month of May, 1952, pertaining to DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens.

W. H. King

W. H. King

Enclosures

JUL 24 1952

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

224 New Customhouse
Denver 2, Colorado

May 5, 1952

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens, Abril Mine, Cochise County, Arizona

Enclosed are the Operator's Monthly Progress Report Form MF-104, Operator's Narrative Report, Inspecting Engineer's Narrative Report and other supporting data for the month of March, 1952, pertaining to DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens, Abril Mine.

W. H. King.
W. H. King for
J. H. East, Jr.

Enclosure

March - 1952
No. 8 advance
No. 2 359.2 total

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 6 1952

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

224 New Customhouse
Denver 2, Colorado

April 23, 1952

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 399X, Contract Idm-210, S. B. Owen's Abril Mine, Cochise County, Arizona

Enclosed are the Operator's Monthly Progress Report Form MF-104, Operator's Narrative Report, Inspecting Engineer's Narrative Report and other supporting data for the month of February, 1952, pertaining to DMA Docket 399X, Contract Idm-210, S. B. Owen's Abril Mine.

W. H. King
W. H. King for
J. H. East, Jr.

Enclosures

Advance 105.8 total
Feb. — 40.8
No one
$15.993 out of $63.926

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 28 1952

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

224 New Customhouse
Denver 2, Colorado

April 16, 1952

Memorandum

To: C. O. Mittendorf, Acting Administrator
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Amendment to Contract IDM-E210, Docket DMA 399X, Sherwood B. Owens

Enclosed are the original and two copies of an amendment to Contract IDM-E210, Docket DMA 399X. Copies of this amendment have been given to the Operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

for W. H. King
J. H. East, Jr.

Enclosures

Sol

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Mineral Administration
Washington 25, D. C.

224 New Customhouse
Denver 2, Colorado

March 20, 1952

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Executive Officer, Region IV

Subject: Monthly Progress Reports, Form MF-104

Enclosed is one copy of the Monthly Progress Report, Form MF-104 and one copy of the narrative report for DMA Docket 399X , Contract No. I-dm-E210 for the month of December 1951.

W. H. King.
W. H. King, for
J. H. East, Jr.

Enclosures

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D.C.
MAR 24 8 34 AM '52

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

224 New Customhouse
Denver 2, Colorado

March 19, 1952

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens

Enclosed are the Operator's Monthly Progress Report Form MF-104, Operator's Narrative Report, Inspecting Engineer's Narrative Report and other supporting data for the month of January, 1952, pertaining to DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens.

W. H. King

W. H. King, for
J. H. East, Jr.

Enclosure

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D.C.
MAR 24 8 25 AM '52

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

224 New Customhouse
Denver 2, Colorado

February 25, 1952

Memorandum

To. C. O. Mittendorf, Acting Administrator
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Amendment to Contract IDM-E210, Docket DMA 399X, Sherwood B. Owens

Enclosed herewith are the original and two copies of the amendment to the above contract. Copies of this amendment have been given to the operator, to the Fiscal Officer, Region IV, and we have retained a copy for our files.

W. H. King
for J. H. East, Jr.

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 28 1952

Reviewed by Division 3/4/52

A. a.
2-11-52

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

224 New Customhouse
Denver 2, Colorado

February 5, 1952

Memorandum

To: C. O. Mittendorf, Acting Administrator, Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Amendment to Contract Idm-E210, Docket DMA 399X, Sherwood B. Owens

Enclosed are the original and two copies of an amendment to the above contract.

Copies of this amendment have been given to the operator and to the Fiscal Officer, Region IV. We have retained a copy for our files.

J. H. East, Jr.

J. H. East, Jr.

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 11 1952

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 2/13/52

REFERRED TO:

1. ~~Op. Comm. 1624~~
2. Miss Curtis
3.
4.

don't detach

FOR:

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

REMARKS: This amend. adds one part time auditor at $50/mo to the labor and supervision, and appears to be in line with necessary requirements, and is therefore approved.

Check (X) before the items needing attention.

D. E. Moulds mch
Initials of sender.

GPO 16—63815-1

DMEA 399X

Mr. J. N. Kast, Jr.
Executive Officer, Region IV
DMEA Field Team
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA 1311 - Uranium
The Reality Company - Ida-6175
Docket No. DMEA 399X - Lead-Zinc
Sherwood E. Jones - Ida-8210
Docket No. DMEA 118X - Lead-Zinc
Dallahan Lincoland Co. - I-[illegible]

Dear Mr. Kast:

Reference is made to the memorandum of January 4th, of Mr. Allman to you, regarding interpretation of certain provisions in the above-named contracts.

In connection with contract Ida-6175, Docket No. DMEA 1311 with The Reality Company, it is pointed out that the cost for Stage I was omitted. In Exhibit A under the caption on page 2 entitled "Stage I", it is stated "1. Rec Rehabilitation and Repairs", and, "2. These costs are included elsewhere". From the description of the work and the detailed estimated cost item, Stage I should amount to approximately the following estimated sum.

Stage I

1. Overhaul surface equipment from "Rehabilitation and Repairs"	$1,[illegible]
2. Replace 600 feet of 3" pipe and fittings	650.00
Power @ $[illegible].00 per month, 2 months	1,[illegible]
Supervision @ $400.00 per month, 2 months	800.00
Total	$3,1[illegible]

Review of the Field Team and Supply Division recommendations shows that no specific item for labor was included for the dewatering of the shaft. Seemingly, it was taken for granted by everyone that the cost partly was included in the $1,000.00 item "Overhauling the present equipment", supervision allowance, and in the costs of the subsequent development. If this supposition is in conflict with what was intended, it may be necessary to add an amendment to the contract.

With respect to contract Ida-8210, Docket No. DMEA 399X with Sherwood E. Jones, we are enclosing maps which fully show the work to be performed and which we believe will clarify the language used in describing

the work to be performed under the contract. "Crosscutting and raising is to be done with the best interests of exploration rather than development in mind", as stated, is interpreted to consist of such work to be done on favorable indications encountered in the drifting with the object of further exploration rather than development, and subject to approval of the Field Team.

As to the use of the word "estimated" in connection with Labor and Supervision, that should be interpreted as indicating the rates per day at the time of application. The actual rates for this classification may be lower than the figures set forth in the contract, but the figures set forth in the contract are maximum figures as provided by Article 8 of the contract. In other words, payment is allowed for actual cost of the labor but is not to exceed the figures set forth in the contract for this type of work. If the figures shown are too low, an amendment to the contract will be required to increase these rates.

As to the use of the word "indirect" in connection with labor costs under Contract I-DMA-52, Docket No. DMEA 110 with the Callahan Zinc-Lead Company, you will note that the costs are stated to be partly for work performed for purposes of exploration and partly for development. This is clarified by the sentence following which states that, "The cost to the exploration is based on the pro-rata tons of material handled". Accordingly, the only costs allowable in connection with labor would be the cost of exploration determined by pro-rating the cost incurred from work which benefits both exploration and production. No indirect costs are intended to be allowable in connection with this contract.

Sincerely yours,

C. O. Mittendorf

Acting Administrator
Defense Minerals Exploration
Administration

Enclosures

DCMoulds/mah 1/21/52
cc to: Adm. R. File
Docket File Copy
Mr. Selfridge
Mr. Moulds
Mr. McKnight
Mr. Bishop
Region IV
Copy for docket file DMEA 999K
Copy for docket file DMEA 110K

JAN 9 - 1952

My dear Senator Hayden:

This will acknowledge receipt of your letter of January 3, 1952 addressed to Mr. Frank E. Johnson and the attached copy of letter dated December 31, 1951 from Mr. Sherwood B. Owens of Tucson, Arizona, also addressed to Mr. Johnson.

Under date of January 3, 1952 I wrote to Mr. Owens in reply to his letter of December 31, 1951 to Mr. Johnson. For your information, I am enclosing a copy of my letter to Mr. Owens.

In compliance with your request, the copy of Mr. Owens' letter attached to your letter is returned herewith.

Sincerely yours,

C. O. Mittendorf

Acting Administrator
Defense Minerals Exploration
Administration

Honorable Carl Hayden
United States Senate
Washington 25, D. C.

Attachment (2)

FEJohnson/bih
1/8/52
cc to: Senator Hayden
Adm'rs. Reading File
Reports and Records
Mr. Moulds
FEJohnson

Mr. Sherwood B. Owens
P.O. Box 769
Tucson, Arizona

Dear Mr. Owens:

This will acknowledge receipt of your letter dated December 31, addressed to Mr. Page B. Blakemore, with attached copy of a letter you wrote to Mr. Frank Johnson on the same date. I have already replied to your letter addressed to Mr. Johnson, and have forwarded a copy of your incoming letter to the Regional Field Team for their information.

I regret to advise you that Mr. Blakemore is no longer with the Defense Minerals Exploration Administration, having resigned on December 7. We were all very sorry that Mr. Blakemore found it necessary to resign in order to attend to his own personal interests, which he had neglected in favor of assistance in the administration of the Defense Minerals activities. I can assure you that I personally feel his absence very keenly.

In the event you wished to reach Mr. Blakemore directly, he may be addressed at 304 Madison Street, N.W., Washington, D.C.

Sincerely yours,

C. O. Mittendorf

Acting Administrator
Defense Minerals Exploration
Administration

COMittendorf/fw
cc: Admr. Reading File
Mails & Files
Mr. Blakemore
~~Mr. Mittendorf~~
Mr. Moulds

OFFICE OF THE ADMINISTRATOR

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

224 New Customhouse
Denver 2, Colorado

January 5, 1952

Memorandum

To: Acting Administrator, DMEA, Washington, D. C.

From: Executive Officer, Field Team, DMEA, Region IV

Subject: Amendment to Contract No. Idm-E210, DMA Docket No. 399X, Sherwood B. Owens

Enclosed are the original and two (2) signed copies of an amendment to the above contract. Copies of the amendment have been given to the operator and the Fiscal Office, Region IV. One copy has been retained for our file.

J. H. East, Jr.

Enclosures (3)

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
JAN 10 8 51 AM '52

JAN 3 1952

Mr. Sherwood H. Owens
P.O. Box 769
Tucson, Arizona

Dear Mr. Owens:

Mr. Frank Johnson is at present on vacation and to expedite the assistance your letter of December 31, 1951 may provide, I am acknowledging your informative letter for him.

A copy of your letter has been transmitted to Mr. J. H. East, Jr., Executive Officer, Region IV, Denver, Colorado, who is directly in charge of field work in the Arizona area for DMEA. The information you have supplied relative to the "Duquesne" property recently purchased by Mr. Nash will undoubtedly be of considerable value to the Regional Office.

The Field Team may be able to advise Mr. Nash or his associates in the preparation of application for exploration project assistance. It is, however, not the task of the Field Team to propose exploration program or present details of costs and methods of accomplishing the work such as are required in the application.

We believe, however, that Mr. Nash will have associates who are capable of this work and of directing any approved projects efficiently. The Field Team representatives will be able to acquaint Mr. Nash with the nature of the information and material required for a well-defined operation.

Your letter bringing this operation to our attention is indeed appreciated.

Sincerely yours,

C. O. Mittendorf

Acting Administrator
Defense Minerals Exploration
Administration

DEMoulds/mmk
1/3/52
cc: Adm. R. File
Mails and Files
Mr. Mittendorf
Mr. Moulds
Region IV (2)
Docket

JAN 3 1952

Mr. J. H. East, Jr.
Executive Officer, Region IV
DMEA Field Team
224 New Customhouse Building
Denver 2, Colorado

Dear Mr. East:

We are forwarding to you a copy of a letter received by this office from Mr. Sherwood B. Owens, Tucson, Arizona, relative to mining property located in Santa Cruz County, Arizona.

The letter is, we believe, self-explanatory and is referred to you for your information and any assistance it may provide in expediting the exploration program.

Sincerely yours,

D. E. Moulds, Acting Chief
Base Metals Division
Defense Minerals Exploration
Administration

Enclosure-1

DEMoulds/mmh
1/2/52
cc to: Adm. R. Files
Mr. Hittenderf
Mr. Moulds
Mails and Files
Region IV
Docket

FILE COPY
SURNAME:

Galiher
F. Johnson

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

DEC 14 1951

Mr. J. H. East, Jr.,
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

DMEA No. 399
Idm-E 210

Dear Mr. East:

In accordance with the request of Mr. Allsman under date of December 4, 1951, attached herewith are three photostatic copies of the Agreement between Sherwood B. Owens and Shattuck Denn Mining Corporation, dated February 1, 1951.

Sincerely yours,

F.J. 12-14

(signed) FRANK E. JOHNSON (for)
Acting Administrator
Defense Minerals Exploration
Administration

Enclosures (3)

Claude Galiher/bih
12/12/51
cc to: Reports & Records
Admr's. Reading File
Mr. Mittendorf
Docket

OFFICE OF THE ADMINISTRATOR

Mr. Rehalemus

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

DEPARTMENT OF THE INTERIOR
RECEIVED
DEC 7 1951
Defense Minerals Administration,
Production Expansion Division.

224 New Customhouse
Denver 2, Colorado

December 4, 1951

Memorandum

To: C. O. Mittendorf, Director, Production Expansion Division
Defense Minerals Administration

From: Executive Officer, DMA Field Team, Region IV

Subject: Exploration Project Contract Idm-E210, DMA Docket 399X,
Sherwood B. Owens

Kindly send this office three photostatic copies of the Agreement dated February 1, 1951 between the operator and the Shattuck Denn Mining Company, referred to in Article 2 of the above contract.

Paul T. Allsman

P. T. Allsman, Alternate

3 copies

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 7 1951

OFFICE OF THE ADMINISTRATOR

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 13 1951

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

224 New Customhouse
Denver 2, Colorado

December 10, 1951

ZINC

Memorandum

To: C. O. Mittendorf, Director, Production Expansion Division
Defense Minerals Administration

From: Executive Officer, DMA Field Team, Region IV

Subject: DMA Docket 399X, Contract Idm-E210, Sherwood B. Owens, Applicant.

Enclosed are the original and two copies of a letter to Mr. Owens which indicates his consent to and ratification of the change to Contract Idm-E210.

Copies of this letter have been given to the applicant and to the Fiscal Officer, Region IV. One copy has been retained for DMA files.

Paul T. Allsman

P. T. Allsman, for
J. H. East, Jr.

Enclosures

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

224 New Customhouse
Denver 2, Colorado

December 4, 1951

Memorandum

To: C. O. Mittendorf, Director, Production Expansion Division
Defense Minerals Administration

From: Executive Officer, DMA Field Team, Region IV

Subject: Exploration Project Contract Idm-E210, DMA Docket 399X,
Sherwood B. Owens

Kindly send this office three photostatic copies of the Agreement dated February 1, 1951 between the operator and the Shattuck Denn Mining Company, referred to in Article 2 of the above contract.

P. T. Allsman, Alternate

JFS:ld

cc: DMA docket, contract, chron.
Koschmann
Storms

OFFICE OF THE ADMINISTRATOR

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

224 New Customhouse
Denver 2, Colorado

November 30, 1951

Mr. Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

Dear Mr. Owens:

Referring to Exploration Project Contract Idm-E210, Docket No. DMA 399X, your attention is called to Article 13 of the contract which sets forth the amount of all sums to be paid by the Government under this agreement. The sum of $31,463.00 as originally stated was in error and has been corrected to read $31,963.00.

Since this change was made after you signed the contract, please indicate your acknowledgement of the change and your consent by signing all six copies of this letter and returning the original and four copies to this office.

Yours very truly,

W. H. King

W. H. King, for
J. H. East, Jr., Executive Officer
DMA Field Team, Region IV

I hereby consent to and ratify the change to Contract Idm-E210 described above.

Sherwood B. Owens

FILE COPY
SURNAME:

Keating
Mittendorf (mch)

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

not stripped in R. & R.

Administrator
Defense Minerals Exploration
Administration

1480137 Salaries & Expenses
Defense Production Activities, Interior
1952, "100(400)"

November 28, 1951

SHERWOOD B. OWEN
P. O. BOX 769
TUCSON, ARIZONA

REFERRING YOUR LETTER NOVEMBER 17TH COMPLETED CONTRACT FOR DELIVERY TO YOU WAS FORWARDED NOVEMBER 13TH TO EXECUTIVE OFFICER, DEFENSE MINERALS ADMINISTRATION 224 NEW CUSTOMHOUSE BUILDING DENVER COLORADO.

C. O. Mittendorf (NEH)

ACTING ADMINISTRATOR
DEFENSE MINERALS EXPLORATION
ADMINISTRATION

AGKeating/hmj
11-27-51

cc to: R & R
Adm. Reading File
Mr. Mittendorf
Mr. Keating
Docket

BL

SHERWOOD B. OWENS
P. O. BOX 769
TUCSON, ARIZONA

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.
Nov 20 8 39 AM '51

Nov. 17, 1951

ZINC

Defense Minerals Administration
Att: Mr. Frank E. Johnson, Director
Production Expansion Division
Washington 25, D. C.

Re: DMA Docket 399X, Idm-E198
Abril Mine, Arizona

Dear Mr. Johnson:

Executed contracts on the above listed mine were forwarded your office under date Nov. 3, 1951 but to date finalized contract has not been returned to me here.

Inasmuch as both the material and the men for this project are standing by I am most anxious that we get same underway just as soon as possible.

If the contracts have not been completed as of this date, I will appreciate it very much if you will give same your personal attention and see that they are hurried along just as fast as possible.

Thanking you, I am

Yours very truly,

SHERWOOD B. OWENS

Sherwood B. Owens

SBO/j

Phoned telegram 11/29/51

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

FILE COPY
SURNAME:

Keating
Johnson (fw)

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

NOV 15 1951

Mr. J. H. East, Jr.
Executive Officer, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA 399X
Exploration Project Contract
Idm R-210
Sherwood R. Owens

Dear Mr. East:

Enclosed please find two copies of the contract covering the subject exploration project, which has been signed by both the applicant and the Government. You will note that the contract has been given a project number with effective date as shown on the contract.

Your attention is called to paragraph 13 of the Contract which sets forth the amount of all sums to be paid by the Government under this agreement. The sum of $31,463.00, as originally stated, was in error and correction has been made to read $31,963.00. Since this change has been effected after the applicant had signed, please obtain his consent and acknowledgement.

It is requested that one copy of the contract be delivered to the contractor and one copy for your files. The copy required by the Regional Finance Section will be forwarded directly by the Washington Finance Section.

Sincerely yours,

11/23

(signed) FRANK E. JOHNSON (fw)
Acting Director
Production Expansion Division

APPROVED:
C. [illegible] Mittendorf
Chairman, Coordinating Committee

Enclosures - 2

AGKeating/hmj
11-14-51

cc to: Reports and Records
Adm. Reading File
Mr. C. H. Johnson
~~Mr. Billings~~
Mr. Keating
Docket

PED
~~Mr. Gowen~~ Member, Bureau of Mines
Mr. McKnight
Mr. Mote
Region IV Member, Geological Survey

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
NOV 6 10 20 AM '51

Mr. Rae Clements

SHERWOOD B. OWENS
P. O. BOX 769
TUCSON, ARIZONA

DEPARTMENT OF THE INTERIOR
RECEIVED
NOV 7 1951
Defense Minerals Administration,
Production Expansion Division

Nov. 3, 1951

Defense Minerals Administration
Att: Mr. Frank E. Johnson, Acting Director
Production Expansion Division
Washington 25, D. C.

Re: DMA Docket 399X, Idm-E198
Abril Mine, Arizona

Dear Mr. Johnson:

Thank you for your letter of Nov. 1, 1951 re the subject property. I am sincerely appreciative of your efforts in our behalf. It is of course necessary that the errors in our original submittal be corrected before the contract can be finalized.

Enclosed herewith please find original and five copies of the contract, all of which have been properly executed. I trust this will place the whole matter in line for closing.

Yours very truly,

SHERWOOD B. OWENS

SBO/j

Sherwood B. Owens

FILE COPY
SURNAME:

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

NOV 1 1951

Mr. ~~Sherwood B. Owens~~
P. O. Box 769
Tucson, Arizona

Re: DMA Docket 399X, Idm ~~E198~~ 210
Abril Mine, Arizona

Dear Mr. Owens:

With reference to your letter of October 26, 1951 and your telephone conversation with Mr. Blakemore in regard to correction of typographical errors in the subject contract, it is best, under the circumstances, to have you sign corrected contract form. Enclosed are the original and five copies for your signature.

The Exhibit sheets have been corrected, and will be attached to the contracts as soon as you return them.

Sincerely yours,

(signed) FRANK E. JOHNSON (fw)

Frank E. Johnson, Acting Director
Production Expansion Division

Enclosures-6

PBBlakemore/meh
10/31/51
cc to: Adm. Reading File
Reports and Records
PED
Mr. Blakemore
Region IV (2)
Docket

FRANK E. JOHNSON, (Acting)
(signed)

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.

OCT 26 1 18 PM '51

OCT 26 11 48 AM '51

BUREA : MINES
MA OOM
WASHI ON, D. C.

DEPARTMENT OF THE INTERIOR
RECEIVED
OCT 29 1951
Defense Minerals Administration,
Production Expansion Division.

SHERWOOD B. OWENS
P. O. BOX 769
TUCSON, ARIZONA

Oct. 26, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 29 1951

DMA-399
Abril Mine
Cochise Co.,
Arizona

Defense Minerals Administration
Att: Mr. Page B. Blakmore
Washington, D. C.

Dear Mr. Blakmore:

Confirming our phone conversation of this date, it was brought to my attention yesterday that typographical errors had been made in my MF-103, filed under date May 29, 1951. Since the application has been approved and contracts prepared on the basis of the information contained in the MF-103, the same mistake occurs in the contract.

The errors are in the figures used in answering question 23, sections (d) and (e). The replies should be as follows:

(d)	Rail, Air and Water lines	$4000.00
	Compressor house & change room	1500.00
(e)	Drilling machines	$2400.00

The error of omission of the word "rail" is of course an outright mistake and should certainly never have occurred. The errors as regards the amounts are understandable. In making up our work sheet, we listed the Government's fifty percent in one column, our fifty percent in another, and then totalled the two. Unfortunately in transcribing the list the typist got on the wrong column.

These mistakes do not in any way affect the project either in amount of work or total outlay. These expenditures will be amoritized into the overall work picture and have been considered in making our estimates. My purpose in calling your attention to the matter right at this time is to secure change of these figues in the original contract which is now in your office for signature. By making the change at this time, the original contract will of course be in order and no later amendment will be necessary. Otherwise, before we could carry out the work as outlined amendment would be necessary in order to authorize the expenditures.

I am extremely sorry about this mistake and I hope it does not cause any undue delay in your office. Everything is in readiness at the Abril to begin operations on this project and we will of course appreciate prompt notification that same has been approved and executed.

Thank you very much for your courtesy in this matter - there was no mistake at DMA - it was all at this end.

Yours very truly,

SHERWOOD B. OWENS

Sherwood B. Owens

SBO/j

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

DEPARTMENT OF THE INTERIOR
RECEIVED
OCT 29 1951
Defense Minerals Administration,
Production Expansion Division.

224 New Customhouse
Denver 2, Colorado

October 25, 1951

Memorandum

To: C. O. Mittendorf, Director, Production Expansion Division
Defense Minerals Administration

From: Executive Officer, DMA Field Team, Region IV

Subject: DMA Docket 399X, Sherwood B. Owens, Applicant, Abril Zinc Copper Mine, Dragoon Mining District, Cochise County, Arizona

Enclosed herewith are the original and five copies of an exploration contract signed by the applicant, Sherwood B. Owens, and six copies of Landlord's Subordination Agreement signed by officials of Shattuck Denn Mining Corporation.

The delay was occasioned by the necessity of sending the letter to New York for signature.

J. H. East, Jr.

J. H. East, Jr.

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
OCT 29 8 54 AM '51

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION IV

OFFICE OF
REGIONAL DIRECTOR

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.
OCT 15 10 54 AM '51

October 12, 1951

Memorandum

To: C. O. Mittendorf

From: Regional Director, Region IV

Subject: Abril Mine, Cochise County, Arizona

We have a copy of your letter to Senator Carl Hayden, dated October 9, 1951, relative to the Abril mine, Cochise County, Arizona, DMA-399.

The applicant is attempting to secure Landlord's Subordination Agreement from the Shattuck Denn Mining Corporation. Mr. Storms has written Mr. Sherwood B. Owens, the applicant, requesting him to come to his office and discuss the proposition with him.

It is our understanding that the Shattuck Denn Mining Corporation wishes to see the completed contract before giving a Subordination Agreement. Obviously this cannot be done. We will advise you when we hear more regarding this application.

J. H. East, Jr.

J. H. East, Jr.

Copy to: P. T. Allsman

350
FILE COPY
SURNAME:

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

Bishop
Billings
Lyons for McKnight
Wilson
Mittendorf

OCT 9 1951

Hon. Carl Hayden
United States Senate
Washington 25, D. C.

My dear Senator Hayden:

I have your letter of September [illegible], 1951 with enclosures of correspondence regarding DMA-399, Sherwood B. Swan, Apple Vine, Cochise County, Arizona. Those letters are returned herewith.

Also enclosed are copies of a letter of September 26, 1951 to Mr. J. H. Keat, Jr., Executive Officer of Field Team Region IV, and of a letter of September 27 to Mr. Sherwood B. Swan, both signed by C. O. Mittendorf, Director, Production Expansion Division.

These letters are self-explanatory and the one to Mr. Keat instructs him to forward the contract prepared covering this project to the applicant so he could discuss it with the Chatham Gem Mining Corporation in order that the applicant may obtain the necessary Subordination Agreement.

If I can be of further service to you, please call upon me.

Sincerely yours,

C. O. Mittendorf (J.H.) 8:C. 10-9

Acting Administrator

Enclosures

10/1/51

TPBILLINGS:ks

cc: Administrator
Deputy Administrator
Room
2 copies to Mr. J. H. Keat Region IV
Docket File DMA-399
Kete
McKnight
Billings

COPY COPY

August 28, 1951

DMA-399
Abril Mine
Cochise County, Arizona

Hon. Carl Hayden
United States Senate
Washington, D. C.

My Dear Senator Hayden:

I have your letter of August 18 with enclosed copy of Dr. Boyd's letter dated July 18 concerning the application of Mr. Sherwood R. Owens, Tucson, Arizona, for an exploration loan. Mr. Boyd's letter is returned herewith.

In order to complete processing this application, the Lead-Zinc Branch on July 18 requested Mr. Owens to file a landlord's subordination agreement. There seems to be some delay in obtaining the agreement. A letter from Mr. Owens dated August 18 makes certain proposals that are being looked into to see if a solution can be found to the problem.

In case I can be of further assistance to you at any time, please do not hesitate to call on me.

Sincerely yours,

/s/ W. C. Schroeder

Acting Administrator

Enclosure

COPY COPY

SHERWOOD B. OWENS
P. O. Box 769
Tucson, Arizona

Sept. 22, 1951

Defense Minerals Administration
Att: Dr. W. C. Schroeder, Administrator
Washington, D. C.

DMA-399 - Abril Mine, Cochise Co., Arizona

My dear Dr. Schroeder:

I received a letter from Mr. G. R. Johnson under date of August 28, 1951, re exploration contract on the above captioned property. I also have your letter under date August 28, 1951, addressed to Senator Carl Hayden re the same matter.

The facts as I see them are perfectly simple, Dr. Schroeder. We have a project in the Abril that is outstanding in its potentialities. It is my understanding that it has been approved for contract and has been held up pending receipt of landlord's subordination agreement.

The subordination agreement states that contract has been examined and approved by the landlord. Shattuck Denn is ready and willing to execute the subordination agreement and are so on record with your department. There is merely the matter of allowing them to take a look at the contract which I am making with DMA. Unless there is something very much out of line in this contract, which naturally neither of us anticipate, both Shattuck Denn and myself are prepared to sign any necessary and proper papers and get the project under way.

I well understand that there must be a great many of these projects under consideration in the Department and that you are making every effort to process them. In this particular case, however, so little remains to be done that I am appealing to you to give the matter your personal attention and let us get started with the work. We have everything in readiness and can be under way in a very short time if we can only secure the cooperation of DMA.

Thanking you for your attention to this matter, I am

Yours very truly,

SHERWOOD B. OWENS

SBO/J/lm

/s/ Sherwood B. Owens

COPY COPY

SHERWOOD B. OWENS
P. O. Box 769
Tucson, Arizona

Sept. 22, 1951

Defense Minerals Administration
Att: Mr. G. H. Johnson, Acting Chief, Lead-Zinc Branch
Washington, D. C.

DMA-399 Abril Mine, Cochise Co., Arizona

Dear Mr. Johnson:

I received your letter dated Aug. 28, 1951, in which same you advised that my letter of Aug. 18, 1951, had been forwarded to the Production Expansion Division with recommendations on your part.

As you probably know from your examination of the correspondence, we have complied with every requirement made by DMA with the single exception of furnishing them with subordination agreement from Shattuck Denn Mining Corporation. As was pointed out in my letter, as well as accompanying letter from the Shattuck Denn Mining Corporation, the subordination agreement does state that the contract with DMA has been both examined and approved by the landlord. All that Shattuck Denn has requested is that a copy of the contract be furnished for their examination. They are on record that in the event there are no unusual provisions, they stand ready and willing to subordinate and allow us to get the exploration work started.

I do feel that this matter has been allowed to drag along quite a while, Mr. Johnson, and I would definitely appreciate it if you will give this matter your attention and try to get some action on it. We have an outstanding small mine in the Abril and there is every reason to believe that the proposed exploration will result in a quantity of additional zinc. Since we have everything so well in hand and are prepared to start actual operations at once, I feel that the DMA should go along with us to the extent of showing a little speed in the matter. We have long since been given to understand that the project was approved and was merely going through routine procedure from that point forward. It does seem now that sufficient time has elapsed to have the contracts in hand.

Please check this matter and give me any information you may have concerning the status.

Thanking you, I am

Yours very truly,

/s/ Sherwood B. Owens

SBO/j/lm

C
O
P
Y

C
O
P
Y

September 20, 1951

Mr. J. H. East, Jr.
Executive Officer
Field Team, Region IV
Defense Minerals Administration
224 New Customhouse Building
Denver 2, Colorado

Re: DMA-399X (Zinc-Copper)
Sherwood B. Owens

Dear Mr. East:

Transmitted herewith you will please find six copies of the contract which has been prepared in the subject case. Also attached are six copies of Landlord's Subordination Agreements which must be executed by the Shattuck Den Mining Corporation.

The file on this case reveals that the applicant was unable to furnish proper subordination agreements so as to permit final approval of the project here in Washington. The applicant stated that the Shattuck Den Mining Corporation had refused to subordinate all its rights until it first had the opportunity of a review of the terms and conditions of the contract.

It appeared that the only solution to the problem was to prepare a contract acceptable to our technical staff and approved by Counsel and forward it to the applicant so he could discuss it with the Shattuck Den Mining Corporation and endeavor to obtain the necessary subordination agreement.

Upon our receipt of the six contracts signed by Mr. Sherwood B. Owens, together with the proper subordination agreements, the contracts will be finalized by the Government.

Sincerely yours,

s/ C. O. Nittendorf

C. O. Nittendorf, Director
Production Expansion Division

APPROVED:

s/ Tom Lyon

Chairman, Coordinating Committee.

s/ Lowell B. Moon

Member, Bureau of Mines

s/ Thayer

Member, Geological Survey.

FILE COPY
SURNAME:

400 Spokesman Mittendorf

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

A.E.C.

SEP 27 1951

Mr. Sherwood B. Owens
P.O. Box 769
Tucson, Arizona

Re: Docket DMA 399X, Zinc
Abril Mine, Cochise County
Arizona

Dear Mr. Owens:

Your letters of September 22, 1951 to Dr. Schroeder and Mr. G.E. Johnson have been referred to me for reply. Since both of these letters request attention to your application for an exploration contract, of the above docket number, it is only necessary to inform you that the contracts and other documents were mailed to Mr. J. H. East, Jr., Executive Officer, DMA Field Team, Region IV, Denver, Colorado on September 18, 1951.

Mr. East will communicate with you within the next few days and the contract should be finalized within a short time if there is no delay in obtaining subordinations from the Lessor.

Sincerely yours,

C. O. Mittendorf (J.H.) 8.F. 9.27

C. O. Mittendorf, Director
Production Expansion Division

Typed: 9/26/51
PBBlakemore/meh
cc to: Reports and Records
Messrs. Mittendorf, Olund
Adm, Reading File
Mr. Blakemore
Docket
Region IV (2)

Mittendorf

SHERWOOD B. OWENS
P. O. BOX 769
TUCSON, ARIZONA

Sept. 22, 1951

Defense Minerals Administration
Att: Dr. W. C. Schroeder, Administrator
Washington D. C.

DMA 399 Abril Mine, Cochise Co., Ariz.

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
SEP 25 8 59 AM '51

My dear Dr. Schroeder:

I received a letter from Mr. G. E. Johnson under date of August 28, 1951 re exploration contract on the above captioned property. I also have your letter under date August 28, 1951 addressed to Senator Carl Hayden re the same matter.

The facts as I see them are perfectly simple, Dr. Schroeder. We have a project in the Abril that is outstanding in its potentialities. It is my understanding that it has been approved for contract and has been held up pending receipt of landlord's subordination agreement.

The subordination agreement states that contract has been examined and approved by the landlord. Shattuck Denn is ready and willing to execute the subordination agreement and are so on record with your department. There is merely the matter of allowing them to take a look at the contract which I am making with DMA. Unless there is something very much out of line in this contract, which naturally neither of us anticipate, both Shattuck Denn and myself are prepared to sign any necessary and proper papers and get the project under way.

I well understand that there must be a great many of these projects under consideration in the Department and that you are making every effort to process them. In this particular case, however, so little remains to be done that I am appealing to you to give the matter your personal attention and let us get started with the work. We have everything in readiness and can be under way in a very short time if we can only secure the cooperation of DMA.

Thanking you for your attention to this matter, I am

Yours very truly,

SHERWOOD B. OWENS

Sherwood B. Owens

OFFICIAL FILE COPY

To	Init. SBO/Date	
400	cc	9-25
210		

DEPARTMENT OF THE INTE
RECEIVED
SEP 2 5 1951
Defense Minerals Administration,
Production Expansion Division.

OFFICAL FILE COPY

SHERWOOD B. OWENS
P. O. BOX 769
TUCSON, ARIZONA

To	Init.	Date
Foo	[illegible]	[illegible]
210		

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D.C.
SEP 25 8 59 AM '51

Sept. 22, 1951

Defense Minerals Administration
Att: Mr. G. E. Johnson, Acting Chief, Lead-Zinc Branch
Washington, D. C.

DMA-399 Abril Mine, Cochise Co., Ariz.

Dear Mr. Johnson:

I received your letter dated Aug. 28, 1951 in which same you advised that my letter of Aug. 18, 1951 had been forwarded to the Production Expansion Division with recomendations on your part.

As you probably know from your examination of the correspondence, we have complied with every requirement made by DMA with the single exception of furnishing them with subordination agreement from Shattuck Denn Mining Corporation. As was pointed out in my letter, as well as accompanying letter from the Shattuck Denn Mining Corporation, the subordination agreement does state that the contract with DMA has been both examined and approved by the landlord. All that Shattuck Denn has requested is that a copy of the contract be furnished for their examination. They are on record that in the event there are no unusual provisions, they stand ready and willing to subordinate and allow us to get the exploration work started.

I do feel that this matter has been allowed to drag along quite a while, Mr Johnson, and I would definitely appreciate it if you will give this matter your attention and try to get some action on it. We have an outstanding small mine in the Abril and there is every reason to believe that the proposed exploration will result in a quantity of additional zinc. Since we have everything so well in hand and are prepared to start actual operations at once, I feel that the DMA should go along with us to the extent of showing a little speed in the matter. We have long since been given to understand that the project was approved and was merely gping through routine procedure from that point forward. It does seem now that sufficient time has elapsed to have the contracts in hand.

Please check this matter and give me any information you may have concerning the status.

Thanking you, I am

Yours very truly,

SHERWOOD B. OWENS

Sherwood B. Owens

SBO/j

KENNETH MCKELLAR, TENN., CHAIRMAN
CARL HAYDEN, ARIZ.
RICHARD B. RUSSELL, GA.
PAT MCCARRAN, NEV.
JOSEPH C. O'MAHONEY, WYO.
DENNIS CHAVEZ, N. MEX.
BURNET R. MAYBANK, S. C.
ALLEN J. ELLENDER, LA.
LISTER HILL, ALA.
HARLEY M. KILGORE, W. VA.
JOHN L. MCCLELLAN, ARK.
A. WILLIS ROBERTSON, VA.
STYLES BRIDGES, N. H.
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GUY CORDON, OREG.
LEVERETT SALTONSTALL, MASS.
MILTON R. YOUNG, N. DAK.
WILLIAM F. KNOWLAND, CALIF.
EDWARD J. THYE, MINN.
ZALES N. ECTON, MONT.

EVERARD H. SMITH, CLERK
CECIL H. TOLBERT, ASST. CLERK

PERSONNEL AND RECORDS
DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
SEP 26 8 45 AM '51

United States Senate

COMMITTEE ON APPROPRIATIONS

September 25, 1951

OFFICIAL FILE COPY

To	Init.	Date
Rm 3425	BJ	SEP 26 195
210		

Mr. W. C. Schroeder
Acting Administrator
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Schroeder:

Referring to your courteous letter of August 28, copy of which I attach for your ready identification, I attach copies of communications addressed to you and Mr. G. E. Johnson under date of September 22 by Mr. Sherwood B. Owens, all with regard to the Abril Mine application.

In view of the information contained in Mr. Owens' letters, I shall appreciate your advice as to whether arrangements can be made for the Shattuck Denn Mining Corporation to examine the proposed contract prior to executing a subordination agreement.

Yours very sincerely,

Carl Hayden

U.S.S.

P. S. Please address reply to me; sending me original and one copy. Kindly return enclosures.

SEP 27 1951

FILE COPY
SURNAME:

Mittendorf (Pa)

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

SEP 20 1951

G. E. C.

Mr. J. H. East, Jr.
Executive Officer
Field Team, Region IV
Defense Minerals Administration
224 New Customhouse Building
Denver 2, Colorado

Re: DMA-399X (Zinc-Copper)
Sherwood B. Owens

Dear Mr. East:

Transmitted herewith you will please find six copies of the contract which has been prepared in the subject case. Also attached are six copies of Landlord's Subordination Agreements which must be executed by the Shattuck Den Mining Corporation.

The file on this case reveals that the applicant was unable to furnish proper subordination agreements so as to permit final approval of the project here in Washington. The applicant stated that the Shattuck Den Mining Corporation had refused to subordinate all its rights until it first had the opportunity of a review of the terms and conditions of the contract.

It appeared that the only solution to the problem was to prepare a contract acceptable to our technical staff and approved by Counsel and forward it to the applicant so he could discuss it with the Shattuck Den Mining Corporation and endeavor to obtain the necessary subordination agreement.

Upon our receipt of the six contracts signed by Mr. Sherwood B. Owens, together with the proper subordination agreements, the contracts will be finalized by the Government.

Sincerely yours,

BJ 9/20

C. O. Mittendorf (J. H.)

C. O. Mittendorf, Director
Production Expansion Division

APPROVED:

Tom Lyon

Chairman, Coordinating Committee

Lowell B. Moon

Member, Bureau of Mines

J Layer

Member, Geological Survey

9/18/51
HLBurmeister/COMittendorf/bjs/fw
cc: Admr. Reading File
Reports & Records
Mr. Mittendorf, Mr. Olund
Mr. Gowen Mr. Burmesister
Mr. Johnson Region IV
Mr. McKnight Docket

FILE COPY
SURNAME:

Koontz

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

September 17, 1951

Memorandum

To: Director, Production Expansion Division

From: General Counsel

Subject: Sherwood B. Owens exploration contract - Docket No. DMA-399X

The contract in the subject case is approved as to form and legality subject to execution by the parties, and execution of the requisite landlord subordination agreement.

The contract should be dated when it is delivered to the operator.

Your file is returned herewith.

J. L. Hofflund

J. L. Hofflund
General Counsel

Attachment

CJKoontz/ema

Copy to: Reports & Records
J. L. Hofflund
C. J. KOONTZ
Chron.

Mr. Sherwood S. Owen
P.O. Box 769
Tucson, Arizona

Re: Docket No. DMA 3991
Pima-Cenner

Dear Sir:

Enclosed find six copies of Form MF-602, Landlord's Subordination Agreements. Please have these executed by the Santiago Dome Mining Corporation.

Also enclosed are six copies of Form MF 200, Exploration Contract of which Exhibit "A" is a part. These you should sign and return to this office with the executed Landlord's Subordination Agreements.

Sincerely yours,

C. C. Mittenzwerf, Director
Production Expansion Division

Enclosures-12

HLBurmeister/bjs
9/20/51
cc to: Adm. Reading File
Reports & Records
Mr. Mittenzwerf, Mr. Ghund
Mr. Owen
Mr. Johnson
Mr. Mainight
Mr. Burmeister
Region IV (2)
Docket

350
FILE COPY
SURNAME:

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

AUG 28 1951

Johnson
Mattendorf
McKnight
Mentzer
(for Mote)
G.E.

[illegible]-399
[illegible] Mine
Cochise County, Arizona

Mr. Sherwood S. Owens
P. O. Box [illegible]
Tucson, Arizona

Dear Mr. Owens:

In the absence of Mr. F. P. Billings, I am answering your letter of August 18, 1951, with reference to DMA-399 landlord's subordination agreement and the extension of your original contract to August 31, 1952. Returned herewith is letter addressed to you dated August 16, 1951, from Mr. [illegible] Chestnut of the Chestnut Gem Mining Corporation.

We are forwarding your application to the Production Expansion Division with the recommendation that if they approve the project, they forward to you original copies of a prospect exploration contract. If the contract is satisfactory without any amendments or revisions, you could sign the contract and arrange to have the necessary landlord's subordination agreement attached to the signed exploration contract.

We hope these arrangements will prove mutually satisfactory.

Very truly yours,

Gunnard Johnson

G. E. Johnson, Acting Chief
Lead-Zinc Branch

J 8/28

Enclosure

GEJOHNSON:hm
8/24/51

cc: Reports & Records
Mote
McKnight
Billings
Production Expansion Division
DMA Docket File

SHERWOOD B. OWENS
P. O. BOX 769
TUCSON, ARIZONA

August 18, 1951

Defense Minerals Administration
Att: Mr. T. P. Billings, Chief
Lead-Zinc Branch
Washington, D. C.

DMA-399X

Dear Mr. Billings:

I must apologise for the delay in replying to your letter of July 18 but same was unavoidable. Upon receiving your letter I contacted Mr Shattuck at Bisbee, Arizona. He advised that Mr Thomas Bardon, President of Shattuck Denn Mining Corporation was just leaving New York for an inspection of the Western properties of the Company and suggested we wait and handle the matter with him personally rather than by correspondence. We decided to do this and Mr Shattuck and myself met with Mr Bardon at Prescott, Arizona and went into the matter fully.

Your letter made two requirements, one of which being the execution of Landlord's Subordinate Agreement. The second requirement is that my original contract be extended to August 31, 1953.

In order to clarify the situation existing it will be necessary that I go into the background of my deal with Shattuck Denn a little.

The Abril Mine Group consists of ten claims, four of which being owned outright by Shattuck Denn Mining Corporation and the other six being in process of acquisition under a Bond & Lease Agreement. The Bond & Lease under which Shattuck Denn is acquiring title expires November 27, 1952. Thus, in entering into contract with me they could not enter into a contract longer than August 31, 1952 and provide for a sixty day cancellation notice because they actually and legally could hold the property only until Nov. 27, 1952 unless they paid their Bond & Lease in full.

At the time I entered into contract with Shattuck Denn they owed a balance on the Bond & Lease on the property of $12,906.00. Thus, in order to encourage production and reward diligence on my part, they executed the letter to me which provides that in the event my operations at the Abril are successful to the extent of retiring the aforementioned $12,906.00 out of royalties on or before November 27, 1952 (thus obviating the necessity of any money payments on the part of the Company to protect their position) the Company did bind itself to extend my lease at that time to March 27, 1957. This they could legally bind themselves to do because under this stated set of circumstances, payment would have been made in full on the Bond & Lease and Shattuck Denn would have acquired full title to the property.

AUG 22 1951

SHERWOOD B. OWENS
P. O. BOX 769
TUCSON, ARIZONA

Mr. T. P. Billings - Aug. 18, 1951 - DMA-399X

This is the basis under which we have proceeded and was the status at the time we made application for Exploration grant.

As stated, we met Mr Bardon at Prescott and he expressed gratification at the amount of progress I have made on the Abril. As of now, notwithstanding the fact that we had to build roads and completely rehabilitate the mine since the first of the year, we have nonetheless paid to Shattuck Denn in royalties the total sum of $4,496.11 which has been applied to their Bond & Lease, which now stands at only $8,409.89.

It is my understanding of DMA that Landlord's Subordination Agreements are not requested until application has been tentatively approved. Since this was also Shattuck Denn's understanding, we proceeded along these lines in our discussions of how best to handle this situation.

The decision at Prescott was to have Gentry & Gentry, Attorneys for Shattuck Denn, prepare a subordination agreement setting forth the Company's position and guaranteeing performance on their part of the retiring of the Bond & Lease, thus protecting both you and I on the matter. It was decided to immediately start the usual quiet title suit, pay off the balance due, and give me the one years guaranteed extension on my contract as requested by you. It was felt that a guarantee on the part of Shattuck Denn might be sufficient to qualify the status of the property.

Immediately after my return I received a telephone call from Mr Shattuck advising result of his conference with Gentry & Gentry. They have had no DMA exploration contracts before them and they are taking the position that entering into subordination agreement would be writing a blank check and that before so doing, they should have the privilege of examining whatever Exploration Contract is under discussion.

I enclose letter from Mr Shattuck to me explaining the Company's position in the matter. (Incidentally, please make copy of this letter for your file and return the original to me). I think you will agree from perusal of this letter that the Company is desirous of cooperating in every way. They agree to guarantee title, pay off the Bond & Lease, extend the contract period a year, execute subordination agreement on a particular approved contract - all just as soon as they can see and approve, for their part, Exploration Contract as issued by your office. I certainly hope the Contract is ready for issuance and that same can be handled within limits of this letter. I can understand that the Company naturally wishes to be protected, but we're very anxious to get that work started at the very earliest possible moment.

Yours very truly,
SHERWOOD B. OWENS

Sherwood B. Owens

SBO/j

COPY COPY

SHATTUCK-DENN MINING CORPORATION
Bisbee, Arizona
August 16, 1951

Mr. Sherwood B. Owens
Box 769
Tucson, Arizona

Dear Mr. Owens:

Upon my return to Bisbee I contacted our attorneys, Gentry & Gentry, and submitted the file relative to your application for an Exploration Loan from the Defense Minerals Administration. I also called to Mr. Gentry's attention our ideas in this regard.

Upon their examination of the Landlord's Subordination Agreement they advised that it would be very hazardous for our Company to sign the same under the present circumstances, without first having the advantage of seeing what is contained in the Exploration Project Contract, as well as other disadvantages arising from the present status of the title to the six mining claims.

In view of Mr. Gentry's advice against signing the contract, we thought it advisable to call Mr. Thomas Bardon. When Mr. Bardon was reached by long distance 'phone, both Mr. Gentry and I discussed the matter with him. Mr. Gentry pointed out to Mr. Bardon the dangerous portions of the Landlord's Subordination Agreement and suggested that the Company not sign the agreement until it was furnished with a copy of the Exploration Project Contract. We came to the conclusion that we could not acquiesce with Mr. Billings' request to execute the Landlord's Subordination Agreement prior to an inspection of the proposed Exploration Project Contract.

I am enclosing, for your information, a copy of Mr. Gentry's opinion to us in this regard.

Our Company is starting a quiet title suit covering the claims we are purchasing under escrow contract, and when the same is completed we will pay the balance due the former owners and obtain title to the claims. This will remove the question of other landlords being involved in your application to the Government for a loan.

After our company acquires title to the claims, if it becomes necessary, as a prerequisite to your getting an Exploration Project Contract with the Government on the Abril Mine, we will extend the termination date of your lease to August 31, 1953, with the proviso that if such Exploration Project Contract is not signed, the extended term of the lease will not be effective.

We are

Yours very truly,

SHATTUCK DENN MINING CORPORATION

By /s/ S. S. Shattuck
Vice President

SSS:d:lm

cc: Mr. Thomas Bardon, President
Shattuck Denn Mining Corporation
120 Broadway
New York City

FILE COPY
SURNAME:

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

AUG 28 1951

Johnson.
McKinney
Clerk
(7-1-Mite)
Schneider

DMA-399
April Mine
Cochise County, Arizona

Hon. Carl Hayden
United States Senate
Washington, D. C.

My dear Senator Hayden:

I have your letter of August 18 with enclosed copy of Mr. Boyd's letter dated July 18 concerning the application of Mr. Sherwood B. Owens, Tucson, Arizona, for an exploration loan. Mr. Boyd's letter is returned herewith.

In order to complete processing this application, the Lead-Zinc Branch on July 18 requested Mr. Owens to file a landlord's subordination agreement. There seems to be some delay in obtaining the agreement. A letter from Mr. Owens dated August 18 makes certain proposals that are being looked into to see if a solution can be found to the problem.

In case I can be of further assistance to you at any time, please do not hesitate to call on me.

Sincerely yours,

W. G. SCHNEIDER
Acting Administrator

8/28 J.F

Enclosure

GEJOHNSON:ks
8/23/51
cc: Administrator
Reports & Records
Mote
McKnight
Billings
DMA Docket File

March - Copy Contr

KENNETH MC KELLAR, TENN., CHAIRMAN
CARL HAYDEN, ARIZ.
RICHARD B. RUSSELL, GA.
PAT MC CARRAN, NEV.
JOSEPH C. O'MAHONEY, WYO.
DENNIS CHAVEZ, N. MEX.
BURNET R. MAYBANK, S. C.
ALLEN J. ELLENDER, LA.
LISTER HILL, ALA.
HARLEY M. KILGORE, W. VA.
JOHN L. MC CLELLAN, ARK.
STYLES BRIDGES, N. H.
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GUY CORDON, OREG.
LEVERETT SALTONSTALL, MASS.
MILTON R. YOUNG, N. DAK.
WILLIAM F. KNOWLAND, CALIF.
EDWARD J. THYE, MINN.
ZALES N. ECTON, MONT.
JOSEPH R. MC CARTHY, WIS.

EVERARD H. SMITH, CLERK
CECIL H. TOLBERT, ASST. CLERK

United States Senate

COMMITTEE ON APPROPRIATIONS

August 18, 1951

Dr. W. C. Schroeder
Deputy Administrator
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Dr. Schroeder:

Referring to Dr. Boyd's letter of July 10, a copy of which I enclose, with regard to the exploration assistance application filed by Mr. Sherwood B. Owens, I will appreciate your advising me whether there has been any progress made toward completed action in this matter.

Yours very sincerely,

Carl Hayden
U. S. S.

P. S. Please address reply to me; sending me original and one copy. Kindly return enclosures.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 20 1951

AUG 21 1951

L

350
FILE COPY
SURNAME:

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

Billings
O'LEARY
(FOR MOTE
McKnight

July 18, 1951

DMA-399X
Abril Mine
Dragoon Mining District
Cochise County, Arizona

Mr. Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

Dear Mr. Owens:

In order to expedite the processing of your application request, it will be necessary that you file a Landlord's Subordination Agreement. Therefore, I am enclosing six copies of Form MR-202 for you to fill out and return four signed copies.

In your answer to Question 7 page 1 of the application form MR-103 you did not give sufficient information respecting any contract agreements of claimants, et cetera. Also, please provide us with any information pertaining to that feature. In your answer to Question 7 you state that you consider you have a lease effective to March 27, 1957. However, the paragraph in the lease covering its duration states that it expires August 31, 1952, and shall continue indefinitely unless terminated by either party by written notice given to the other party sixty days in advance of termination.

We feel that the time may not be sufficient to complete the work indicated in your application to reach your objectives. So it would be desirable if you can get a modification of the lease to the extent that the lessor give you an additional year and have it terminated as of August 31, 1953.

We shall appreciate a prompt reply.

TEBILLINGS:ks

Very truly yours,

cc: Reports & Records Unit
Mote
McKnight
Billings
Files

T. E. Billings, Chief
Lead-Zinc Branch

Enclosures

McKnight

6/5/51

Defense Minerals Administration 7-16-51

Review of Application for Exploration Assistance

Docket No. 399X

To: Production-Expansion Division

Commodity Zinc

From: Director, Supply Division

Total Amount $ 57,000

Govt. Participation 50% $28,500

1. Name and Address of Applicant Sherwood B. Owens, P. O. Box 769, Tucson, Arizona

2. Location of Property Abril Mine, Dragoon Mining District, Cochise County, Arizona (Exploration on San Pablo and La Hermosa Claims)

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

If not, application will be rejected.

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

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

a) Good See attached statement

b) Poor

c) None

d) Don't know—needs field examination

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

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

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

Does the lease have sufficient time to run to cover a future productive period? Lease expires August 31, 1952, but will automatically continue if sufficient production results from operations.

*question numbers are those of MF-103

4. (a) The geology of the Abril Mine involves a series of limestones about 600 feet thick which have been intruded by granite. Both the contact between the granite and sediments and the dip of the sediments is about 30 degrees northward. Mineralization of the contact metamorphic type resulted in a metamorphosed and silicified zone about 50 feet wide and zinc deposits (sphalerite) in a zone extending about 100 feet from the contact.

Drilling by the previous operator (and present lessor), the Shattuck Denn Mining Corporation, has disclosed ore below Level 4 and a second mineralized zone some 400 feet east of the ground now being mined. In view of the 22,000 tons production between 1945 and 1951 and the discovery of further ore below and beyond the present workings, the possibility of finding further ore by means of the present proposed exploration is moderately good.

7. Are subordination agreements necessary? Yes

a) MF-201? _____

b) MF-202 Required. However, see additional on sheet 1 concerning lease

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

a) Available manpower Yes

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

c) Accessibility (question 12)* Yes

d) Water (question 13)* Camp water hauled in. Mine water sufficient for operations.

e) Power (question 13)* Gasoline or diesel engine power.

Is a field check needed on any of these points? No

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

Is a field check needed on this point? No

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

a) Is the project adequately described? Yes

If not, are there sufficient data given so that you can describe the project? _____ If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? Yes

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

If not, what part of it is? _____

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed? No

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

e) Are the cost estimates reasonable? Yes

f) Should more information be requested from applicant? No

g) Is a field examination necessary to complete Exhibit A? No

11. Exhibit B (question 23-d)*

a) Is it applicable? Yes

b) If so, are sufficient data furnished? Yes If so, attach a draft. attached

c) Is a field check needed? No

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

a) Is it applicable? Yes

b) Sufficient data? Yes If so, attach a draft.

c) Are rents and charges reasonable?_____

d) Is a field check needed? No

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

a) Are there sufficient data? Yes

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

c) Is the schedule excessive for the work proposed? No

d) Are the proposed wages and salaries reasonable? Yes

e) Is a field check needed? No

10. (d) Exhibit A

Part 1.	800 ft. drifting, crosscutting and raising 4th level at $30.00/ft.....	$ 24,000.00
Part 2.	750 ft. drifting, crosscutting and raising on 5th level at $30.00/ft.....	22,500.00
Part 3.	600 ft. diamond drilling from 4th level at $7.50/ft.....	4,500.00
	800 ft. diamond drilling from 5th level at $7.50/ft.....	6,000.00
	Total cost.....	57,000.00

NOTE: On additional sheet 6, item 23-(i) the applicant states that drifting and raising will cost from $30.00 to $35.00 per lineal foot. Since he estimates the total cost of the drifting and raising part of the project on $30 to ~~$45~~ 35 per lineal foot, it is apparent that all costs, labor, supplies, rentals, explosives, timber, etc. are included in the cost per foot.

The following items have been distributed among the three parts in proportion to the total cost of each as shown above, i.e., Part 1, 42%; Part 2, 39.5%; Part 3, 18.5%.

Facilities:	Housing for 4 men.....	$ 1,000.00
	Compressor house and change room.	750.00
	Air and water lines.....	2,000.00
Equipment:	drilling machines.....	1,200.00
	Total installations..	4,950.00

Rental and repairs are based on fair rental values for equipment listed by the applicant, although no rental value was stated.

Supplies: explosives, fuel, oil, timber, tools, track, etc., are estimates since no specific information was given.
Overhead, consisting of supervision, sampling, assaying, etc., are estimated.

Part	Labor	Installations	Rental & Repairs	Supplies	Overhead	Total
1	$11,552	$ 2,080	$ 4,544	$ 4,560	$ 2,080	$24,816
2	10,830	1,950	4,260	4,275	1,950	23,265
3	4,032	924	1,988	2,002	2,982	11,928
	$26,414	4,954	10,792	10,837	7,012	60,009

Breakdown of costs on per foot basis

800 ft. drifting, crosscutting, raising

Part 1.	Labor (insurance Social Security, taxes, etc) at $14.44 per foot		$ 11,552.00
	Installations	$2.60/ ft	2,080.00
	Rentals and Repairs	5.68/ft	4,544.00
	Supplies	5.70/ft	4,560.00
	Overhead	2.60/ft	2,080.00
	Total -	31.02	23,265.00
	800' drifting etc. on Nov. 4 level		

Part 2.	Labor (as above)	at $14.44/ft	10,830.00
	Installations	2.60/ft	1,950.00
	Rentals and repairs	5.68/ft	4,260.00
	Supplies	5.70/ft	4,275.00
	Overhead	2.60/ft	1,950.00
	750 ft. drifting etc. on No. 5 level	31.02	23,265.00
Part 3.	Labor (as above)	at $ 2.88/ft	4,032.00
	Installations	0.66/ft	924.00
	Rental and repairs	1.42/ft	1,988.00
	Supplies	1.43/ft	2,002.00
	Overhead	2.13/ft	2,982.00
	1400' of diamond drilling (underground) at	8.52	11,928.00

Exhibit B

23 (d)	Housing for 4 men	$ 1,000.00
	Compressor house and change room	750.00
	Air and water lines	2,000.00
		$ 3,750.00

Exhibit C

23 (e)	Drilling machines to be bought	1,200.00
23 (f)	None	
23 (g)	Equipment listed, but no rental value assigned by applicant. Rental and repair values estimates, see preceding page	

Exhibit D

23 (a) Labor: 2 miners at $12.50/day each
2 muckers at 10.00/day "
2 trammers at 10.00/day "

1 diamond drill operator at $16.00/day
1 drill helper " 12.00/day

23 (b) Supervisor: 1 supervising engineer at $15.00/day

14. Exhibit E (question 23-c)*

a) Is it applicable? No

b) Sufficient data? _____

c) Reasonable? _____

d) Field check needed? _____

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

(All exploration must be completed within two years)

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

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question? _____

Reviewed by: A. J. Bodenlos - GS

G. A. Apell - BM

Approved
Jon Lyon

Date 7-16-51

INT.-DUP. SEC., WASH., D.C. 99009

16. It is recommended that the application be approved for the full amount. Although previous exploration has shown ore below Level 4 and east of the present workings, the work to date has been insufficient to demonstrate the extent and grade of these discoveries. The proposed exploration should be sufficient to determine whether the ground is mineable.

FILE COPY
SURNAME:

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

Herres
McKnight
O'Leary
(for more)
Stuart 7/16

July 10, 1951

[illegible]-399
Abril Mine
Cochise County, Arizona

Hon. Carl Hayden
United States Senate
Washington 25, D. C.

My dear Senator Hayden:

In reply to your letter of July 7 addressed to Mr. Herres of the Gold-Mine Branch, the application of Mr. Sherwood M. [illegible], Tucson, Arizona, for exploration assistance to the Abril Mine in Cochise County, Arizona, is under consideration at this time and will be handled as promptly as possible. There has been some delay in handling the various projects submitted for exploration assistance because of the large number that have been filed. Work on additional loans is proceeding under the extension of the Defense Production Act and contracts now are being prepared for many projects.

In case I can be of further assistance to you at any time, please do not hesitate to call on me.

Sincerely yours,

JAMES BOYD

Administrator

OHERRES:ks

cc: Administrator
Reports & Records Unit
Mote
McKnight
Herres
Files

Page 3 of 4

~~LANDON F. STROBEL~~ Memo - Copy Carl

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EVERARD H. SMITH, CLERK
CECIL H. TOLBERT, ASST. CLERK

United States Senate

COMMITTEE ON APPROPRIATIONS

July 7, 1951

D.M.A. 399

Mr. Otto Herres, Chief
Lead Zinc Branch
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

My dear Mr. Herres:

Mr. Sherwood B. Owens, P. O. Box 769, Tucson, Arizona, advises me that he has submitted to you an application for exploration assistance covering the Abril Mine in Cochise County, Arizona. I will appreciate your advising me of the status of this matter.

Yours very sincerely,

Carl Hayden

U. S. S.

P. S. Please address reply to me; sending me original and one copy.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 06 1951
LANDON F. STROBEL
Executive Secretary

JUL 01 1951

B

FILE COPY
SURNAME:

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

Herres
Brokaw
McKnight

June 27, 1951

DMA-399X
Abril Mine
Cochise County, Arizona

Mr. Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

Dear Mr. Owens:

This will acknowledge receipt of your letter of June 23 requesting information as to whether your application for exploration assistance will be acted on by June 30, 1951.

It is my understanding that it will be possible to take action on your application within the next few days. If any additional information should be required, I shall let you know. There has been some delay in handling various projects submitted because of the large number that have been filed.

With reference to the proposed bonus payment for new and expanded production of zinc I have recommended approval of such a plan to apply on both lead and zinc. The outcome at this time is uncertain. However, budget presentations now before Congress include funds for this purpose.

If I can be of further assistance to you, please let me know.

Very truly yours,

Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

OHERRES:ks

cc: Strobel
Mote
McKnight
Herres
Files

DMA 399

856

SHERWOOD B. OWENS
P. O. BOX 769
TUCSON, ARIZONA

June 23, 1951

Defense Minerals Administration
RECEIVED
JUN 26 1951
LANDON F. STROBEL
Executive Secretary

Mr. Otto Herres, Chief
Lead-Zinc Branch, D M A,
Washington 25, D. C.

Re: DMA - 399X

Dear Mr. Herres:

Since filing my MF-103 application for contract under the Defense Production Act of 1950 I have received an acknowledgement from Mr. Landon F. Strobel advising that same had been referred back to you for attention.

F/O P.R.D.

In a conversation with one of the officials of the local Bureau of Mines office just today it was brought to my attention that with the government's fiscal year closing June 30, any contracts not approved by DMA before that date would probably go over into the new fiscal year for consideration and could not be acted upon until such time as a new appropriation had been voted for the purpose.

I feel that my application on the Abril Mine has outstanding merit and can be approved by DMA on the basis of the information already available from Bureau of Mines files. In the event, however, that additional information would be necessary to your decision, I will make every effort to make same available to you from this office before any deadline if you will let me know what is required.

Has any progress been made toward adoption by DMA of your proposed premium price plan for zinc ? I know that you will be happy to learn that since publication of your proposal in the June issue of E. &. M. Journal, tremendous interest has been aroused in this area and I feel certain that a great deal of so-called "fringe" or marginal production would be had as a result of the adoption of the subsidy plan. You will be interested to know that every comment I have heard on the idea has been favorable. Since this includes a cross section of mining men ranging from prospectors to officials of major companies, I consider it worth mentioning to you.

Any information you can give me on either or both of these inquiries will be very greatly appreciated. Thanking you, I am

Yours very truly,
SHERWOOD B. OWENS

Sherwood B. Owens

SBO/j

FILE COPY
SURNAME:

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

June 19, 1951

Mr. Sherwood B. Owens
Post Office Box 769
Tucson, Arizona

Subject: DMA-399X
Re: Contract -
Abril Mine

My dear Mr. Owens:

Receipt is acknowledged of your application and attachments for a contract under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-399X and referred to Mr. Otto Herres, Chief, Lead-Zinc Branch on June 1, 1951.

In any future correspondence relating to your application, kindly refer to DMA-399X.

Sincerely yours,

LANDON F. STROBEL
jc

Landon F. Strobel
Executive Secretary

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

SHERWOOD B. OWENS
P. O. BOX 769
TUCSON, ARIZONA

May 29, 1951

Defense Minerals Administration
Att: Mr. Otto Herres, Chief
Lead-Zinc Branch, DMA
Washington, D. C.

Docket DMA-399

Dear Mr. Herres:

Thank you very much for your letter of May 16, 1951 enclosing Forms MF-100. Your promptness in replying to my inquiry has enabled me to file these forms within the stated time.

I want to compliment you on the proposed zinc incentive bonus plan. It is evident that you have given this matter a great deal of thought and that you are completely aware of the problem from the producer's angle. This plan which you have drawn up will, if enacted, bring out a surprisingly large amount of metal. Unless a man has actually been in field operations, it is hard to visualize the really large number of small and marginal operations which will each and every one start producing a little metal if the price is high enough. Once in a while one of these little operations makes a mine and meanwhile, even those small dribbles of production add up. We are fortunate that you, with your personal experience, are up there with the first hand information to press this matter and get some action. A lot of us are suffering from inflationary costs and frozen metal prices.

Enclosed herewith is my filing of form MF-100 which I think is reasonably complete. I am also filing herewith form MF-103 in which I am requesting 50% assistance on a projected exploration project at the Abril Mine. Everything is, I think, complete with the exception that we did not have but two additional prints of the maps and vertical sections. Thus we are two short on this filing. The Bureau of Mines office at Tucson has a complete file on the Abril and I suppose Washington has copies. If so, they will no doubt already have the information. If not, please advise and I will have additional copies made and forward them to whatever office you designate.

I know you're busy but if you have time, take a look at the mine map on the Abril before passing it along to the proper party. You'll see why I've been so anxious to get a price at which I could produce when you look at my proven plus prospective tonnage.

Thanks again for your consideration in my behalf.

Yours very truly,
SHERWOOD B. OWENS

Sherwood B. Owens

SBO/j

JUN 2 1951

FILE COPY
SURNAME:

Herres
Mote

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

cc: Strebel
Mote
McKnight
Herres
Files

May 16, 1951

[illegible]
Abril Mine
Cochise County, Arizona

Mr. Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

Dear Mr. Owens:

I have your letter of May 10 requesting certain information concerning Form MP-100, filing of which is required to secure a serial number.

Form MP-100 should be filed once for each property requiring Government assistance. It is my understanding that in case several projects are contemplated on one property, only one filing need be made. However, in case you are operating several different properties, which have different operations or possibly through different companies, a filing should be made for each one.

In accordance with your request I am pleased to enclose six copies of the form, also a release dated May 14 giving questions and answers on the mineral exploration program which you may find of interest.

With reference to your inquiry in relation to a plan to provide over-the-market contracts for zinc, no such plan has yet been formulated. It is not likely that any such plan can be carried out unless Congress is willing to appropriate the funds required.

A plan is under consideration to make available an incentive bonus or bounty for new and expanded production of zinc. I am hopeful that I shall be able to obtain approval for this plan or at least some modification of it. I believe it would be particularly helpful to such properties as yours. A copy of a draft which I prepared earlier this year is enclosed for your information.

In case I can be of further assistance to you, kindly let me know.

Yours very truly,

Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

HERRES:ks

Enclosures

8MA-889

856

FILE COPY
SURNAME:

Lyon

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

May 11, 1951

Mr. Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

My dear Mr. Owens:

This is in answer to your letter of April 12. I wish to apologize for the delay in answering. I will try to explain to you some of the problems involved in doing the things you wish done.

Until just recently the zinc, lead and copper situation have been well in hand. It has developed, however, that we are losing much more of these metals to the foreign nations than we had anticipated. Since World War II we have been able to obtain sufficient imported metal to make up any deficit in our supply. This was the result of usurping the European markets at a time when they were unable to purchase these metals. Now that they are back in the market they are outbidding us for everything. We have not purchased any lead or zinc at the high prices you see in the paper, nor has there been any zinc drawn from the stockpile.

We fully realize that something different will have to be planned. Inasmuch as these plans call for commitment of very large sums of money by the federal government, the decision to make them is dependent on the availability of appropriations or authorization by Congress to commit such funds. The total requirements for such a program are fare in excess of the present congressional authority. Hence the delay in the announcement of a specific plan.

I trust that this will answer the questions you have called to my attention in your letter.

Sincerely yours,

JAMES BOYD
Administrator

TLyon/ad

cc: Administrator
Deputy Administrator
Executive Secretary
Chief, Lead-Zinc Branch
Mr. Hofflund Mr. Mittendorf Mr. Lyon Files

Owen-390

8576

Mr. Herres
Per 3618

SHERWOOD B. OWENS
P. O. BOX 769
TUCSON, ARIZONA

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 14 1951
LAWDON F. STROBEL
Executive Secretary

May 10, 1951

Defense Minerals Administration
Att: Mr. Otto Herres, Chief
Lead-Zinc Branch, DMA
Washington, D. C.

Docket DMA-399

Dear Mr. Herres:

I am today in receipt of a Form MF-100 which same I am advised I should fill out in detail in order to secure a Serial Number.

Inasmuch as I already have a Docket Number for the Abril Mine, will it be necessary for me to make application for this particular mine ? Also, in the event I am operating another property, must I have a serial number for each individual small operation or can they all be lumped under one number ? Your replies to these questions will be greatly appreciated. Incidentally, I am informed that this MF-100, if sent in to you, must be in quadruplicate and only the one copy was sent me. If it is necessary that these forms be sent in, please have your office forward additional blanks as they are not available locally.

Has your office been able as yet to formulate any plan which would provide for over-the-market contracts for zinc ? I have been going along on the Abril carefully and slowly and of course am only able to mine the higher grade spots. I cannot but feel that such a policy is not only detrimental to the mine itself but to the National economy as well. While it is quite true that the zinc market is high at present, it is also true that costs have risen even faster than the zinc price. It seems to me that now would definitely be the time to get this metal out if there is any chance that we are going to be short at any time in the forseeable future. I will appreciate any information you can give me on the prospects of price aid on this zinc situation because if some relief is not forthcoming within the very near future, we will be forced to move out our equipment and again relegate the Abril to the old "idle" status. Seems a shame to do this in the light of what we have been told about scarcities.

Thanking you for your prompt attention to this inquiry, I am

Yours very truly,
SHERWOOD B. OWENS

SBO/j

Sherwood B. Owens

MAY 16 1951

Mr. Lone Bryson

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

May 7, 1951

Memorandum

To: C. O. Mittendorf, Chief Production Expansion Division

From: General Counsel

Subject: Proposed letter to Mr. Sherwood B. Owens

Attached is a draft of a proposed letter for the Administrator's signature to Mr. Sherwood B. Owens. I do not understand any of Mr. Owen's letter, but I have attempted to make a reply to his comments on my testimony.

Please refer to your DMA-399, and if you think any further reply is needed, please draft it for the Administrator's signature and incorporate the paragraph that I have suggested which refers to my testimony.

J. L. Hofflund

J. L. Hofflund
General Counsel

Attachment

~~L. F. Strobel~~
Files
FILE COPY
SURNAME:

Hofflund

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

Office of the Administrator

May 7, 1951

Mr. Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

My dear Mr. Owens:

Reference is made to your letter to me of April 12.

I do not believe that there is any conflict in anything that I have said and what Mr. Hofflund said at the hearing at Phoenix. I gather from your letter that Mr. Hofflund said in effect that various forms of assistance are available to mine owners for the purpose of bringing out necessary production. Of course, with respect to any mineral as to which the supply is sufficient without any form of assistance, no such assistance would be granted under the Act.

I am sure that Mr. Hofflund, as a lawyer, would not undertake to pass judgment upon what minerals are in such short supply as to require some one or more of the various forms of assistance provided by the Defense Production Act. That is a matter of policy which would be determined by myself with the aid and advice of the technical experts of Defense Minerals Administration.

Sincerely yours,

Administrator

JLHofflund/em

Copy to: Administrator's Reading File
L. F. Strobel
JLHofflund
C. O. Mittendorf
Files

Not signed

FILE COPY
SURNAME:

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

Herres
Mr. Strobel
Mr. Hoto
Mr. McKnight
Stuart 5/4

ay 2, 1951

-399
Abril Mine
Cochise County, Arizona

Honorable Carl Hayden
United States Senate
Washington 25, D. C.

My dear Senator Hayden:

This will acknowledge receipt of your letter of April 24 enclosing copy of a letter dated April 12 addressed to me from Mr. Sherwood B. Owens concerning his need for a contract at a price higher than the present market of 17½ cents a pound for zinc.

I regret that we have not found it possible to negotiate an over-the-market contract with Mr. Owens for his zinc production. It may be that some misunderstandings arose during the Congressional hearing conducted by the Hon. Walter E. Baring at Phoenix, Arizona, on March 28, 1951, as reported by Mr. Owens in relation to over-the-market contracts.

The fact remains however as I wrote you on March 22 that over-the-market purchases of zinc have not been considered by the Defense Minerals Administration up to this time because such information as was available indicated that the anticipated needs for National Defense could be supplied by procurement contracts at the current market price. The Defense Production Act authorizes purchases at above market prices only when materials cannot be secured on terms more favorable to the Government.

Further, it must be considered that any plan for payment of over-the-market prices calls for the commitment of very large sums of money by the Federal Government. The decision to enter into such arrangements is dependent upon the availability of appropriations or authorizations by the Congress to commit the funds needed. Total requirements for programs of this nature are far in excess of present Congressional authorizations. Hence, the delay in the announcement of a specific plan.

If I can be of further service to you at any time, please feel free to call upon me.

Sincerely yours,

JAMES BOYD

Administrator

OHERRES:ks

cc: Administrator
Deputy Administrator
Mr. Strobel
Mr. Herres
Enclosure Mr. Hoto
Mr. McKnight Files

KENNETH MC KELLAR, TENN., CHAIRMAN
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BURNET R. MAYBANK, S. C.
ALLEN J. ELLENDER, LA.
LISTER HILL, ALA.
HARLEY M. KILGORE, W. VA.
JOHN L. MC CLELLAN, ARK.
A. WILLIS ROBERTSON, VA.

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WILLIAM F. KNOWLAND, CALIF.

EVERARD H. SMITH, CLERK
CECIL H. TOLBERT, ASST. CLERK

United States Senate

COMMITTEE ON APPROPRIATIONS

Ans. O Herrera 5/2/51

April 24, 1951

Ref. Your File: DMA-399
Abril Mine
Cochise County, Arizona

Dr. James Boyd, Administrator
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

My dear Dr. Boyd:

Referring to our past correspondence with regard to Mr. Sherwood B. Owens, I attach hereto a copy of a letter addressed to you on April 12, by Mr. Owens, in which he raises certain questions. I will appreciate receiving a copy of your reply to him.

Yours very sincerely,

Carl Hayden

U. S. S.

P. S. Please address reply to me; sending me original and one copy. Kind return enclosures.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 2 5 1951
LANDON F. STROBEL
Executive Secretary

APR

SHERWOOD B. OWENS
P. O. BOX 769
TUCSON, ARIZONA

RANDOLPH F. STROBEL

1. Mr. Douglas
2. Mr. Hoffland
3. Mr. Boyd
4. Return to L. S. Strobel

about

April 12, 1951

ans. 5/7/51 JL Kleem

Dr. James Boyd, Administrator
Defense Minerals Administration
Washington, D. C.

DMA-399

My dear Dr. Boyd:

Senator Hayden has forwarded me your press release under date Dec. 5, 1950, which same was enclosed with your letter to him dated March 22, 1951. It is true that the statement you make in your letter is contained in the press release but the whole fault of the matter, Dr Boyd, is that the Administration has led us all to believe that it would not be possible to produce our requirements without going all out and assisting the small or dormant mines to re-open.

I think that an outstanding example of the present confusion in your office was amply demonstrated for the record at the Congressional hearing conducted by the Hon. Walter S. Baring at Phoenix, Arizona on March 28, 1951. A great many witnesses were heard and your office was amply represented by your Mr. Hofflund. As General Counsel for DMA his statements received the close attention of the assembled interested parties to the hearing and his prepared address was a masterful presentation of the case for DMA. He stressed the fact that although things had been slow in rounding into shape, the offices were now fully manned, loan applications were now receiving attention, and DMA stood ready to help the small miner in all ways INCLUDING OVER-THE-MARKET CONTRACTS. During the course of the discussion I brought out the fact that Mr Hofflund was either wrong in his interpretation of the law or you were wrong in your application. The two of you were definitely not in accord. I cited the case of the Abril Mine which we have reopened and are operating with not one cent of governmental assistance and on which you have so far refused my application for an over-the-market contract. Mr Hofflund replied to me with a masterful piece of double talk which in effect stated that it was in the law that we could get extra assistance when necessary and that the fact that it wasn't now necessary didn't alter the fact that the legislation and authority were there. You know as well as I do, Dr Boyd, that the small miner is not in a position to wait indefinitely on the DMA to make up its mind. I think it high time for your office to reach a decision as to whether this Nation of ours is sufficiently in peril that we must stockpile for possible war. If so, what are we waiting for ? If not, give the nation the facts and let us go back to a peacetime and normal economy. This business of holding out hope to the small producers, appealing to their patriotic instincts, and then just leaving them high and dry is not acting in good faith.

As regards the present situation on zinc, it is certainly my understanding of the matter from yourpress releases that this is one of the most vital and strategic metals. We all know that the world market on zinc is .27 at this time

SHERWOOD B. OWENS
P. O. BOX 769
TUCSON, ARIZONA

and the metal is moving at that price. Is our government now paying .27 for foreign zinc and refusing aid to people like myself ? I would like to know the facts on this.

You state in your letter to Senator Hayden that you are able to secure the requirements of Defense, etc without resorting to over-the-market contracts. I charge that here again you are not in accord with the facts as they have been presented.

A highly placed official of American Zinc, Lead and Smelting Co. had a conference with me at Tucson on March 24, 1951. As you know, American Zinc is the second largest producer but the largest seller of zinc in the United States. This official was just returning from a long trip through Mexico and had been in contact with all of American Zinc's mexican customers and producers. He stressed the fact to me that our domestic production of zinc will run from a hundred fifty thousand tons upward BELOW our requirements. Have your DMA experts you mention told you this ?

A Capt. Maars (I'm not certain of this name but he is purchasing agent for GSA with offices in Washington) who was present at the Phoenix hearing made the statement that GSA had found it necessary to release zinc from the stockpile to meet present domestic and military needs. Have these same DMA experts brought this to your attention ?

I am not trying to be contrary or arbitrary, Dr Boyd, but in the face of all these facts I am at an absolute loss to see why DMA cannot legally enter into over-the-market contracts. I should think they would be scouring the country trying to open up new sources. Instead of that, the attitude of DMA right now in this matter precludes the production of many, many thousand tons of zinc which we are told is badly needed.

As I have told you before, I took the statements of the Administration and DMA at face value and opened up the Abril Mine. I asked not a cent of loan or government aid in so doing. I have expended well over Sixteen Thousand Dollars in the rehabilitation of this property. If DMA will grant me an over-the-market contract, I can produce a lot of zinc. Otherwise, I can only clean up a few hot spots and shut the property down. This will result in an economic loss to the Nation as you so well know. Capt. Maars made the statement that his agency, GSA, could enter into over-the-market contracts NOW for finished metal. How in the name of common sense can a small miner benefit from that ? We don't even have a mill - much less a smelter. I do have all that ore, Dr Boyd, and A. S. & R. Co. stands ready to mill 1500 tons monthly for me. I hope you will make a thorough investigation of all the facts and see to it that I am allowed to do my part in helping produce this much-needed metal. All I need is the over-the-market contract for which I have applied.

Yours very truly,
SHERWOOD B. OWENS Sherwood B. Owens

SBO/j
Cc/ Sen. Carl Hayden

FILE COPY
SURNAME:

Harres
Dyson
Stubel

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

March 22, 1951

DMA-399
Abril Mine
Cochise County, Arizona

Honorable Carl Hayden
United States Senate
Washington 25, D. C.

My dear Senator Hayden:

I wish to thank you for your letter of March 15 concerning Docket DMA-399, enclosing another letter which you received from Mr. Sherwood R. Owens, together with a copy of his letter to Mr. Otto Harres dated March 13 relating to the program of the Defense Minerals Administration. A copy of Mr. Harres' reply to the letter he received from Mr. Owens is enclosed for your information.

In his letter to you, Mr. Owens states in effect that representatives of the Bureau of Mines or DMA have repeatedly told the mining industry at every mining meeting for the past several months that over-the-market contracts would be made. It would seem that there must be a misunderstanding in this respect. In our press release of December 5, 1950, it is clearly stated that over-market prices will be certified only when DMA determines as required by the Defense Production Act that the production goal for a specific material cannot be reached "..... at lower prices or on terms more favorable to the Government." A copy of this press release is enclosed for your information.

If I can be of further service to you at any time, please feel free to call upon me.

Sincerely yours,

JAMES BOYD
Administrator

Enclosure - 4
OHARRES:ks

cc: Administrator
Deputy Administrator
Mr. Strobel
Mr. Note
Mr. McKnight
Mr. Harres

2 copies Executive Office Field Team
Region IV, Mr. J.H.East,Jr.,
224 New Customhouse Building, Denver 2,
Colorado

Files

Docket - 399

FILE COPY
SURNAME:

Herres
McKnight
Mote

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

March 21, 1951

Mr. Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

DMA-399
Abril Mine
Cochise County, Arizona

Dear Mr. Owens:

We have your letter of March 13 concerning your ability to commence producing zinc at an over-the-market price.

Over-the-market purchases of zinc are not being considered by the Defense Minerals Administration at this time because from such information as is available the anticipated needs for National Defense can be supplied by procurement contracts at the current market price. The Defense Production Act authorizes purchases above market prices only when materials cannot be secured at prices more favorable to the Government.

The situation therefore remains the same as when we wrote you earlier. In the event a program is approved which would take care of your problem, we shall be glad to give further consideration to your application.

Yours very truly,

Otto Herres

OTTO HERRES, Chief
Lead Zinc Branch

OHHERRES:ks

cc: Mr. Strobel
Mr. McKnight
Mr. Mote
Mr. Herres
2 copies Executive Officer Field Team Re gion IV
J. H. East, Jr. 224 New Customhouse Bldg.
Denver 2, Colorado
Files

DMA-399

B

Mr. Herres

KENNETH MC KELLAR, TENN., CHAIRMAN
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EVERARD H. SMITH, CLERK
CECIL H. TOLBERT, ASST. CLERK

United States Senate

COMMITTEE ON APPROPRIATIONS

March 15, 1951

Dr. James Boyd
Administrator
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

MAR 20 1951

My dear Dr. Boyd:

Referring to your letter of March 7, with regard to Docket DMA-399, I am sending you another letter which I have just received from Mr. Sherwood B. Owens, together with a copy of one he addressed to Mr. Otto Herres on March 13, with further regard to the program of the Defense Minerals Administration.

I should be glad to have your comments regarding the statements of Mr. Owens.

Yours very sincerely,

Carl Hayden
U. S. S.

P. S. Please address reply to me; sending me original and one copy, Kindly return enclosures.

MAR 21 1951

SHERWOOD B. OWENS
P. O. BOX 769
TUCSON, ARIZONA

Herres

MAR 19 1951

MAR 19 9 38 AM '51

BUREAU OF MINES
WASHINGTON, D.C.

March 13, 1951

Re: Docket DMA-399

Mr. Otto Herres, Chief
Lead-Zinc Branch, DMA,
Washington, D. C.

Dear Mr. Herres:

I have heard nothing from your office since letter dated Feb. 13, 1951 in which you advised that nothing had been done up until that time with respect to over-the-market contracts for the base metals.

The press continues to carry releases from DMA in which the serious metal shortage is discussed, deplored and in general covered from every angle. We are now told that the civilian cut-backs ranging upward from 20% are essential because the metal is in such short supply. With these new cut-backs becoming effective April 1, it would seem only good business to me for DMA to be adding additional production at the earliest possible moment.

Everyone is of course familiar with the situation which has prevailed in tin, copper, rubber, pepper or any of the stockpile items in which we have had to enter the world market. We have paid prices in rubber for example which have ranged to 400% of the price only a year ago. It is certainly hard to understand why we are so free-hearted with our foreign purchases of essential materials but at the same time continue refusing to assist in the development of our own natural sources of supply.

As I have stated in the past, all of the rehabilitation of my Abril Mine is now complete. I have rebuilt the old existing road and added new sections. All of my machinery and equipment is in place. My camp is built, buildings set, and everything ready for an active operation. I have ore reserves proven and ready to go. The mill at Deming, N. M. stands ready to handle fifty tons of ore per day for me and I can produce it with my present labor force and plant. All of this work has been done in the tradition of free Western enterprise - it has been my own funds with no government loans involved. I think it is high time that the Administration recognized the fact that there are a few loyal citizens who are more than ready, willing and able to get the job done if the DMA will only grant sufficient price aid to pay the bill.

This ore is low grade and it won't be a huge operation, Mr. Herres. On the other hand, the two thousand or more tons of zinc it will produce in a year is a lot of zinc to have in the right place at the right time.

Yours very truly,
SHERWOOD B. OWENS

Sherwood B. Owens

SBO/j

MAR 20 1951

FILE COPY
SURNAME:

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

March 7, 1951

Note
Herres.
McKeever
Lyon
Should 38

Hon. Carl Hayden
United States Senate
Washington 25, D. C.

Re: Docket DMA-399

My dear Senator Hayden:

This will acknowledge receipt of your letter of February 21, enclosing correspondence from Mr. Sherwood B. Owens regarding his interest in obtaining a contract for zinc production from the Atril Mine at a price above the present market price on zinc of 17½ cents a pound.

I regret that my letter of February 16, to you was somewhat ambiguous with respect to the Defense Minerals Administration stand on Government purchase contracts for zinc at above the market price. The fact is that over-the-market purchases of zinc are not being considered by the Defense Minerals Administration at this time for in the judgment of qualified DMA personnel the present and anticipated future needs for National Defense can be supplied at the current market price. Furthermore the Defense Production Act authorizes purchases above market prices only when materials cannot be secured elsewhere at prices more favorable to the Government.

The enclosures accompanying your letter are returned herewith. If I can be of further service to you at any time, please feel free to call upon me.

Sincerely yours,

JAMES BOYD
Administrator

Enclosures 3

RMLOTL/ppm

Copy to - Base Metals Br.
Mrs. Parker
R. H. Note
Otto Herres, Lead-Zinc Br.
Lowell B. Moon, Minerals Div.
Ed McKnight, Geological Sur.
C. O. Mittendorf
Administrator's Reading Files
L. F. Strobel
Files

2 copies to Executive Officer
Field Team, Region IV
Mr. J. H. East, Jr.
and
Mr. A. H. Koschmann
224 New Custom House
Denver 2, Colorado

DMA-399

8576

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United States Senate

COMMITTEE ON APPROPRIATIONS

~~LANDON R. ROYD~~
~~Feb 5~~ royd
answered March 7, 1951
R. W. Mote / ppm

FEB 26 9 24 PM '51

February 21, 1951

Dr. James Boyd, Administrator
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

My dear Dr. Boyd:

Referring to your letter of February 16, a copy of which is enclosed, I am sending you a communication addressed to me on February 19, by Mr. Sherwood B. Owens with which he enclosed a copy of one sent to him on February 13, by Mr. Herres.

I note by Mr. Herres' letter his indication that no policy has yet been established by the Defense Minerals Administration for over-the-market purchases of needed minerals. Your letter, however, indicates that the situation with regard to zinc is not such as to authorize a 5 cents over-the-market payment. I judge from your letter that the Defense Minerals Administration has established some over-the-market figure which it can pay, and I shall be glad to have your advice about this.

Yours very sincerely,

Carl Hayden
U. S. S.

P. S. Please address reply to me; sending me original and one copy. Kindly return enclosures.

5

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 2/26/51

REFERRED TO:
1. Mr. Boyd
2. Jones.
3.
4.

FOR:
X Action
Approval
Comment
Recommendation
Reply for signature of
Your information

RECEIVED
3 PM
FEB 26 1951
DEFENSE MATERIALS ADMINISTRATION
OFFICE OF ADMINISTRATOR

REMARKS:

SEND COPY OF REPLY TO
MR. STROBEL ~~AND REGIONAL OFFICE~~

Check (X) before the items needing attention.

LANDON F. STROBEL
Initials of sender.

Interior - Bureau of Mines, Pittsburgh, Pa.

C O P Y

Sherwood B. Owens
P. O. Box 769
Tucson, Arizona

February 19, 1951

Files
Answered March 6, 1951
R. W. Mote/pppm

Hon. Carl Hayden
United States Senate
Washington, D. C.

My dear Senator Hayden:

I have today received a letter from Mr. Otto Herres, Chief, Lead-Zinc Branch, DMA, a copy of which is enclosed herewith. As you can see, this is merely a routine disposal of a matter in which DMA apparently has no interest.

Every news release from Washington for months past now which pertained to metals has stressed the absolute necessity of increased production. At the same time, Dr. Boyd and his various assistants have spent considerable effort in traveling to conventions and a number of mining meetings at which places prepared addresses were delivered. The tenor of these speeches has always been the same - the DMA is getting all set to do a big job, we want the co-operation of the mining industry, and then a detailed explanation of just how it was going to be done.

One of the points stressed has been the set-up being created to handle these matters. Applications were to go to Washington, there be screened, then the mines showing the best prospects for immediate production were to receive prompt consideration. The information would then be sent to the regional office which in turn would transmit the information to a district office for field examination. If the field examination found the stated information true and correct, an immediate GSA over-the-market contract would be forthcoming.

In my Abril Mine, I have absolutely proven zinc and copper ore in quantity. I am developing the property, building roads, etc., with my own personal funds. I am in a position to enter into a contract with GSA and guarantee production. I have the milling capacity, the machinery, everything necessary. I can get into immediate production.

Here is everything Dr. Boyd said the Administration wanted. So I am today in receipt of Mr. Herres' letter advising me no "policy" has been established. I also find out today that no information of any nature whatsoever has been forwarded by Washington to Denver (The regional office) ore to Tucson (the district office - less than two hours by car from the mine).

It seems to me that if DMA can take time to examine possible sources of metal which will take several years plus Eighty Millions of government money to develop - and approve the project - they might take a few minutes to approve one that will be producing vital metal in a matter of days. Please find out "WHY" on this. Thanks and best regards.

signed: Sherwood B. Owens

FILE COPY
SURNAME:

Herres

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

February 16, 1951

Hon. Carl Hayden
United States Senate
Washington 25, D. C.

My dear Senator Hayden:

I have your letter of February 9 concerning the application of Therwood B. Owens, Tucson, Arizona, for a contract for the zinc production from the April mine at a price of 5 cents per pound above the present market price on zinc of 17 cents.

Enclosed herewith for your information is a copy of the reply to Mr. Owens' recent letter of February 3. You can assure Mr. Owens that the Defense Minerals Administration will give full consideration to his request for assistance. The situation at this time with respect to supply and demand for zinc, however, is not such as to warrant payments of five cents above the market in order to fill essential needs.

The enclosures accompanying your letter are returned herewith. If I can be of further service to you at any time please feel free to call on me.

Sincerely yours,

JAMES BOYD

Administrator

Enclosures

OHerres/and

Copy to: Administrator's reading file
Mr. Hote
Mr. McKnight
Mr. Herres
Executive Officer, Field Team, Region IV
Files

FILE COPY
SURNAME:

Herres

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

February 13, 1951

Re: Docket WMA-399

Mr. Sherwood S. Owens
P. O. Box 769
Tucson, Arizona

Dear Mr. Owens:

This will acknowledge and thank you for your letter of February 2 in reply to my inquiry of January 25 concerning what price over and above the present zinc market you would consider necessary to carry on your operations under present conditions.

Up to the present time the situation with respect to Defense Minerals Administration action on over-the-market contracts remains the same as when we wrote you in January. In the event a policy is established which would take care of your problem, we shall be glad to give further consideration to your application.

Very truly yours,

[illegible], Chief
Lead-Zinc Branch

O HERRES:ks

cc: Mr. Mote
Mr. McKnight
Mr. Herres
Mr. Strobel
2 copies Executive Officer Field Team
Region IV Denver Colo.

Files

WMA-399

856

LANDON F. STROBEL
dmd 399

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United States Senate

COMMITTEE ON APPROPRIATIONS

FEB 13 1951 2 06 PM 951
BUREAU OF MINES
WASHINGTON, D.C.

February 9, 1951

Dr. James Boyd, Administrator
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

My dear Dr. Boyd:

Referring to your letter of January 25, a copy of which is attached hereto, with regard to Mr. Sherwood B. Owens, I attach hereto another letter which I have just received from Mr. Owens in which he indicates the amount above the market price which he believes is necessary for production at the Abril Mine.

I will appreciate your advising me whether this information will permit a final consideration of his case.

Yours very sincerely,

Carl Hayden

U. S. S.

P. S. Please address reply to me, sending me original and one copy. Kindly return enclosures.

C
O
P
Y

SHERWOOD B. OWENS
P. O. Box 769
Tucson, Arizona
Feb. 6, 1951

Hon. Carl Hayden
United States Senate
Washington, D.C.

Dear Senator Hayden:

On Feb. 2 I received a letter from Mr. Otto Herres, Chief, Lead-Zinc Branch, D.M.A. This letter was dated Jan. 25, 1951 and was in reply to my letter written Dr. Boyd several weeks earlier re possibility of securing an over-the-market contract for zinc produced from the Abril Mine, Cochise, County, Arizona.

I was extremely surprised to find the following statement in Mr. Herres' letter. "Up to the present time the DMA has not established a firm policy with respect to over-the-market contracts and as a result no contracts of this type have been negotiated for the common base metals." Personally I consider this an indictment of the whole metals set-up that, although authorized last September, not one contract has been made as of now. Mr. Herres' letter continued by requesting the stating by me of the exact amount of price necessary and stated that upon receipt of same further consideration would be given my application.

Full particulars and operating statements were forwarded Mr. Herres by Airmail as of Feb. 2 and I think the information furnished is very ample. It should be only a routine matter for DMA to approve this Abril Mine application and grant us the requested raise over-the-market of five cents per pound on zinc.

I will appreciate it very much if you will follow through on this matter for me and insist that Mr. Herres and his co-workers in DMA give this matter immediate attention and advise me of their decision. The favorable disposal of this particular application will prove to be of real value to the mining companies in Arizona. As it now stands, there is no real basic policy and no one knows just where they stand on increases over-the-market necessary to meet present high operating costs. This Abril Mine is a perfect and classic example on which to force the issue as it has an operating record, established operating costs, known and proven ore reserves, and contains zinc, a metal certified by DMA as being both vital and in short supply.

Your efforts in securing prompt consideration of this matter will be greatly appreciated. Thanking you, as well as with best personal regards, I am

Yours very truly,

SHERWOOD B. OWENS

[illegible]

DMa-399
FILE COPY
SURNAME:

Mote
Herres
Strobel

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

January 25, 1951

Hon. Carl Hayden
United States Senate
Washington 25, D. C.

My Dear Senator Hayden:

In reply to your letter of January 9, forwarding correspondence from Sherwood B. Owens of Tucson, Arizona:

Enclosed herewith is a copy of the reply to Mr. Owens' December 27 letter which will serve to indicate the action taken up to this time on his application for Federal assistance. You can assure Mr. Owens that his request for aid is receiving the full consideration of the Defense Minerals Administration.

Returned herewith as requested are the enclosures with your letter. If I can be of further service to you at any time, please feel free to call upon me.

Sincerely yours,

JAMES BOYD
Administrator

Enclosures 3

RHMOTE/ppm
Copy to - Base Metals Branch
R. H. Mote
Dr. Boyd's Reading File
Otto Herres, Chief, Lead-Zinc Br.
J. H. Hedges, Minerals Division
Ed McKnight, Geological Survey
C. O. Mittendorf
L. Strobel
Files

2 carbons to Regional Office:
Mr. John H. East, Jr.
and
Mr. A. H. Koschmann
both at
U. S. Bureau of Mines
224 Customhouse
Denver, Colorado

Arizona
DMa-399
Zinc

DMa-399

FILE COPY
SURNAME:

Note
Herres

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

January 25, 1951

Mr. Sherwood B. Owens
P. O. Box 762
Tucson, Arizona

In replying please
refer to Docket
DMA - 399

Dear Mr. Owens:

Your letter of December 27, addressed to Dr. James Boyd regarding the Abril mine and your desire to obtain an over-the-market contract for purchase of zinc production therefrom, has been referred to me for reply.

Up to the present time the Defense Minerals Administration has not established a firm policy with respect to over-the-market contracts and as a result no contracts of this type have been negotiated for the common base metals. A statement from you as to what price over and above the present zinc market price you would consider necessary to insure a small profit for your operation would certainly be required before DMA can give further consideration to your application and would be of assistance in the formulation of a basic policy with respect to such contracts.

You will note that your application for assistance has been assigned a DMA Docket Number. Your reply to this letter and further correspondence regarding the Abril mine should bear this Docket number.

Very truly yours,

OTTO [illegible], Chief
Lead-Zinc Branch, DMA

RHNote/ppm
Copy to - Base Metals Branch
R. H. Note
Otto Herres, Chief, Lead-Zinc Br.
J. H. Hedges, Minerals Division
Ed McKnight, Geological Survey
C. O. Mittendorf
L. Strobel
✓Files

2 carbon copies to Regional Office:
Mr. John H. East, Jr.
and
Mr. A. H. Koschmann
both at
U. S. Bureau of Mines
224 Customhouse
Denver, Colorado

Docket - 399

858

36121

DEFENSE MINERALS ADMINISTRATION

Mr. Herres
answered
Jan 25 1951
R. W. Motelpson

Referral of Applications for Government Aid

Docket No. DMA - 399

Commodity: zinc

Name of Applicant: Sherwood B. Owens

Address of Applicant: P. O. Box 769
Tucson, Arizona

Name of Property: Abril Mine

Location of Property: Cochise County, Arizona

Nature of Application: Contract

Action Dates

Application: 12/27/50

Received: 1/ 10/51

Acknowledged:

Referred to NONFERROUS METALS Committee: 1/16/51

DMA-399

LANDON F. STROBEL

SHERWOOD B. OWENS
P. O. BOX 769
TUCSON, ARIZONA

December 27, 1950

DMA

JAN 10 11 23 AM '51

BUREAU OF MINES
WASHINGTON, D. C.

Dr. James Boyd, Administrator
Defense Minerals Administration
Department of Interior
Washington, D. C.

My dear Dr. Boyd:

I have read with great interest your address to the annual member's meeting of the American Mining Congress in New York City. In covering the subject of procurement contracts, you state that these will be certified to GSA after DMA has carried out the preliminary negotiations, operating through Bureau of Mines-Geological Survey teams set up in the various regions. It is then stated that a great massof information must be assembled, forwarded to Washington, then passed on, etc. etc.

It is of course easy to understand that certain screening must be had, otherwise there would be endless confusion. On the other hand, it is my personal belief that consideration should be had for established operators of proven reliability. Small operators, such as myself, have established themselves through the years and are not given to making overly optimistic statements or in fact making any statement which cannot be verified. In my own particular case, I have for many years been a major supplier of low grade fluxing ores to the smelters in the Southwest and you do not carry on a continuing, successful business relationship with major companies unless you are reliable.

It is always true that undesirable and unreliable individuals and companies are attracted to mining in such times as these beacuse they think it an opportunity to cash in quickly. It is my contention that these individuals should be required to furnish verification. On the other hand, an operator such as myself can not well afford to assemble this mass of information and forward same to Washington where it would merely become another statistic. If it passed screening there, it would, in the end, still have to be forwarded to a field office and examination made by those men to prove or disprove the accuracy of the statements. It does, therefore, seem to me that an operator of proven credibility should be able to set forth the facts simply, request an examination (if the metal is one needed by the government), and it would be a matter of only days for the field office to report whereas otherwise it would be weeks. It is well to remember at this point that most of the field offices have reasonably up-to-date information on the mines in their areas, and this in itself would afford a certain amount of screening.

It is not my purpose to request that you overhaul this department - I merely want to point out that legitimate operators have neither the time nor in many cases the actual information you request. It is a big job taking off all the data required but it would be a great deal simpler one for the field team to make the examination and secure all of this information at the same time. Regardless of what is submitted, it must be verified by actual on-the-spot check, therefore do both at once.

SHERWOOD B. OWENS
P. O. BOX 769
TUCSON, ARIZONA

I can give you a concrete example of just what I mean by giving you the following outline information on a mine which I have under lease and which has proven ore but is not commercial at present prices.

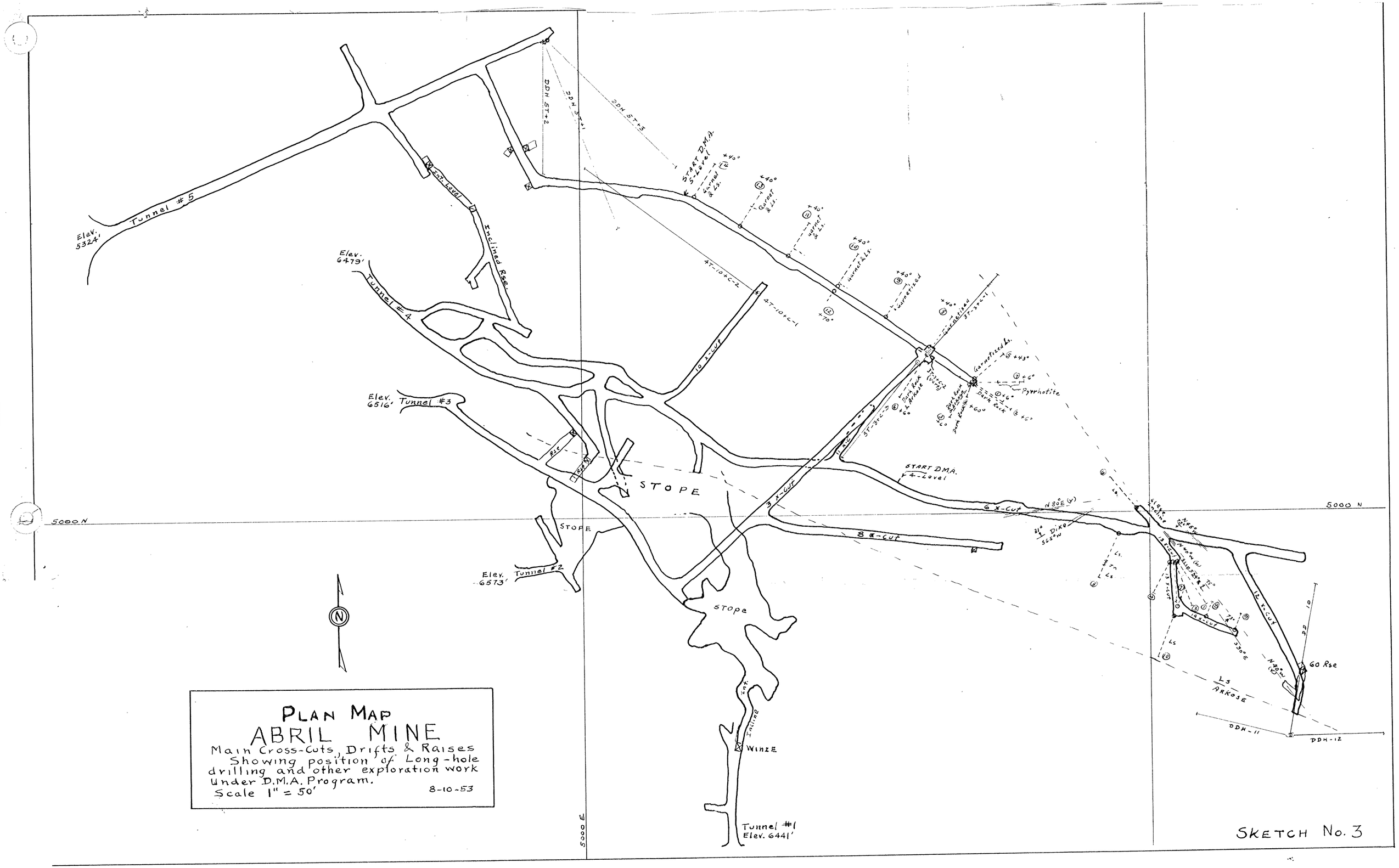
Name of Mine - Abril
Location - Dragoon District, Cochise Co., Ariz.
22 mi. N. E. of Tombstone, Ariz.
Metal - Zinc with small amount copper
Ownership - Shattuck Denn Mining Corp.
Lessee - Sherwood B. Owens
Terms - Standard 10% net mill contract
General Description - Large limestone remnant with ore occuring as replacement bodies in the lime
Known deimensions - not proven as to limits
History - Developed by five tunnels, much underground work, has produced slightly in excess of 23,000 tons crude ore. During Shattuck*Denn's operations the mine produced 19,761.74 tons crude ore assaying average .346 ag., .064 Pb., .796 Cu., and 12.38 Zn.
Available Ore - Minimum of 20,000 tons proven ore to average only slightly less than the above assays. Will average 11.00 Zn and is proven by both openings in the ore and diamond drilling.
Possible Ore - Large possibilities are proven by diamond drilling but since ore has not been opened up we cannot list showings as proven.
Loan Needed - NO
Equipment Needed - NO
Manpower Needed - Available from another operation which we are preparing to close down.
Requirement from DMA - A contract guaranteeing me sufficient price over and above present market that I can come out and make a small profit.

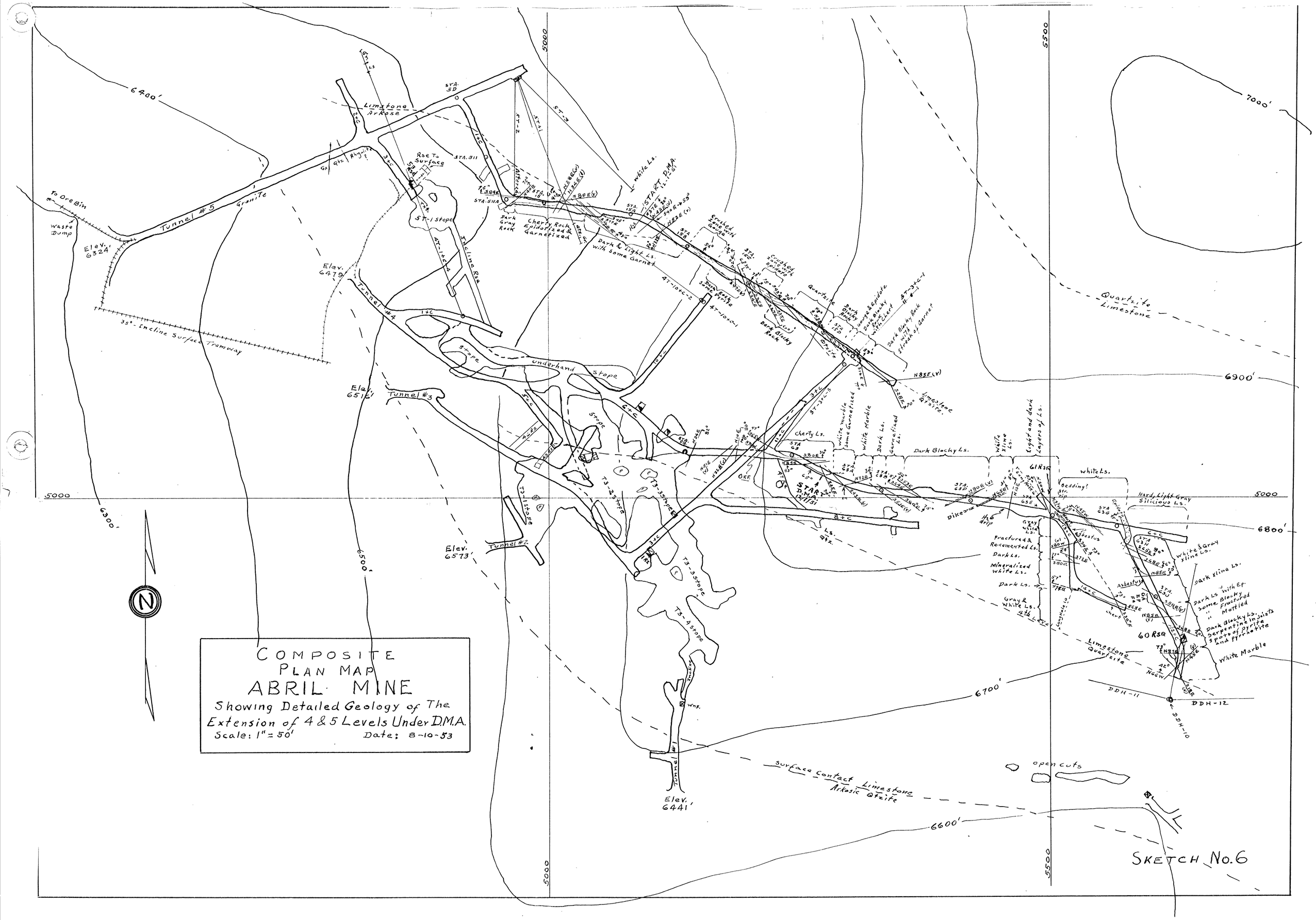
Here is that concrete example. I have proven ore reserves to average about 11.00 zn. If the need is critical, I can have the crude ore moving to the mill within three weeks time at the rate of 1500 tons per month. The American Smelting & Refining Co. mill at Deming, New Mexico is ready and willing to mill the ore. You have a field office at Tucson, Arizona which is already familiar with the property and could conduct this examination on slight notice. Seems to me it is up to the Department - I need absolutely nothing but an over-the-market contract to give you a hundred sixty five tons of zinc per month plus a little copper. Does the Department actually want this production ? I will await your reply with great interest.

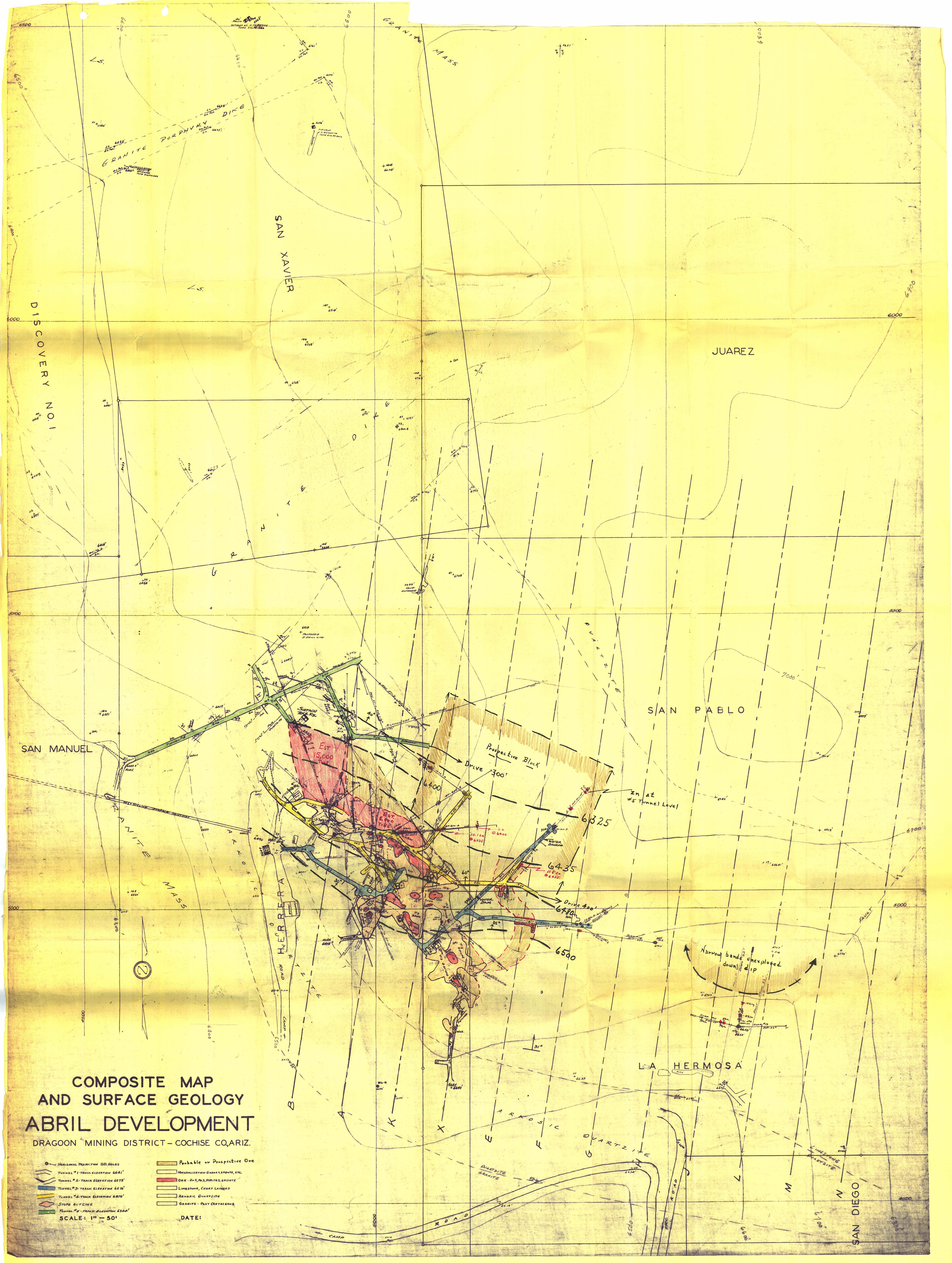
Yours very truly,
SHERWOOD B. OWENS

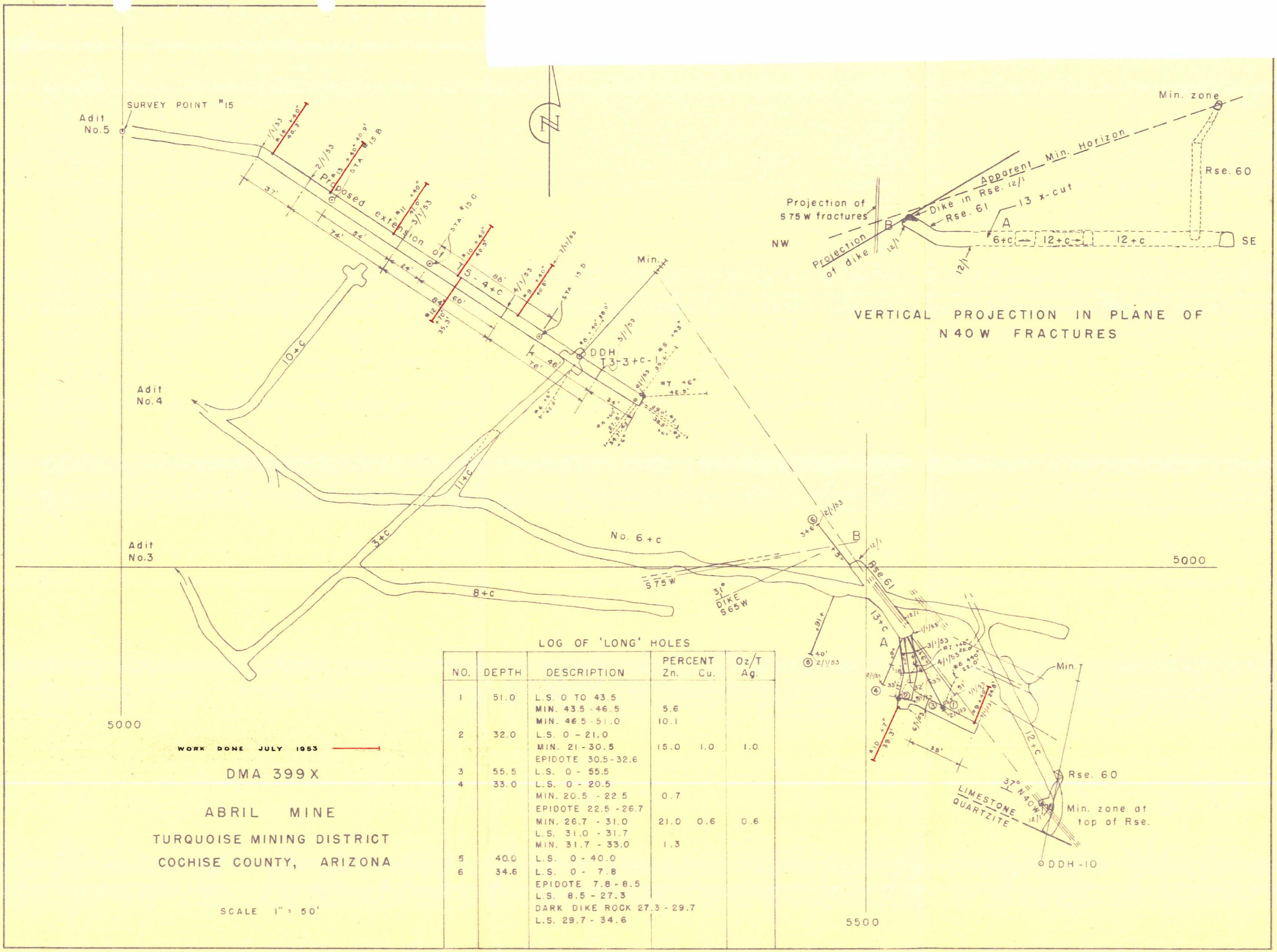
Sherwood B. Owens

SBO/j


PLAN MAP
ABRIL MINE
Main Cross-Cuts, Drifts & Raises
Showing position of Long-hole
drilling and other exploration work
Under D.M.A. Program.
Scale 1" = 50'
8-10-53
SKETCH No. 3
Tunnel #5
Elev. 5324'
Tunnel #4
Elev. 6479'
Tunnel #3
Elev. 6516'
Tunnel #2
Elev. 6573'
Tunnel #1
Elev. 6441'
Ext. Level
Inclined Rse.
DDH 5T+2
DDH 5T+1
DDH 5T+3
START D.M.A. 5-Level
START D.M.A. 4-Level
4T-10+C-2
4T-10+C-1
10 X-Cut
3 X-Cut
6 X-Cut
8 X-Cut
12 X-Cut
13 X-Cut
14 X-Cut
STOPE
STOPE
Stope
Ext. Incline
WINZE
Garnet & Ls.
Garnetized
Garnetized Ls.
Pyrrhotite
Dark Rock & Arkose
Dark Rock
3T-3+C-2
3T-3+C-1
3T+C-2 (Cave)
N 80°E (V)
3½' Dike S60°W
N 65°E
N 40°W (V)
N 40°W (V)
S 30°E
Ls
Ls
ARKOSE
60 Rse
DDH-11
DDH-12
5000 N
5000 N
5000 E


COMPOSITE
PLAN MAP
ABRIL MINE
Showing Detailed Geology of The
Extension of 4 & 5 Levels Under D.M.A.
Scale: 1" = 50'
Date: 8-10-53
SKETCH No. 6
N
6400'
6300'
6500'
6900'
7000'
6800'
6700'
6600'
5000
5500
Limestone
Arkose
Tunnel #5
Granite
To Ore Bin
Waste Dump
Elev. 6324'
35° Incline Surface Tramway
Elev. 6479'
Tunnel #4
Incline Rse
Stope
Underhand Stope
Elev. 6513'
Tunnel #3
Elev. 6573'
Tunnel #2
Elev. 6441'
Tunnel #1
Surface Contact Limestone
Arkosic Qtzite
Quartzite
Limestone
Limestone Qtzite
White Ls.
Dark Gray Rock
Cherty Rock Epidotized & Garnetized
Dark & Light Ls. with Some Garnet
Crushed Epidote
Dark Blocky Rock
Dark Blocky Rock with Chert
Dark Blocky Rock with streaks of Garnet
Cherty Ls.
White marble some Garnets
White Marble
Dark Ls.
Garnetized Ls.
Dark Blocky Ls.
White Kline Ls.
Light and dark Layers of Ls.
Bedding?
Hard, Light Gray Siliceous Ls.
Dikes
Fractured & Recemented Ls.
Dark Ls.
Mineralized White Ls.
Gray & White Ls.
Asbestus
White & Gray Kline Ls.
Dark Kline Ls.
Dark Ls. with Ep. Some Blocky Fractured Mottled
Dark Blocky Ls. Serpentine in joints Some of Pyrite and Pyrrhotite
White Marble
DDH-11
DDH-12
DDH-10
open cuts
D.M.A.
STA. 5D
STA. 5II
STA. 5IIA
STA. 5II
Rse To Surface
5T-1 Stope
T3-1 Stope
T3-2 Stope
T3-3 Stope
T3-4 Stope
Shaft
Wnz.
Ore
Ls.
Qtz.


COMPOSITE MAP
AND SURFACE GEOLOGY
ABRIL DEVELOPMENT
DRAGOON MINING DISTRICT – COCHISE CO., ARIZ.
Horizonal Projection D.D. Holes
Tunnel #1 - Track Elevation 6641'
Tunnel #2 - Track Elevation 6573'
Tunnel #3 - Track Elevation 6516'
Tunnel #4 - Track Elevation 6479'
Stope Outline
Tunnel #5 - Track Elevation 6324'
SCALE: 1" – 50'
Probable or Prospective Ore
Mineralization - Garnet, Epidote, etc.
Ore - Zn S, Pb S, Pyrites, Epidote
Limestone, Chert Layered
Arkosic Quartzite
Granite - Post Cretaceous
DATE:
GRANITE MASS
GRANITE PORPHYRY DIKE
SAN XAVIER
DISCOVERY NO. 1
JUAREZ
SAN PABLO
SAN MANUEL
LA HERMOSA
SAN DIEGO
ARKOSIC QUARTZITE
QUARTZITE
LIMESTONE
QUARTZITE
GRANITE
HERRERA
CAMP ROAD
Est. 15,000 Tons
Est. 5,000 Tons
Prospective Block
Drive 300'
Drive 400'
Zn at #5 Tunnel Level
Narrow bands unexplored down dip
Water Source
Water Dam
Surface Dump
Proposed D.D. Drill Site
Cave
6400
6325
6435
6480
6500
7000'



LOG OF 'LONG' HOLES

NO.	DEPTH	DESCRIPTION	PERCENT Zn.	PERCENT Cu.	Oz/T Ag.
1	51.0	L.S. 0 TO 43.5			
		MIN. 43.5 - 46.5	5.6		
		MIN. 46.5 - 51.0	10.1		
2	32.0	L.S. 0 - 21.0			
		MIN. 21 - 30.5	15.0	1.0	1.0
		EPIDOTE 30.5 - 32.6			
3	55.5	L.S. 0 - 55.5			
4	33.0	L.S. 0 - 20.5			
		MIN. 20.5 - 22.5	0.7		
		EPIDOTE 22.5 - 26.7			
		MIN. 26.7 - 31.0	21.0	0.6	0.6
		L.S. 31.0 - 31.7			
		MIN. 31.7 - 33.0	1.3		
5	40.0	L.S. 0 - 40.0			
6	34.6	L.S. 0 - 7.8			
		EPIDOTE 7.8 - 8.5			
		L.S. 8.5 - 27.3			
		DARK DIKE ROCK 27.3 - 29.7			
		L.S. 29.7 - 34.6			

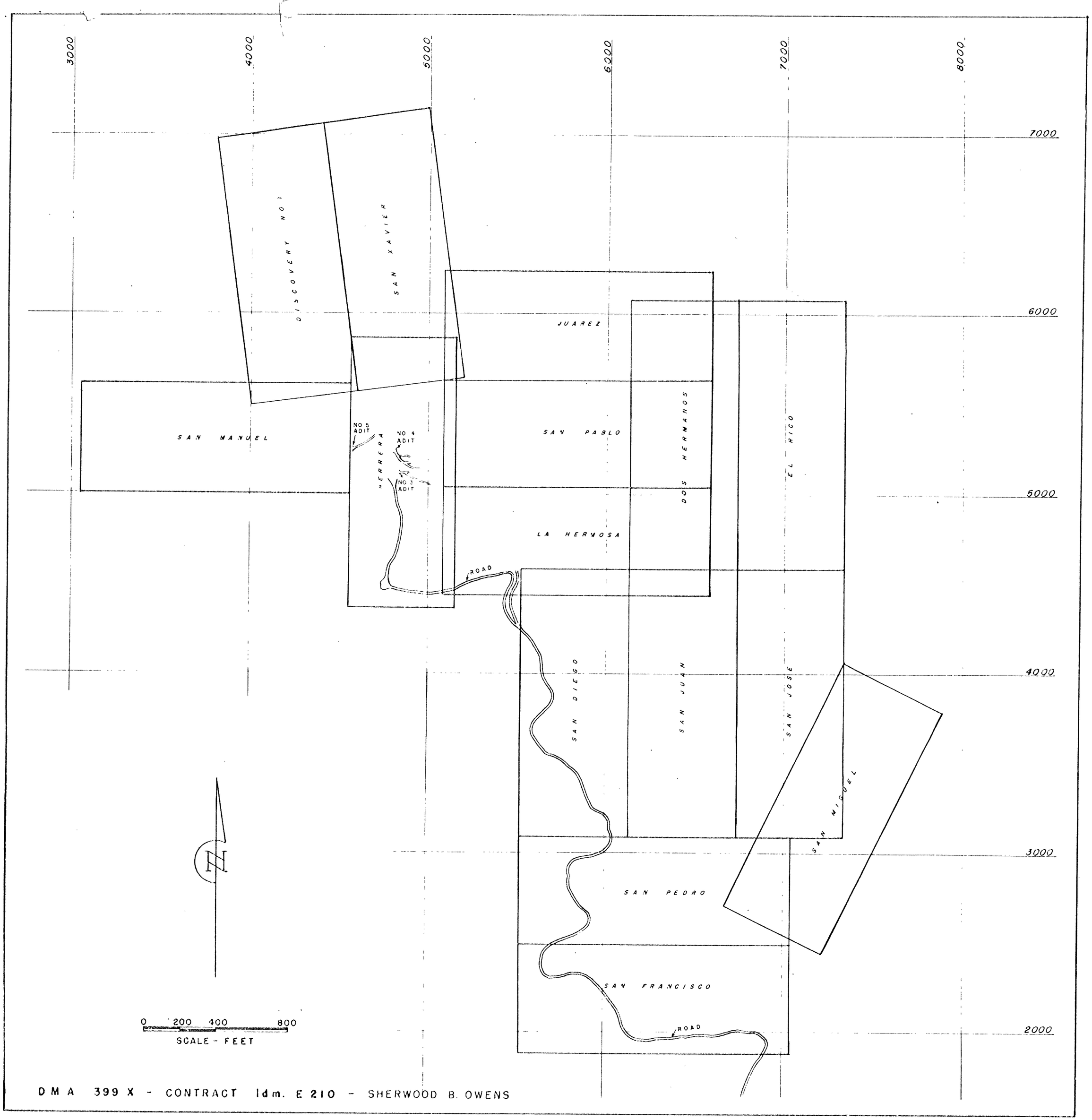
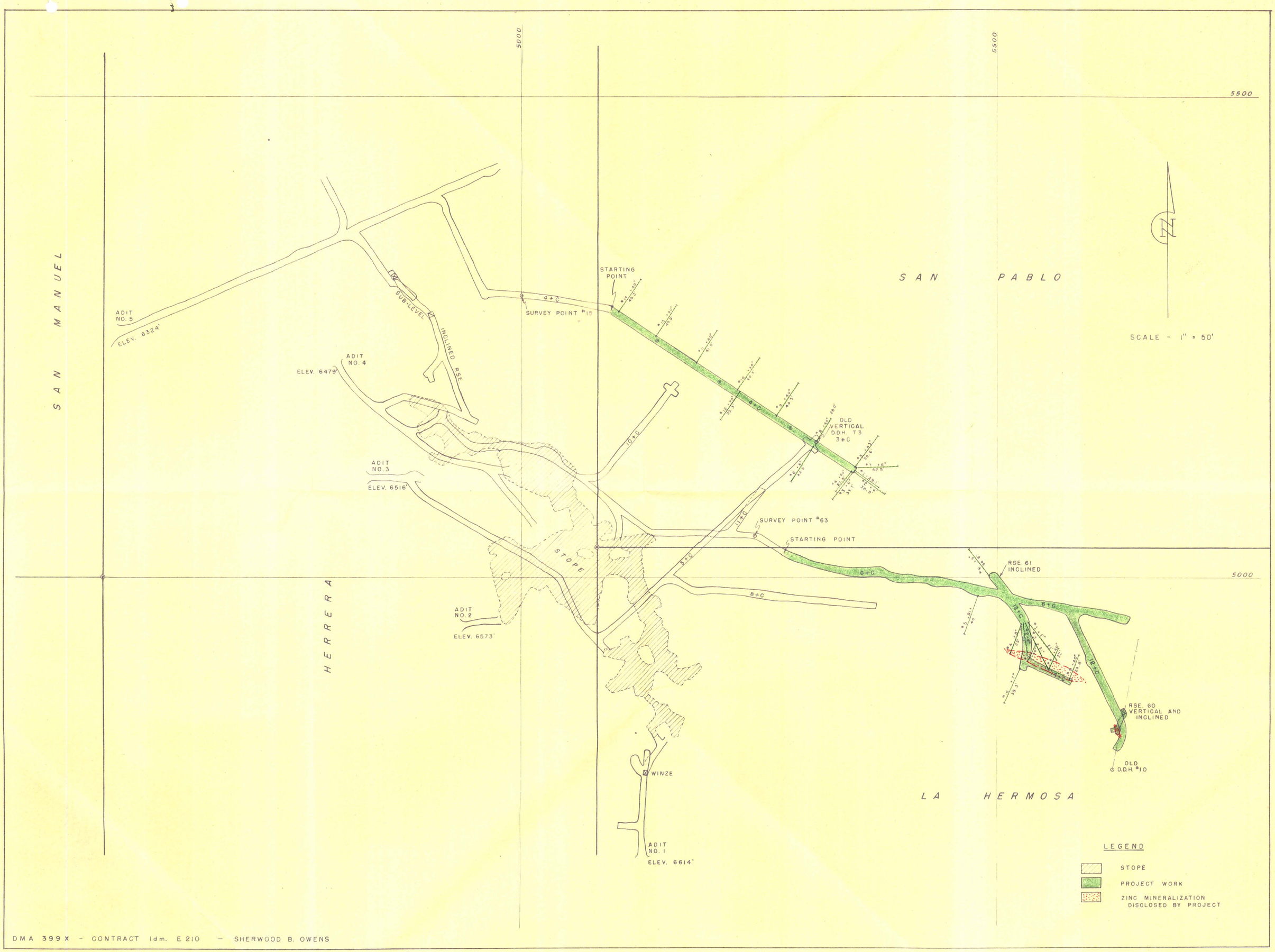


FIGURE 2. - CLAIM MAP - ABRIL MINE - SHATTUCK-DENN MINING CORPORATION - COCHISE COUNTY, ARIZONA



DMA 399X - CONTRACT Idm. E 210 - SHERWOOD B. OWENS

FIGURE 3. - MINE WORKINGS - ABRIL MINE - SHATTUCK-DENN MINING CORPORATION - COCHISE COUNTY, ARIZONA

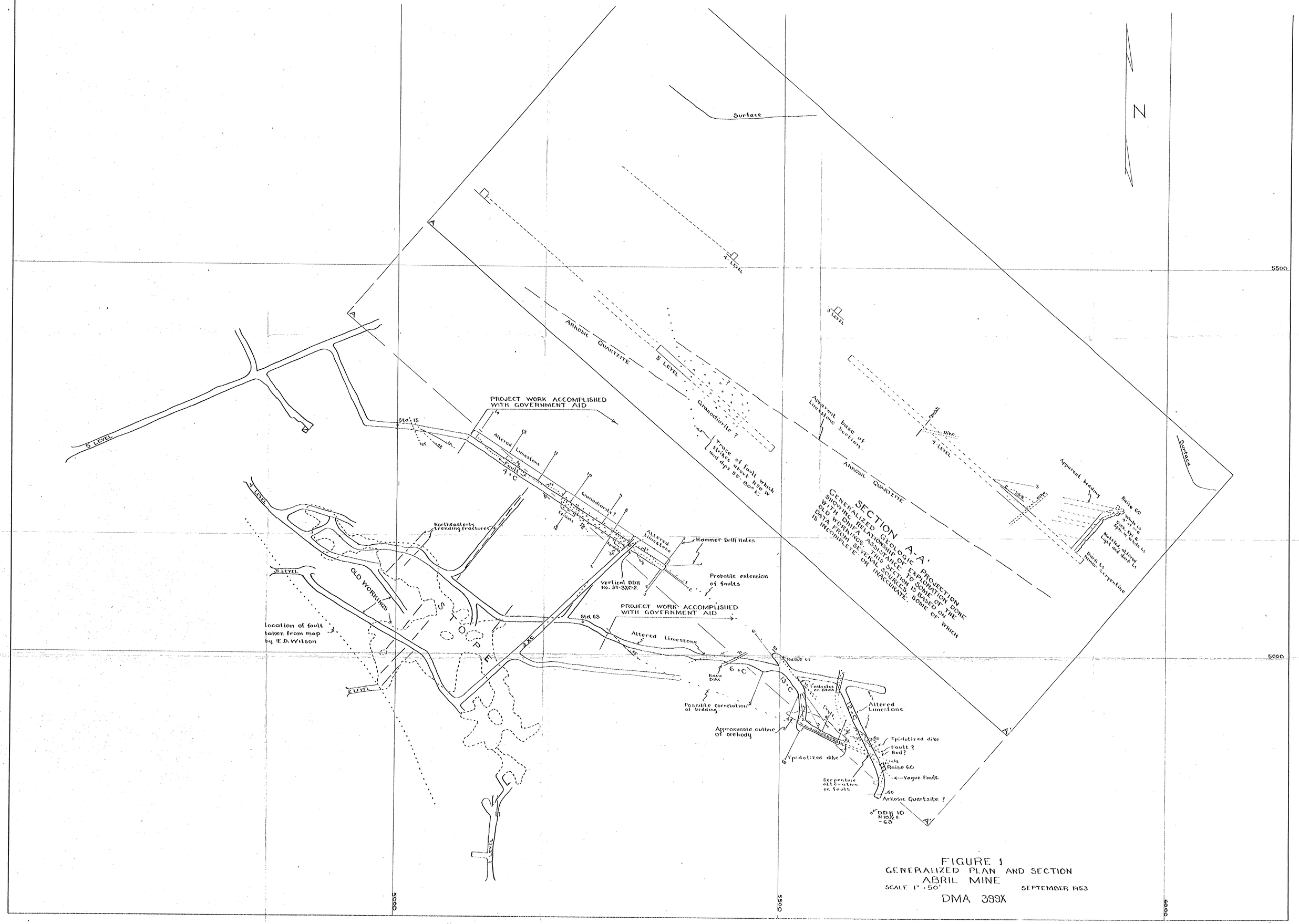
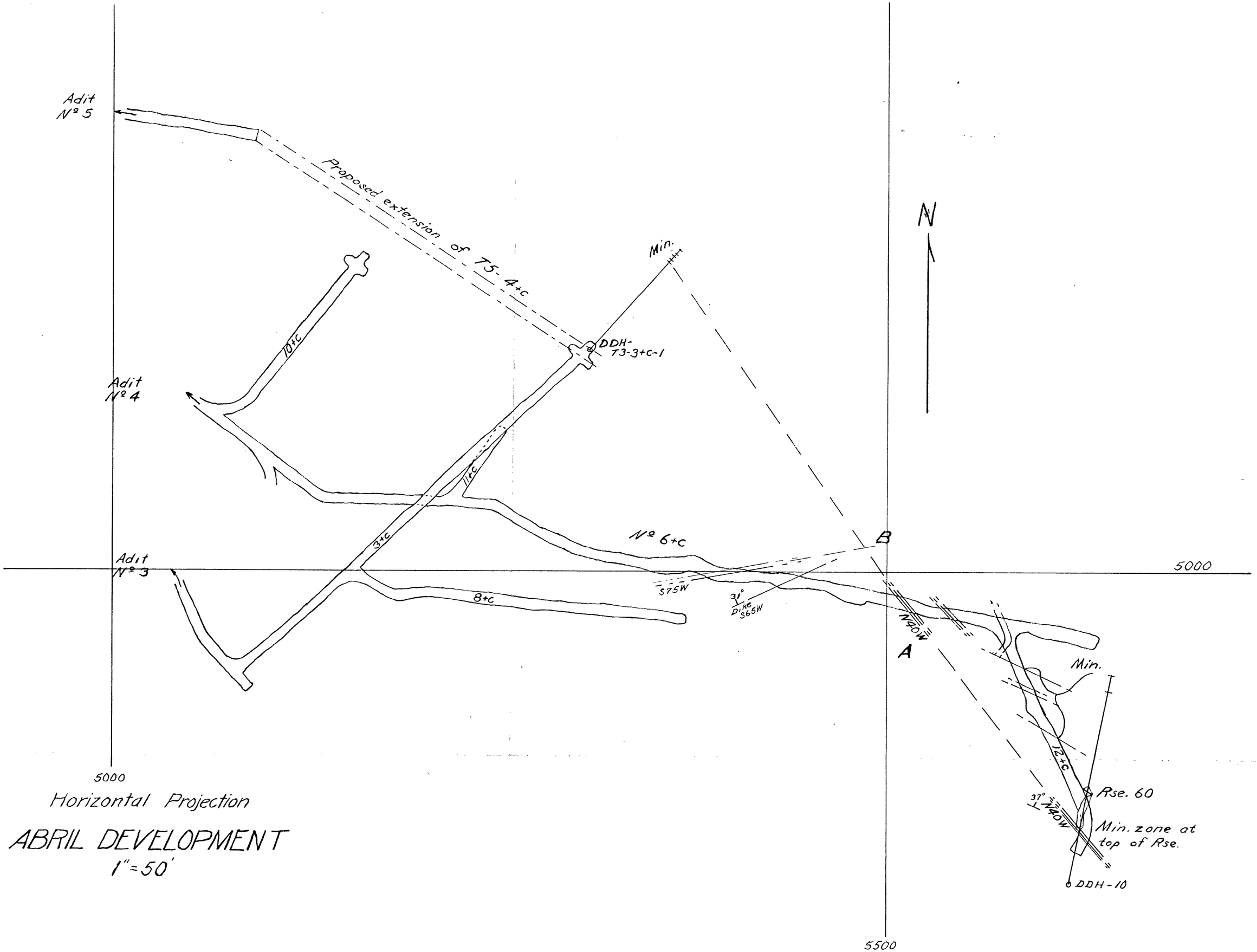


FIGURE 1
GENERALIZED PLAN AND SECTION
ABRIL MINE
SCALE 1" = 50'
SEPTEMBER 1953
DMA 399X



Horizontal Projection

ABRIL DEVELOPMENT

1"=50'