OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-2419, Docket DMEA-1776X (asbestos), dated October 20, 1952, with

William W. Sorsen and William C. Williams
and their assignee
Sorsen Asbestos Corporation
770 Sunset Drive
Globe, Arizona

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Salt River Asbestos Deposits located in Gila County, Arizona, during the period May 8, 1959, through June 3, 1962.

A certification of discovery or development was issued on November 27, 1953, and, in accordance with Article 6 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated November 17, 1953, indicated accepted costs under the exploration contract amounting to $21,750.00 with the Government's contribution on a 90 percent basis being $19,575.00.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to the Government's royalty through May 7, 1959, to be $12,009.47. The royalty account as of May 7, 1959, was:

Total Royalty Payable	$600.48
Total Royalty Paid	600.48
Balance of Royalty Due	$ -0-

As of June 3, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$600.48
Total Royalty Paid	600.48
Balance of Royalty Due	$ -0-

July 2, 1962

E. D. Talbert, OME Auditor

Idm-E419 Sorsen Asbestos Corporation, Assignee DMEA-1776X

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator or its successor in interest shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of four unpatented mining claims (Salt River Nos. 1, 2, 3, and 4) located in the San Carlos Indian Reservation in sec. 25, T. 5 N., R. 17 E., Gila & Salt River Meridian. At the time the contract was executed, the Operator-partnership was in possession of the claims by virtue of a 5-year lease effective June 10, 1952, granted by the San Carlos Apache Tribal Council. An Owner's Consent to Lien was not executed and the contract contains the so-called "abandonment" provision.

After the lease was transferred to the Operator-corporation, the Government consented on July 31, 1953, to assignment of the exploration project contract without releasing the Operator-partnership from any of the provisions of the contract.

Exploration work under the contract was completed on July 31, 1953. Production during the exploration period for several months thereafter and in April 1955 resulted in the milling by and sale to Phillips Asbestos Mines, Globe, Arizona, of 45,725 lbs. of asbestos, on which proceeds of $12,009.47 were subject to royalty. These sales are covered by a prior Report of Royalty Review dated May 21, 1959.

Inspections of the property and inquiries have disclosed that, except for a limited amount of exploration work by the Operator during the early part of 1955 and a small amount of high-grading by a trespasser during April 1955, the property has remained inactive since December 1953. The files also indicate that the Operator's lease was surrendered during 1958.

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

(1) The files indicate that the property has remained inactive during the period covered by this review; and
(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY
O. M. E.
RECEIVED JUL 9

800

July 6, 1962

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: HMEA-1776X (Asbestos)
Contract Idm-E419
Sorensen Asbestos Corporation, Assignee
(Salt River Asbestos Deposits)
Gila County, Arizona

Attached is the original Report of Royalty Review on the subject property dated July 2, 1962 covering the period May 8, 1959, through June 3, 1962.

Original signed by

Hugh M. Connors

Attachments
HMC/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. Idm-E419
Chron

Memorandum

To: Acting Field Officer, Region III

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

Subject: DNEA-1776X (Asbestos)
Sorsen Asbestos Corporation, Assignee
Salt River Asbestos Deposits
Gila County, Arizona
Contract Idm-8419

The original and one copy of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.; and

(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

As evidence of your concurrence, a copy of your memorandum transmitting the original report to the Fiscal Section should be furnished this Division. If for any reason you do not concur, both copies of the report should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 6-21-62

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

MAY 25 1959
O.M.E.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REALTY REVIEW

I have reviewed the files of the Executive Officer, OME Field Team, Region XII, Denver, Colorado, pertaining to Contract IBM-Ph19, Docket MMMA 1776X (Asbestos) dated October 20, 1952 with

Sorsen Asbestos Corporation, Assignee
Sorsen and Williams
P.O. Box 1431
Globe, Arizona

for the purpose of determining the amount of royalties due the United States Government on the sale of Asbestos produced from the Salt River Claims Nos. 1 thru 4, located in Gila County, Arizona for the period October 20, 1952 thru May 7, 1959.

The status of the project, scope of the review and remarks therefor are stated on Page 2.

My review established the total sales of Asbestos for the period to be $12,009.47. (See Schedule No. 1, attached.) Royalty due the United States Government at the contract rate of 5% is $600.48. The royalty paid and the balance due are as follows:

Total Royalty due	$600.48
Total Royalty paid	600.48
Balance of Royalty due	$ 0.00

May 21, 1959

Donald T. Finch
Donald T. Finch
OME, Auditor

NORTH AERIAL CORPORATION, ASSIGNEE

STATUS OF THE PROJECT, DESCRIPTION OF REVIEW AND REVIEW FINDINGS

CONTRACT IBM-M419 **DOCKET NO. DMSA 1776X**

The exploration work under the contract was completed July 31, 1953. A Report of Review in lieu of a Final Audit dated November 17, 1953 indicates accepted costs of $21,750.00 with Government participation on a 90% basis being $19,575.00. A Certificate of Discovery or Development was issued on November 27, 1953. According to the terms of the contract, royalty is due on all minerals mined or produced from the land described in Article No. 2 for a minimum period of ten years from the date of the contract. Semi-annual inspection reports from examining engineers, United States Bureau of Mines, indicates the property has been inactive since the spring of 1955.

My review included a tabulation and recomputation of all liquidation settlement sheets in the files of the Executive Officer, GSE Field Team, Region III for the period October 20, 1958 thru May 7, 1959. Royalties paid were reconciled with the GSE Finance Office, Denver, Colorado. All semi-annual inspection reports applicable to the project were examined.

The review was made in lieu of an on-site audit of the producers' accounts for the following reasons:

(a) All reported sales of production were adequately supported by copies of liquidation settlement sheets from the purchaser.

(b) The examining engineer is of the opinion all sales of production are accounted for.

(c) The administrative cost to the Government of an on-site Audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

Schedule No. 1

SOUTHERN ASBESTOS CORPORATION, ASSIGNEE

CONTRACT IDA-8A19 DOCKET NO. SMSA 1776X

SUMMARY OF PRODUCTION, SALES AND ROYALTIES
FOR THE PERIOD FEBRUARY 10, 1951 THRU MAY 7, 1959

All Sales of Asbestos to Phillips Asbestos Mines

6104	pounds Grade No. 1	$ 4,578.00
11540	pounds Grade No. 2	5,129.40
9719	pounds Grade No. 3	1,829.97
16847	pounds Grade No. 4	1,673.81
1715	pounds Grade No. 5 (Filler)	139.00
	Total Sales	$13,350.18

Allowable Deductions

Milling and Handling charges	1,340.71	
Net value subject to royalty		$12,009.47
Total Royalty due (at 5%)	$ 600.48	
Total Royalty paid	600.48	
Balance of Royalty due		$ 0.00

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Sorsen Asbestos Corporation

Address P.O. Box 1431, Globe, Arizona

Salt River Claims 1 thru 4, Gila County, Arizona

Exploration Contract No. Idm-E 419

Docket No. DMEA 1776X

Property has been inactive since April 1955.
Operator's lease agreement with the owner, San Carlos Indian Reservation, lapsed during early 1958.

	Check One	
	Yes	No
1. (a) Does the Operator stockpile ore subject to royalty repayment?		
(b) If so, is segregation and identification procedure adequate?		
2. (a) Does Operator commingle production subject to DMEA royalties with exempt production?		
(b) If so, do you consider the allocation of the commingled production equitable?		
3. (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		
(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4. Do you consider the assay controls in effect are adequate?		
5. Do you consider that the manner of disposing of production gives the Government its fair royalty returns?		
6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?		
7. Does the Operator buy from or sell to other Operators?		
8. Comment on any item 2(b) to 6, if answer is No.		

Date May 12, 1958

T M Romslo
Mining Engineer
T. M. Romslo

MAY 26 1959

Memorandum

To: Mr. Donald T. Finch, OME Auditor

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

Subject: Docket No. DMEA-1776 (Asbestos)
Sorsen Asbestos Corporation, Assignee
Contract No. Idm-Ml19

Your Report of Royalty Review on the above-cited contract is acceptable and normal distribution is authorized.

AMAlley/ama
May 26, 1959

Copy to: Docket
Director's Reading File
CA & A Division

C
O
P
Y

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

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

October 28, 1955

Mr. Guy H. Phillips
Phillips Asbestos Mines
Drawer 71
Globe, Arizona

Re: Royalty payments, DMEA Docket 1776 (Asbestos) Contract Idm-E419, Sorsen Asbestos Corporation, Salt River Abbestos Deposits, Gila County, Arizona

Dear Mr. Phillips:

Settlement sheets dated September 19, 1953 and October 22, 1953 for ore shipped to your corporation by the Sorsen Asbestos Corporation include a duplicate entry for a shipment dated September 16, 1953. You have paid DMEA royalty twice on this one shipment; therefore, we enclose U. S. Government check No. 19,666,610 for $32.64 payable to Phillips Asbestos Mines to correct this overpayment.

The amount due you was computed as follows:

Grade	Weight	Value per lb.	Gross Value
No. 1	555 lb.	$0.75	$416.25
No. 2	447 lb.	0.45	201.15
No. 3	430 lb.	0.1875	80.63
No. 4	273 lb.	0.10	27.30
		Total Gross Value	$725.33
Less milling and handling at 10.0 percent			72.53
		Net Value	$652.80
DMEA royalty at 5.0 percent Net Value			32.64

As cancelled checks are returned to the Treasury Department, we would appreciate your acknowledgment of the receipt of this check in order that our records may be complete.

Yours very truly,

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

By /s/ J. W. Townsend
J. W. Townsend

Enclosure

E-419

For Certificate of Deposit No. 37, dated September 22, 1955, giving royalty repayment of $.91, see E-4.

224 New Customhouse
Denver 2, Colorado

July 5, 1955

RECEIVED

JUL - 8 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty payments, DMEA Docket 1776 (Asbestos) Contract Idm-E419, Sorsen Asbestos Corporation, Salt River Asbestos Deposits, Gila County, Arizona

We have received a check for $2.11 from William W. Sorsen in payment of additional royalties due as requested by letter from Lawrence G. Houk, Chief Nonmetallic Minerals Division dated June 3, 1955.

To date we have received no reply from you to our memorandum of June 7, 1955. We do not know whether to deposit check to royalties account E419 or to return it to Mr. Sorsen and request one in the correct amount.

Please advise by return mail in order that this matter may be finalized. We are enclosing copies of our letter to Mr. Sorsen.

W. M. TRAVER,

W. M. Traver

Enclosure

vj/RDB

cc: Royalty File E419
C. O. Mittendorf w/cy ltr to Sorsen
W. R. Storms w/cy ltr to Sorsen
Berkenkotter
Chron.

RECEIVED

JUL - 8 1955

224 New Customhouse
Denver 2, Colorado

July 5, 1955

Mr. William W. Sorsen
Sorsen Asbestos Corporation
P. O. Box 1431
Globe, Arizona

Re: Royalty payments, DMEA Docket 1776 (Asbestos) Contract Ida-E419, Sorsen Asbestos Corporation, Salt River Asbestos Deposits, Gila County, Ariz.

Dear Mr. Sorsen:

We acknowledge receipt of your check for $2.11 in payment of additional royalties under DMEA Contract Ida-E419, as requested by letter dated June 3, 1955 from Lawrence G. Houk, Chief, Nonmetallic Minerals Division.

Our Washington DMEA office has been notified of the receipt of this payment. It may be necessary for us to again write you regarding this royalty amount as there is a question whether the $24.00 milling charge is not to be considered an allowable deduction. Upon receipt of advice from the Washington office we will advise you if you have a refund coming on this shipment.

Yours very truly,

W. M. TRAVER,

W. M. Traver

RDB/vj

cc: Royalty File E419
C. O. Mittendorf
Sec. Opr. Comm. (2)
W. R. Storms
Berkenkotter
Chron.

For Certificate of Deposit No. 115, dated May 26, 1955, giving royalty repayment of $7.02, see E-4.

224 New Customhouse
Denver 2, Colorado

June 7, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty Payments, DMEA 1776 (Asbestos) Contract Idm-E419, Sorsen Asbestos Corporation, Salt River Asbestos Deposits, Gila County, Arizona

Reference is made to a letter dated June 3, 1955 from Lawrence Houk, Chief Nonmetallic Minerals Division addressed to Mr. William W. Sorsen concerning calculation of royalties due under DMEA 1776, Contract Idm-E419. We are enclosing a copy of this letter for your consideration.

Requests for additional royalties due which originate in the Washington office result in a duplication of effort as it has been standard procedure in the past for DMEA Region III to calculate the correct royalty due on each lot number as settlement checks are received and to request payment where additional royalties are found to be due.

We appreciate our attention being called to apparent errors of any kind but strongly recommend that requests for additional payment be handled through this office and not direct as in this case.

We consider the "Milling Charges of $24.00", as shown on the settlement sheet in question (dated April 27, 1955) to be an allowable deduction in the calculation of DMEA royalty. Based on this interpretation, correct royalty due should be ($162.00 - 24.00) X .05 or $6.93. Additional royalty due on this shipment is therefore $0.91 instead of $2.11 as stated in Mr. Houk's letter.

Please advise what procedure we should follow in this case. Photostat of settlement sheet is also enclosed.

W. M. TRAVER

W. M. Traver

Enclosures

RDB:vj
cc: Royalty File E419
C. O. Mittendorf
W. R. Storms
Berkenkotter
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

DMEA
Date Rec'd
JUN 6 1955
BUREAU OF MINES
Denver, Colorado

Thru
TH
C
xB

JUN - 3 1955

Mr. William W. Sorsen
Sorsen Asbestos Corporation
P. O. Box 1431
Globe, Arizona

Re: Docket No. DMEA-1776 - Asbestos
Sorsen Asbestos Corporation
Salt River Asbestos Deposits
Gila County, Arizona
Contract No. Idm-E419

Dear Mr. Sorsen:

Reference is made to the settlement sheet of the Phillips Asbestos Mines, Globe, Arizona, for milling and purchase of asbestos fiber produced from the contract area under DMEA-1776, Idm-E419.

Please note the letter of August 7, 1953, from John F. Shaw to you on royalty computation. The royalty due the Defense Minerals Exploration Administration should be computed from the same base as the Indian royalty is calculated. The royalty on the shipment of April 1955 should be 5% of $182.60 or $9.13, therefore, a check for $2.11 should be forwarded to Mr. W. H. Traver, Executive Officer, Defense Minerals Exploration Administration Field Team, Region III, Bureau of Mines, 224 New Customhouse Building, Denver 2, Colorado.

Sincerely yours,

Laurence G. Houk, Chief
Nonmetallic Minerals Division

LGHouk:gad 6/3/55
Copy to: Admr. R. File
Docket
Field Team, Region III
Mr. Chambers
Mr. Houk

Royalty File E 419
Clerk.

PHILLIPS ASBESTOS MINES

PRODUCERS OF CRUDES & FIBREIZED ASBESTOS
THE WORLD'S FINEST FIBRE

MINES AND MILLS IN
GILA COUNTY, ARIZONA

DRAWER 71
GLOBE, ARIZONA
U. S. A.

BUREAU OF M
Denver, Colo

April 27th, 1955.

Defense Minerals Exploration Administration
224 New Custom House
Denver, Colorado.

Gentlemen: Re: DMEA-1776-X - Contract IDM-E419

Please be advised that during the month of April, 1955 we milled some asbestos ore for Sorsen Asbestos Corp., described as follows:

No. 1 Crudes	89# at .75¢ per lb.		$ 66.75
No. 2 Crudes	189 at .45¢ " "		85.05
No. 3 Crudes	154 at .20¢ " "		30.80
			$ 182.60
Less: Indian Royalty 10%		$ 18.26	
Milling Charges		24.00	42.26
			$ 140.34
Less: DMEA Royalty 5%		$ 7.02	
Labor, Louis Bacon		119.98	127.00
Balance- Paid to Sorsen Asbestos Corp'n			$ 13.34

Very truly yours,

PHILLIPS ASBESTOS MINES

By [signature]
Accountant.

600

JUN - 3 1955

Mr. William W. Sorsen
Sorsen Asbestos Corporation
P. O. Box 1431
Globe, Arizona

Re: Docket No. DMEA-1776 - Asbestos
Sorsen Asbestos Corporation
Salt River Asbestos Deposits
Gila County, Arizona
Contract No. Ida-2419

Dear Mr. Sorsen:

Reference is made to the settlement sheet of the Phillips Asbestos Mines, Globe, Arizona, for milling and purchase of asbestos fiber produced from the contract area under DMEA-1776, Ida-2419.

Please note the letter of August 7, 1953, from John F. Shaw to you on royalty computation. The royalty due the Defense Minerals Exploration Administration should be computed from the same base as the Indian royalty is calculated. The royalty on the shipment of April 1955 should be 5% of $182.60 or $9.13, therefore, a check for $2.11 should be forwarded to Mr. W. M. Traver, Executive Officer, Defense Minerals Exploration Administration Field Team, Region III, Bureau of Mines, 224 New Customhouse Building, Denver 2, Colorado.

Sincerely yours,

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

LGHouk:gad 6/3/55
Copy to: Admr. R. File
Docket
Field Team, Region III
Mr. Chambers
Mr. Houk

E-419

For Schedule of Collections No. DMA-C-69, dated December 23, 1953, giving royalty repayment of $105.67, see E-6.

Standard Form No. 1044—Revised
Form approved by Comptroller General U. S.
June 25, 1936

N. O.

SCHEDULE OF COLLECTIONS

Schedule No. [illegible]A-54-C-67

Sheet No. 1

(14-23-040)

Department of the Interior
(Department or Establishment)

Defense Minerals Exploration Administration
(Bureau or Office)

Received by C. E. Evans, Regional Disbursing Officer (Name) (Title) at Denver, Colorado (Station)

Period December 1953 (Month or quarter ended)

D. O. Symbol No. 413

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
12/17/53		Phillips Asbestos Mines Check No. 2109 drawn on Valley National Bank, Globe, Arizona	Repayment under the Mineral Exploration Program, Contract No. Idm-5419, Sorsen Asbestos Corporation	109.02	14X4401 Revolving Fund Defense Production Act, Interior
			Total,	109.02	

Received ....., subject to collection.

Forwarded December 17, 1953

(Disbursing clerk or accountable officer)

By .....

By ..... (Name)

Title Authorized Certifying Officer

Certificate of Deposit No. ..... dated .....

U. S. GOVERNMENT PRINTING OFFICE 10—1790

E-419

For Schedule of Collections No. DMA-C-29, dated September 23, 1953, giving royalty repayment of $126.35, see E-317.

E-419

For Schedule of Collections No. DMA-R4-C-16, dated August 24, 1953, giving royalty repayment of $15.99, see E-4.

E-419

For Schedule of Collections No. DMA-R4-C-14, dated August 12, 1953, giving royalty repayment of $81.80, see E-345.

For Schedule of Collections DMA-53-C-76A, dated June 15, 1953, giving royalty repayment of $49.72, see E-345.

Standard Form No. 1044—Revised
Form approved by Comptroller General U. S.
June 25, 1936

SCHEDULE OF COLLECTIONS

Schedule No. DMA-53-C-70

Sheet No. 1

Department of Interior (Department or Establishment)

Defense Minerals Exploration Administration (Bureau or Office)

Received by C. E. Evans, Regional Disbursing Officer (Name) (Title) at Denver, Colorado (Station)

Period May, 1953 (Month or quarter ended)

D. O. Symbol No. 413

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
5/25/53		Sorsen-Asbestos Corporation, Check No. 159 drawn on the Valley National Bank, Globe, Arizona	Repayment under the Mineral Exploration Program, Contract No. I-DMA-E419, Sorsen-Williams Mining Company	49.78	14X4401 Revolving Fund Defense Production Act, Interior.
5/25/53		Phillips Asbestos Mines Check No. 300 drawn on Valley National Bank Globe, Arizona	Repayment under the Mineral Exploration Program, Contract No. I-DMA-E419, Sorsen-Williams Mining Company	38.02	" " "
			Total,	87.80	

Received ....., subject to collection. Forwarded May 26, 1953

(Disbursing clerk or accountable officer)

By .....

By Naomi E. Stokes (Name)

Title Authorized Certifying Officer

Certificate of Deposit No. ..... dated .....

U. S. GOVERNMENT PRINTING OFFICE 10—1790

For Schedule of Collections No. DMA-53-C-50, dated March 25, 1953, giving royalty repayment of $48.84, see E-4.

REPORT
OF REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
NOV 20 1953

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Sorsen Asbestos Company
(formerly Sorsen & Williams)
Box 1431
Globe, Arizona

pertaining to Exploration Project Contract No. Idm-E419, Docket No. DMEA 1776X, and assignment of contract, covering a project for exploration of Asbestos, located in Gila County, Arizona, commonly known as Salt River Mine, for the months of January 1953 to July 1953.

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

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

The contract provides for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor		$21,750.00
Exceptions:		
By DMEA Finance Officer	None	
Herewith (See attached) (note)	None	None
Total Accepted Cost		$21,750.00

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Nineteen Thousand Five Hundred Seventy-Five and no/100 Dollars

-$19,575.00-

is considered valid and proper.

Dated: November 17, 1953

T. H. Brading, Auditor

SORSEN ASBESTOS COMPANY

Contract Idm-E419-Docket DMEA 1770X

Finance Officer withheld $500.00 from July MF-104 pending receipt of Operator s Final Report. This report has been received, and as there were no discrepancies, the $500.00 withheld is reinstated.

T. H. Brading, Auditor

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

224 New Customhouse
Denver 2, Colorado

December 15, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket No. 1776X (Asbestos), Contract Idm-1419, Sorsen Asbestos Corporation, Pima County, Arizona.

Reference is made to our memorandum of August 17, 1953 whereby we transmitted the final Form MF-104, Operator's Monthly Progress Report and voucher for the month of July 1953, and instructed you to withhold the amount of $500.00 from reimbursement to the Operator pending receipt of the Operator's final report and a release of the Report of Review by the Contract Administration and Audit Division.

We now recommend that final payment to the Operator be made in conformance with the Report of Review by the Contract Administration and Audit Division, dated November 17, 1953, which was released to this office December 15, 1953.

Basis of Final Payment

Total accepted cost	$21,750.00
Government contribution at 90%	19,575.00
Total prior payments	19,075.00
Balance due Operator	$500.00

W. H. KING
/s/ W. H. King

500.00
12/18/53 Voucher 54-62

JWT:cwm

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

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

224 New Customhouse
Denver 2, Colorado

January 4, 1954.

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket No. 1776X (Asbestos), Contract Idm-E419, Sorsen Asbestos Corporation, Pima County, Arizona.

Enclosed are two copies of a memorandum to Mr. T. A. Christensen dated December 15, 1953, relative to final payment under the terms of the subject contract.

Final payment to the Operator in the amount of $500.00 has now been made in conformance with the Report of Review by the Contract Administration and Audit Division, dated November 17, 1953.

W H King
W. H. King

Enclosures

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

Defense Minerals Administration
RECEIVED
DEC 16 1953

224 New Customhouse
Denver 2, Colorado

December 15, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket No. 1770X (Asbestos), Contract Idm-E419, Sorsen Asbestos Corporation, Pima County, Arizona.

Reference is made to our memorandum of August 17, 1953 whereby we transmitted the final Form MF-104, Operator's Monthly Progress Report and voucher for the month of July 1953, and instructed you to withhold the amount of $500.00 from reimbursement to the Operator pending receipt of the Operator's final report and a release of the Report of Review by the Contract Administration and Audit Division.

We now recommend that final payment to the Operator be made in conformance with the Report of Review by the Contract Administration and Audit Division, dated November 17, 1953, which was released to this office December 15, 1953.

Basis of Final Payment

Total accepted cost	$21,750.00
Government contribution at 90%	19,575.00
Total prior payments	19,075.00
Balance due Operator	$500.00

W. H. King

W. H. King

JWT:cwm

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

Form MTF-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 1775 Contract No. 419
Operator's Name Gordon Williams Mining Co. Minerals Asbestos
Address Box 1431, Globe, Arizona
Contract Amount, $21,750.00 Government Participation: 90 % Amount, $ 19,575.00

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: Truck Drill		320.75	320.75			
Bulldozing: Excavation		[illegible]	[illegible]			
Crosscutting						
Drifting	2660.00	15430.00	18090.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2660.00	19090.00	21750.00	2660.00	19090.00	21750.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8/5/53 *Payee Gordon Williams Mining Co.
Per [signature] Title Partner

*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:

$1894.00

Signature [signature]
(Authorized Certifying Officer)

Date 8/25/53 Voucher DMA 54-21
(See other side)

$500.00 to be withheld after 90% of $2660.00 has been computed.

(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-E412 in accordance with the terms of the contract.

Signature [illegible] Title Mining Engineer Date 8/13/53

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

Signature W. H. King Title Executive Officer Date AUG 17 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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 3 - 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1953 Docket No. DMEA 1776-[illegible] Contract No. [illegible] 419
Operator's Name Sorsen Williams Mining Co. Minerals Asbestos
Address Box 1431, Globe, 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	2660.00	95	18038.00	646	28.00	646	28.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	Bonehing Cu.Yd.	0	0	3341.25	2475	1.35	2475	1.35
Test Pits								
Roads and Trails	Truck 800'	0	0	320.75	1	320.75	1	320.75
TOTAL DISTRIBUTED COSTS		2660.00		21750.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2660.00		21750.00				21750.00

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

Date 8/6/53 Operator Sorsen Williams Mining Co.

Per [signature] Title Partner

REMARKS: An amendment has been applied for to extend this contract under the name of Sorsen Asbestos Corporation [illegible] assignment has been approved.

→ 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
Defense Minerals Administration
RECEIVED
SEP 3 - 1953

Administrative Audit Difference Statement

Date: August 25, 1953
Payee's
Reference: Progress
Report - July, 1953

Gorsen-Williams Mining Co.
P. O. Box 1431
Globe, Arizona
I-IIA-C-419

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

Amount Claimed $ 2,394.00

Difference $ 500.00

Amount Approved $ 1,894.00

The reason for the difference was due to:

Amount claimed by operator is $2,660.00
90% of $2,660.00 is $2,394.00
$500.00 withheld at this time pending receipt of operator's report and Report of Review. Reclaim may be made later.

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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Received
SEP 3 - 1953

224 New Customhouse
Denver 2, Colorado

August 17, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 1776X, Contract Idm-E419 (Asbestos), Sorsen-Williams Mining Company, Salt River Asbestos Claims, Gila County, Arizona. Operator's Monthly Progress Report for the period July 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Note:

$500.00 in Government Participation is to be withheld pending receipt of Operator's Final Report. Upon receipt of this report and the Report of Review by the Contract Administration and Audit Division payment of this $500.00 due the Operator can be made as per Circular 19, Supplement 4, Item No. 4, Payments.

Payment = $2,394.00 - $500.00 = $1,894.00

Remarks:

Date of Report	August 8, 1953.
Date Received in Field Office	August 10, 1953.
Date Received in Region Office	August 17, 1953.
Date Checked in Region Office	August 17, 1953.

W. H. King
W. H. King

Enclosures

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

MINING DIVISION
REGION IV

August 13, 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-2419, Docket BMA-1776X, Sorsen Asbestos Corp. (Sorsen Williams Mining Co.), Salt River Asbestos Claims, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report with section through Portal 3;

(2) Operator's narrative report with plan map;

(3) Forms MF-104 and MF-104A.

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

Ninety-five feet of drift, driven in July, completes all work under the present contract. As this drifting is in accordance with the terms of the contract, I recommend that 90 percent of the Government's share be paid, 10 percent being withheld pending the submission ofa final report by the operator.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
BMA-1776X
DF

WRStorms:frj

MINING DIVISION
REGION IV

August 13, 1953

Memorandum

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

From : Robert W. Ageton, Mining Engineer, Tucson, Ariz.

Subject : July 1953 Progress Report, Contract Idm-8419, Docket DMA-1776X, Sorsen Asbestos Corp., Gila County, Ariz.

In accordance with your request, the subject property was visited on August 5, 1953. Contract work has been confined to Portal No. 3 where the July advance was 95 feet, thus completing the units of work authorized by the contract. An amendment has been applied for to extend exploration under the name of the Sorsen Asbestos Corporation. Possible locations of work under the amendment request, that was submitted by the operator, are shown on the progress map.

The June advance in the gently northward dipping limestone formation stopped approximately 1 foot short of a steeply dipping contact with diabase (see section A-A of Portal No. 3). The operator had not drilled the face at that time, therefore, it was not known that diabase would be encountered in the next round. It was necessary to drive the adit through 13 feet of diabase before limestone appeared in the floor. The limestone in the adit is cut by faults and changes dip rather abruptly, a condition which may be local. The ground at Portal No. 3, as at the other openings , requires support at irregular intervals along the drift.

Since no fiber was exposed at the face of the adit after the contract footage was completed, a raise was started at operator's expense at a station approximately 24 feet from the face to explore for the fiber zone. Fiber is exposed at the top of the raise in a zone 3 to 4 inches wide, but the veinlets are not of commercial widths. Approval of an amendment to further explore the fiber zone from Portal No. 3 would require consideration of occasional raises to sample the fiber zone. Examination of the property for the proposed amendment may be made during the week of August 17 to 21st.

CC W. H. King (Orig. & 6)
DMA-1776X
DF

RWAgeton:frj

As the advance of 95 feet for July is according to contract specifications, I recommend that the Government's share of the cost of this project be paid with the possible exception of 10 percent which should be withheld until the final report is submitted.

This completes all work under the present contract.

Robert W. Ageton

Robert W. Ageton, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

Doreen Williams Mining Co.
Box 1431
Globe, Arizona

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 3 - 1953

August 7, 1953

Dr. T. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

Re: Contract DMA D 410
DMA Docket 1770 R
Amendment

Dear Dr. Storms:

Thank you for your letter informing of the date of inspection. It enabled me to plan my work around that date.

Since Mr. Christ is going to examine the property to determine the advisability of additional footage, I hesitate to make any concrete proposals as to how that footage should be used, and would rather await his inspection and recommendations.

On the progress map, I have indicated an extension of the tunnel at portal no. 3, which would require prospect raises at intervals. This tunnel was stopped at 126', and we backed up to 100' and drove an 8' raise to the ore. The geology in this tunnel is quite complicated. Mr. Adgeton drew a plan and section for your inspection while he was here.

We drove crosscut "G" at portal number 1 to prospect a lower vein (this at our own expense). The results are encouraging but the amount of fibre encountered could not pay the cost of the tunnel. I have indicated an extension of this tunnel also.

The ore body as outlined by our present workings in portal no. 1 would indicate to me that a crosscut which I call "H" could possibly be driven back into ore, and I suspect the ore lies in that general direction.

We drove crosscut "J" last month and have stoped out approximately 400 sq. ft. of area. Surprisingly we had unsuspected spans of 15' and more. We have since placed stulls for safety, and they have not taken weight. 90% of the fibre removed was equal parts 1, 2, and 3; the balance was 4.

We are very desirous of combining our prospecting and hope that the DMA will feel justified in granting our amendment.

Sincerely yours,

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 June, 1953 Docket No. DMEA 1776-S Contract No. 19-[illegible]-419
Operator's Name Jorsen Williams Mining Co. Minerals Asbestos
Address Box 1431, Globe, Arizona
Contract Amount, $ 21750.00 Government Participation: 00 % Amount, $ 19575.00

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 Rock Roll		320.75	320.75			
Bulldozing Excavation		3341.25	3341.25			
Crosscutting						
Drifting	812.00	14616.00	15428.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	812.00	14616.00	15428.00	812.00	18,278.00	19,090.00

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

Date 7/2/53 *Payee Jorsen Williams Mining Co.

Per [signature] Title Partner

*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:

$ 730.80

Signature [signature]
(Authorized Certifying Officer)

Date 7/21/53 Vou. No. DMA 54-9
(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. IdmE 419 in accordance with the terms of the contract.

Signature [illegible] WRH Title Mining Engineer Date July 10, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: RJB

Signature W. H. King Title Executive Officer Date JUL 17, 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 June 1953 Docket No. DMEA 1776-S Contract No. DMEA 419
Operator's Name Sorsen Williams Mining Co. Minerals Asbestos
Address Box 1431, Globe, 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	812.00	29	15428.00	551	28.00	646	28.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching & Trenching	Cu.yd	0	0	3341.25	2475	1.35	2475	1.35
Test Pits								
Roads and Trails Truck	Soc'	0	0	320.75	1	320.75	1	320.75
TOTAL DISTRIBUTED COSTS		812.00		19090.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								21750.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		812.00		19090.00				

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

REMARKS: An application to award this contract was submitted in June.

Date 7/2/53 Operator Sorsen Williams Mining Co.

Per [signature] Title Partner

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 17, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 1776X, Contract Idm-E419 (Asbestos), Sorsen-Williams Mining Co., Gila County, Ariz., Operator's Monthly Progress Report, for the period June, 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report----------July 2, 1953
Date Received in Field Office----------July 9, 1953
Date Received in Region Office----------July 11, 1953
Date Processed for Payment----------July 17, 1953

W. H. King
W. H. King

Enclosures

RDB:es

cc: Contract
Sec. to the Oper. Comm. (2)
Chron.
Storms

MINING DIVISION
REGION IV

July 10, 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-5419, Docket DMA-1776X, Sorsen-Williams Mining Co., Gila 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.

Also enclosed are two extra copies of our engineers 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.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMRA-1776X
DF

WRStorms:ffj

MINING DIVISION
REGION IV

July 10, 1953

Memorandum

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

From : R. W. Ageton, Mining Engineer, Tucson, Arizona

Subject : Monthly progress report, June 1953, Sorsen-Williams Mining Co., Docket DMA-1776X, Contract Idm-E419, Gila County, Ariz.

In company with L. A. Stewart, I visited the subject property on June 30, 1953. Contract work has been confined to Portal No. 3 where the June advance has been 29 feet. The operator is carrying the ore zone at the top of the drift. An average of 1½ inches of weathered fiber shows in this zone.

As stated in the May report, Portal No. 2 work failed to show commercial fiber. The operator continues to work in Portal No. 1 at his own expense, and is producing small amounts of asbestos.

As the advance of 29 feet for June is according to contract specifications, I recommend that the Government's share of the cost of this project be paid.

Robert W. Ageton, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

CC W. H. King (Orig. & 6)
DMA-1776X
MF

LAStewart:frj

Gordon Williams Mining Co.
Box 1451
Globe, Arizona

July 2, 1953

Dr. [illegible] Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

Re: [illegible] Docket 1776-[illegible]
Contract I[illegible] [illegible] 410

Dear Dr. Storms:

We herewith submit our progress report for the month of June, also forms [illegible] 104 and [illegible] 104A, and progress map.

This month we started portal number 3, and advanced it to 60'. We started this tunnel carrying 1½" of total fibre in the back. There is also a 3" vein about 3' lower down, and this seems to be a high quality of fibre. The direction of this tunnel will carry us into a very obvious roll. We do not know whether this roll is wet or dry fibre. If it is dry fibre, we hope to find a very nice orebody, if structure has anything to do with the formation of asbestos orebodies, and I believe it does.

We hope that the remaining footage on the contract (60') will carry us into ground that looks promising enough to justify granting our request for an amendment.

We stopped tunnel number 2 at 21' where we encountered dishes. We felt it advisable to move to tunnel number 3 rather than risk wasting footage. Perhaps in the future we may go back and do further exploration work at this site. Our work in number three may give us enough geological information to serve as a guide in number 2.

At our number 1 site, we have an exploration crosscut "C" on our ore to explore a vein of soft white fibre in the foot of serpentine. This vein started in the floor of our main drift and is now 2' above the floor. We would like to pursue this vein further as it shows evidence of a roll, but unfortunately our budget will not permit this luxury as the fibre is marginal in quantity and will not pay for the drift.

We have been at a disadvantage due to the fact that the steel men are unable to run the cookery because of the pressure of other work. An intelligent program of exploration could possibly be worked out from a geological map by an experienced geologist.

Sincerely yours,

[signature]

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 May, 1953 Docket No. DMEA 1775-[illegible] Contract No. [illegible] 419
Operator's Name Sorsen-Williams Mining Co. Minerals Asbestos
Address Box 1431, Globe, Arizona
Contract Amount, $ 21,750.00 Government Participation: 90 % Amount, $ 19,575.00

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~~ Truck Crall		320.75	320.75			
~~Bulldozing~~ Excavation		3341.25	3341.25			
Crosscutting						
Drifting	4480.00	10133.00	14613.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	4480.00	13798.00	18278.00	4480.00	13798.00	18278.00

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

Date 6/6/53 *Payee Sorsen-Williams Mining Co.

Per [signature] Title Partner

*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:

$ 4032.00

Signature [signature]
(Authorized Certifying Officer)

Date 7/1/53 Vou. No. 54-3

(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 419 in accordance with the terms of the contract.

Signature Lincoln A Stewart WRK Title Mining Engineer Date June 16, 1953

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

Signature W. H. King Title Executive Officer Date JUN 26 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 1776-X Contract No. [illegible]
Operator's Name Gorman Williams Mining Co. Minerals Asbestos
Address Box 1431, Globe, 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	4480.00	153	14515.00	522	28.00	646	28.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching Grubbing	Sq. ft.	0	0	3341.25	2475	1.35	2475	1.35
Test Pits								
Roads and Trails Truck	800*	0	0	320.75	1	320.75	1	320.75
TOTAL DISTRIBUTED COSTS		4480.00		18270.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4480.00		18270.00				21750.00

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

REMARKS:

Date 6/6/53 Operator Gorman Williams Mining Co.

Per [signature] Title Partner

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

June 26, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 1776X, Contract Idm-E419 (Asbestos), Sorsen-Williams Mining Company, Salt River Asbestos Prospect, Gila County, Arizona - Operator's Monthly Progress Report for the period May, 1953

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	June 6, 1953
Date Received in Field Office	June 16, 1953
Date Received in Region Office	June 18, 1953
Date Processed for Payment	June 24, 1953

W. H. King
W. H. King

Enclosures

rdbtld

cc: Contract
Sen. Gov. Comm.
Sterns
Sheen

MINING DIVISION
REGION IV

June 16, 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-1419, Docket DMA-1776X, Sorsen-Williams Mining Co.'s Salt River Asbestos Prospect, Gila 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 104A.

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

CC W. H. King (6)
DMA-1776X
DF

WRStorms:frj

At the time of the writer's visit Sorsen was advised to cease contract drifting at the No. 1 location and devote the remainder of the contract footage at the other exploratory sites. As the No. 2 portal drift did not look too encouraging, the examiners and Sorsen (later approved by Shride) decided upon the location of Portal No. 3. Shride states that Sorsen had started this adit on June 13 and will use the remaining footage (about 100 feet) here.

It will be noted that the last paragraph of Sorsen's report suggests an amendment to increase the contract footage and cost. This suggestion has been followed up by a formal request to W. R. Storms. This request will be discussed in a future memorandum.

As this 160 feet of advance is according to contract specifications, I recommend that the Government's share of the cost be paid.

Lincoln A Stewart

Lincoln A. Stewart, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

Sorsen Williams Mining Co.
Box 1431
Globe, Arizona

May 6, 1953

Mr. W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, Arizona

Re: DMA Docket 1776-X
Contract IDM D 419

Dear Mr. Storms;

We herewith submit our progress map, forms MP 104 and MP 104A for the month of May.

The progress map indicates the advance for the month. We advanced 36' in Main drift no. 2, and have encoutered more stable ground. Our vein which lies below the diabase sill, pinches out in this drift, and a new vein comes in above the sill starting in a 12" serpentine zone. This fibre varies in length from 1/4" to 2", and there is approximately 2" of total fibre. It is amber colored and appears to be semi-soft.

Crosscut "D", which is being driven to locate the diabase contact is in fairly broken heavy ground. Attempts to stope in this drift caused minor caveins. We encountered slip fibre in this drift which was soft and of 1, 2, & 3 grades. The fibre seems to persist both in quality and quantity in this drift.

We drove a crosscut on our own, half way between x-cut "A" and the junction of "B" and 2. This showed the vein which is directly below the diabase sill to pinch out in 30', and a new vei n in 18" of showed up in the floor with several bands of soft white fibre in grades of 3, 4, and shorter.

We started our second portal and have advanced 77' the ground and the fibre are about the same at the face as at the outcrop. That is, about 2" of total fibre in grades from 2 down, semi- soft, and badly leached by surface water. The limestone cracks show lime replacement or filling all the way. We are turning this drift about 30 degrees to the left so as to get more back and get closer to the diabase contact, which shows on the surface to be about 30' left of the portal, and with unknown strike.

We would like to amend our original contract to allow for 500 additional feet of drift. This is necessary to get back far enough with these exploration tunnels to be in solid ground. We would also like to change our price to $30.00 per foot to allow for the heavy ground.

Sincerely yours,

Wm. Sorsen

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 1776-X Contract No. 419
Operator's Name Jorden-Williams Mining Co. Minerals Asbestos
Address Box 1431, Globe, Arizona
Contract Amount, $21750.00 Government Participation: 90 % Amount, $19575.00

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 Truck rail	0	320.75	320.75			
Bulldozing Excavation	0	3341.25	3341.25			
Crosscutting						
Drifting	3472.00	6664.00	10136.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3472.00	10326.00	13798.00	3472.00	10,326.00	13,798.00

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

Date 5/7/53 *Payee Jorden-Williams Mining Co.

Per [signature] Title Partner

*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:

$3124.80

Signature [signature]
(Authorized Certifying Officer)

Date 6/1/53 Vou. No. DMA 53-140

(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. I dm E 419 in accordance with the terms of the contract.

Signature Lawrence A. Stewart WAS Title Mining Engineer Date May 11, 1953

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

Signature W. H. King Title Executive Officer Date MAY 26 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 April 1953 Docket No. DMEA1776-[illegible] Contract No. [illegible]419

Operator's Name Gorsen-Williams Mining Co. Minerals Asbestos

Address Box 1431, Globe, 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	3472.00	124	10136.00	362	28.00	646	28.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching & Benching	Cu. Yd.	0	0	3341.25	2475	1.35	2475	1.35
Test Pits								
Roads and Trails Truck	000*	0	0	320.75	1	320.75	1	320.75
TOTAL DISTRIBUTED COSTS		3472.00		13798.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3472.00		13798.00				21750.00

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

Date 5/7/53 Operator Gorsen-Williams Mining Co.

Per [signature] Title Partner

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:

(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

May 26, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 1776X, Contract Idm-E419 (Asbestos), Sorsen-Williams Mining Company, Gila County, Arizona. Operator's Monthly Progress Report for the period April 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	May 7, 1953.
Date Received in Field Office	May 11, 1953.
Date Received in Region Office	May 13, 1953.
Date Processed for Payment	May 26, 1953.

W. H. King
W. H. King

Enclosures

RDB:cwm

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

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-1776X, Contract Idm-2419, Gersen-Williams Mining Co., Gila 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.

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-1776X
MF

WRStorms:frj

MINING DIVISION
REGION IV

May 12, 1953

Memorandum

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

From : Lincoln A. Stewart, Mining Engineer, Tucson, Ariz.

Subject : Monthly Progress Report, April 1953, Sorsen-Williams Mining Co., Docket DMA-1776A, Contract Idm-5419, Gila County, Ariz.

In company with Robert W. Ageton, I visited the subject property on May 7, 1953 where we assisted Sorsen to survey the mine. The operator's report was received at the Tucson office on May 11, 1953.

Drifting for the month was 124 feet in 3 locations as follows: Drift No. 2, 81 feet; Crosscut "A", 36 feet; and Crosscut "B", 7 feet (see progress map). There appears to be a westerly trending deposit some 40 feet wide, shown by the work to date.

Commercial quantities of asbestos were mined from the preparatory bench cut and from the mine workings which were advanced in February. During March virtually no fiber was recovered. In April, the work had progressed sufficiently to indicate the trend of the ore body, and fiber was produced. In February, 3,537 pounds of milled fiber was sold for $967, and in April, 7,795 pounds of milled fiber was produced, the value of which will be reported directly to Denver.

At the time of the examiners' visit the operator was starting the exploration drift on claim No. 1.

As all work has been performed according to contract specifications, I recommend that the Government's share of the project costs be paid.

Lincoln A. Stewart

LINCOLN A. STEWART

CC W. H. King (Orig. & 6)
DMA-1776A
DF

LAStewart:frj

Gorson-Williams Mining Co.
Box 1431
Globe, Arizona

Apr. 7, 1953

Mr. D. R. Storms
U. S. Bureau of Mines
P. O. Box 4007
University Station
Tucson, Arizona

Re: Docket 1770-1
Contract No. [illegible] 419

Dear Mr. Storms:

We herewith submit our progress map, forms [illegible] 104 and [illegible] 104A, for the month of April.

The progress map indicates the advance for the month. In the main West drift (#2), we passed thru approximately 60 feet of commercial fibre which varies in total length from 1" to 6". We attempted to establish the trend of the orebody by driving R cut "A", wherein the fibre pinched out in 30'. Mr. Smith advised that we drive R cut "B" to establish the location of the limbus contact which apparently lies to the E. [illegible]

The fibre extracted this month amounts to 7.95 pounds or 10.5 pounds per cu. ft. of ore in drift. This figures about one ton of fibre per 100 cu. ft., and considerable fibre was lost in the muck pile. I have indicated on the progress map the probable trend of the fibre from the evidence at hand. This is shown by dotted lines.

A breakdown of the fibre called follows:

No. 1	910
2	1520
3	1101
4	2954
5	1200 (Balance lost in calling)

In February we shipped fibre recovered near the portal of the tunnel and in the bench cut as follows:

No. 1	300
2	900
3	1050
4	850
5	800 (Balance lost in calling)

Sincerely yours,

Form M [illegible]4 (Rev.)
(Apr[illegible]2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

APR 27 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March 195 3 Docket No. DMEA 1776-X Contract No. IDE 419
Operator's Name Sorsen-Williams Mining Company Minerals Asbestos
Address Box 1431, Globe, Arizona
Contract Amount, $ 21,750.00 Government Participation: 90 % Amount, $ 19,575.00

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 Truck Trial		320.75	320.75			
*Bulldozing Excavation		3341.25	3341.25			
Crosscutting						
Drifting	4088.00	2576.00	6664.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	4088.00	6238.00	10326.00	4088.00	6238.00	10326.00

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

Date 4/4/53 *Payee Sorsen-Williams Mining Company

Per [signature] Title Partner

*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:

$ 3679.20

Signature [signature]
(Authorized Certifying Officer)

Date 4/21/53 Vou. No. DMA 53-124

(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 E419 in accordance with the terms of the contract.

Signature Lincoln A. Stewart WAS Title Mining Engineer Date Apr. 10, 1953

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

Signature W. H. King Title Executive Officer Date APR 16 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 MR-[illegible]04A
(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 [illegible] 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible] 415
Operator's Name [illegible] Mining Company Minerals Asbestos
Address Box 1431, Globe, 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	[illegible]	146	6534.00	250	[illegible]	146	[illegible]
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching [illegible]	[illegible]	0	0	3341.25	2475	1.35	2475	1.35
Test Pits								
Roads and Trails [illegible]	[illegible]	0	0	320.75	1	320.75	1	320.75
TOTAL DISTRIBUTED COSTS		[illegible]		$10326.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		[illegible]		$10326.00				

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

Date 4/4/53 Operator [illegible] Mining Company

Per [illegible] Title [illegible]

REMARKS:

→ 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

April 16, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 1776X, Contract Idm-E419 (Asbestos)
Sorsen-Williams Mining Co., Gila County, Arizona-
Operator's Monthly Progress Report, for the period
March 1953

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

REMARKS:

Date of Report	April 4, 1953
Date Received in Field Office	April 7, 1953
Date Received in Region Office	April 15, 1953
Date Processed for Payment	April 16, 1953

W. H. King
W. H. King

Enclosures

RB:fwo

cc Sec Oper Comm (2)
WRStorms
Contract
Chron

MINING DIVISION
REGION IV

April 13, 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-E419, Docket DMA-1776X, Sorsen Williams Mining Co., Gila County, Ariz.

Enclosed in quintuplicate are the following items:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

(3) Forms MF-104 and MF-104A.

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-1776X
DF

WRStorms:frj

MINING DIVISION
REGION IV

April 10, 1953

Memorandum

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

From : Lincoln A. Stewart, Mining Engineer, Tucson, Arizona.

Subject : Monthly Progress Report, March 1953, Sorsen Williams Mining Co., Docket DMA-1776X, Contract Idm-E419, Gila County, Ariz.

The operator's progress report was received April 7. I visited the property April 9 to measure the faces. Sorsen has encountered difficult mining conditions due to open cracks and blocky ground, but seems to be in fairly solid rock now.

Heading No. 3 followed a small lens of non-commercial fiber that pinched out. Heading No. 1 has shown only traces of asbestos. Work in both of these headings has been discontinued in favor of drifting in heading No. 2. (See progress map.)

At the end of the period the latter face was virtually barren but during the past week the drift has opened commercial ore. The present face shows a total of about 3½ inches of soft fiber.

Sorsen expects to secure another compressor and start work on an exploration drift on Claim No. 1.

The reported advance of 146 feet has been verified and it is recommended that the Government's share of the March costs be paid.

Lincoln A. Stewart

Lincoln A. Stewart, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

CC W. H. King (Orig. & 6)
DMA-1776X
DF

LAStewart:frj

Corson-Williams Mining Co.
Box 1431
Globe, Arizona

Apr.4, 1953

Dr. R. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson, 5, Arizona

Re: RMA Docket 1776-X
Contract IBI D 419

Dear Dr. Storms:

We herewith submit our progress map and Forms BP 104 and BP 104A for the month of March.

The first two weeks of this month, we encountered very difficult mining conditions with frequent caving ground. In some cases we made no advance for several days. We finally passed through the heavy ground, and are making fair progress at this time. We are operating on two shifts and this is helping to speed up the exploration.

Our first encouragement came yesterday morning, when we exposed about 3½" of commercial fibre in an eight inch serpentine band just under the 12" diabase sill we have been following. We hope this will increase in size as we approach the diabase contact in a northwesterly direction from the present face. The fibre shows evidence of movement , although some of the bands are intact. The fibre grades from dark to light green in color, and is from ½" to 1" in length. It appears to be soft spinning grade, and is transparent. I would like to have Mr. Bride and Mr. Stewart examine the property in its present stage to advise on future exploration.

Our No. 1 drift face is now at 110', the No.2 drift face is at 100', and our No. 3 face is at 22'. These figures represent the end of the month. The fibre-sentional showed up in No. 2 drift at 110! No. 3 drift was started in desperation to explore the fibre that could be seen through an open crack. This was mentioned in last months report.

I have asked Mr. Guy Phillips to supply us with copies of the settlement sheets for the ore that we sold. No ore was produced during the month of March. These settlement sheets will be forwarded to you office as soon as I receive them.

Sincerely yours,

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 February, 1953 Docket No. DMEA 1776-X Contract No. 111-2-419
Operator's Name Gorsen Williams Mining Company Minerals Asbestos
Address Box 1431, Globe, Arizona
Contract Amount, $21,750.00 Government Participation: 90 % Amount, $19,575.00

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~~-Truck Drill	0	320.75	320.75			
~~Bulldozing~~-Bench-Trench	0	3341.25	3341.25			
Crosscutting						
Drifting	2576.00	None	2576.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2576.00	3662.00	6238.00	2576.00	3662.00	6238.00

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

Date Mar. 3, 1953 Payee Gorsen Williams Mining Company

Per [illegible] Title Partner

*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:

$2318.40

Signature [illegible]
(Authorized Certifying Officer)

Date 3/20/53 Vou. DMA 53-110
(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-E419 in accordance with the terms of the contract.

Signature Lincoln A. Stewart WAS Title Mining Engineer Date Feb 9, 1953

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

Signature W. H. King Title Executive Officer Date MAR 18 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 February 1953 Docket No. DMEA 1775-X Contract No. IDI-[illegible] 419

Operator's Name Corwen Williams Mining Company Minerals Asbestos

Address Box 1431, Globe, 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	2576.00	92	2576.00	92	20.00	646	28.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping & Benching	CuYd	0	0	3341.25	2475	1.35	2475	1.35
Trenching								
Test Pits								
Roads and Trails (Truck)	000*	0	0	320.75	1	320.75	1	320.75
TOTAL DISTRIBUTED COSTS		2576.00		6238.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2576.00		6238.00				

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

Corwen Williams Mining Co.

Date Mar. 3, 1953 Operator

Per [signature] Title Partner

[signature]

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: Stage 1 completed in January
Stage 2 started in February

(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 23, 1953

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMEA Docket 1776X, Contract Idm-E419, (Asbestos)
Sorsen Williams Mining Company, Gila 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 February, 1953, pertaining to DMEA Docket 1776X, Contract Idm-E419, (Asbestos), Sorsen Williams Mining Company, Gila County, Arizona.

W. H. King

W. H. King

Enclosures

Id

cc: Contract, w/copy of MF-104
Storms w/copy of MF-104
Chron.

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

224 New Customhouse
Denver 2, Colorado

March 17, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 1776X, Contract Idm-E119, (Asbestos), Sorsen Williams Mining Company, Gila County, Arizona - Operator's Monthly Progress Report for the period February, 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	March 3, 1953
Date Received in Field Office	March 5, 1953
Date Received in Region Office	March 16, 1953
Date Processed for Payment	March 17, 1953

W. H. King
W. H. King

Enclosure

cc: Secretary to the Operating Committee (2)
Storms
Contract
Chron

RMB:ld

MINING DIVISION
REGION IV

March 10, 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-1776X, Contract Idm-2419, Sorsen Williams Mining Co., Gila 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.

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-1776X
DF

WRStorms:frj

MINING DIVISION
REGION IV

March 10, 1953

Memorandum

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

From : Lincoln A. Stewart, Mining Engineer, Tucson, Ariz.

Subject : Monthly progress report, February 1953, Sorsen Williams Mining Co., Docket BMA-1776X, Contract Idm-E419, Gila County, Ariz.

Work was started on Stage II of the above contract on February 1, 1953. I visited the property March 3 to check progress. To date all work has been confined to drifting at Adit No. 1. As indicated by Sorsen's progress report, considerable difficulty has been encountered in driving this drift. Open cracks up to 2 feet wide, with adjacent blocky ground, has required considerable timbering and the removal of large quantities of muck.

This near-surface condition is common where drifts are started in steep-walled canyons, due to slump cracks more or less parallel to the course of the canyon.

During this drifting, Sorsen has recovered and sold ore that produced 1-3/4 tons of milled fiber. The cobbed mill rock is trucked to Phillips Asbestos Co. ~~in Globe, Ariz.~~, where the ore is milled. Phillips buys the fiber, paying on a yield basis after deducting milling charges. The net to Sorsen for these 3 shipments has amounted to $976.80. He asked whether he should pay the Government royalty now orawait certification of discovery. At the suggestion of Mr. W. R. Storms, Sorsen will be advised to make the royalty payment as each sale is made.

The February advance was measured and checks the reported distance of 92 feet. As the work has been done according to contract, it is recommended that the Government's share of the February costs be paid.

Lincoln A. Stewart

Lincoln A. Stewart, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

CC W. R. King (Orig. & 6)
BMA-1776X
DF

LAStewart:frj

Gordon Williams Mining Co.
Box 1431
Globe, Arizona

Mar. 3, 1953

Mr. O. R. Storms
U. S. Bureau of Mines
P. O. Box 4057
University Station
Tucson 5, Arizona

Re: [illegible] Docket 177[illegible]-[illegible]
Contract I[illegible]-[illegible] 419

Dear Mr. Storms:

We herewith submit our progress map and forms [illegible] 104 and [illegible] 104A for the month of February. As you know, we started stage 2 on Feb. 1st.

We started our adit in a good showing of fibre which we followed in for thirty feet, at which point the fibre pinched out. We continued to drift in to 45 feet without finding more fibre. We then backed up to the point where the fibre pinched out and turned right about 30 degrees with the intention of following the fibre toward a diabase contact which lied in that direction. We followed the fibre for about 15 feet through extremely heavy caving ground at which point it again pinched out. The diabase sill and serpentine band which are associated with the fibre continued in both drifts beyond the point where the fibre stopped. While we were driving the 2nd drift we installed electric lights underground and were able to examine open cracks along the sides of both drifts. During this examination, we looked in a crack near the face in the 1st drift, and discovered a [illegible]" fibre zone to the left side about [illegible]' from the side of the drift. We then shot another round in the first drift and [illegible]" of fibre appeared in the face. This is encouraging and warrants continued advance in this direction. The other drift should be advanced also to explore the location of the diabase contact and possible resulting fibre zone. We have had to timber everything to date and have encountered three bad caving zones.

Following is a breakdown of truck shipments to Guy Phillips:

Feb. 1	No. 1 118	No. 2 400	No. 3 400	No. 4 240	No. 5 240	324.05
Feb. 6	135	435	350	300		348.34
Feb. 07	135	150	300	275 filter		233.21

Sincerely yours,

[signature]

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

DEPARTMENT OF THE INTERIOR
D. Minerals Administration
RECEIVED
FEB 2 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 January, 1953 Docket No. DMEA 17701 Contract No. DMEA 419
Operator's Name Gorsen-Williams Mining Co. Minerals Asbestos
Address Box 1431, Globe, Arizona
Contract Amount, $ 21,750.00 Government Participation 90 % Amount, $ 19,575.00

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:						
Ponching & Trenching	3341.25	None	3341.25			
Bulldozing						
Crosscutting						
Drifting						
Truck Drill	320.75	None	320.75			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3662.00 / 3341.25	None	3662.00	3662.00	--	3662.00

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

Date Feb. 9, 1953 *Payee Gorsen Williams Mining Co.

Per William H. Gorsen Title Partner

*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:

$ 3295.00 as shown on Engineer's copy of MF-104.

Signature [illegible]
(Authorized Certifying Officer)

Date 2/25/53 Vou. No. DMA 53-100

(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. Idw-E 419 in accordance with the terms of the contract.

Signature Lincoln G. Stewart WAS Title Mining Engineer Date Feb 12, 1953

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

Signature W. H. King Title Executive Officer Date FEB 19 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 Jan. 1953 Docket No. DMEA 1775 Contract No. 419

Operator's Name Gorson Williams Mining Co.

Address Box 1431, Globe, Arizona

Minerals Asbestos

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drilling	800'	320.75	1				1	320.75
Crosscutting & Trenching	cu.yds	3341.25	2475 cuyds				2475	1.35
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		3662.00						Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		3662.00						3662.00

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

Date Feb. 9, 1953 Operator Gorson Williams Mining Co.

Per William H. Gorson Title Partner

William H. Gorson

Remarks: The above constitutes stage 1 in completion

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.

224 New Customhouse
Denver 2, Colorado

February 19, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 1776X, Contract Idm-E419 (Asbestos) Sorsen-Williams Mining Co's. Salt River Asbestos Claims, Gila County, Arizona - Operator's Monthly Progress Report for the period January, 1953

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	February 9, 1953
Date Received in Field Office	February 12, 1953
Date Received in Region Office	February 18, 1953
Date Processed for Payment	February 18, 1953

W. H. King
W. H. King

Enclosures

RB:ld

cc: Contract
Secretary to Operating Committee (2)
W. R. Storms
Chron.

MINING DIVISION
REGION IV

February 16, 1953

Memorandum

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

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

Subject : January 1953 Progress Report, Docket DMA-1776X, Contract Idm-8419, Sorsen Williams Mining Co's. Salt River Asbestos Claims, Gila 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 104A.

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

As all work is in accordance with terms of the contract, I recommend that the Government's share of the costs (90 percent) be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-1776X
DF

WRStorms:frj

MINING DIVISION
REGION IV

February 13, 1953

Memorandum

To : Walter A. Storms, Chief, Mining Methods Br., Mining Division, Region IV

From : Lincoln A. Stewart, Mining Engineer, Tucson, Ariz.

Subject : Monthly Progress Report, January 1953, Sorsen Williams Mining Co., Docket DMA-1776X, Contract Idm-E419, Gila County, Ariz.

Work was started on Stage I of the above contract on January 2, 1953. I visited the property while this work was in progress on January 8 and 22. The contract work of this stage was completed January 28. In company with A. F. Shride, Geologist, U. S. Geological Survey, I visited the property February 2 to check progress and determine locations for the drifting of Stage II.

Sorsen has done an exceptionally good job of benching the 3 segments of the asbestos outcrops. In fact he continued the work, at his own expense, considerably beyond the allowable contract tonnage. The results of this stripping justify drifting at 3 places as specified in the original report.

As the applicant desired to concentrate his work for the present at one drift, the starting point was established for adit No. 1. When Sorsen is ready to start the other entries, the exact starting points will be established.

On my visit of January 8 the applicant furnished detailed cross sections of the original ground level. On the applicant's progress map, the lines marked A, B, C, D, and E are the staked base lines from which more than 50 cross sections had been taken in the areas other than the 800 foot length of road that was on a job cost basis. At the conclusion of the stripping and benching, the sections were re-run. By means of a planimeter, the end areas shown on each section were measured, from which the total yardage was calculated. "Spot checking" of the cuts and calculations was

CC: W. H. King (Orig & 6)
DMA-1776X
DF

LAStewart:als

considered sufficient for the reason that applicant will be paid only for 2,475 cu. yds. of the 6,569 yards actually excavated. These field and office checks were in close agreement and the length of the truck trail likewise was in excess of the allowable 800 feet.

We have a tracing of the cross sections with annotated mathematical work. These sections are on a scale of 1 inch equals 10 feet, and each set requires about 20 feet of printing paper. We are not including prints of this work, but can furnish them if desired.

All work has been done according to contract, and it is recommended that the Government's share of the contracted costs of Stage I be paid.

Lincoln A. Stewart

Lincoln A. Stewart, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

U. S. BUREAU OF MINES
MINING DIVISION
FEB 12 1953
TUCSON, ARIZONA

Corsen Williams Mining Co.
Box 1431
Globe, Arizona

Feb. 9, 1953

Mr. W. R. Storms
U. S. Bureau of Mines
P. O. Box 4097
University Station
Tucson 5, Arizona

Re: DMEA Docket 1775A
Contract IDC-S 419

Dear Mr. Storms:

We herewith submit cross sections, a progress map, and progress report for Stage 1 of our contract which was begun Jan 2, and completed Jan 28, 1953. We have started work on Stage 2 at a site chosen by Messrs. Shride and Stewart.

We have excavated 6500 cubic yards of material which is in excess of that called for by our contract. We were able to expose approximately 250 feet of fibre outcrop in three locations. A fourth location exposed 100 feet of outcrop which would not be considered of commercial quality or quantity.

We wish to apply for payment on Stage 1 as follows:

800 feet of truck trail	$ 320.75
2475 cu. yds. of excavation at $1.35	3341.25
Total cost Stage 1	3662.00
Government participation @ 90%	$3295.80

Sincerely yours,

William W Corsen

Wm. W. Corsen- Partner
Corsen Williams Mining Co.

Nov 6 1962

Sorsen Asbestos Corporation
c/o William W. Sorsen
770 Sunset Drive
Globe, Arizona

Re: DSEA-1776 (Asbestos)
Sorsen Asbestos Corporation, Assignee
Salt River Asbestos Deposits
Gila County, Arizona
Contract I4s-2419

Gentlemen:

By the terms of the subject Exploration Project contract and the certification of discovery or development dated November 27, 1953, all minerals mined or produced from October 20, 1952, to October 20, 1962, were subject to the Government's royalty as set forth in the said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

George Fumich, Jr.

Director

cc: Director's reading
CA&A Division
Region III (2)
Docket
Code 500

GOVERNMENT COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Sorsen Asbestos Corporation - Assignee
P. O. Box 1431
Globe, Arizona
William W. Sorsen and William C. Williams, Assignor
P. O. Box 1431
Globe, Arizona

Pursuant to the provisions of Exploration Project Contract No. Idm-E419, dated October 20, 1952, (Docket No. DMEA-1776), hereinafter called the "contract" between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

As the result of underground exploration, several thousand pounds of asbestos were produced and sufficient work was completed under this contract to indicate reserves of strategic asbestos.

THE UNITED STATES OF AMERICA

By C. Mitchell
Administrator, Defense Minerals
Exploration Administration

Dated: NOV 2 7 1953

JTRobertson:gad 11/23/53
Copy to: Mr. Irving Gumbel, EPS, GSA
Mr. Thayer, 5216 GSA Bldg.
Mr. Hedges, 4604
Admr. R. File
Docket File
Field Team, Region IV
Operating Committee
Mr. Chambers
Mr. Johnson
Finance Office
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

NOV 27 1953

Mr. William W. Sorsen
Sorsen Asbestos Corporation
P. O. Box 1431
Globe, Arizona

Re: Docket No. DMEA-1776 - Asbestos
Salt River Asbestos Deposits
Gila County, Arizona
Contract No. Idm-8419

Dear Mr. Sorsen:

Transmitted herewith is a Certification of Discovery or Development on Contract No. Idm-8419 on the Salt River Asbestos Deposits, Gila County, Arizona.

By the terms of the Exploration Project Contract and of the Certification, all production from the property from the date of the Exploration Project Contract, October 20, 1952, is subject to the Government's percentage royalty as set forth in the contract until the sum of $19,575.00 (subject to audit review) is paid or until October 20, 1962, whichever occurs first.

Payments should be made to Mr. W. H. King, Executive Officer, Defense Minerals Exploration Administration Field Team, Region IV, 224 New Customhouse Building, Denver 2, Colorado. Checks should be drawn payable to the Treasurer of the United States. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward check direct to the Executive Officer.

Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets showing quantity and grade of ore sold, the name of the purchaser, and the price and charges certified to be correct by the purchaser.

You are requested to notify Mr. King of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for any extended period, please notify Mr. King at six-month intervals that no production has been made.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

Docket File
Field Team, Region IV
Mr. Thayer, 5216 GSA Bldg.
Operating Committee

JTRobertson:gad 11/24/53
Copy to: Admr. R. File
Mr. Johnson
Mr. Hedges, 4604
Mr. Chambers
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

DEC 2 - 1953

Mr. Irving Gumbel, Director
Materials Division
Emergency Procurement Service
General Services Administration
Washington 25, D. C.

Re: Docket No. DMEA-1776 - Asbestos
Sorsen Asbestos Corporation
Salt River Asbestos Deposits
(Salt River Group - Four Claims)
Gila County, Arizona
Contract No. Ida-5419

Dear Mr. Gumbel:

I am enclosing one copy of a Certification of Discovery or Development relating to the subject exploration project contract.

The contract was signed October 20, 1952, and provided for the construction of 800 linear feet of access road, 2475 cu. yds. of surface trenching, and 646 feet of adits and drifts. The actual work was completed July, 1953, the Government participating to the extent of 90% of $21,750.00 or $19,575.00.

The shallow underground exploration, drifts and adits, followed narrow serpentine bands 4 inches to 18 inches thick, enclosed in limestone strata essentially flat-lying. Asbestos seams, a fraction of an inch to upwards of 3½ inches, are associated with the serpentine.

During the operation of the project there was produced a total of 32,257 pounds of fiber valued at $9,122.12, distributed in the following grades and weights:

No. 1. Crude	4,483 pounds	$3,362.25
No. 2. Crude	6,893 "	3,123.25
No. 3	6,642 "	1,251.11
No. 4 (or less)	14,239 "	1,380.51
Total	32,257 pounds	$9,122.12

The DMEA is of the opinion that the work was of definite benefit to the property. The last report from the field indicated that

there is geological potential ore which, if mined and milled, would produce about 64,200 pounds of fibar of the same relative quality as that already produced. The DMEA, therefore, has certified that a discovery or development resulted from the work performed.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

JTRobertson:gad 11/30/53

Copy to: Admr. R. File
Mr. Thayer, 5216 GSA Bldg.
Field Team, Region IV
Docket File
Operating Committee
Mr. Hedges, 4604
Mr. Johnson
Mr. Chambers
Mr. Houk

Government's Copy

ASSIGNMENT OF CONTRACT
ASSIGNEES' ACCEPTANCE
GOVERNMENT'S CONSENT

WHEREAS, William W. Sorsen and William C. Williams, partners (hereinafter called the "Operator"), entered into an Exploration Project Contract dated October 20, 1952, Contract No. Idm-E419, Docket No. DMEA-1776X, with the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"); and

WHEREAS, the Secretary of the Interior heretofore approved an asbestos ore or fiber mining lease dated June 10, 1952, between the San Carlos Apache Tribal Council as lessor and the operator as lessee covering mining claims, the subject of the aforesaid Exploration Project Contract, known as Salt River Nos. 1, 2, 3, and 4, in Sec. 25 Twp. 5 N., R. 17 E., G. & SR Meridian, containing 80 acres more or less, and the said lease with the approval of the Bureau of Indian Affairs, Department of the Interior, was duly transferred to the Sorsen Asbestos Corporation (hereinafter called the "Assignee"); and

WHEREAS, the Assignee is a corporation duly organized and existing under and by virtue of the laws of the State of ARIZONA, having an office at Globe, Arizona.

NOW THEREFORE, the Operator in consideration of the sum of One Dollar ($1.00) lawful money of the United States and other good and valuable consideration received from the Assignee, does hereby assign, transfer, and convey to the Assignee all its right, title, and interest in and to the aforesaid Exploration Project Contract including any and all property purchased for, and the right to use any and all property devoted to the exploration work under this Exploration Project Contract, and hereby consents to any and all future amendments to the said contract; Provided, however, That the Government shall pay to the Operator all monies which may be or become due and payable to the Operator before the first day of the second month following the month in which this Assignment is accepted in writing by the Assignee; and upon payment thereof, the Operator agrees to release and hereby releases the Government from any and all claims, past, present, or future arising out of the said Exploration Project Contract.

This Assignment is subject (1) to the written consent of the Government; (2) to written acceptance by the Assignee; and (3) assumption by the Assignee of the terms, provisions, and conditions of said Exploration Project Contract binding upon the Operator.

Dated July 31, 1953.

William W. Sorsen
(Partner)

William C. Williams
(Partner)

The Assignee, this 31st day of July, 1953, hereby accepts the above Assignment, and assumes and agrees to be bound by the terms, provisions, and conditions of said Exploration Project Contract that are binding on the Operator.

SORSEN ASBESTOS CORPORATION

By William W. Sorsen
President

On this 31st day of July, 1953, before me Robert E. McGhee, the undersigned officer, personally appeared William W. Sorsen, who acknowledged himself to be the President of the Sorsen Asbestos Corporation, and that he as President, being duly authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

IN WITNESS WHEREOF, I have hereunto set my hand and seal.

Robert E. McGhee
Notary Public

My Commission Expires Sept. 30, 1955

The Government this 31st day of July, 1953, without releasing the Operator from any of the terms, provisions, and conditions of the said Exploration Project Contract, hereby consents to the above Assignment.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense
Minerals Exploration
Administration

DMEA

2471 4637

163943.970 Sorting Code, Interior, Defense Minerals Exploration Administration
January 6, 1953
1:00 P. M.

Mr. W. R. King, Executive Officer, DMEA Field Team, Region IV, Bureau of Mines,
224 New Customhouse Bldg., Denver 2, Colorado
Docket No. DMEA-1776 - Asbestos, Sorsen and Williams, Contract Idm-2419

Sorsen and Williams Mining Company may legally proceed with work outlined in Contract Idm-2419. Please advise Sorsen and Williams Mining Company.

C. O. Mittendorf

Administrator

LGHouk:gad 1/6/53

Copy to: Admr. R. File
Docket File
Dr. Bowles, Room 3516
Mr. Norton, G-232 GSA Bldg.
Mr. Houk
Confirmation Copy

SENT
JAN 6 1953

Clerical Service Section

Docket No. [illegible]

Commodity [illegible]

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E [illegible]

Date of Contract or Amendment: [illegible]

Name and Address of Operator:

William V. Sorcen and
William C. Williams
(Partnership)
Box 1431,
Globe, Arizona

Amount of Government participation ____ $ 19,575.00

Percent of Government participation 90 %

Region: IV State: Arizona

(Name)

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

(Title)

Date Delivered to Bureau of Mines, Washington. Oct. 24, 1952 13908

MF-20 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 13 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 27 1952

DOCKET NO. DMEA 1776X

COMMODITY Asbestos

IDM-E 419

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 20th day of October, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] William W. Sorsen and William C. Williams; a partnership, Box 1431, Globe, Arizona

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Arizona, County of Gila, described as follows:[3]

Salt River No. 1 recorded in Book 49, page 279, Gila County Court House
Salt River No. 2 " " " 49, " 280, " " " "
Salt River No. 3 " " " 49, " 280, " " " "
Salt River No. 4 " " " 49, " 280, " " " "

the Operator represents and undertakes:[4]

~~(a) That the Operator is the owner in possession and entitled to possession of the property described in the following deed, lease, or other instrument of conveyance, or other instrument agreement, or other instrument:~~

(b) That the Operator is a lessee, in possession and entitled to possession, ~~[illegible]~~.

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

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

in or upon the described land; and shall bring the project to completion within a period of twelve (12) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay Ninety (90) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $19,575.00, which is 90 percent of $21,750.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

William W. Larsen
(Operator)

By William C. Williams

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

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

_____ [CORPORATE SEAL]

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

EXHIBIT "A"

Description of the Work

The project is divided into two Stages. Stage I consists of constructing 800 feet of truck trail; benching and trenching to expose the outcrop of the asbestos veins, 1,100 linear feet at an estimated 2.25 cu. yds. per linear foot, maximum cubic yardage allowable 2,475. The operator agrees to lay out a base line above each area and will make cross sections of the original surface. The operator will prepare sections at the end of each pay period from which yardage can be calculated.

Stage II is dependent upon the findings of Stage I. If sufficient mineralization or other geologic evidence is discovered as a result of Stage I, Stage II will be authorized. Stage II will consist of driving adits into the hill. The location, direction, and length of the adits will be determined after part or all of Stage I is completed and must be acceptable to the DMEA representative. A total of 646 feet of drifting is authorized.

The location of the benching and stripping, and the tentative location of three adits is shown on the attached map which is made a part of this Exhibit.

Costs of the Work

Stage I

800 feet of truck trail 1/ - - - - - - - - - - - -	$ 320.75
2475 cu. yds. of excavation at $1.35, includes all engineering - - - - - - - - - - - - - - - - - -	3,341.25
Total cost of Stage I - - - - -	$3,662.00
Government's participation at 90% - - - - - -	$3,295.80

Stage II

646 feet of drifting at $28.00 per foot, includes timbering where necessary - - - - - - -	$18,088.00
Government's participation at 90% - - - - - -	$16,279.20
Total amount of Stage I and Stage II - - - -	$21,750.00
Government's participation in Stage I and Stage II at 90% - - - - - - - - - - - - - -	$19,575.00

1/ The entire work constitutes the unit of work.

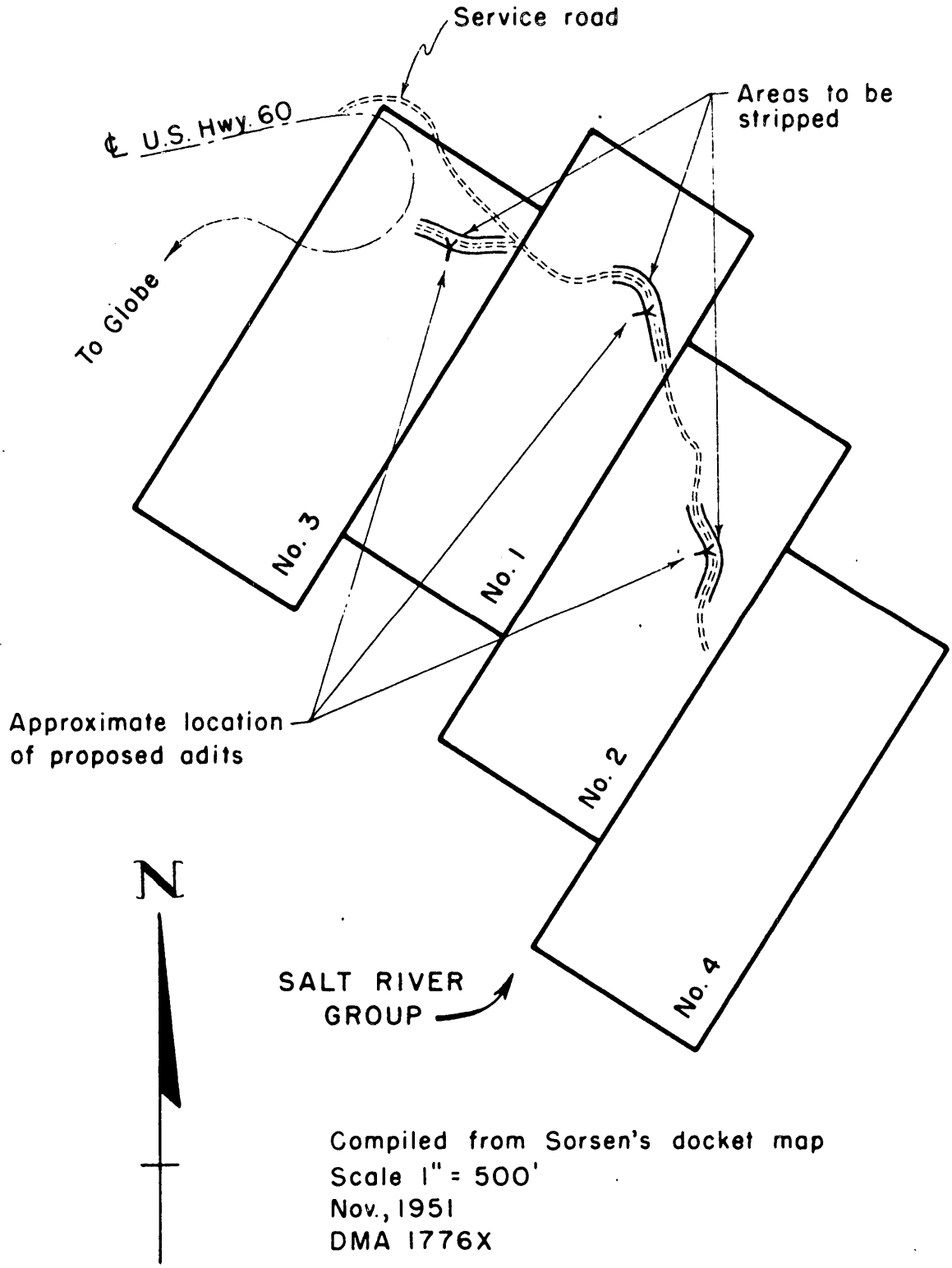

FIG. 2 - SORSEN-WILLIAMS MINING CO.
PROPOSED EXPLORATION