DMEA Form 18
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ANALYSIS OF SEMIANNUAL REPORT OF CERTIFIED PROJECT

Prepare in duplicate. File original in Official Docket. Send copy

To: Statistics Branch (Code 210)

From: Division of **Iron and Ferro-Alloys**

Report Period **7.1-12.31.56**

DMEA No.	Operator	Contract No.
2356	**Nikas Mining Company**	**Idm-E370**

ORE ESTIMATES

	Tons	Analysis
DMEA	8,065 *	1.11 % WO_3 *
Operator to date	None	
Total	8,065 *	1.11 " " *
Production to date	1,757 **	1.11 " " **
Ore in ground	6,308 **	1.11 " " **

INVESTMENT

Type	Size		Feet	Cost
Shafts				
Winzes				
Drifts and Crosscuts				
Raises				
Drilling	Type			
Rehabilitation	Description			
	Timbering			**$ 5,000.00**

FACILITIES

Mine Plant	**Compressor and drills**	2,500.00
Mill	**Electrostatic mill** **2 tons/hr gravity plant**	30,000.00 2,000.00
Roads		

REMARKS

* **"Official" tonnage and grade of reserve.**
** **Reported production adjusted to "Official" grade.**

Copy to W. Chamberlain

Prepared by Stephen P. Holt Date 2.28.58
(rev. 4.3.58)

31398

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

July 26, 1962

Re: DMEA-2356 (Tungsten)
Nikas Mining Company
Morning Star Mine
Pinal County, Arizona
Contract Idm-E370

CLERMONT

Mr. ~~Clarendon~~ D. Loper
General Secretary, YMCA
516 North Fifth Avenue, P. O. Box 5874
Tucson, Arizona

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 6 1962

DATE	INITIALS	CODE
8/6		800
		120
		100
		110
8/9		500
8/9		500
		220

Dear Mr. Loper:

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

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

Sincerely yours,

W. R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since January 1, 1960, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [✓] No [ ]

   Mrs. E. L. Wood, co-owner with YMCA, died on February 14, 1962. YMCA now sole owner.

2. Since January 1, 1960, has there been any production from the land subject to the contract? Yes [ ] No [✓]

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

	Quantity	Value

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

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Clement Lopez Title Executive Vice-President, YMCA

Address 516 N. Fifth Ave., Tucson, Arizona Date

4511

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 21 1960

DATE	INITIALS	CODE

OFFICE OF MINERALS EXPLORATION

REGION III

Statement in Lieu of ~~Interim~~ Annual Report
of Certified Project

Reporting Period January 1, 1959 to December 31, ~~1960~~ 1959

Docket and Contract Number DMEA-2356, Idm-E370 (Tungsten)

Operator Nikas Mining Co. (Morning Star mine)
Pinal County, Arizona

The project has been inactive during the reporting period [X]

Pertinent data relative to the subject contract has remained unchanged since the last report [ ]

Remarks: The Y.M.C.A., Tucson, Ariz., one of the owners of the property, reported: There was no production from the subordinated land during the reporting period; and, will find out what happened to stockpiled concentrates and advise. (Re: copies of letter, dated April 11, 1960 from Clermont D. Loper, General Secretary).

Signed M Ramsb

Date April 18, 1960

OFFICIAL FILE COPY O. M. E. RECEIVED MAR 2 1959		
DATE	INITIALS	CODE
3/2	C	220
"	[illegible]	110
"	[illegible]	800
3/3	WSM	400

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration
224 New Customhouse
Denver 2, Colorado
February 25, 1959

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Semiannual Report of Certified Project for the period July 1, 1958 to December 31, 1958

DMEA Docket 2356-(Tungsten)
Contract Idm-E 370
Nikas Mining Company
Pinal County, Arizona

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office, Memorandum 29, and Special Notice in Minutes of Operating Committee Meeting No. 692.

J. W. Townsend

Enclosures
HMC/ff

cc: Semiannual Report File Idm-E 370
Harshman
Romslo
Chron.

OME
DEPARTMENT OF THE INTERIOR
FEB 12 1959
REGION III
DENVER, COLORADO

OME, REGION III

Statement in Lieu of Semiannual Report

Reporting Period July 1, 1958 to December 31, 1958
Docket and Contract Number DMEA-2356, Idm-E 370
Operator Nikas Mining Co.

The project has been inactive during the reporting period [X]

Pertinent data relative to the subject contract has remained unchanged since the last report [ ]

Remarks:

I visited this project and talked to T. Callas, former lessee, at Oracle, Arizona, January 23, 1959.

Conditions noted during this and previous inspections indicate that the property has been inactive since late 1956.

The estimated 800 pounds of concentrates containing about 52 percent WO_3 that were produced by Mr. Callas are stored at his home. These concentrates which are subject to royalty payments to DMEA, reportedly will be sold and royalty will be paid when the market price is right.

Signed T. M. Romslo
T. M. Romslo

Date February 9, 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

March 13, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 17 1958

DATE	INITIALS	CODE
3/17	C	220
17	Com	100
"	[illegible]	110
3/18	[illegible]	800
		225

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project for the period July 1 - December 31, 1957

DMEA Docket 2356
Contract Idm-E 370
Nikas Mining Co.

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office, Memorandum 29, and Special Notice in Minutes of Operating Committee Meeting No. 692.

W H King
Executive Officer, DMEA
Field Team, Region III

Enclosures

MHM:dp
cc: Semiannual Report File E 370
Harshman
Emerick
DMEA/TUC
Chron.

DMEA
RECEIVED MAR 17 1958
DATE | INITIALS | CODE

DMEA, REGION III

Statement in Lieu of Semiannual Report

Reporting Period	July 1 to Dec. 31, 1957
Docket and Contract Number	DMEA-2356, Idm-E370
Operator	Nikas Mining Co.

The project has been inactive during the reporting period ☐

Pertinent data relative to the subject contract has remained unchanged since the last report ☒

Remarks: Sources of information: Inspection of property Jan. 1, 1958 and conversations with T. Callas at his home in Oracle, Ariz. Feb. 17, 1958.

Findings of inspection: (1) nobody on property and (2) mine workings appear to have been inactive since last visited by me on Aug. 9, 1957.

Pertinent information from conversations: (1) The estimated 800 pounds of 52% WO_3 concentrate produced during 1956 is still stored in Mr. Callas home, and (2) Mr. Callas was reasonably certain that property has been idle since his operation.

Supplemental information: A letter of Sept. 20, 1957 to the Attorney General requested initiation of necessary action to obtain a royalty payment of $1,000.57 from the operator.

CC W. H. King (Orig. & 9
DMEA-2356
Cert. File
DF

Signed T M Romslo
T. M. Romslo

Date Feb. 27, 1958

CC W. H King (Orig. & 9); DMEA-2356; Cert. file; DF

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

8/5 Com 220 100

August 28, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project for the period January 1, 1957 through June 30, 1957
DMEA Docket 2356 (Tungsten)
Contract Idm-E 370, Nikas Mining Company (Morning Star Mine)
Pinal County, Arizona

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office, Memorandum 29, and Special Notice in Minutes of Operating Committee Meeting No. 692.

E. M. Harshman

Acting Executive Officer
DMEA Field Team, Region III

Enclosures

MHM/vj
cc: Semiannual Report File E 370
DMEA/TUC
Harshman
Emerick
Chron.

DMEA
ARTMENT OF THE INTERIOR
AUG 26 1957
REGION III
DENVER, COLORADO

DMEA, REGION III

STATEMENT IN LIEU OF SEMIANNUAL REPORT

Reporting Period	Jan. 1 to June 30, 1957
Docket and Contract Number	DMEA-2356, Idm-E370
Operator	Nikas Mining Co.

The project has been inactive during the reporting period [X]

Pertinent data relative to the subject contract has remained unchanged since the last report [ ]

Remarks: Property visited Aug. 9, 1957
Nobody on property.
No evidence of recent activity.
Tom Callas, lessee of property at beginning of report period, contacted at his home in Oracle, Ariz. Mr. Callas said; (1) property was inactive during report period, (2) estimated 800 pounds (previously estimated at 650 pounds) of about 52% WO_3 concentrates from his operation of mine during 1956 is stored at his home, and (3) his lease agreement with owners was recently cancelled.

The only change in pertinent data relative to the contract concerns royalty due the Government. The present status of royalty due is: First Royalty Audit of December 12, 1956 established that back royalty amounted to $1,000.56. Operator, upon receiving notice of amount due, notified DMEA that payment would be made.

Signed T.M.Romslo
T.M.Romslo

Date Aug. 19, 1957

CC W.H.King (Orig. & 9); DMEA-2356; Cert. file; DF

2356

ACTION ON INTE[illegible]
OR FINAL FIELD TEAM REPORT
Date 1-25

Referred to:

1. ~~Mr. Mittendorf~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. ~~Docket Control Mails and Files~~
5. ~~Dept. of Force Accounts Division~~
6. Docket Control Mails and Files

Note comments in report regarding:

1. Investment data. Question of DMEA
2. Can take credit for mill investment?
3.

4.

and take appropriate action.

- - - - - - - - - -

Action taken by Division:

Probably not full credit, but our activity may have helped to keep up interest in the property

Robert E. Adams WSA 1/28/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Washington 25, D. C.

RECEIVED JAN 25 1957 D.M.E.A.

224 New Customhouse
Denver 2, Colorado

Date: January 22, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project for the period July 1, 1956 through December 31, 1956
DMEA Docket 2356 (Tungsten)
Contract Idm-E 370, Nikas Mining Company (Morning Star Mine), Pinal County, Arizona

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office and Memorandum 29.

Note: Results of Royalty Audit, dated January 14, 1957, established the amount of royalty due at $1,000.56.

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

Enclosures

MHM/vj
cc: Semiannual Report File E 370
W. R. Storms
E. N. Harshman
Chron.

Semi-Annual Report of Certified Projects

Reporting Period	July 1 to Dec. 31, 1956
Docket and Contract Number	DMEA-2356, Idm-E370
Operator	Nikas Mining Co.
Commodity	Tungsten
Mine Name	Morning Star
County and State	Pinal County, Ariz.
Date of Contract	July 18, 1952
Date of Certification	March 3, 1954
Expiration Date of Royalty Payments	July 18, 1962
Date of Examination for this Report	Jan. 4, 1957
Total Amount of Contract	$59,200.00
Total Expenditures under Contract	24,212.35
Amount of Government Participation at 75 %	18,159.26
Royalty Payments this Period	$798.44
Previous Royalty Payments	1,338.26
Total Royalty Payments to Date	2,136.70
% Loan Repayment Completed	11.77

Amount of Royalty Due

Royalty Remarks

To be determined by audit of records of Lieberman Enterprises by Tom Brading on Oct. 9 and 10, 1956.

		Tons	Analysis
Original Estimate of DMEA Reserves (Field Team Final Report) Mines [X] Survey [X] Joint [ ]	(Average)	9,630	0.89% WO_3
Revised Estimate of DMEA Reserves (Field Team) Mines [ ] Survey [ ] Joint [ ]			
Increase of Reserves by work performed subsequent to DMEA project work			
			UNITS WO_3
Production DMEA ore	(This period)	35.00	16,300
	(Previous)	3,181.31	1,253,834
	(To date)	* 3,216.31	1,270.134
" Operator's ore found subsequent to DMEA work	(This period)		
	(Previous)		
	(To date)		

RECEIVED JAN 25 1957 D.M.E.A.

Percent Revised Reserves mined _____

(For Uranium Ores Only)

Initial Production Bonus:

Status of Operator: Ineligible [ ] Applied for [ ] Rec'ing pmt [ ] Pd up ____

Pounds U_3O_8 produced this period eligible for Bonus _____

Amount of Bonus paid to Operator this period $_____

Total pounds U_3O_8 produced to date eligible for Bonus _____

Total amount of Bonus paid to Operator to date $_____

Bonus Royalty Paid $_____

Bonus Royalty Due $_____

**Investment Data

Shafts Size	Feet	Cost	Winzes Size	Feet	Cost	Drifts & Crosscuts Size	Feet	Cost

Raises Size	Feet	Cost	Drilling Type & Size	Feet	Cost	Rehabilitation Description	Cost
						Timbering	$5,000.00

Facilities

Mine Plant Description	Cost	Mill Description	Cost	Roads Description	Cost
Compressor & drills	$2,500.00	Electro-static	$30,000.00		
		Gravity plant	2,000.00		

Remarks

*Essentially all produced from zone not included in DMEA ore reserve estimate.
(Additional remarks on attached page)

Signed T M Ramslo (Engineer)
T. M. Ramslo

** Investment costs to date are low because essentially all mining operations have been confined to a readily accessible near-surface stope and most of the ore has been concentrated at custom mills. Rehabilitation costs estimated at $5,000 comprise timbering of adit to stope, timbering of stope and repairs to ore bins. Investments in other than custom mills are:

1. Estimated $30,000 for Electro-Static mill constructed by the White Mountain Mining and Milling Co. This mill was abandoned in 1955 after a short period of unsuccessful operation.

2. Estimated $2,000.00 for 2-ton per hour gravity plant (ball mill and table) built and now being used by Mr. Cullas.

Investment in mine plant of an estimated $2,500.00 is confined to the compressor and pneumatic drills of present operations. Mine plants of each previous operator also included a compressor, drills and trucks. Cost of these plants are not included because the equipment had been used at other mines and was removed from this property when operations ceased.

Information regarding activities during the reporting period was obtained from Tom Callas, Oracle, Ariz. during my visit to the Morning Star mine Jan. 4, 1957. Mr. Callas, a partner of the Nikas Mining Co., reported the following:

1. Lieberman Enterprises operated the mine under a lease agreement with the Nikas Mining Co. to about June 1956;

2. The lease agreement was not renewed when it expired during September 1956;

3. The property was inactive from June 1956 to December 20, 1956, when he started operations under a lease agreement with the owners of the property, Mrs. Woods of Oracle, Ariz. and the YMCA of Tucson, Ariz. Approximately 35 tons of ore was cleaned from the floor of the stope off the large open cut and was hauled to his small gravity concentrator at about 3 miles southeast of the mine. The ore was milled for an estimated production of 650 pounds of concentrates containing 52 percent WO_3. Mining of pods of high-grade ore showing in the walls of the stope will be started early in 1957. Ore will be milled and concentrates will be accumulated until a 1-ton lot is available for shipment.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Washington 25, D. C.

RECEIVED
OCT - 1 1956

224 New Customhouse
Denver 2, Colorado

Date: September 26, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project for the period January 1, 1956 through June 30, 1956
DMEA Docket 2356 (Tungsten)
Contract Idm-E 370, Nikas Mining Company (Morning Star Mine), Pinal County, Arizona

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office and Memorandum 29.

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

Enclosures
MHM/vj
cc: Semiannual Report File E 370
Royalty File E370
W. R. Storms
E. N. Harshman
Chron.

RECEIVED
OCT - 1 1956

September 24, 1956

Memorandum

To : W. M. Traver, Executive Officer, DMEA Field Team

From : Superintendent, Southwest Experiment Station

Subject : Semi-annual Report of Certified Project, January 1 - June 30, 1956, Docket DMEA-2156 (Tungsten), Contract Idm-2370, Nihan Mining Co. (Morning Star Mine), Pinal County, Ariz.

Enclosed are original and 8 copies of the above report by T. M. Rosale.

Signed by Walter R. Storms

Walter R. Storms

CC W. M. Traver (8)
DMEA-2156
Cont. Filed
WF

WRStorms:rfr]

RECEIVED
OCT - 1 1956

Semiannual Report of Certified Projects

Reporting Period	**January 1 to June 30, 1956**
Docket and Contract Number	**DMEA-2356, Idm-E370**
Operator	**Nikas Mining Co.**
Commodity	**Tungsten**
Mine Name	**Morning Star**
County and State	**Pinal County, Ariz.**
Date of Contract	**July 18, 1956**
Date of Certification	**March 3, 1954**
Expiration Date of Royalty Payments	**July 18, 1962**
Date of Examination for this Report	**August 28, 1956**
Total Amount of Contract	**$59,200.00**
Total Expenditures under Contract	**24,212.35**
Amount of Government Participation at **75** %	**18,159.26**
Royalty Payments this Period	**0.00**
Previous Royalty Payments	**1,338.26**
Total Royalty Payments to Date	**1,338.26**
% Loan Repayment Completed	**7.37**

Amount of Royalty Due **To be determined during audit set for 10/9/56**

Royalty Remarks

CC W.M.Traver (Orig. & 8); W.L. Emerick; DMEA-2396; Cert. File; Df

RECEIVED
OCT - 1 1956

Original Estimate of Reserves (from Final Engr.-Geol. Report): **(Average) 9,630 tons 0.89% WO_3**

Increase of Reserves by work performed subsequent to expiration or termination of contract: **None**

Revised Estimate of Reserves:

	Tons	Units WO_3
Production this Period (Ore or Concentrates)	1,394.14	520.4576
Amount of Previous Production (since date of contract)	1,787.17	*733.3764
Total DMEA Production to date	3,181.31	1,253.8340

% of Revised Reserves Mined **0.00 - Zone of production not included in estimates.**

***Not included is small amount in low-grade concentrates ~~marked~~ marketed at Salt Lake City, Utah**

Production Remarks:

Note: On Uranium projects check with AEC to assure that our records are in agreement with theirs.

Recent production data obtained 9/21/56 from Miss Sadie Stuart, secretary, Don Lieberman Enterprises. Lieberman operated the property under lease agreement with Nikas Mining Co. from Oct. 1915 to May 10, 1956. Property reportedly inactive since then.

Production to Jan. 1, 1956 previously was reported as 1,828.4 tons or 41.23 tons less than shown above. Difference accounted for by present report that 1955 shipments totalled 398 tons instead of 439.23.

Signed T M Romslo (Engineer)
T. M. Romslo

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Washington 25, D. C.

RECEIVED
MAY 31 1956

224 New Customhouse
Denver 2, Colorado

Date: May 28, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project for the period July 1 through December 31, 1955

DMEA Docket 2356 (Tungsten)
Contract Idm-E 370 Nikas Mining Company (Morning Star mine), Pinal County, Arizona

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office and Memorandum 29. NOTE Royalty arrangement referred to Washington Office in 1955, and additionally discussed personally with Mr. George Selfridge, May 22, 1956 in this office. Mr Selfridge assures this office that the Washington Office is taking care of the agreement particulars.

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

Enclosures
MHM/vj
cc: Semiannual Report File E 370
Royalty File E370
E. N. Harshman
W. R.Storme
J. N. Faick
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
BOX 4097
TUCSON 5, ARIZONA

DMEA
Date Rec'd.
APR 9 1956
BUREAU OF MINES
Denver, Colorado

April 2, 1956

Memorandum

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

RECEIVED
MAY 3 1 1956

From : Superintendent, Southwest Experiment Station

Subject : Semi-Annual Report of Certified Project, July 1-Dec. 31, 1955, Docket DMEA-2356, Contract Idm-E370 (Tungsten), Nikas Mining Co.'s Morning Star Tungsten Mine, Pinal County, Ariz.

Enclosed are original and 8 copies of the semi-annual report on the above property by T. M. Romslo.

Walter R. Storms

Walter R. Storms

CC W. M. Traver (8)
DMEA-2356
Cert. File
WF

WRStorms:frj

RECEIVED
MAY 31 1956

Semi-Annual Report of Certified Projects

Reporting Period July 1 to December 31, 1955

Docket and Contract Number Docket DMEA-2356 Contract Idm-E370

Operator Nikas Mining Co.

Commodity Tungsten

Mine name Morning Star

County and State Pinal County, Arizona

Date of Contract	July 18, 1952
Date of Certification	Mar. 3, 1954
Expiration Date of Royalty Payments	July 18, 1962
Date of Examination for this Report	Mar. 23, 1956

Total Amount of Contract	$59,200.00
Total Expenditures under Contract	$24,212.35
Amount of Government Participation at 75%	18,159.26

Royalty Payments this Period	$541.25
Previous Royalty Payments	$797.01
Total Royalty Payments to Date	$1,338.26
% Loan Repayment Completed	7.37

Amount of Royalty Due ?

Royalty Remarks See attached table that contains both production and royalty data. The latter data could be helpful in arriving at a mutually satisfactory arrangement for payment of royalties due from the Nikas Mining Co.

Original Estimate of Reserves (from Final Engr.-Geol. Report): Average - 9,630 tons of 0.89 percent WO_3

Increase of reserves by work performed subsequent to expiration or termination of contract: None - no exploratory work done.

Revised Estimate of Reserves:

	Ore		Concentrates,
	Tons	% WO_3	Units WO_3
Production this Period (Ore of Concentrates)	837.31	0.9	*189.0048
Amount of Previous Production (since date of contract)	990.99	0.8	544.3716
Total DMEA Production to Date	1,828.30	0.84	733.3764

% of Revised Reserves Mined 0.00 Production from other than zones of reserve estimates

* Settlement sheet on 176.64 tons

Production Remarks: When visited, a crew of 6 men and mine foreman, Arthur Zappia, were mining and shipping ore from a stope adjacent to the largest open cut. According to Mr. Zappia, operation of the mine by Don Lieberman Enterprises started October 4, 1955. Initial production of 400 to 500 tons of ore was from a stope in the adit driven near the shaft by the White Mountain Mining and Milling Co... In December 1955 the State Mine Inspector found working conditions in the stope unsafe and requested that mining operations be discontinued until the adit and stope had been properly timbered. The necessary timbering was completed but no further mining was done at this location because the ore could not be satisfactorily concentrated. Mining operations were transferred to a stope adjacent to the largest open cut. Production from the stope, starting in February 1956, totalled about 500 tons on March 21, 1956.

On March 27 and 28, I called at the offices of Don Lieberman Enterprises and Victor Tronolone, accountant for the Nikas Mining Co. for information on production and royalty payments. Mr. Zappia's estimated production for 1955 and 1956 were found to be 439.23 tons and 462.55, respectively. The Nikas Mining Co. also operated the mine during 1955. Their total

production for 1955 was 609.07 tons of ore that was sold to Lieberman. The major portion of this ore was produced during the first half of the year. However, since only 210.99 tons of the ore had been milled during that period the remaining 398.08 tons have been credited to the period of this report.

T. M. Romslo

T. M. Romslo, Mining Engineer
Southwest Experiment Stafion
Tucson, Arizona

PRODUCTION AND ROYALTY DATA
NIKAS MINING CO., DMEA-2356, Idm-E370

MILLED AND MARKETED ORE

Date	Operator	Ore Tons	% WO_3	Recovered Units WO_3	Gross Value	Allowable Deductions	Non-allowable Deductions	Net Value	Rate	Royalty Due	Paid
1953											
10/5-10/21	Nikas Mining Co.	750.00	0.65	216.2296	$9,484.67	$60.91		$9,423.76	5.0%	$471.19	$471.19
1955											
To April	White Mountain M & M Co.	30.00	0.65	28.2420				1,375.15	5.0%	68.76	68.76
To Sept.	Nikas Mining Co.										
Lot 1, 4/25	Original Settlement Sheet	70.69	2.28	159.60	5,498.50	8.00	2/ $1,413.80				
Lot 2, 5/9	" " "	34.33	1.00	34.33	1,029.90	4.00	686.60				
Lot 2, 6/21	" " "	105.97	1.07	105.97	3,401.64	4.25	2,119.40				
Lot 3, 9/13	" " "	176.64	1.07	189.0048	6,048.15	440.91 1/	3,532.80				
		1,167.73 4/		733.3764	$15,978.19 3/	$457.16	$7,752.60	$23,273.63	5.0%	$1,163.68	798.31
										$1,703.63	$1,338.26
										$365.37	

1/ Assay charge $8.00 and Total Penalties $432.91 which were reduced on corrected settlement sheets.
2/ $20.00 a ton; $3.50 trucking and $17.50 milling. Source: File copies of letters by DMEA to Nikas Mining Co. and D.K.Lieberman (12/5/55).
3/ Payments by Lieberman to the Nikas Mining Co. total $12,682.60, an amount equal to Net Settlements.
4/ Based on estimates and company records that contain irreconcilable minor erros.

RECEIVED
MAY 31 1956

ORE, IN PART MILLED AND MARKETED

Nikas Mining Co.

Lot 4, June 1955 — 221.44 wet tons reportedly was milled by Lieberman and yielded an unknown amount of low-grade concentrates that were recently marketed at Salt Lake City, Utah. According to Sadie Lee Stuart, Lieberman's secretary, the proceeds from the sale of these concentrates, $1,751.00, will be paid to the Nikas Mining Co.

Don Lieberman Enterprises

10/4 to 12/31/55	439.23 tons, containing about 0.5 percent WO_3
2/22 to 3/9/56	166.88 tons, grade unknown
3/9 to 3/21/56	295.67 tons, grade unknown
	901.78 tons of which the 439.23 tons and 63.88 ton of the 166.88-ton lot have been milled for a production of 2,000 pounds of concentrates containing 59.2 percent WO_3

DMEA
Date Rec'd.
JUL 22 1955
BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Box 4097
Tucson 5, Ariz.

July 19, 1955

Memorandum

RECEIVED
SEP 12 1955

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

From : Superintendent, Southwest Experiment Station

Subject : Semi-Annual Report on DMEA Certified Project, January 1 - June 30, 1955, DMEA Contract Idm-E370, Docket DMEA-2356, Nikas Mining Co.'s Morning Star Tungsten Mine, Pinal County, Ariz.

Enclosed are original and 8 copies of the semi-annual report on the above property by W. R. Hardwick of the Bureau of Mines.

Walter R. Storms

Walter R. Storms

CC W. M. Traver (8)
J. N. Faick
DMEA-2356
Cert. File
DF

WRStorms:frj

DMEA
Date Rec'd.

JUL 22 1955

BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Box 4097
Tucson 5, Ariz.

July 18, 1955

Memorandum

RECEIVED
SEP 12 1955

To : Walter R. Storms, Superintendent, Southwest Experiment Station, Region III

From : William R. Hardwick, Mining Engineer, Tucson, Ariz.

Subject : Semi-Annual Report on Certified Project, January 1 to June 30, 1955, Docket DMEA-2356, Contract Idm-E370, Nikas Mining Co.'s Morning Star Tungsten Mine, Pinal County, Ariz.

In accordance with the requirements of DMEA Circular 32, the Morning Star mine was visited on July 7, 1955. Tom D. Callas was at the mine and the developments for the last six months were explained by him.

This contract was approved on July 18, 1952 and terminated on June 30, 1953. The operator completed 110 feet of shaft, drifted 205 feet, and crosscut 88 feet at a total accepted cost of $24,212.35, of which the Government paid 75 percent, or $18,159.26. The work resulted in the discovery of an indicated 7,000 to 10,000 tons of tungsten ore, so a "Certification of Discovery or Development" was issued on March 3, 1954.

During the life of the contract, the Nikas Mining Co. produced 800 to 900 tons of ore which was concentrated in a rented mill. The recovery was low. However, 19 tons of concentrates, containing 216.2296 units of tungsten trioxide, were sold and $471.19 in royalty due the Government was deducted from the final voucher.

Early in 1954 the White Mountain Mining and Milling Co. made an agreement with the Nikas Mining Co. to build a mill and concentrate the ore from the Morning Star mine. This mill was built, utilizing a dry concentrating device called the McConnell Separator. This machine utilizes the difference in the attraction of a static charge for various minerals to make a separation. During the early part of 1955, 2,242 pounds of concentrates, containing 28,242 units of tungsten trioxide,

CC W. M. Traver (Orig. & 8)
J. N. Faick
DMEA2356
Cert File
DF

WRHardwick:frj

Follow up

were produced in this mill and sold in Bishop, California to C. W. Jones, a buyer of tungsten ore in Bishop, Calif. According to Tucson records, no royalty has been paid to the Government on this ore.

In April 1955, the Nikas Mining Co. cancelled the lease to the White Mountain Mining and Milling Co., and made arrangements to sell ore to Don Lieberman Enterprises, P. O. Box 7066, Tucson, Ariz. The Lieberman offices were visited and Don Lieberman stated that 352 tons of ore, containing 424.40 units of tungsten trioxide, had been purchased from the Morning Star mine, and that an additional 125 tons has been delivered but has not yet been sampled and assayed. According to the Tucson records, no royalty has been paid on this ore. ✓

The total production of this mine since inception of the DMEA Contract is as follows:

Period	Ore and Concentrates Tons	Units WO_3	Royalty
Active life of Contract	19.0	216.2296	$471.19
White Mt. Min. & Mill. Co.	1.25 ?	28.2420	? *
Nikas Mining Co. (Don Lieberman)	352.0	424.40	? # Demand prepaid
Nikas Mining Co. (No assay yet)	125.2	—	?

The operation of this mine under the management of the Nikas Mining Co. has been very unsatisfactory. The company is owned and operated by a group of restaurant operators who know very little about the operation of a mine.

William R. Hardwick

William R. Hardwick
Mining Engineer
Tucson, Arizona

* $68.76 due & unpaid per Ex. Off. ltr 5/9/55, 5/23/55 & 8/8/55 to Opr. and memo 9/8/55 to Opr. Comm.

\# Payment of $325.82 received in May 1955 apparently applicable to these shipments.
Tabbert

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

MAR 14 1955

224 New Customhouse
Denver 2, Colorado

March 10, 1955

WSM

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semi-Annual Report of Certified Project, DMEA Docket 2356 (Tungsten), Contract Idm-E370, Nikas Mining Company, Morning Star Tungsten Mine, Old Hat Mining District, Pinal County, Arizona

Enclosed are the original and three copies of the subject report for the period July 1, 1954 to December 31, 1954.

Royalties which are due the U. S. Government for production under DMEA Contract Idm-E370 have been requested from Nikas Mining Company, Copies of our letter of request were furnished to your office.

W. M. Traver

Enclosures

W. M. Traver

Date Rec'd, 1

JAN 13 1955

BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SOUTHWEST EXPERIMENT STATION
Box 4097
UNIVERSITY STATION

TUCSON, ARIZONA

RECEIVED
JAN 14 1955

January 11, 1955

Memorandum

To : Executive Officer, DMEA Field Team, Denver, Colo.

From : Superintendent, Southwest Experiment Station

Subject : Semi-Annual Report on Certified Project, July 1 - December 31, 1954, DMEA Contract Idm-E370, Docket DMEA-2356, Nikas Mining Co.'s Morning Star Tungsten Mine, Old Hat Mining District, Pinal County, Ariz.

Enclosed are original and 8 copies of a report by W. R. Hardwick of the Bureau of Mines on the certified project, DMEA contract Idm-E370, Docket DMEA-2356, for the period from July 1, 1954 to December 31, 1954.

During this period, the Morning Star mine was sub-leased to the White Mountain Mining & Milling Co. This latter company produced some ore but states that it pays royalty to the Nikas Mining Co. and that the latter company is supposed to pay the Government's royalty.

I would suggest that the Executive Officer write to the Nikas Mining Co. about possible royalty payments on ore produced by the White Mountain Mining & Milling Co. The former address of the Nikas Mining Co. was 55 West Congress St., Tucson. However, this address was that of Paulos Restaurant and it recently burned. I would suggest that any mail be addressed directly to Mr. John J. Paulos at 2116 East 8th St., Tucson, as Paulos was one of the original Nikas partners.

Walter R. Storms

Walter R. Storms

CC Exec. Off. (8)
DMEA-2356
Dept. File
DF

WRStorms:frj

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Bureau Mines Administration
RECEIVED
MAR 14 1955

SOUTHWEST EXPERIMENT STATION
Box 4097
UNIVERSITY STATION

TUCSON, ARIZONA

January 10, 1955

Memorandum

To : Walter R. Storms, Superintendent, Southwest Experiment Station.

From : William R. Hardwick, Mining Engineer, Tucson, Ariz.

Subject : Semi-Annual Report on Certified Project for Period July 1, 1954 to December 31, 1954, Docket DMEA-2356, Contract Idm-E370, Nikas Mining Co.'s Morning Star Tungsten Mine, Pinal County, Ariz.

In accordance with the requirements of DMEA Circular 32, the Morning Star tungsten mine was visited on January 7, 1955. Tom D. Callas, who represents Nikas Mining Co., could not be located but Dave P. McConnell and Daniel V. O'Flaherty were at the concentrator which they constructed near the Morning Star mine.

This contract was approved on July 18, 1952 and terminated by mutual agreement on June 30, 1953. The operator completed 110 feet of shaft, drifted 205 feet, and crosscut 88 feet at a total accepted cost of $24,212.35, of which the Government paid 75 percent, or $18,159.26. The work resulted in the discovery of an indicated 7,000 to 10,000 tons of tungsten ore, so a "Certification of Discovery or Development" was issued on March 3, 1954.

McConnell and O'Flaherty, operating as the White Mountain Mining & Milling Co., P. O. Box 25, Oracle, Ariz., designed, built, and patented a dry concentrating device which is called the McConnell Separator. According to the inventors, this machine utilizes the difference in the attraction of a static charge for various minerals to make a separation. McConnell stated that the machine would make a separation between calcite and scheelite quite successfully.

The White Mountain Mining & Milling Co. has an agreement with the Nikas Mining Co. and has cleaned out several working places on the surface of the Morning Star claim and driven a 50-foot adit near the shaft, which was sunk with the aid of DMEA funds. The water was pumped out of the shaft and it was found that it was caved to the extent that considerable expense would be necessary to re-enter the DMEA project on the 100-foot level.

CC DMEA Exec. Officer (Orig. & 8)
DMEA-2356
Cert. File
DF

WRHardwick:frj

From surface pits and from the adit approximately 100 tons of ore have been mined and concentrated in the McConnell Separator. The concentrate from this ore was sent to a concentrator operated by Walter Thomas at Bishop, Calif., where it was further up-graded and then sold to C. W. Jones, buyer of tungsten ore and concentrates at Bishop, Calif. Assay returns were not yet available on the shipment. O'Flaherty stated that this shipment was the result of several shakedown runs by the concentrating plant and that as a result of these tests, some changes were being made in the flowsheet.

O'Flaherty stated that all royalty to the Government would be paid by the Nikas Mining Co. This statement could not be checked at the time since Tom Callas, representative of Nikas Mining Co., could not be located.

On September 9, 1954, the White Mountain Mining & Milling Co. submitted an application for an exploration loan. This request was docketed as DMEA 3489 and the mine was examined on November 19, 1954 by J. N. Faick, Geologist, U. S. Geological Survey, and T. M. Romslo, Mining Engineer, U. S. Bureau of Mines. However, before a report was completed, the applicant requested that its application be placed in the inactive file.

The White Mountain Mining & Milling Co. has a well constructed plant. If the McConnell Separator can successfully treat the Morning Star ore, the operation should be successful. McConnell and O'Flaherty believe that as a result of shakedown milling tests, they have solved most of the problems and will be operating in about ten days.

William R. Hardwick

William R. Hardwick
Mining Engineer
Tucson, Arizona

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

224 New Customhouse
Denver 2, Colorado

October 11, 1954

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-2356, Contract Idm-E370, Nikas Mining Co., Morning Star Tungsten Mine, Old Hat Mining District, Pinal County, Arizona

Enclosed are the original and three copies of a semi-annual report relative to operations at the site of the subject project subsequent to the issuance of a Certification of Discovery or Development by the Defense Minerals Exploration Administration.

W. H. King

W. H. King

Enclosures

Mining Division

AUG 9 1954

BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SOUTHWEST EXPERIMENT STATION
Box 4097
UNIVERSITY STATION

TUCSON, ARIZONA

August 6, 1954

Memorandum

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

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

Subject : Semi-Annual Report on Certified Project, January 1-June 30, 1954, DMEA Contract Idm-E370, Docket DMEA-2356, Nikas Mining Co.'s Morning Star Tungsten Mine, Old Hat Mining District, Pinal County, Ariz.

Enclosed are original and 7 copies of a semi-annual report on the above property by W. R. Hardwick of the Bureau of Mines. No ore was produced during the first 6 months of the year.

Walter R. Storms

Walter R. Storms

CC W. H. King (7)
DMEA-2356
DF
Cert.

WRStorms:frj

OK
Berk

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SOUTHWEST EXPERIMENT STATION
Box 4097
UNIVERSITY STATION

TUCSON, ARIZONA

August 6, 1954

Memorandum

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

From : William R. Hardwick, Mining Engineer, Tucson, Ariz.

Subject : Semi-Annual Report on Certified Project for Period January 1, 1954 to June 30, 1954, Docket DMEA-2356, Contract Idm-E370, Nikas Mining Co.'s Morning Star Tungsten Mine, Pinal County, Ariz.

In accordance with the requirements of DMEA Circular 32 and at the direction of Walter R. Storms, Chief, Mining Methods Branch, Mining Division, Region IV, the Morning Star tungsten mine was visited on July 27, 1954. Tom D. Callas was at the mine.

Callas stated that Daniel V. O'Flaherty and Dave McConnell were going to operate the Morning Star mine. These two men, operating as a partnership, have operated a number of small mines and mills in the Bishop, California area.

O'Flaherty was told that the Defense Minerals Exploration Administration had assisted in the costs of discovering the ore and opening the mine, and that a "Certification of Discovery or Development" had been issued.

O'Flaherty stated that he and McConnell were going to move a 40-ton per day mill, which they owned, to a location near the Morning Star mine and that they were going to mill custom ore from the district as well as ore from the Morning Star mine. On July 27, they were pumping the water out of the shaft so the underground mine could be sampled.

This Contract was approved on July 18, 1952, and terminated by mutual agreement on June 30, 1953. The operator completed work at a total accepted cost of $24,212.35 in which the Government participated to the amount of $18,159.26. The work resulted in the discovery of an indicated 7,000 to 12,000 tons of tungsten ore, so a "Certification of Discovery or Development" was issued on March 3, 1954.

CC W. H. King (Orig. & 7)
DMEA-2356
DF

WRHardwick:frj

During the project, an estimated 800 tons of ore was mined and hauled to Apache Junction, Ariz., where approximately 19 tons of concentrate were produced from it in a rented mill. This concentrate contained 216.2296 units of tungsten trioxide which were sold by the operator for a net return of $9,423.76. A $471.19 royalty was deducted from the amount due the operator on the final settlement voucher. There has been no production in the period covered by this report.

William R. Hardwick

William R. Hardwick, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

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

224 New Customhouse
Denver 2, Colorado

March 29, 1954

WGM

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-2356 (Tungsten), Contract No. Idm-E370, Mikas Mining Company, Pinal County, Arizona.

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data pertaining to work under the subject contract for the months of April, May and June 1953.

Also enclosed are two copies of a memorandum to Mr. T. A. Christensen, dated March 23, 1954, relative to final payment under the terms of the subject contract.

Final payment to the Operator in the amount of $3,019.86 has now been made in conformance with the Report of Review by the Contract Administration and Audit Division dated February 18, 1954.

John F. Shaw
John F. Shaw
For W. H. King

Enclosures

MF-104 forms
Shaw
June
1953

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR - 1 1954

Administrative Audit Difference Statement

Date: March 24, 1954
Payee's Reference: Progress Report

June, 1953 FINAL

Nikas Mining Company
55 West Congress St.,
Tucson, Arizona
Idn-E370

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

Amount Claimed $ 2351.41

Difference $ 1012.10

Amount Approved $ 1339.31

The reason for the difference was due to:

Disallowances for DMEA Audit:

Duplicate charge for purchases from Western Mchy.Co.	$7.50	
" " " assays $76.00 and 7 assys made which were not in connection with this project for $28.00	104.00	
Payroll Taxes (overcharge)	4.52	
Liability Ins.(" ")	3.06	
Liquidation Settlement of property	966.67	
		1085.75

Underclaim for Labor.....$17.15		
Reinstatement of claim previously disallowed ... 56.50 (explosives)		73.65
75% of $1339.21 is	1004.48	1012.10
Deduction of Royalties due the Government	$471.19	
	533.29	

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

March 23, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-2356 (Tungsten), Contract No. Idm-E370, Nikas Mining Company, Pinal County, Arizona. Operator's Monthly Progress Reports for the months of April, May and June 1953. FINAL PAYMENT

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

Also attached to each copy of the combined report are data relevant to the liquidation of the jointly-owned property acquired under the contract.

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

Final payment is recommended as follows, which is in conformance with the Audit Report and Certificate by the Contract Administration and Audit Division, dated February 18, 1954, which was released to this office March 8, 1954.

Basis for Final Payment

Total accepted cost per audit	$24,212.35
Government participation at 75%	18,159.26
Total prior payments	14,668.21
Balance	$3,491.05
Less royalties due the Government as per attached schedule and the Operator's letter authorizing the deduction	471.19
Balance due the Operator	$3,019.86

Reconciliation with attached Form
MF-104 Reports

Gross amount of claim for April 1953			$1,524.55
Gross amount of claim for May 1953			1,790.86
Gross amount of claim for June 1953			2,351.41
Total			$5,666.82
Audit Adjustments			
Deductions			
Property liquidation	$966.67		
Audit disallowance	119.08		
Total		$1,085.75	
Reinstatements			
Prior disallowance	56.50		
Labor underclaim	17.15		
		$73.65	
Net adjustment (deductable)			$1,012.10
Balance			4,654.72
Government participation at 75%			3,491.04
Less royalties due the Government			471.19
			$3,019.85
Mill adjustment (plus)			.01
Balance due the Operator			$3,019.86

The Operator, by letter attached hereto, authorized the deduction of the amount of royalties due the Government from past production.

Also attached hereto is a schedule of our computations showing the total amount of royalty due the Government.

John F. Shaw

John F. Shaw
For W. H. King

Enclosures

JWT:cwm

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

SCHEDULE OF ROYALTY COMPUTATIONS SHOWING
AMOUNT DUE THE GOVERNMENT FROM PRODUCTION

Docket No. DMA-2356, Contract No. Idm-E370
Mikas Mining Company, Pinal County, Arizona

Lot No. and Date of Shipment	Smelter Value	Allowable Deductions	Net Value	Tons	Value Per Ton	Royalty Rate	Royalty Due
9-10 Oct. 5, 1953	$4298.00	-	$4298.00	15.7635	$ 272.66	5.0%	$214.90
10-1 10-2 Oct. 7, 1953	723.35	-	723.35	2.1635	334.34	5.0%	36.17
Oct. 13, 1953	613.68	$17.76	595.92	0.1525	3907.67	5.0%	29.80
Oct. 21, 1953	3849.64	43.15	3806.49	1.0153	3749.13	5.0%	190.32
				Total Royalties due the Government:			$471.19

March 16, 1954

Mr. W. H. King
Executive Officer, DMEA
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 2356
Contract Idm-E 370
Nikas Mining Company
Pinal County, Arizona

Dear Mr. King:

Please find enclosed four invoices for each of four lots of tungsten concentrates shipped by the Nikas Mining Company from ore obtained from the Morning Star Mine. These invoices were given to me by Mr. J. Gekas, one of the owners, and I believe they are a complete record of all concentrates produced and sold by the Company from July 1, 1952 to date. The four lots contained 191.62 units of WO_3 for which the company received $9423.76.

Except for approximately 250 tons of ore and low grade material that was produced during the exploration the balance of the material from which the above concentrates were obtained was mined by T. D. Callas during July, August and September of 1953 and milled under the supervision of A. Nikas. No records were kept by either man covering the quantity of material produced or the amount concentrated by the mill and no sampling was done by either man. Therefore the quantity milled grade of mill heads and recovery are unknown. I doubt if 800 tons were milled but if this figure is correct the grade must have been very low, the recovery very poor or both together. I do not know the correct answer to the above since I was not employed by the company during this period.

As requested in your letter of March 9 you are authorized to deduct the amount of royalty due the government from the amount still due the company under the contract.

Sincerely yours,

H E Krumlauf

H. E. Krumlauf

224 New Customhouse
Denver 2, Colorado

February 17, 1954

Nikas Mining Company
c/o Harry F. Krumlauf
Consulting Mining Engineer
1323 East Fifth Street
Tucson, Arizona

Re: Docket DMEA 2356 (Tungsten)
Contract Idm-2370
Nikas Mining Company
Pinal County, Arizona

Gentlemen:

Consistent with the authority delegated to this office under Order No. 2634 from the Office of the Secretary, Department of the Interior, the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, does hereby approve your bid, dated December 14, 1953, and confirmed by your letter of February 9, 1954, in the amount of $966.67, in the disposal of the jointly owned equipment and the unexpended portion of materials and supplies acquired under Contract Idm-2370, in which the Government contributed to the extent of 75 percent of the cost.

The sum of $966.67, reflecting both yours and the Government's interest in the property, will be deducted from the gross amount of claims by you held pending in this office for reimbursement under the terms of the contract, thereby automatically effecting reimbursement to the Government for their 75 percent equity, or the amount of $725.00.

Final settlement of the account and final payment to you must necessarily be deferred pending release of an audit certificate and audit report by the Contract Administration and Audit Division and receipt of your final engineering and geologic report relative to the work performed under the contract.

Very truly yours,

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

JWT:jp
cc Contract
Chron
MF-104 (5)
WHstorms
AHHoschmann
JWTownsend

Tucson, Arizona

February 9, 1954

NIKAS MINING COMPANY

55 W. Congress Street

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Dear Mr. King

Re: Docket DMEA 2356
Contract Idm-E 370

The bid of seven hundred and twenty-five dollars ($725.00) as shown in my letter of December 14, 1953, represents the Government's share of supplies and equipment for the above contract. The total bid being nine hundred and sixty-six dollars and sixty-seven cents ($966.67).

Sincerely yours,

H E Krumlauf

H. E. Krumlauf
Consulting Mining Engineer

January 6, 1950

Memorandum

Air Mail

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

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

Subject : Docket RMA-2356, Contract Rm-R370, Nikas Mining Co.'s Morning Star Tungsten Mine, Old Hat Mining District, Pima County, Ariz.

In answer to your memorandum of December 23 (which was received here on December 28), enclosing copies of bids on property jointly owned by the Nikas Mining Co. and the Government under RMA Contract Rm-R370, T. M. Roaslo and I have gone over the bids and he has estimated the possible salvage value of the property. I also have talked to Mr. W. D. Krumlauf, consulting mining engineer for Nikas, and he has confirmed the fact that the company's bid of $725.00 is for the Government's equity in all equipment, supplies, and buildings (his letter to you of December 14 left some doubt in our minds about this matter).

By consulting the attached sheet, it seems to us that at the present time, $725 is a fair price for the Government's equity in this property.

The bid material is enclosed as requested.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
RMA-2356
MF

WRStorms:fr

All of the equipment purchased was used or "second-hand" except the 1-ton chain block. Much of the pipe, pipe fittings, and other supplies also were second-hand.

Some of the costs as shown on the company's list seem to be low although we do not have the original invoices here to check against. The last page of the list only shows the material used in the headframe, and buildings, and not the actual installed cost.

CC W. H. King (6)
DHEA-2356
DW

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 195 3 Docket No. DMEA 2356 Contract No. Idm-E370

Operator's Name Nikas Mining Co., Minerals Tungsten

Address 55 W. Congress St., Tucson, Arizona

Contract Amount, $ 59,200 Government Participation: 75 % Amount, $ 44,400

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	$1274.00	$8275.15	$9549.15			
Supervision	98.43	2601.57	2700.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	27.50	426.95	454.45			
Explosives	112.64	750.64	863.28			
Pipe	30.00	407.08	437.08			
Track		212.97	212.97			
Miscellaneous	286.31	1900.56	2186.87			
(4) Operating Equipment:						
Rental	247.50	1830.00	2077.50			
Purchase		1734.46	1734.46			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		3126.80	3126.80			
(7) Miscellaneous:						
Repairs to Equipment	12.46	141.15	153.61			
Sampling and Analysis	76.00	101.00	177.00			
Payroll Taxes	26.61	175.40	202.01			
Liability Insurance	59.96	389.31	449.27			
Accountant	100.00	800.00	900.00			
(8) Contingencies (specify):						
				2351.41	22873.04	25224.45
TOTALS	$2351.41	$22873.04	$25224.45	-1085.75		- 1085.75
				** + 73.65		+ 73.65
				1339.31	22873.04	24212.35

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

Date 7 - 14 -53 *Payee Nikas Mining Co.

Per N C Kumlard Title Consultant

*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:

$ 533.29

Signature [illegible]
(Authorized Certifying Officer)

Date 3/26/54 Vou. No. 54-99

(See other side)

* Disallowance by DMEA audit and liquidation of property
** Reinstatement and underclaim

(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 370 in accordance with the terms of the contract.

Signature John H. Searle WRH Title Mining Engineer Date July 22, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature John F. Shaw for W. H. King Title Executive Officer Date MAR 23 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

NIKAS MINING COMPANY
55 West Congress Street
Tucson, Arizona

July 10, 1953

TO WHOM IT MAY CONCERN:

To our knowledge all bills outstanding against the Nikas Mining Company on June 30 have been paid.

A. Nikas, Pres.

J. Gekas, Secy-Treas.

June
M7-104

n MF-104A
(A pr. 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 195 3 Docket No. DMEA 2356 Contract No. Idm-E370

Operator's Name Nikas Mining Co., Minerals Tungsten

Address 55 W. Congress St., Tucson, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.	$27.50	0	$6651.30	205	$32.45	410	
Crosscutting	ft.	2323.91	35	4901.41	88	55.70	160	
Raising								
Shafts	ft.	0	0	8810.43	110	80.10	210	
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$2351.41		$20363.19				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				1734.46				$4100.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				3126.80				3126.80
TOTAL COSTS		$2351.41		$25224.45				

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 7-14-53 Operator Nikas Mining Co.

Per N E Humlard Title Consultant

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

NIKAS MINING COMPANY
55 W. Congress St.
Tucson, Arizona
July 14, 1953

Mr. W. R. Storms,
Chief, Arizona-New Mexico Branch,
Mining Division, Region 4,
U.S.Bureau of Mines,
University of Arizona,
Tucson, Arizona

Re: Docket D.M.E.A. 2356
Contract Idm-E 370

Dear Mr. Storms:

During the month of June the south cross-cut from the west drift was advanced 13 feet, the north cross-cut was advanced 2 feet and the south cross-cut from the east drift was advanced 20 feet. The total advance for the month was therefore 35 feet.

Summary of accomplishments to date:

1. Shaft put down a distance of 110 feet as allowed for stage I of the contract.

2. West drift driven 80 feet from shaft as specified in contract and Amendment No. 2.

3. East drift driven 125 feet, of which 120 feet were allowed for stage I and 5 feet of an additional 30 feet that were allowed by the Amendment No. 2, Stopped at this point because it had entered barren and caving ground.

4. The south cross-cut from the west drift was driven a total distance of 35 feet.
   The north cross-cut from the west drift was driven a total distance of 28 feet.
   The south cross-cut from the east drift was driven a total distance of 25 feet.
   The total length of all cross-cuts is 88 feet and stage I and the Amendment No. 2 provided for 100 feet of cross-cutting.

The area of mineralization on the west side of the mine, as shown by the trapezoid on the enclosed map, is 1630 square feet. The stope on the surface from which some 600 tons of ore have been taken has an area of 480 square feet. If a tonnage factor of 15 cubic feet in place is assumed, the prism between these areas contains approximately 7000 tons of ore. The weighted average assay of the ore on the level is 0.605 % WO_3 which, when combined with the assay of the ore taken from the stope and weighted according to the areas involved, gives an average assay for the block of 0.726% WO_3. It can therefore be stated that a block of 7000 tons of <u>indicated</u> ore containing 0.726 % WO_3 is available for mining above the first level on the west side of the mine.

Assuming that the ore shoot extends downward an additional 100 feet and applying a hazard discount of 40%, there is an <u>inferred</u> quantity of 5000 tons of ore containing 0.605 % WO_3.

Summary of ore reserves:

Indicated at 0.726% WO_3	7000 tons
Inferred at 0.605% WO_3	5000 "
From exploration to date	12000 "

* From the report by T.P.Lane, in addition to the above, the Morning Star shoot contains:

Assured at 0.85% WO_3	1800 tons
Probable at 0.85% WO_3	6000 "
Possible " 0.85% WO_3	10000 "
Total	17800 tons

It is not known if Mr. Lane applied a hazard discount to his estimates before recording them.

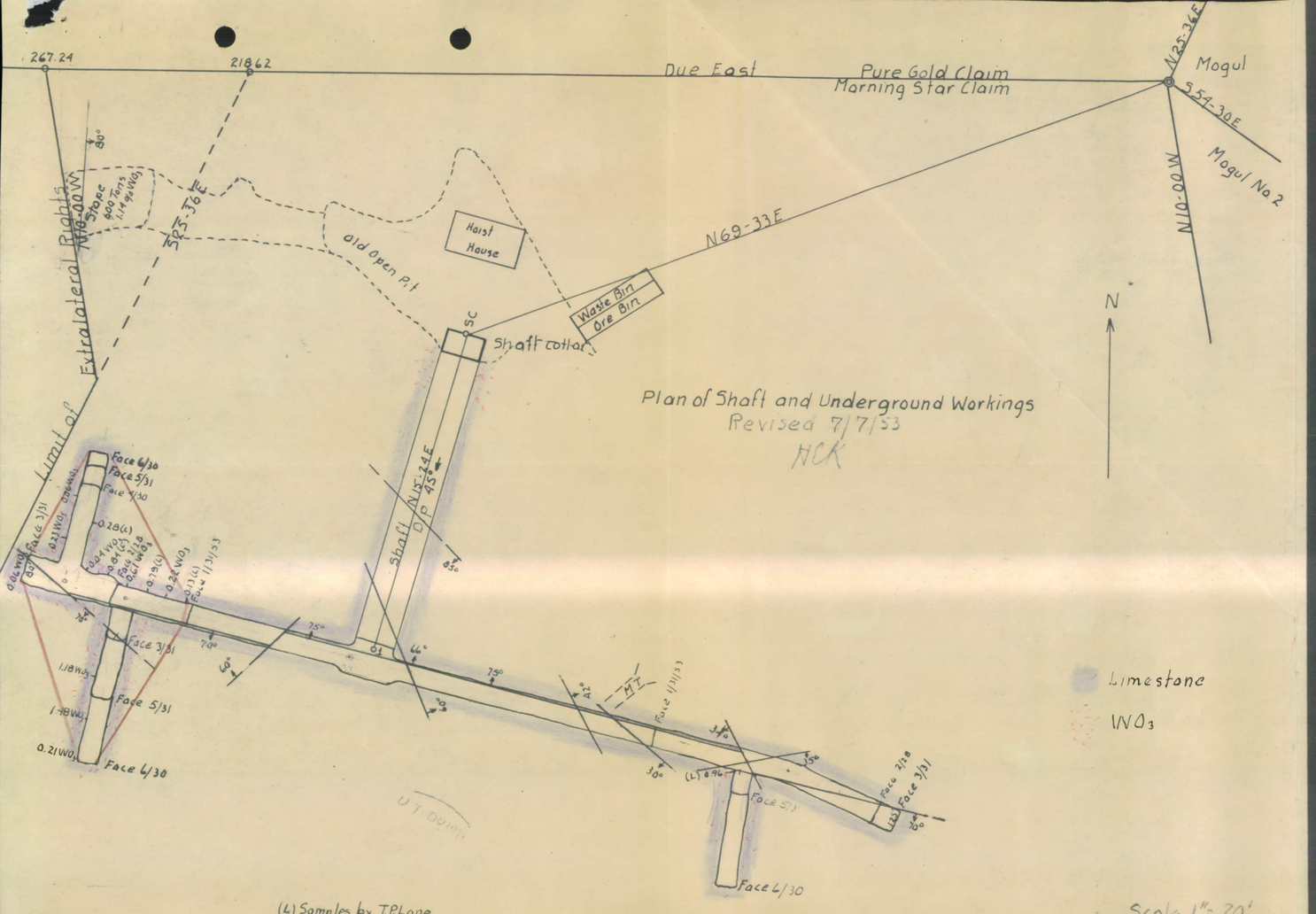
* Report on the Morning Star Mine by T.P.Lane.
A copy of Mr. Lane's report was included in the May summary.

Sincerely yours,

HEKrumlauf

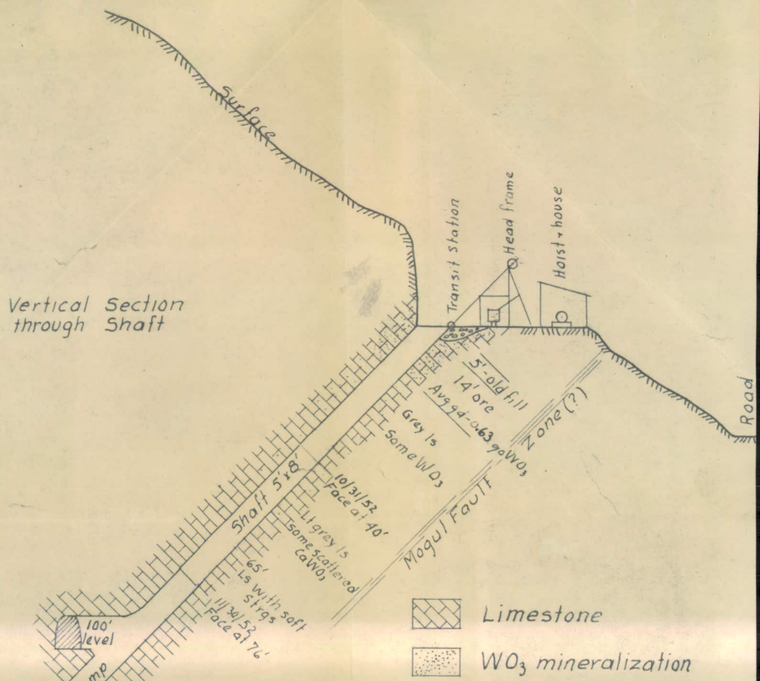
Harry E. Krumlauf

HEK



(L) Samples by T.P. Lone

Scale 1" = 20'



NIKAS MINING CO.
MORNING STAR MINE
Docket DMEA 2356
Contract Idm-E370
Scale: 1" = 20'
Date 11/1/52
H.C. Krumlauf

MINING DIVISION
REGION IV

July 17, 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-E370, Docket DMEA-2356, Nikas Mining Co.'s Morning Star Tungsten Mine, Final County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

(3) Forms MF-104 and MF-104A, original with certified invoice for 1 pump, and statement that all accounts have been paid to May 31.

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

To the best of my knowledge and belief all work is in accordance with the terms of the contract. However, all costs as shown on Forms MF-104 and MF-104A may not be according to contract as Amendment No. 2 states: "1 - Engineer-supervisor 1/ @ $35.00 per 8-hour working day but not to exceed $500.00 per month, 7½ months ---$3,750.00.* This amendment also states: "1 - 210 cfm Diesel-engine operated compressor @ $400.00 per month*, 6½ months - - - $2,600.00. 1 - Hoist, single drum, gasoline engine driven, 4,000 pound rope pull @ $100.00 per month*, 6½ months ----$650.00". During October 1952, January, March and May 1953, the supervisor did not charge full time to the project although he did charge full time for November, December, and February. We do not have the April Form MF-104 so cannot check that one. However, it would seem that to May 31, the supervisor may not have actually worked 7½ months as per Amendment No. 2. In the attached Bureau of Mines engineer's report he states on page 2, paragraph 4: "The claim for work performed is subject to a disallowance of $435.95 for supervision -----". Payment for the compressor and hoist started on October 1, so evidently this rental should have been cut off about April 15.

CC W. H. King (6)
DMEA-2356
DF

WRStorms:frj

May MF-104

I recommend that no payment be made to the operator until an audit of the company's accounts has been made by a DMEA auditor (this includes both April and May).

The Contract time limit of 12 months expires on July 18 and to date the company has not asked for an extension.

Walter R. Storms

Walter R. Storms

MINING DIVISION
REGION IV

July 16, 1953

Memorandum

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

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

Subject : Progress Report for May 1953, Nikas Mining Co.'s Morning Star Tungsten Mine, Pinal County, Ariz., Docket DMEA-2356, Contract Idm-K370.

The Morning Star mine was visited on June 23 in order to check progress on the exploratory project and to determine if the work continues to conform with the contract. T. Callas, mine foreman, accompanied me during an inspection of the pertinent mine workings.

Progress for May was confined to the 100 level where 5 sets of lagged timbers were installed and 3 crosscuts were driven a total of 25 feet. Monthly and total advances in the crosscuts to June 1 are shown below:

	West Drift		East Drift	Totals
Crosscut	South	North	South	
March	7.0	-	-	7.0
April	-	21.0	-	21.0
May	15.0	5.0	5.0	25.0
	22.0	26.0	5.0	53.0

An inspection showed that all of the advance for May was in scheelite-bearing silicified limestone. The WO_3 content ranges from an estimated 0.1 to 1.0 percent and averages possibly 0.4 percent. The average grade is based on an assay of 0.42 WO_3 from a grab sample taken by the writer at the present face of the south crosscut from the West drift.

The block between the 100-foot level and the surface at the west end of the mine contains an estimated 10,000 tons containing about 0.4 percent WO_3. About 20 percent of this tonnage, or 2,000 tons, can be classified as indicated reserves, the remainder being inferred reserves. The above are preliminary estimates. Additional explorations will be necessary before a reasonably accurate estimate can be made of the reserves for the mineralized zone of the east drift 100-foot level, and the near-surface zone cut by the shaft.

CC W. H. King (Orig. & 6)
DMEA-2356
DF
TMRomslo:frj

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

The Operator's report, submitted June 12, did not contain a document in support of equipment purchased. Due to the operator's absence from Tucson, I was unable to secure the necessary data until July 9.

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

1. The work performed conforms with the contract and is as reported on Form MF-104A.

2. The claim for work performed is subject to a disallowance of $435.95 for supervision ($100.00 of which is charged to Accountant) and $147.50 for rental of the compressor, provided my interpretation of the contract is correct. My present understanding is that charges for supervision and the hoist are allowable for 7½ and 6½ months, respectively. On this basis, $314.38 or ½ of the charge in April of $481.25 for supervision and $147.50 for the compressor should also be denied. None of the above deductions are in order if my interpretation of the contract is incorrect and provided suspension of work from May 1 to May 17, as reported by the project supervisor, is considered justified. The project supervisor has explained the reason for the suspension of operations.

3. The supply and service charges are accepted as correct pending an on-site audit. The charge of $75.00 for a pump, installed at the beginning of the project, is supported by a certified invoice. Authority for purchase of the pump is covered on page 6 of the contract as the last item listed for purchase on stage 1.

4. Payment of the Government's share of approved charges should be withheld until an on-site audit has been completed.

5. The Operator's Narrative Report, with attached map, is considered adequate. Also attached to the report are the following:

(a) A letter containing the statement, "To our knowledge all bills outstanding against the Nikas Mining Company as of May 31, 1953 have been paid", and

(b) Copies of T. B. Lane's report on the Morning Star Mine.

TMRomslo

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

Nikas Mining Co.
55 W. Congress St.,
Tucson, Arizona
June 8, 1953

Mr. W. R. Storms,
Chief, Arizona-New Mexico Branch,
Mining Division, Region 4,
U. S. Bureau of Mines,
University of Arizona,
Tucson, Arizona.

Re: Docket DMEA 2356
Contract Idm - E370

Dear Mr. Storms:

In my report for the month of April, I mentioned the examination for the owners of the Nikas Mining Company of the Morning Star mining property by Mr. T. P. Lane, a consulting engineer of Phoenix, Arizona. The report of the results of the examination was delivered on May 16, and a copy of the Lane report is included in this report.

On May 1 I received orders to suspend operations until Mr. Lane's report was received and studied. It had been decided that if the report were favorable a mill would be built, if unfavorable, the exploration program would be discontinued.

Since the report was mostly favorable, I was notified on May 17 to resume operations on the exploration program.

Additional timber sets were placed and lagged on both the east and west sides of the mine. A cross-cut to explore the mineralized area on the east side of the mine was driven to a distance of eight feet from the center line of the track in the drift; the north cross-cut on the west side was extended to 28 feet from the center line of the track, and the south cross-cut on the west side was extended to a distance of 24 feet from the center line of the track.

Sample results for the cross-cut extensions had not been returned by the assayer at the time of writing this report. It appears, however, that the extensions of the two cross-cuts on the west side of the first level has substantially increased the size of the ore shoot over the size estimated last month. The face of the cross-cut on the east side of the first level is in ore, but has not been driven far enough at this time to make an estimate of the possible amount of ore in the shoot.

It is planned to continue all three cross-cuts to the end of their respective mineralized areas or to the extent allowed by the contract and the amendment.

Sincerely yours,

H. E. Krumlauf,
Consulting Mining Engineer

HEK/1

NIKAS MINING COMPANY

55 West Congress

Tucson, Ariz.

June 9, 1953

TO WHOM IT MAY CONCERN:

Re: Docket DMEA 2356
Contract Idm-E270

To our knowledge all bills outstanding against the Nikas Mining Company as of May 31, 1953 have been paid.

Yours very truly,

NIKAS MINING COMPANY

A. Nikas

A. Nikas, President

J. Gekas

J. Gekas, Secretary-Treasurer

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1953 Docket No. DMEA 2356 Contract No. Idm-E370
Operator's Name Nikas Mining Co. Minerals Tungsten
Address 56 W. Congress St., Tucson, Arizona
Contract Amount, $ 59,200.00 Government Participation: 75 % Amount, $ 44,400.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	$ 704.80	7570.35	$ 8275.15			
Supervision	335.95	2265.62	2601.57			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		426.95	426.95			
Explosives	119.35	631.29	750.64			
Pipe		407.08	407.08			
Track		212.97	212.97			
Miscellaneous	184.73	1715.83	1900.56			
(4) Operating Equipment:						
Rental	147.50	1082.50	1230.00			
Purchase	75.00	1659.46	1734.46			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		3126.80	3126.80			
(7) Miscellaneous:						
Repairs to Equipment		141.15	141.15			
Sampling and Analysis	68.00	33.00	101.00			
Payroll Taxes	17.07	158.33	175.40			
Liability Insurance	33.46	350.85	389.31			
Accountant	100.00	700.00	800.00			
(8) Contingencies (specify):						
TOTALS	1790.86	21082.18	22873.04	1790.86	21082.18	22873.04

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

Date 6/12/53 *Payee Nikas Mining Co.

Per H E Kurmlauf Title Consultant

*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:

$ 1343.15

Signature [illegible]
(Authorized Certifying Officer)

Date 3/24/54 Vou. No. DMA 54-99

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Edm-E370 in accordance with the terms of the contract.

Signature [illegible] Title Mining Engineer Date July 17, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date MAR 23 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1953 Docket No. DMEA 2356 Contract No. Ldn-5370
Operator's Name Nikas Mining Co. Minerals Tungsten
Address 55 W. Congress St., Tucson, Ariz.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	ft	96.44	0	$6623.80	205	$32.21	410	
Crosscutting	ft	1619.42	25	2677.50	53	48.63	160	
Raising								
Shafts	ft	0	0	8810.48	110	80.10	210	
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1715.86		18011.78				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		75.00		1734.46				4100.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				3126.80				3126.80
TOTAL COSTS		1790.86		22873.04				

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 6/12/53 Operator Nikas Mining Co.

Per H. C. Kaumlauf Title Consultant

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)

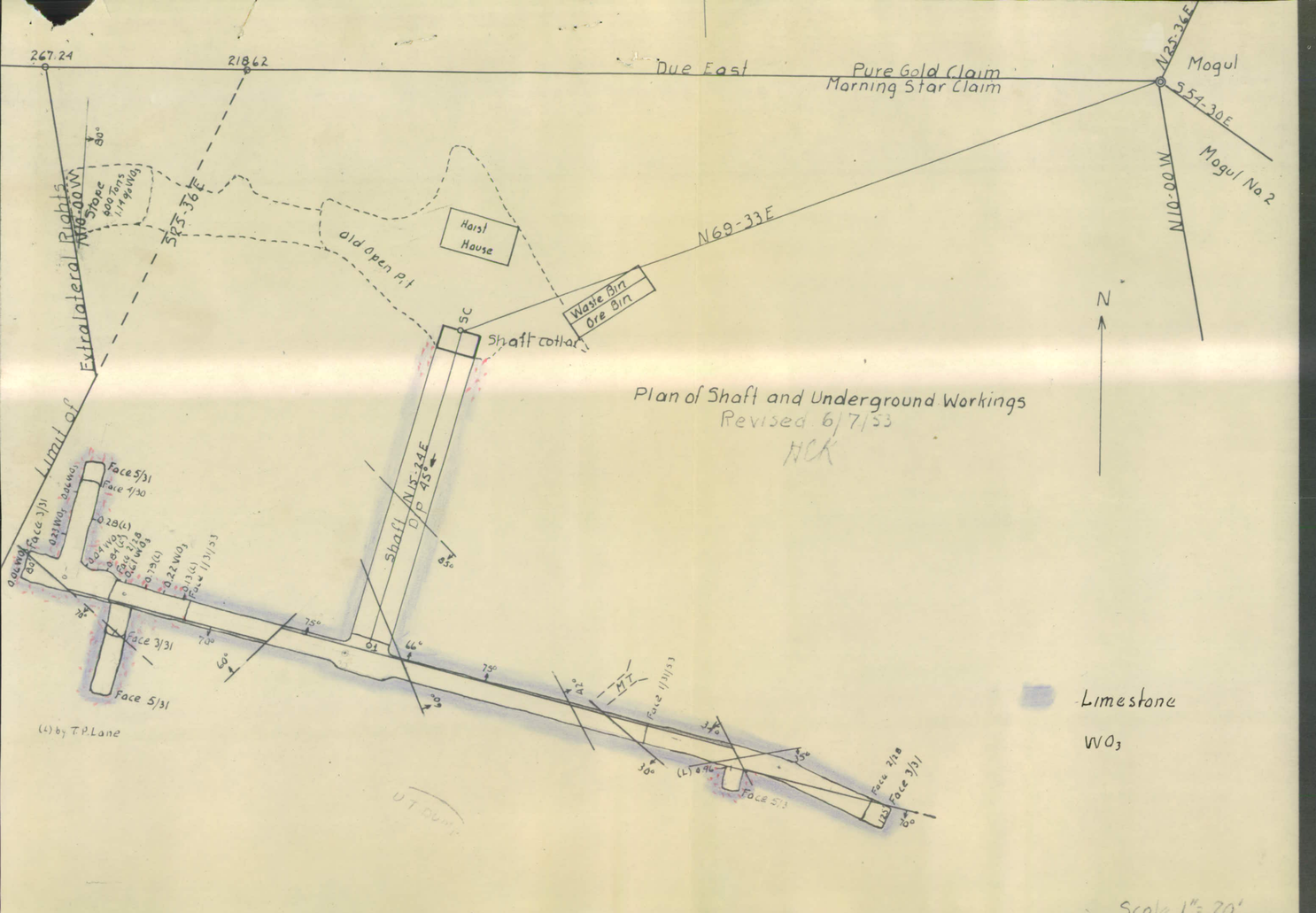
INSTRUCTIONS

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".

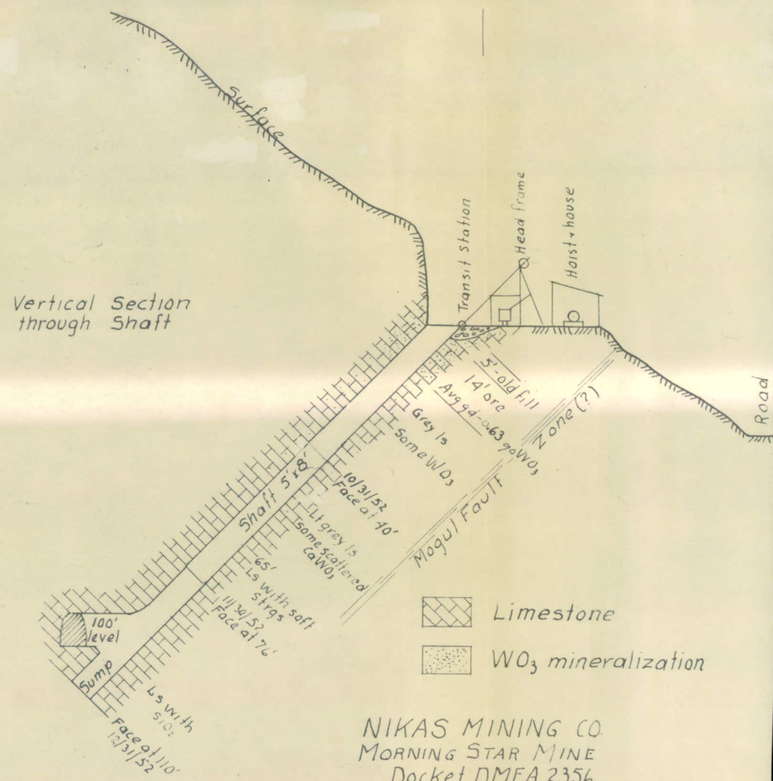
In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active 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



Plan of Shaft and Underground Workings
Revised 6/7/53
HCK

Scale 1" = 20'



NIKAS MINING CO.
MORNING STAR MINE
Docket DMEA 2356
Contract Idm-E370
Scale: 1" = 20'
Date 11/1/52
HCKrumbauf

R E P O R T

ON

THE MORNING STAR MINE

OLD ALAMO MINING DISTRICT

PINAL COUNTY

ARIZONA

Prepared and submitted by:

T. . Lane

May 10, 1953

MORNING STAR MINE

Property and Location.

The property of the Vikas Mining Company comprises the "Morning Star" claim and seven other claims contiguous to it, all patented. It is located in the northerly portion of the Santa Catalina Mountains, in the Old Hat Mining District, in Pinal County, Arizona. It is approximately eight miles southerly by road from the town of Oracle. Some six and a half miles of this route is over the hard surfaced Mt. Lemon Road, and the last one and a half miles is good mountain road, with occasional steep pitches up to the mine. Oracle is thirty-seven miles by paved highway from Tucson.

The Vikas Mining Company is a limited partnership composed of four partners, all residents of Tucson. The property is owned by Mrs. Elizabeth L. Wood of Long Beach, Washington, and the Y.W.C.A. of Tucson, Arizona, and is leased to the Vikas Mining Company on a royalty basis (10%), for a term of five (5) years, renewable for five (5) years. The lease is dated January 3, 1952.

History and Production.

The first mining interest in the district dates back to the turn of the century, when numerous gold quartz veins and stringers were discovered. A modest gold production was made a few years later from a number of places in the immediate vicinity of the present tungsten developments.

The presence of tungsten, in the form of the mineral scheelite, was recognized at an early date in the quartz veins and in certain silicified limestone areas, but the tungsten had little or no economic value at the time. The advent of World War I, however, created an urgent demand with consequent high prices for the metal. In the ensuing intensive search for tungsten, deposits of scheelite of commercial value were discovered upon the "Morning Star" claim, and upon the adjoining adversely owned "Pure Gold" claim.

Each of the above claims produced tungsten during the War, and while no complete authentic records are available, the production appears to have been substantial in amount, despite the rather small scale of the operations. Selected ore was concentrated in small plants in the neighborhood, and some small

lots of closely sorted high grade crude ore was shipped to outside buyers.

Following cessation of hostilities, the price of tungsten declined precipitately, and all mining stopped. Later, during occasional periods of better prices, some sporadic small lesser production was made, but it was not until the outbreak of World War II that any serious development was undertaken. Upon entry of the U. S. into the conflict, there was again an urgent demand for this strategic metal and this led to the establishment of depots for the purchase of crude ore for government stockpiles with a fixed moderately high price for WO_3. Depots were established at Phoenix and at Tucson.

During the period 1942-44, the Rivera Bros. operated the Morning Star Mine under lease from Mrs. Wood. They milled some four to five thousand tons of ore in a small plant located some two miles from the mine. The ore was selectively mined from stringers and masses and occasional high grade pockets near the surface, and much of it was closely sorted. Mill feed is said to have averaged about two per cent (2%) WO_3.

The Morning Star Mining Company purchased the lease held by the Rivera Bros. in February, 1944, and began shipping ore to the government stockpile. Production continued at an increasing rate until the termination of the stockpile purchasing program in June, 1944. Thereafter, a small tonnage was shipped to the Jacobs custom mill in Tucson and then work was suspended. Total production by the Company was approximately thirty-two hundred (3200) tons. It is said on good authority that this ore averaged approximately 0.90% WO_3.

During the years 1943-45, the Maudina Mine produced approximately 12,500 tons from the "Pure Gold" claim which adjoins the "Morning Star" claim. Of this tonnage, some 8100 tons, assaying 1.51% WO_3, was shipped to the stockpiles, and the rest was milled at the Jacobs Mill in Tucson, and is said to have averaged about the same WO_3 content.

A side line which is common to both the Pure Gold and the Morning Star claims passes through the cropping of the ore body, which was mined by the Maudina Company. The mining action led to a dispute and a court suit to determine the "equilateral rights" of each claim. The decision favored the Maudina Company. The suit resulted in a clear definition of the limits of mining permissible to each party, and this was important to the Morning Star claim since the deposit extends well into Morning Star ground. The Maudina operations seem to have extracted most of the better grade ore in their portion of the deposit. The portion of the deposit belonging to the Morning Star claim has been partially mined, and is being developed at the present time.

Activity in the area came practically to a standstill shortly after termination of the stock piling program in 1944, and remained so until the initiation of a five-year government purchasing plan in May, 1951, with a floor price set at $63.00.

per unit.

The Nikao Mining Company shipped approximately 550 tons assaying 1.14% WO_3, to a custom mill at Apache Junction in 1952, and a small amount was milled in a crude local plant. The mill run was altogether unsatisfactory because of too course grinding and because of a poor arrangement of the mill circuit. The Company obtained a participating DMEA exploration loan in 1952, and work under that contract is presently in progress.

Geology and Mineralization.

The rocks of the region are of Paleozoic and pre-Cambrian age and consist principally of limestone, shale, quartzite and granite. The most conspicuous structural feature is the Mogul fault which courses northwesterly with southwesterly dip, through this part of the Santa Catalina Mountains. The fault brings granite on the northeast or footwall side in contact with sedimentary and metamorphic rocks on the southwest. The fault zone is irregular in width, but generally quite broad, and repeated movement has created many parallel fault planes within it; and the stresses have developed a multitude of minor faults and fractures extending with varying strikes and dips for considerable distances into the overlying rocks.

The Maudina deposit (which trends into Morning Star ground), occurs in a parallel fault zone within the Mogul fault zone and at some distance from the foot wall granite of the zone. The mineralized sections show high silicification and some brecciation and in places intense fracturing.

The principal Morning Star workings are in a silicified limestone mass located some two hundred feet southerly, from the east end of the Mogul fault zone ore body, and the greater part of the past production has come from workings in this deposit. The limestone is intersected by a number of major faults, with frequent "water course" openings along them, and many related minor faults; and much random fracturing is evident throughout the mass. The major faults fall into two general classes, one striking northwesterly, and the other northeasterly. The dips are generally southerly and at points of intersection either fault might offset the other. There is no recognizable pattern of faulting which might serve as a guide in the exploration for ore, although in a few instances there is some evidence that the trace of the juncture of two major faults is a favorable place for ore occurrence.

Factors which seemingly must all be present for the occurrence of scheelite in important amounts are: (1) firm silicified limestone, (2) fairly abundant quartz, and (3) a pronounced

fault plane, with minor faults and fractures in the limestone above the fault.

The ore mineral, scheelite, is distributed in extremely erratic fashion throughout the silicified limestone mass. It might occur as masses or patches several square feet in area, or as stringers or groupings of parallel stringers and, very frequently, as fine disseminations throughout a large area. Masses of pure waste surrounded by material with good scheelite content is a common occurrence. Most of the scheelite is extremely fine and much of it tends to pulverize on breaking, although some fairly large crystals are occasionally seen. The scheelite is generally accompanied by an appreciable amount of lead in the form of galena (lead sulphide) and cerrusite (lead carbonate) and stolzite (lead tungstate).

Development. (See Sketches)

The main workings of the Morning Star Mine consist of a Lower Tunnel, a Middle Tunnel, an Upper Tunnel, and a shaft 110 feet deep, with a level at 100 feet. Also, there is a glory hole and numerous pits and cuts above the Middle and Upper Tunnel levels, and some stoping in each of the tunnels.

The Lower Tunnel Adit and the shaft are developments in that portion of the Mogul fault zone ore body which exists in Morning Star ground. The tunnel was driven as an adit in the fault zone. The fault zone trends a little north of west and dips southerly at about 45°. The ground above the adit has been mined as an open cut for a distance of approximately forty-five feet from the original portal. The adit then passes through thirty feet of sparse scheelite mineralization, and in the last thirty-five (35) feet (ending against the boundary), it encountered a concentration of scheelite. The Nikas Mining Company stopped above the level to within a few feet of the surface and shipped from this place 550 tons which were milled at the Apache Junction Mill as noted earlier in this report. The floor of the open cut was mined to a reported depth of six or eight feet and the opening filled back with discard material.

The shaft, and the workings tributary to it, is a DMEA participating loan project. The shaft is 110 feet deep and was started in ore in the fault zone. It passed out of ore at a depth of approximately fifteen (15) feet and continued to the bottom in barren material. At one hundred (100) feet, drifts were turned off easterly and westerly in broken fault zone material. The drifts encounter numerous cross faults with various strikes and dips. Water seepage here has made the ground heavy and timbering is necessary for support of the ground, particularly in the east drift.

The west drift is largely in barren ground with only occasional meager spots of scheelite until, at a point fifty (50) feet from the shaft, appreciable scheelite begins to show and continues for some thirty (30) feet. The drift was stopped in barren ground at eighty-four (84) feet from the shaft and very close to the property line. A crosscut has been driven northerly in the mineralized area, and shows a small amount of scheelite for about twenty (20) feet, but the face of the crosscut, at twenty-five (25) feet, is barren. The scheelite here is apparently the downward extension of the mineralization in the west end of the adit.

The east drift has been driven for a distance of one hundred twenty-eight (128) feet from the shaft, and is in practically barren ground throughout. At ninety (90) feet from the shaft, however, a good patch of scheelite was encountered in the north wall of the drift in hard silicified lime tone. This showing is almost directly under the stoped area in the Middle Tunnel, approximately eighty-five (85) feet vertically above, and is about one hundred (100) feet easterly from, and one hundred forty-five (145) feet below, the mined area of the Upper Tunnel.

Cross-cutting is now in progress in each end of the one hundred (100) foot level to explore for possible downward extension of ore to this horizon.

The Middle Tunnel has been driven southwesterly into the hillside and after passing through thirty (30) feet of low grade material, it encountered an ore body which has been mined in a room some thirty-five (35) feet long and twenty-five (25) feet wide, and ten (10) to twelve (12) feet high. Considerable drifting beyond the mined area did not reveal any important scheelite mineralization.

The Upper Tunnel opens into a glory hole at thirty-five (35) feet from the portal and at ninety (90) feet, a short crosscut opens into a stoped area of pipe-like form extending from a short distance below the level to some fifty (50) feet above the level. The stope opens, on one side, into the upper part of the glory hole.

Scattered scheelite mineralization is present on the surface in a northwesterly direction from the upper edge of the glory hole to the top of the ridge - a distance of about one hundred fifty (150) feet - and high grade scheelite has been mined from a number of shallow pits and cuts in this area.

Ore Reserves and Values

Because of the irregular outline of the mine workings and the extremely erratic distribution of scheelite, it is not possible to calculate the remaining ore reserves in the orthodox

manner, i.e. interval sampling on two or three sides of a block of ground. Instead, reliance must be placed upon judgment based upon performance records as to tonnage and grade of material extracted from various working places - with due regard, of course, to structural and geological conditions as they might affect further continuity of ore in certain directions. Also, considerable dependence must be placed on observation and estimation with the mineral light.

The Mogul fault zone ore body does not seem to offer much possibility for developing any worthwhile amount of ore, unless the deeper exploration now in progress discloses something more attractive than the indifferent results revealed to date. The mineralized zone is limited by the property line on one end, and by a fading out as it approaches quartzite country rock on the other (SE) end, a short distance beyond the shaft.

The Morning Star ore occurs throughout an elongated mass of silicified limestone which trends NE with a long axis of about three hundred (300) feet and a greatest width of about eighty (80) feet, in the vicinity of the glory hole.

There is much disseminated scheelite in the mass and frequent high grade bunches, but there are also areas which are entirely barren or only very sparsely mineralized with scheelite. Several development headings driven deeply into the hill in the mineralized limestone, do not show any interesting occurrences of scheelite and suggest that, like so many similar deposits, the ore zone is shallow with a lower limit roughly paralleling the contour of the hill surface. The whole deposit might, however, be considered for its possibilities as a moderately large scale, low-grade tungsten producer, except for the lack of water for milling locally and, more importantly, because treatment of the ore is difficult and costly.

In discussing ore reserves, it is necessary to establish a figure which will be the economic cut-off grade, i.e., the grade of ore below which an operating loss would be incurred. The operators are tentatively considering the construction of a mill at a point some twenty-three miles distant from the mine. The ore haul would be down-grade (about two-thirds of it on paved highway), at estimated cost of $2.[illegible] per ton. The writer estimates that open cut and glory hole mining on the proposed small scale of operations (thirty (30) tons per day), would cost about $7.00 per ton, including the handling of some waste and the performance of some development in the ore zones. Milling cost is estimated at $6.00 per ton. The total of these items is $13.00, and if to this is added royalty, a return of about $14.50 be required for a break-even on costs. The net return per unit of tungsten would be about $30.00 per unit (see below under "Milling" and "Marketing."). It is apparent then that the grade of

material milled would need to be about 0.5% WO_3. Mining in the Mogul fault zone deposit would be more costly and probably a grade of 0.6% WO_3 would be the economic cut-off for material mined there.

The writer took a number of samples in the area of the Mogul fault zone orebody. These are shown on the sketch which accompanies this report, along with some sampling by others. The open cut on the adit level produced several thousand tons of ore which is known to have averaged above 1.0% WO_3, and the present operations mined 550 tons with average of 1.14% WO_3 in the stope at the end of the level. The cut in the floor of the level is said to have shown ore in the bottom. The shaft showed ore for a distance of fifteen (15) feet below the collar, and a sample from here assayed .63% WO_3. The writer sampled a select dump containing about twenty-five (25) tons of material from this portion of the shaft, and obtained 1.33% WO_3; also a muck sample containing some discard material was taken from the floor and foot wall of the stope, with assay of .81% WO_3. Altogether, these assays indicate a grade of 1.0%, or slightly higher for the ore at this horizon. The width of ore appears to be about twelve (12) feet, and the length (omitting the thirty foot length of low-grade material between the cut and the stope) is approximately seventy (70) feet. The depth to which the ore will extend - is conjectural. Sampling in the west end of the one hundred (100) foot level in the shaft, shows a twenty-five (25) foot length of scheelite mineralization of sub-marginal grade (averaging slightly under 0.4% WO_3). It would seem reasonable to assume that the ore in the west end of the adit will extend, with payable grade, about half the distance down to the one hundred (100) foot level.

The block, therefore, would contain approximately eighteen hundred (1800) tons with average grade of about 0.85% WO_3. About two hundred (200) tons of ore remains in the footwall and end of the stope above the adit level, and this can be assumed to have a WO_3 content about the same as that which was extracted, i.e., 1.14%. It is the writer's opinion then, that there is available in this ore body some two thousand (2000) tons of reasonably assured ore having a grade of 0.85% WO_3, or better. There does not seem to be much possibility for other ore here unless the exploration on the one hundred (100) foot shaft level finds ore at that horizon.

Ore reserves in the Morning Star deposit are centered about the stope in the middle tunnel and the stope and glory hole in and above the upper tunnel. The size of the stope opening in the middle tunnel indicates that about eight hundred (800) tons was mined from here. No figure is available regarding the grade of this material, but presumably it averaged 0.7 to 0.8%, since that was about the economic limit of mineable ore at the time the work was done. The mineral light shows fine

disseminations and thin seams of scheelite, and some moderately high grade bunches, in the roof and floor and in places in the walls of this working place.

The better ore lies along a steep, east-dipping fault plane which is the limit of the ore on the east wall of the stoped area. A shallow cut on the surface just east of the portal of the tunnel has been made along this same fault and the cut and dump show good scheelite, and several tons of high grade were produced from the cut. A small tonnage, say three hundred (300) tons, seems reasonably assured in the stoped area, and it seems probable that about as much more ore will be mined both above and below the stoped area as that already mined (800 tons). It seems probable also, that the ore in the pit outside the tunnel will be found to be a continuation of the ore body mined in the stope. Total probable ore here might be reasonably estimated at one thousand (1000) tons assaying about 0.75% WO_3. Further ore possibilities at this place are limited by the proximity of the surface above the stope and by the quartzite formation just east of this place.

The glory hole and the stope connected with it, have produced the major part of the ore mined in this deposit. Good scheelite mineralization is visible in the north and west slopes and run of the glory hole, and it is reported that good ore extends into the floor of the glory hole (now covered with debris). The adjacent stope is reported to have produced a considerable amount of excellent ore, and much scheelite, some of it in high grade masses, is visible in the walls and in the bottom of the stope. The stope opens into the upper part of the glory hole and good scheelite mineralization is visible in the connecting passage. The size of the stope and glory hole openings indicate that some three thousand (3000) tons has been mined here. The glory hole ore is said to have run just under 1%, and that from the stope (where high grade pockets were selectively mined), averaged considerably over 1% WO_3. The stope ore has been mined through a vertical range of sixty (60) feet. The areal dimension of the proven mineralization of the combined stope and glory hole is roughly thirty (30) feet by eighty (80) feet, and the contents of block (with average height of forty feet), is therefore approximately 7,500 tons. Of this amount about three thousand (3000) tons has been extracted, leaving 4500 tons in the block. Since mining was in progress here up to the time that termination of the stockpile purchasing program forced suspension because of loss of a ready market for the ore, it can be inferred that, otherwise, mining would have continued, with the grade of ore about the same as in the past, i.e. about 1%.

The writer believes that 1500 tons would be a reasonable estimate of the amount of ore assuredly available in the above

area and that the balance of the tonnage in the block (3000 tons) can be classed as "probable ore." It is worth noting that a drift on the middle tunnel level passes directly under the floor of the glory hole at sixty (60) foot lower elevation does not show important tungsten mineralization, thus indicating that the ore does not extend downward to this horizon, at least in the area opened by this one development heading. However, the stope ore is known to extend at least fifteen (15) feet below the upper tunnel level and the assumption of some further extension seems justifiable. If this extension is assured at ten (10) feet, an additional two thousand (2000) tons might be added to the above estimate of probable ore.

Since mining would be done in a less selective manner, the grade of ore would be lower than the grade of 1% or better obtained in the past. The writer would assign a grade of 0.85% WO_3 to the estimated tonnages of assured and probable ore.

The surface between the glory hole and the crest of the ridge, shows good scheelite mineralization at a number of places and small amounts of high grade have been extracted from several shallow cuts. It seems possible that ore will be developed in this area either by extensions of the known ore limits, or by further prospecting of the better surface showings. In the writer's opinion it seems entirely possible that an amount of ore at least equal to that which is now estimated as reasonably assured and probable (approximately 10,000 tons), will be developed here.

Deposit	Reasonably Assured Ore	Probable Ore	Possible Ore	WO_3	Net Recovered Value $30 Per Unit
Mogul Fault Zone	2000	[illegible]	[illegible]	0.85	$ 25.50
Morning Star	1800	6000	10,000	0.85	25.50
	3800	6000	10,000	0.85	$ 25.50

With estimated cost of $14.50 per ton, indicated profit on the above ore is $11.00 per ton.

Mining

The small amount of ore presently available in the Mogul Fault Zone ore body, would be mined by combination shrink and open stope methods working from the shaft in that area.

The ore of the Morning Star ore body would be mined principally by glory hole and open cut method. Whatever underground mining was done would be by open stoping. The ground is very

firm here and could be safely mined in large chambers or rooms. No hoisting or pumping would be required.

The mining equipment requirements for the projected small scale operation, would not be large and would consist chiefly of a compressor of somewhat larger capacity than the 125 cu. ft. rental compressor now in use, some drilling equipment in addition to that on hand, and some minor items. Later, when the openings are larger, a small dozer with end-loader attachment would be useful for selecting ore and discarding waste on the floor of the pit and possibly in large stope areas. Altogether, an immediate expenditure of $5000.00 and a later expenditure of another $5000.00 would cover these needs.

Milling and Marketing.

The ore requires fine grinding for effective recovery of the scheelite. Flotation treatment is necessary for removal of most of the lead content and concentration of slimed scheelite. A small amount of lead tungstate in the ore is not separable and the presence of this mineral in the concentrate results is a serious reduction in the price received for it.

Laboratory testing of the ore has shown that a 75% recovery is the best that can be realized. The flow sheet recommended for optimum results consists of coarse crushing followed by rod mill grinding to 30M and table concentration, and then ball mill grinding to 100M followed by flotation. The concentrates must be sent to the plant of the U. S. Vanadium Corporation at Bishop, California for refining to meet market requirements.

Tests show that approximately 35% of the WO_3 content of the mill feed will be recovered in a 65% table concentrate, and about 40% in a 15% - flotation concentrate. The remaining 25% of WO_3 in the feed is lost in the tailings.

The current price paid for the higher grade table concentrates is $45 per unit of WO_3 and for the flotation concentrates $38 per unit. The transportation cost to Bishop is about 35¢ per unit for the former and $1.50 for the latter, and the net prices paid are therefore $44.65 and $36.50 respectively, or an average of approximately $40 per unit of WO_3. This means (at 75% recovery) a net to the mine of $30 per unit of WO_3 in the ore.

It has been suggested that the mill of the Goldfield Mining Company at Apache Junction, which is now idle, might be leased for milling Morning Star ore. With some re-arrangement of the circuits and the addition of some minor items of equipment, the mill ought to perform satisfactorily on Morning Star ore. The haul would be approximately one hundred (100) miles, level or down-grade, and all but fifteen miles on paved highway. The hauling cost is estimated at $4.00 per ton on a sustained volume rate

of production. The additional hauling cost over that to the proposed mill site ($2.00 per ton) would be largely offset by the greater economy in milling at this larger plant (100 tons) per day capacity, and the feasibility of taking over this mill on a lease basis would therefore hinge upon the terms of the lease.

A casual conversation with a party connected with the company owning the mill indicated that it might be leased on a basis which would represent a cost of around $1.50 per ton milled. The additional cost, then, over milling at the proposed mill site nearer the mine would be about $2.00 per ton. Obviously, a fairly substantial reserve of ore would need to be proven to amortize, at several dollars per ton, the contemplated new mill construction (estimated cost around $50,000.00) - and consideration ought to be given to the time element and to the risk involved in making such an investment.

Recommended Work

It is recommended that a raise be driven in the mineralized area in the west end of the one hundred (100) foot level to connect with the stope above.

It is recommended that some of the better showings in the stope in the middle tunnel be broken into, and that the shallow cut east of the portal of this tunnel, which appears to indicate an extension of the stope ore in this direction, be further tested by blasting in the walls and ends.

It is recommended that the area below the floor of the upper tunnel in the vicinity of the glory hole be explored more fully by short exploratory drifts from the main drift below. An old caved chute here appears to serve a raise into the bottom of the stope, adjacent to the glory hole. The writer was not able to learn definitely if a connection actually exists into the stope. In any event, the working place should be cleaned out and the raise examined and if it does not connect with the stope, it should be advanced to do so.

Some exploratory work by shallow drilling and blasting ought to be done on some of the more interesting scheelite showings, on the hill surface southwest of the glory hole, particularly where high grade has been rough cut.

Favorable results from the above work would make more certain in some instances, the ore which is now classed as reasonably assured; and in other instances material now classed as probable ore, might become assured ore; and in still other instances attractive showings might be indicated as places deserving more serious prospecting.

Some of the above work would provide necessary openings

for mining operations and some of it promises to produce ore which would be a stock pile for any later milling operation which might be undertaken.

Conclusions.

The estimated reserves of reasonably assured and probable ore are small - 38[illegible] tons and 60[illegible] tons, respectively - and the possibilities for developing any large amount of additional ore appear to be quite limited.

While milling of the ore promises a good profit margin (about $11 per ton) the quantity of reasonably assured ore is not sufficient to repay the cost of a mill installation; and the estimated probable ore is not indicated with enough surety to afford a sound basis for a large capital outlay.

The work recommended in this report together with the exploration being done under [illegible] A contract, might prove up sufficient ore so that the construction of a mill would be justified, but unless this new ore is developed in substantial amount, the project might prove to be little more than a "dollar-trading" proposition with prospect for only small profits from a large investment.

I would not recommend building a mill at this time, but instead I would advise holding the matter in abeyance pending the outcome of the development now in progress and the results obtained from the performance of the recommended work in the upper part of the mine.

Meanwhile, I would explore the possibility of developing an outlet for the ore either at a custom plant or at a plant which might be leased and, with some revamping, made suitable for milling the ore. One such possibility has been discussed in this report, and if reasonable terms can be arranged, this would be a logical procedure promising a profitable operation, despite a somewhat lower margin of profit per ton milled. The finances required would be mostly for working capital.

T. F. Lane

Phoenix, Arizona
May 1[illegible], 19[illegible]3

LARGE FORMAT DOCUMENTS AT END OF FILE

MINING DIVISION
REGION IV

May 13, 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 DMEA-2356, Contract Idm-E370, Nikas Mining Co.'s Morning Star Tungsten Mine, Pinal County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

(3) Letter regarding accounts paid;

(4) 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)
DMEA-2356
MF

WRStorms:frj

April MF-104

MINING DIVISION
REGION IV

May 13, 1953

Memorandum

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

From : T. M. Romslo, Mining Engineer, Tucson, Arizona
Subject : Nikas Mining Co.'s Morning Star Tungsten Mine, Pinal County, Ariz., Docket DMEA-2356, Contract Idm-370. April 1953 Progress Report.

An inspection of the Morning Star Mine was made on May 1 in company with Tom Callas, miner-foreman. The object of the inspection was to check progress for April and to determine if the work continues to conform with the contract.

Work done in April was found to be as follows:

1. The crosscut to the north from the west drift was driven 21 feet.

2. Timbering: 3 sets installed in west drift, 8 sets installed in east drift, and timbers reinforced at station.

3. Several samples taken for assay.

The 21 feet of advance in the north crosscut was in fractured and silicified limestone containing minor amounts of scheelite. The assays of 3 samples from the crosscut indicate the 21-foot zone contains an average of about 0.20 percent WO_3. Pulps from these samples were assayed by the U. S. Bureau of Mines. The check assays were about the same as the original assays.

Two channel samples, taken by me in the west drift at 55 and 70 feet from the shaft, assayed 0.13 and 0.22 percent WO_3, respectively.

Krumlauf, in the Operator's Narrative Report, estimates that the mineralized zone of the west drift contains 2,300 tons of inferred ore containing 0.66 percent WO_3. This grade does not consider the assays taken by T. P. Lane and which are designated by the letter "L". His estimates for the block above the 100 level appear to be reasonable for the grade of ore but include less than one-half of the inferred ore zone on the 100 level. On the basis of 1,000 square feet of mineralized area on the 100 level, the

CC W. H. King (orig. & 6)
DMEA-2356
DF

TMRomslo:frj

total reserves for the zone would be about 4,300 tons. A similar tonnage of lower grade ore can be inferred for a 100-foot depth extension. The grade of the 8,600 tons of ore for this zone is estimated at 0.4 percent WO_3. Probably not over 10 percent of these reserves can be classified as indicated ore and the remainder is inferred. Additional exploration work is necessary before a reasonably accurate estimate of the reserves can be made.

According to Krumlauf, the company's decision on termination of the contract upon completion of Stage I is dependent upon recommendations of Lane's report.

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

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

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

2. The supply and service charges of Form MF-104 were necessary and do not appear to be excessive. They should be accepted as correct pending an on-site audit. The charge for equipment rental is for a month on the compressor and the allowable one-half month for the hoist.

3. The Operator's Narrative Report is considered adequate. Attached to the report is a letter stating "To our knowledge all bills outstanding against the Nikas Mining Co. as of April 30, 1953 have been paid."

T M Romslo

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

55 West Congress
Tucson, Arizona
May 7, 1953

RE: Docket DMEA 2356
Contract Idm - E370

To our knowledge all bills outstanding against the Nikas Mining Co. as of April 30, 1953 have been paid.

A. Nikas

A. Nikas, Pres.

J. Gekas

J. Gekas, Secy-Treas.

[illegible] MINING COMPANY
[illegible]5 W. Congress Street
Tucson, Arizona

May 8, 1953

[illegible] 1953

Mr. W. [illegible] Storms, Chief
Arizona-New Mexico Branch
Mining Division, Region 4
U. S. Bureau of Mines
University of Arizona
Tucson, Arizona

Re: Docket DMA 2356
Contract IGm-E 370

Dear Mr. Storms:

For the second successive period progress has been seriously reduced by the lack of funds. Progress for the month of April consisted of 21 feet of cross-cutting, the placing of eight sets of timbers in the east drift and three sets in the west drift. Also the station timbers were reinforced.

The quality of the timbering job done was not good due to the lack of ability on the part of the owner-foreman. Since the ground is not heavy the timber will probably hold.

Mr. T. P. Lane, consulting engineer, was hired by the Company to examine the property and make recommendations concerning the advisability of constructing a mill at this time. Mr. Lane's report has not been received to date but a copy will be sent to you later.

A discovery of low-grade material has been made that contains an estimated 0.30 WO_3 and has an approximate cross-sectional area of 400 square feet on the 1st level. The pillar near the surface from which 600 tons of 1.14 WO_3 ore was removed (see map) has a cross-sectional area of about 300 square feet and is up the dip from the discovery. Therefore:

0.30 x 400 =	120.0
1.14 x 300 =	342.0
700	462.0
	0.66 WO_3 average grade

It can then be inferred that a prism of ore having an average cross-sectional area of 350 square feet, about 100 long and containing an estimated value of 0.66 WO_3 could be removed from the west side of the mine above the 1st level. If a tonnage factor of 15 cubic feet in place is assumed this prism of ore would contain 2300 tons.

The deposit is of pyrometasomatic origin. The ore bodies are irregular in shape and size. The invaded rocks are badly faulted but the mineralization seems to be in or near the north to northeast trending fissures. The mineralization consists primarily of silicification with scheelite and small amounts of pyrite and galena. The scheelite, although somewhat disseminated through the silicified zone, is found mostly in small pockets containing from a few pounds to a ton or more of very high grade ore.

It should be realized that this type of deposit is one of the most difficult to sample. Channel sampling and grab sampling combined are not adequate and a proper sample would be a mill test of 100 tons or more.

The inferred ore containing 1.66 WO_3 is too low-grade to be mined profitably at the present time. However, additional exploration on both the east and west sides of the mine may uncover ore of higher grade.

It will be noted that the term "ore" has had a rather indefinite meaning in the above discussion.

Sincerely yours,

H C Krumlauf

H. C. Krumlauf
Consulting Mining Engineer

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.
Defense Minerals Administration
RECEIVED
APR 1 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1953 Docket No. DMEA 2353 Contract No. Idm-2370
Operator's Name Ulkas Mining Co., Minerals Tungsten
Address 55 W. Congress St., Tucson, Arizona.
Contract Amount, $ 59,200.00 Government Participation 75 % Amount, $ 44,400.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	$596.35	$ 6974.00	$ 7570.35			
Supervision	281.25	1984.37	2265.62			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	163.00	273.95	436.95			
Explosives		631.29	631.29			
Pipe		407.08	407.08			
Track		212.97	212.97			
Miscellaneous	147.77	1568.06	1715.83			
(4) Operating Equipment:						
Rental	197.50	1485.00	1682.50			
Purchase		1659.46	1659.46			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		3126.80	3126.80			
(7) Miscellaneous:						
Repairs to Equipment		141.16	141.16			
Sampling and Analysis		33.00	33.00			
Payroll Taxes	14.96	143.37	158.33			
Liability Insurance	33.72	317.13	350.85			
Accountant	100.00	600.00	700.00			
(8) Contingencies (specify):						
TOTALS	$1524.55	$19557.63	$21082.18	1524.55	19557.63	21082.18

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

Date May 8, 1953 *Payee Ulkas Mining Co.

Per N.E. Kumlaw Title Consultant

*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:

$ 1143.42

Signature
(Authorized Certifying Officer)

Date 3/24/54 Vou. No. DMA 54-99

(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-E370 in accordance with the terms of the contract.

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature John T. Hawkins Jr. W. H. King Title Executive Officer Date MAR 23 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1953 Docket No. DMEA 2356 Contract No. [illegible]-2370

Operator's Name Nikas Mining Co., Minerals Tungsten

Address 55 W. Congress St., Tucson, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	ft.	810.28	0	$ 6527.36	205	$31.84	410	
Crosscutting	ft.	714.32	21	958.02	28	34.22	160	
Raising								
Shafts	ft.	0	0	8810.48	110	80.10	210	
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1524.60		$16205.92				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				1659.46				$4100.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				3126.80				3126.80
TOTAL COSTS		$1524.60		$21062.18				

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

Date May 8, 1953 Operator Nikas Mining Co.

Per H E Krumlauf Title Consultant

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: About 1/2 of this period was used in timbering bad ground in both the east and west drifts

(Instructions on reverse)

(For Government use only)

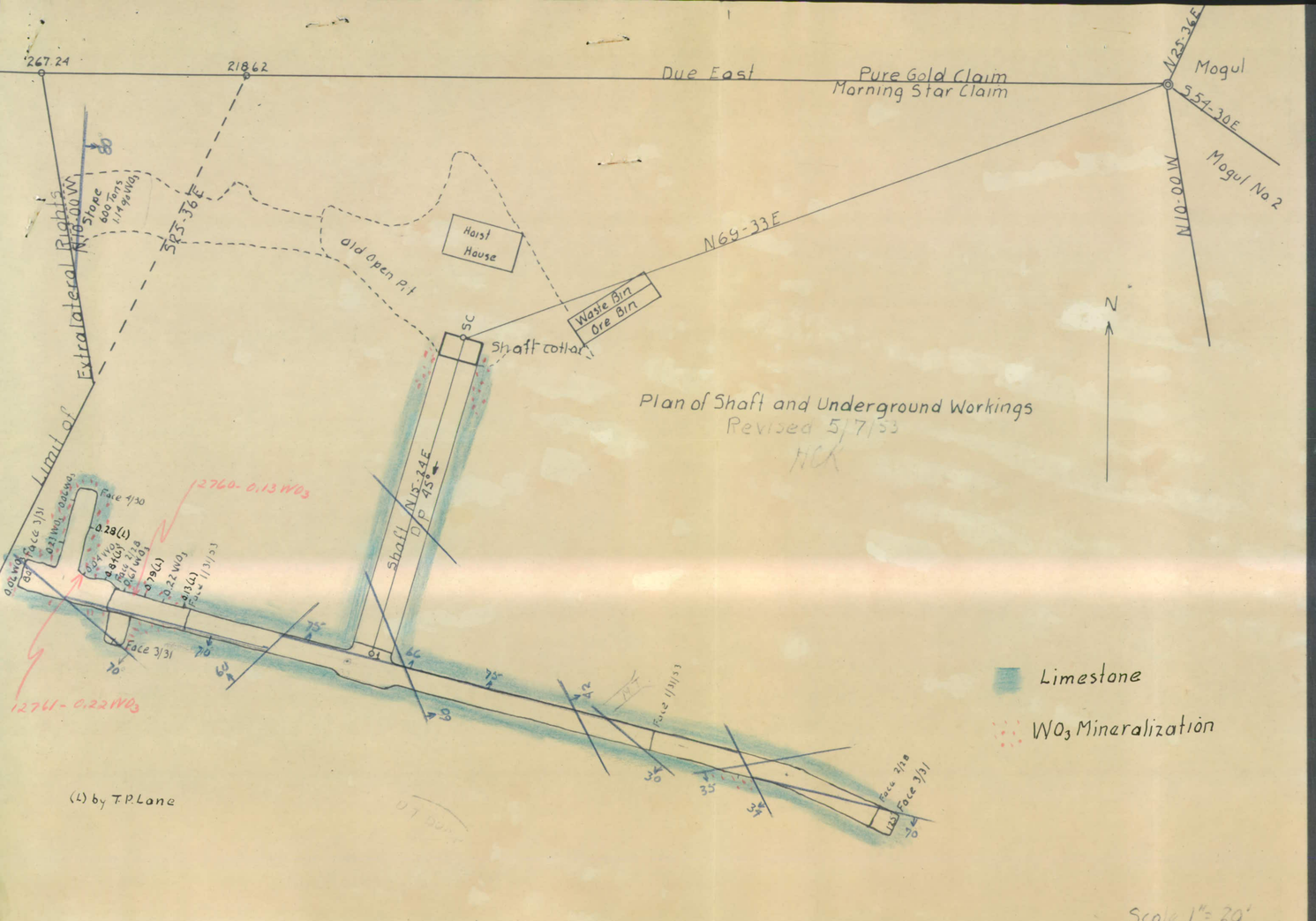
INSTRUCTIONS

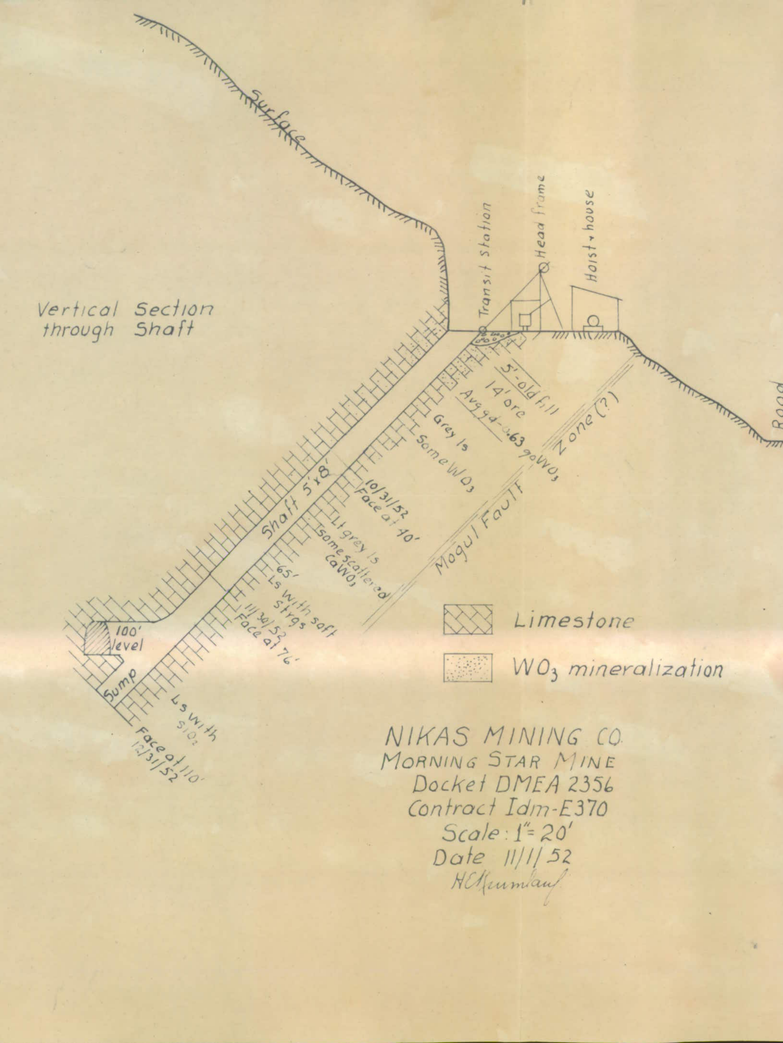
Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better 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


267.24
218.62
Due East
Pure Gold Claim
Morning Star Claim
N25-36E
Mogul
S54-30E
Mogul No 2
N10-00W
N69-33E
S73-36E
Stope
800 Tons
1.14% WO3
Extralateral Rights
Limit of
Old Open Pit
Hoist House
Waste Bin
Ore Bin
Shaft collar
SC
N
Plan of Shaft and Underground Workings
Revised 5/7/53
HCK
Shaft N12-24E
Dip 45°
Face 4/30
0.28(L)
2760- 0.13 WO3
2761- 0.22 WO3
Face 3/31
Face 1/31/53
Face 2/28
Limestone
WO3 Mineralization
(L) by T.P. Lane
Scale 1" = 20'


Surface
Vertical Section
through Shaft
Transit Station
Head frame
Hoist house
5' old fill
14' ore
Avg 4.-.63 % WO3
Zone (?)
Grey ls
Some WO3
Shaft 5'x8'
10/31/53
Face at 40'
Lt grey ls
some scattered CaWO4
Mogul Fault
65'
Ls with soft strgs
11/30/52
Face at 76'
100' level
Sump
Ls with soft strgs
Face at 110'
12/31/52
Limestone
WO3 mineralization
NIKAS MINING CO.
MORNING STAR MINE
Docket DMEA 2356
Contract Idm-E370
Scale: 1" = 20'
Date 11/1/52
HCHumiau

(b) In the case of asbestos (chrysotile only), beryl, cobalt, columbium, manganese, mica (muscovite block and film only), nickel, platinum, tantalum, tungsten, and uranium--75 percent.

(c) In the event that two or more of the minerals named in this section are the subject of the proposed exploration, the allowable percentage shall be apportioned between them.

2. This amendment shall not apply to applications for exploration project contracts received by or placed in the United States mail for Defense Minerals Exploration Administration before 12 o'clock midnight of the day of its publication in the Federal Register.

(Sec. 704, 64 Stat. 816, as amended; 50 U.S.C., App. Sup. 2154.)

(Sgd) C. O. Mittendorf
Administrator
Defense Minerals Exploration
Administration

18FR 6941 11-3-53

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

224 New Customhouse
Denver 2, Colorado

April 30, 1953.

Memorandum

WSM

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMEA Docket 2356, Contract Idm-E370 (Tungsten), Nikas Mining Co.s Morning Star Tungsten Mine, Pinal County, Arizona.

Enclosed are two copies of the Operator's Monthly Progress Report MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of March 1953, pertaining to DMEA Docket 2356, Contract Idm-E370 (Tungsten), Nikas Mining Co.'s Morning Star Tungsten Mine, Pinal County, Arizona.

W. H. King
W. H. King

Enclosures

March

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

224 New Customhouse
Denver 2, Colorado

April 28, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2356, Contract Idm-E370 (Tungsten), Nikas Mining Co.'s Morning Star Tungsten Mine, Pinal County, Arizona. Operator's Monthly Progress Report for the period March 1953.

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

Work has been completed as authorized by the contract. Documentation has been waived, therefore we recommend that payment be made for 75 percent of the amount as reported by the Operator on Form MF-104, subject to verification of arithmetical accuracy within Form MF-104 and contingent on findings of subsequent on-site audit of the Operator's accounts.

Remarks:

Date of Report	March 12, 1953.
Date Received in Field Office	April 22, 1953.
Date Received in Region Office	April 27, 1953.
Date Processed for Payment	April 28, 1953.

W. H. King
W. H. King

Enclosures

RDB:cwm

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

MINING DIVISION
REGION IV

April 23, 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, Docket DMEA-2356, Contract Idm-E370, Nikas Mining Co.'s Morning Star Tungsten Mine, Pinal 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 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.

As the company is in need of funds, will you please expedite payment of this account?

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2356
DF

WRStorms:frj

The 2 mineralized zones encountered on the 100-foot level were inspected with a mineral lamp. Here, as on the surface, scheelite is confined to zones of fractured and silicified limestone. A zone, extending from about 45 feet to the face of the west drift, is extensively mineralized with low-grade scheelite but also contains several small pockets of high-grade ore. Sampling to date shows that the entire zone contains an average of about 0.3 WO_3. However, additional sampling will be necessary before a reasonably accurate estimate of the grade can be established. Present plans call for extensive sampling of the zone during April. The results of the sampling, to be done under Krumlauf's supervision, will probably be ready for next month's report.

84
45
39

The mineralized zone of the east drift, containing possibly 0.1 WO_3, is barely exposed. Exploration of the zone is anticipated.

Mr. Krumlauf, project supervisor, told me at Tucson that the company was considering the advisability of terminating the contract upon completion of Stage 1. The unfavorable findings, to date, and lack of finances are the reasons for the possible shut-down. I told Krumlauf that termination of the contract was subject to Governmental approval and that a written request, containing reasons for termination, must be submitted. I also told him additional timbering of the project works should be one requirement, in my opinion, before his request is granted. The object of the additional timbering would be to keep the workings open for a reasonable period of years.

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

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

(1) The work performed and for which claim is made conforms with the contract and is as reported on Form MF-104A;

(2) The supply and service charges of Form MF-104 are necessary, do not appear to be excessive, and should be accepted as correct pending an on-site audit;

(3) Forms MF-104 and 104A have been corrected to conform with the recent Audit Report;

(4) The Operator's Narrative Report is considered adequate. Attached to the report is a letter stating "that all bills outstanding against the Nikas Mining Company as of March 31 have been paid".

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

55 W. Congress Street
Tucson, Arizona
April 12, 1953

Mr. W. R. Storms
Chief, Arizona-New Mexico Branch
Mining Division, Region 4
U. S. Bureau of Mines
University of Arizona, Tucson, Ariz.

Re: DMEA Docket 2356
Contract Idm-E370

Dear Mr. Storms:

B.M. reports 0.3 % WO_3

There had been no discovery of ore of commercial value as of February 28. Both the east and west drifts had been driven to the limit allowed by the contract. Sixty feet of cross-cutting could be done but the mineralized area on the west side had not been opened far enough to warrant cross-cutting. The mine was, therefore, closed on March 1 to await the decision on the amendment to extend the drift into this mineralized zone.

Notification of the approval of Amendment No. 2 was received on March 6. The water was then pumped out of the mine and work was ~~timbered~~ resumed on March 9.

The shaft station was timbered and two sets of timber were placed under some bad ground in the east drift.

Drifting operations were started on March 16. The east drift was extended five feet, the west drift was extended twenty feet and a cross-cut on the west side was driven seven feet.

It was originally planned to cross-cut to the south in the weak mineralized zone at eighty-five feet from the shaft on the east side. However, the ground on the east side is so badly fractured it will require a considerable amount of timbering before it would be safe to start this crosscut.

Two channel samples were taken, one at 70' from the shaft on the west side and one across the face of the west drift. The assays for these samples are shown on the enclosed map. Two grab samples were taken from the material removed from the west drift as follows:

65' to 75' - assay 0.42 WO_3

75' to face - " 0.11 WO_3

Although the assays are low the zone of silicification on the west side extends from about 45' to the face of the drift and contains many small pockets of high grade ore.

Cross-cutting will be done from the west drift and the east drift will be timbered for about 85 feet so that a cross-cut can be driven to the south into the mineralized area.

Sincerely yours,

H.E. Krumlauf

H.E. Krumlauf, Consultant

Tucson, Arizona
April 21, 1953

Mr. W. R. Storms
Chief, Arizona-New Mexico Branch
Mining Division, Region 4
U. S. Bureau of Mines
University of Arizona, Tucson, Arizona

Re: DMEA Docket 2356
Contract Idm-E 370

Dear Mr. Storms:

We hereby certify that all bills outstanding against the Nikas Mining Company as of March 31 have been paid.

Sincerely yours,

A. Nikas

A. Nikas, President

J. Cekas

J. Cekas, Sec-Treas.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1030.3.
Approval expires 6-30-53.

Defense Minerals Administration
RECEIVED
MAY 4 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March 1953 Docket No. DMEA 2356 Contract No. Idm-E370
Operator's Name Nikas Mining Co. Minerals Tungsten
Address 55 W. Congress St., Tucson, Arizona
Contract Amount, $ 59,200.00 Government Participation: 75 % Amount, $ 44,400.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	$732.00	$6242.00	$6974.00			
Supervision	303.12	1681.25	1984.37			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		273.95	273.95			
Explosives		631.29	631.29			
Pipe		407.08	407.08			
Track		212.97	212.97			
Miscellaneous	232.05	1336.01	1568.06			
(4) Operating Equipment:						
Rental	495.00	990.00	1485.00			
Purchase		1659.46	1659.46			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		3126.80	3126.80			
(7) Miscellaneous:						
Repairs to Equipment	78.86	62.29	141.15			
Sampling and Analysis	12.00	21.00	33.00			
Payroll Taxes	17.03	126.34	143.37			
Liability Insurance	38.37	278.76	317.13			
Accountant	100.00	500.00	600.00			
(8) Contingencies (specify):						
TOTALS	$2008.43	$17549.20	$19557.63	2008.43	17549.20	19557.63

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

Date Mar. 12, 1953 *Payee Nikas Mining Co.

Per H. E. Krumlauf Title Consultant

*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:

$1506.32

Signature [illegible]
(Authorized Certifying Officer)

Date 4/30/53 Vou. 53-130

(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-E370 in accordance with the terms of the contract.

Signature T.M. Pomeroy Title Mining Engineer Date April 23, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.N.L.

Signature W. H. King Title Executive Officer Date APR 28 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 March 195 53 Docket No. DMEA 2356 Contract No. Idm-E370

Operator's Name Nikas Mining Co. Minerals Tungsten

Address 55 W. Congress St., Tucson, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft	$1289.12	25	$5717.13	205	$27.87	410	
Crosscutting	ft	243.76	7	243.76	7	34.82	160	
Raising								
Shafts	ft	475.55	0	8810.48	110	80.10	210	
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$2008.43		$14771.37				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				1659.46				$4100.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				3126.80				3126.80
TOTAL COSTS		$2008.43		$19557.63				

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

Date March 12, '53 Operator Nikas Mining Co.

Per H E Kunslary Title Consultant

REMARKS: Corrected to conform to the Audit Report of March 16.

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)

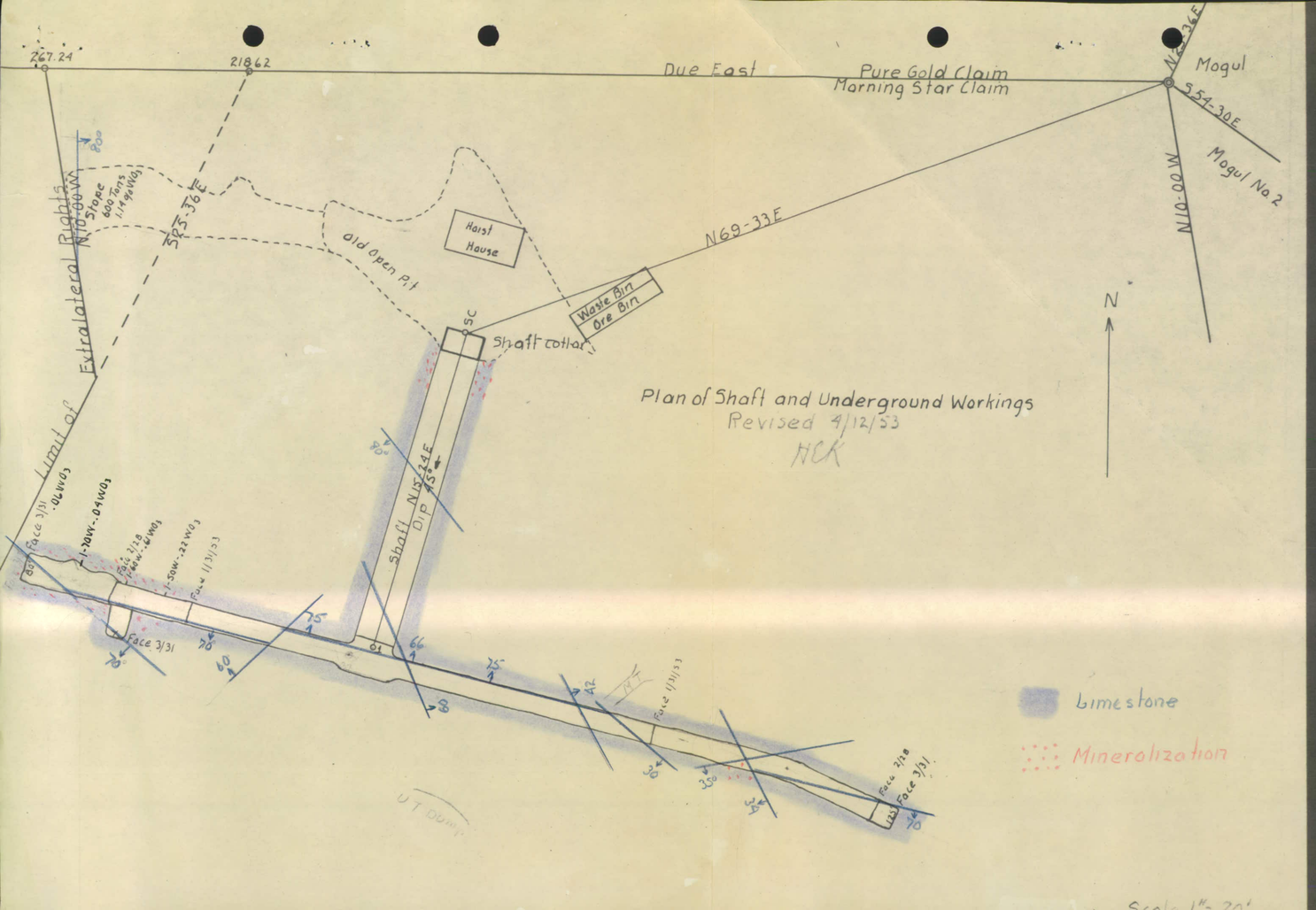
INSTRUCTIONS

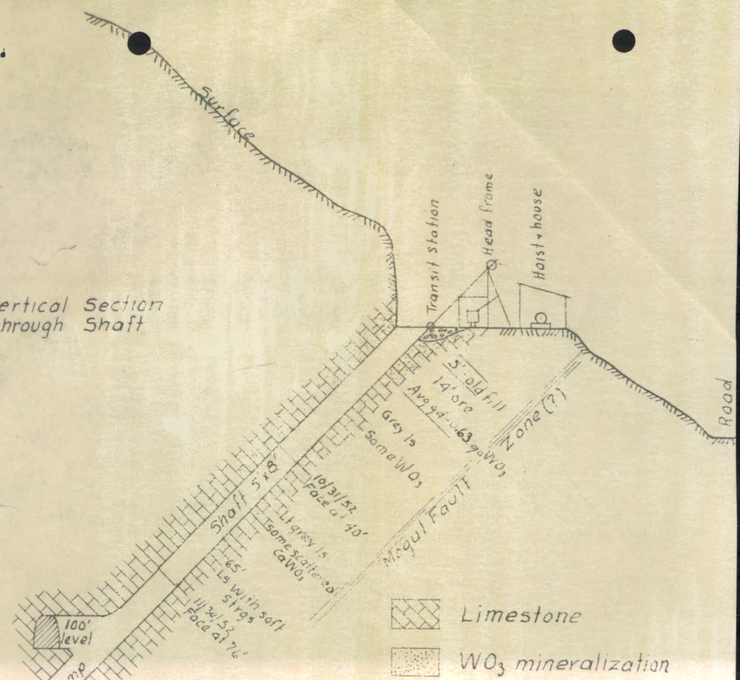
Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better 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





NIKAS MINING CO.
MORNING STAR MINE
Docket DMEA 2356
Contract Idm-E370
Scale: 1" = 20'
Date 11/1/52
H C Hausman

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

224 New Customhouse
Denver 2, Colorado

April 8, 1953.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 13 1953

WSM

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMEA Docket 2356, Contract Idm-E370 (Tungsten), Nikas Mining Co's. Morning Star Tungsten Mine, Pinal 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 2356, Contract Idm-E370 (Tungsten), Nikas Mining Co's. Morning Star Tungsten Mine, Pinal County, Arizona.

W. H. King
W. H. King

Enclosures

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

Administrative Audit Difference Statement

Date April 3, 1953
Payee's
Reference: Progress
Report - February 1953

Nikas Mining Co.
55 West Congress St.
Tucson, Arizona
I-DMA-E-370

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

Amount Claimed $ 2,168.51

Difference $ 90.64

Amount Approved $ 2,077.87

The reason for the difference was due to:

Per DMA Auditors Interim Certificate:	
December payroll excess payment	$20.00
Rodriques $6.00 Callas $14.00	
Not specified in contract (blasting machine)	56.50
Payroll taxes disallowed on above	
Overpayment .30	
Lia. Ins. on above $13.84	14.14
	$90.64

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 ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

March 30, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2356, Contract Idm-E370 (Tungsten), Nikas Mining Co's. Morning Star Tungsten Mine, Pinal County, Arizona. Operator's Monthly Progress Report for the period February 1953.

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

Work has been completed as authorized by the contract. Documentation has been waived, therefore we recommend that payment be made for 75 percent of the amount as reported by the Operator on Form MF-104 subject to verification of arithmetical accuracy within Form MF-104.

The following deductions are to be made in conformance with the interim Audit Report dated March 5, 1953 by the Contract Administration and Audit Division:

Labor	$20.00	
Explosives	56.50	
Payroll Taxes	.30	
Liability Insurance	13.84	
Total Deduction Claimed		$90.64

Remarks:

Date of Report	February 12, 1953.
Date Received in Field Office	March 18, 1953.
Date Received in Region Office	March 22, 1953.
Date Processed for Payment	March 27, 1953.

W. H. King
W. H. King

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

MINING DIVISION
REGION IV

March 19, 1953

Memorandum

To : J. H. King, Chief, Mining Div., Region IV

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

Subject : February 1953 Progress Report, Docket DMMA-2356, Contract Idm-6370, Mikes Mining Co's. Morning Star Tungsten Mine, Pinal 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 MP-104 and MP-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 J. H. King (6)
DMMA-2356
DF

WRStorms:frj

MINING DIVISION
REGION IV

March 16, 1953

Memorandum

To : Walter H. Storms, Chief, Mining Methods Branch, Mining Div., Region IV

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

Subject : Progress Report for February 1953, Nikas Mining Co's. Morning Star Tungsten Mine, Pinal County, Ariz., DMEA Docket 2356, Contract MM-378.

The Morning Star Mine was visited on March 6, 1953 to determine if the exploratory work continues in conformance with subject contract and to check progress for February. An inspection of the project was made in the company of J. Dallas, miner-foreman.

The inspection showed that progress for February was confined to 72 feet of advance on the 100-foot level where the west drift was advanced 21 feet and the east drift was driven 51 feet. The faces of the west and east drifts on March 1, were respectively 64 and 124 feet from the center line of the shaft. The comparatively low footage for the period was reportedly due mainly to a 3-day recession in drifting operations while a sudden inflow of water was removed by pumping.

Sampling has indicated a 20-feet section of the west drift at its present face contains an average of 0.40 percent WO_3. The scheelite content has increased from 0.22 percent WO_3 for the section 10 to 20 feet from the face, to 0.61 percent WO_3 for the last 10 feet of the drift. Much of the scheelite occurs as a coating on fine-grained particles. This occurrence accounts for a tendency to over-estimate the grade by visual examination.

cc: W. H. King (orig. & 6)
DMEA-2356
MP

~~WRSlmxxxxxxxx~~
T. M. Romslo:frj

The inspection also showed a portion of the 100-foot level has penetrated soft, wet, and fractured limestone that has commenced to slough. This condition was considered hazardous and the project supervisor was notified on March 9, by letter, to have all bad ground supported by timbers before drifting or cross-cutting is resumed.

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

The project accounts were audited February 21, by Thos. Brading and Jas. Townsend.

Inspection of the project and subject data indicates the following:

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

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

3. The Operator's Narrative Report and map are considered adequate.

T. M. Romslo

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

NIKAS MINING COMPANY
55 W. Congress St.
Tucson, Ariz.

March 10, 1953

Mr. W. R. Storms
Chief, Arizona-New Mexico Branch
Mining Division, Region 4
U. S. Bureau of Mines
University of Arizona
Tucson, Arizona

Re: Docket D.M.E.A. 2356
Contract Idm - E 370

Dear Sir:

During the month of February the west drift on the 100-foot level was advanced 21 feet to a point 60 feet from the shaft station. The east drift on the same level was advanced a distance of 51 feet to a point 120 feet from the shaft station. Bad ground was encountered on the shaft station and in the east drift. Both the station and the east drift must be timbered to prevent caving. Very little advance was made during the first week of the period when a sudden inflow of water flooded the level and it took three days of pumping to remove it.

It appears that the ore zone on the west side of the shaft was entered at about 50 feet from the shaft but no cross-cutting has been done pending the approval or disapproval of an amendment to extend this drift farther into this zone.

To my knowledge all bills against the Company as of March 1 have been paid.

Very truly yours,

H E Krumlauf

H. E. Krumlauf
Consulting Mining Engineer

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 2350 Contract No. Icm-2070
Operator's Name Nikos Mining Co., Minerals Tungsten
Address 56 W. Congress St., Tucson, Arizona.
Contract Amount, $59,200.00 Government Participation: 75 % Amount, $ 44,400.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	$1218.00	$ 5044.00	$ 6262.00	1,198.00		6,242.00
Supervision	500.00	1681.25	2181.25			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		273.95	273.95			
Explosives	121.50	587.25	709.14	65.39		652.64
Pipe		254.42	254.42			
Track		212.97	212.97			
Tools		182.31	182.31			
Miscellaneous	232.78	1114.52	1347.30			
(4) Operating Equipment:						
Rental		990.00	990.00			
Purchase		1659.46	1659.46			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		3525.00	3525.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	12.00	9.00	21.00			
Payroll Taxes	26.77	100.87	126.64	25.43		126.34
Liability Insurance	68.07	224.53	292.60	44.23		278.76
(8) Contingencies (specify):						
				2,077.87	15,870.42	17,948.29
					*-399.09	*-399.09
TOTALS	$2159.61	$15878.32	$18038.93	2,077.87	15,471.33	17,549.20

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

Date Feb. 12, 1953 Payee Nikos Mining Co.

Per N E Krumlauf Title Consultant

*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:

$ 1558.40

Signature [illegible] (Authorized Certifying Officer)

Date 4/3/53 Vou. No. DMA 53-114

(See other side)

* Previous Disallowances

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 370 in accordance with the terms of the contract.

Signature T M Romolo WAH Title Mining Engineer Date March 18, 1953

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

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MES-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 2356 Contract No. Ids-E370
Operator's Name Nikas Mining Co. Minerals Tungsten
Address ~~SS~~ 55 W. Congress St., Tucson, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	ft.	$2168.51	72	$ 4428.01	180	$24.60	360	
Crosscutting	ft.	0	0	0	0	0	120	
Raising								
Shafts	ft.	0	0	8425.87	110	76.60	210	
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$2168.51		$12853.88				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				1659.46				$4100.00
Initial Rehabilitation and Repairs				3525.89				3126.80
New Buildings, Improvements, etc.				3525.80				3126.80
TOTAL COSTS		$2168.51		$18038.93				

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

Date March 12, 1953 Operator Nikas Mining Co.

Per H E Krumlauf Title Consultant

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: A substantial inflow of water was encountered. Three days of pumping were required to pump the water f from the level. The inflow is now greater than before.

(Instructions on reverse)

(For Government use only)

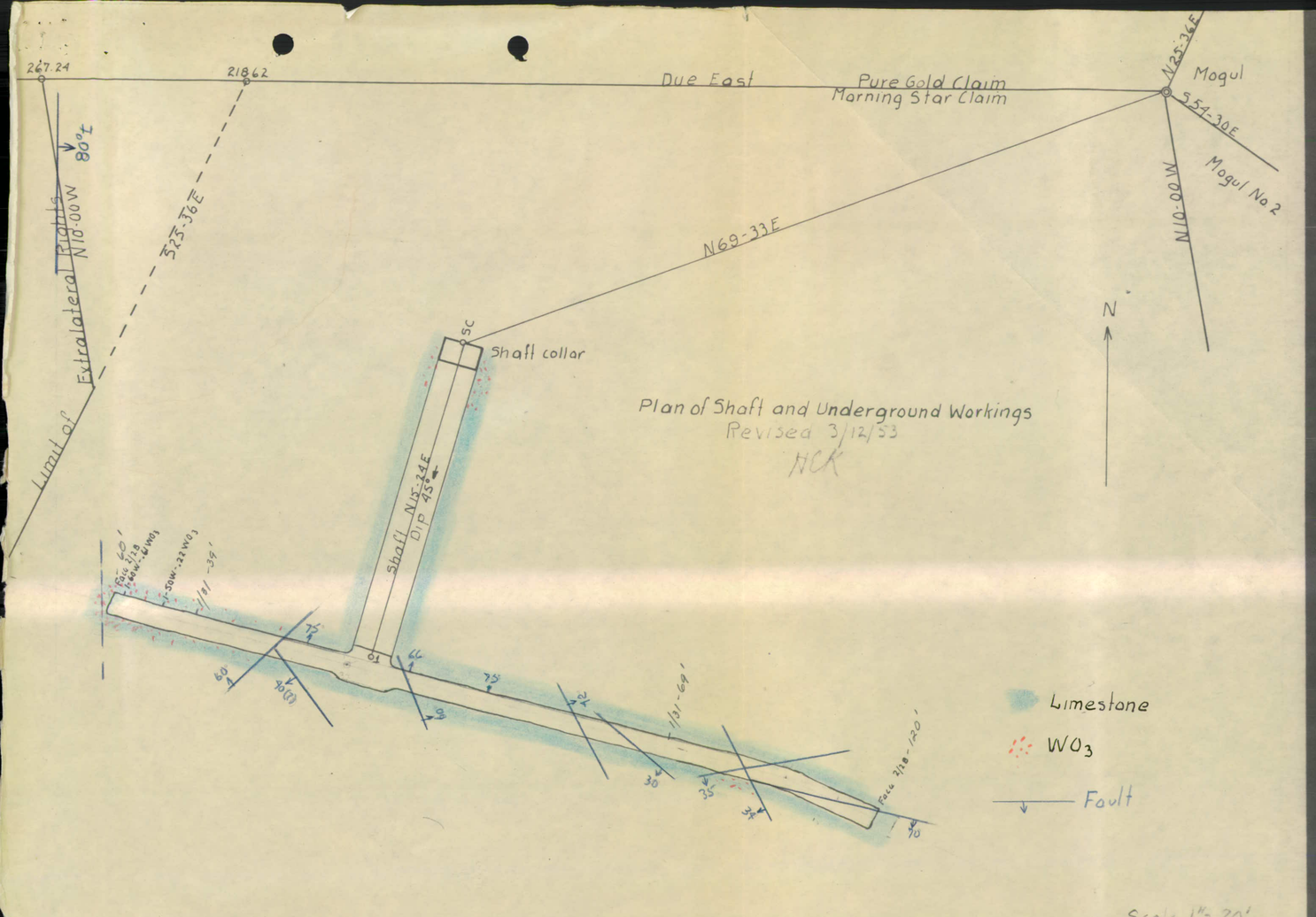
INSTRUCTIONS

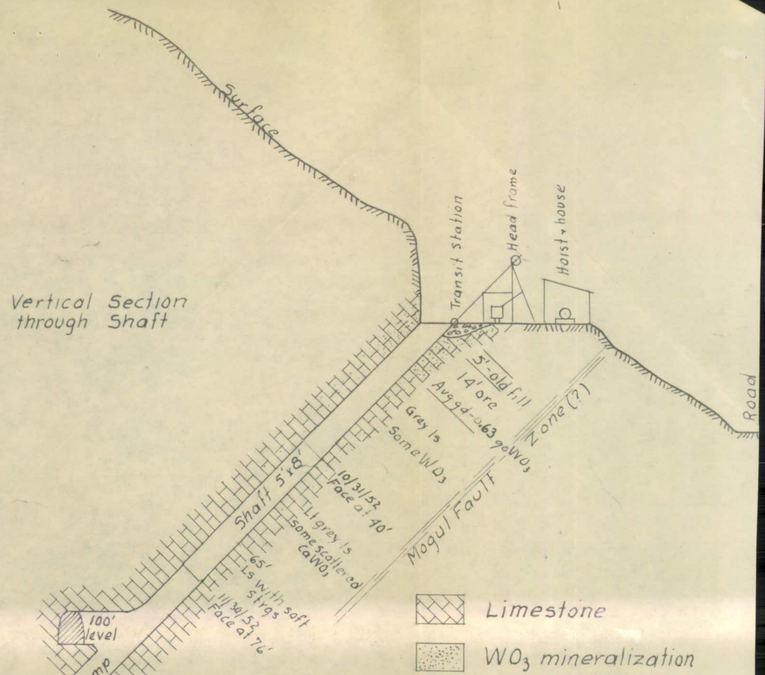
Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better 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





NIKAS MINING CO.
MORNING STAR MINE
Docket DMEA 2356
Contract Idm-E370
Scale: 1" = 20'
Date 11/1/52
HCKrumbach

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

224 New Customhouse
Denver 2, Colorado

March 12, 1953.

WSM

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 16 1953

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMEA Docket 2356, Contract Idm-E370 (Tungsten), Nikas Mining Company's Morning Star Mine, Pinal County, Arizona.

Enclosed are two copies of the Operator's Monthly Progress Report MF-104 and 104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of ~~January 1953~~, pertaining to DMEA Docket 2356, Contract Idm-E370 (Tungsten), Nikas Mining Company's Morning Star Mine, Pinal County, Arizona.

W. H. King

Enclosures

Jan

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

224 New Customhouse
Denver 2, Colorado

March 9, 1953.

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 13 1953

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2356, Contract Idm-E370 (Tungsten), Nikas Mining Company's Morning Star Mine, Pinal County, Arizona. Operator's Monthly Progress Report for the period January, 1953.

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

Work has been completed as authorized by the contract. Documentation has been waived, therefore we recommend that payment be made for 75 percent of the amount as reported by the Operator on Form MF-104 subject to verification of arithmetical accuracy within Form MF-104, and contingent on findings of subsequent on-site audit of the Operator's accounts.

Remarks:

Date of Report	February 12, 1953.
Date Received in Field Office	February 18, 1953.
Date Received in Region Office	March 2, 1953.
Date Processed for Payment	March 6, 1953.

W. H. King
W. K. King

Enclosures

RDB:cwm

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

MINING DIVISION
REGION IV

February 26, 1953

Memorandum

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

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

Subject : : January 1953 Progress Report, Docket DMEA-2356, Contract Idm-4370, Nikas Mining Co's. Morning Star Tungsten Mine, Pinal 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;

(4) Letter stating that all accounts have been paid to January 31.

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)
DMEA-2356
DF

WRStorms:frj

MINING DIVISION
REGION IV

February 20, 1953

MEMORANDUM

TO : W. R. Storms, Chief, Mining Methods Branch, Mining Division, Region IV

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

Subject : Progress Report for January 1953, Nikas Mining Co's. Morning Star Tungsten Mine, Pinal County, Ariz., DMEA Docket 2356, Contract Idm-E370.

The Morning Star Mine was visited on February 3, 1953, accompanied by E. R. Rodriquez, Health and Safety Engineer, U. S. Bureau of Mines, Phoenix, Ariz. The purpose of my visit was to check progress on the project and to determine if the work continues to conform with subject contract. Rodriquez was present for an inspection of safety conditions.

We were accompanied on an inspection of the project by T. Callas, project miner-foreman. My inspection showed that to Feb. 3 the first level had been advanced 114 feet (45 feet west and 69 feet east of the shaft). On Feb. 1, the advance was reportedly 108 feet, of which 39 feet was to the west and 69 feet was to the east of the shaft. My measurements were taken from the center of the grizzly at the shaft and the distances to each face was reduced by 4 feet to account for the shaft width of 8 feet. In addition to the drifting operations, the shaft station was completed.

Drifting has encountered significant amounts of scheelite only in the west drift where the interval of 39 to 45 feet from the shaft contains an estimated 0.5 to 0.75 percent WO_3.

CONTRACT, FORMS 8F-104 and 104-A, AND OPERATOR'S NARRATIVE REPORT

The Operator's report was received at Tucson on Feb. 18. This report was completed Feb. 24 while working with Thos. Brading and Jas. Townsend on an audit of contract Idm-E210, Docket DMA-399X, Abril Mine, Cochise County, Ariz.

CC W. H. King (orig. & 6)
DMEA-2356
DF

TNRomslo:frj

The accounts of this contract were audited Feb. 21. Inspection of the project and subject data indicates the following:

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

2. The supply and service charges are necessary and do not appear to be excessive. They have been accepted as correct pending an audit of accounts;

3. The Operator's Narrative Report with attached map is considered adequate.

T. M. Romalo
Mining Engineer

February 7, 1953

Mr. W. R. Storms
Chief, Arizona-New Mexico Branch
Mining Division, Region 4
U. S. Bureau of Mines
University of Arizona
Tucson, Arizona

Re: Docket D.M.E.A. 2356
Contract Idm - E 370

Dear Sir:

During the month of January the shaft station at the mine was completed, the west drift on the 100-foot level was advanced 39 feet from the shaft station and the east drift face was advanced to 69 feet for a total of 108 of drifting.

No ore has been found but some small bands of scheelite are visible in the face of the west drift. It is expected that the mineralized fissure on the west side of the shaft will be cut at about 60 feet from the shaft station. This distance is greater than originally expected since the foreman sunk the shaft about 12 degrees east of the original survey line.

The members of the company are planning the immediate construction of a 25-ton concentration plant to treat ore from the mine. I have advised against such a project on the basis that there is insufficient ore in sight to warrant the expenditure at this time.

To my knowledge all outstanding bills against the company as of February 1 have been paid.

Yours sincerely,

H E Krumlauf

H. E. Krumlauf
Consulting Mining Engineer

NIKAS MINING COMPANY
55 W. Congress Street
Tucson, Arizona

February 12, 1953

TO WHOM IT MAY CONCERN:

To our knowledge all bills outstanding against the Nikas Mining Company on January 31 have been paid.

J. Zekas

J. Zekas, Secy-Treas.

A. Nikas

A. Nikas, Pres.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 16 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 1953 Docket No. DMEA 8066 Contract No. Ion-E370
Operator's Name Nikas Mining Co. Minerals Tungsten
Address 55 W. Congress St.
Contract Amount, $ 59,200.00 Government Participation: 75 % Amount, $ 44,400.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1602.00	3338.00	5044.00			
Supervision	470.00	1211.25	1681.25			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		273.95	273.95			
Explosives	150.16	437.09	587.25			
Pipe		254.42	254.42			
Track		212.97	212.97			
Tools		182.31	182.31			
Miscellaneous	166.31	948.21	1114.53			
(4) Operating Equipment:						
Rental	247.50	742.50	990.00			
Purchase		1650.46	1650.46			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		3525.00	3525.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		9.00	9.00			
Payroll Taxes	31.99	68.68	100.67			
Liability Insurance	78.00	156.53	234.53			
(8) Contingencies (specify):						
Totals	2800.01	13070.41	15870.42	2800.01	13,070.41	15,870.42
					*-399.09	*-399.09
				2800.01	12,671.32	15,471.33

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

Date Feb. 12, 1953 *Payee Nikas Mining Co.

Per H E Krumlauf Title Consultant

*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:

$2100.00

Signature
(Authorized Certifying Officer)

Date 3/11/53 Vou. No. 53-107

(See other side)

* Previous deductions

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E370 in accordance with the terms of the contract.

Signature T M Romolo Title Mining Engineer Date Feb 27 1953

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

Signature W. D. King Title Executive Officer Date MAR 9 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 16 1953

Month of January 195 3 Docket No. DMEA 2356 Contract No. Idm-E370
Operator's Name Nikas Mining Co. Minerals Tungsten
Address 55 W. Congress St., Tucson, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Ft.	$1933.36	108	$ 2259.50	108	$20.92	360	
Crosscutting	Ft.	0	0	0	0	0	120	
Raising								
Shafts	Ft.	866.65	0	8425.57	110	76.60	210	
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$2800.01		$10685.07				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				1659.46				$4100.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				3525.89				3945.55*
TOTAL COSTS		$2800.01		$15870.42				

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 February 12, 1953 Operator Nikas mining Co.

Per H E Kunnlaus Title Consultant

→ 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: This amount includes $818.75 for supervision as provided for separately in Item 2 of the contract and does not exceed the allowable maximum.

The rock, except where mineralized, is soft and drills and breaks very easily.

(Instructions on reverse)

(For Government use only)

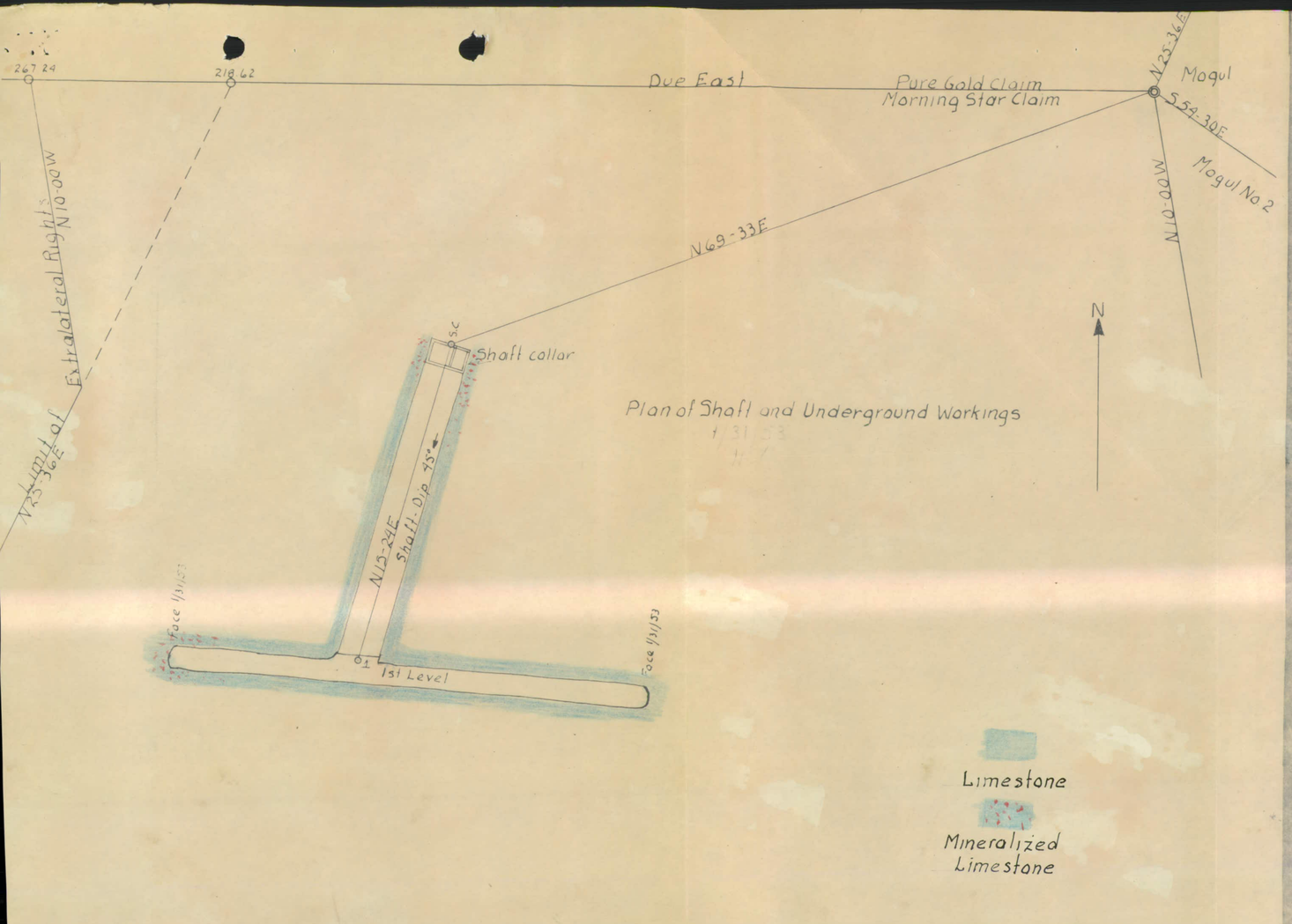
INSTRUCTIONS

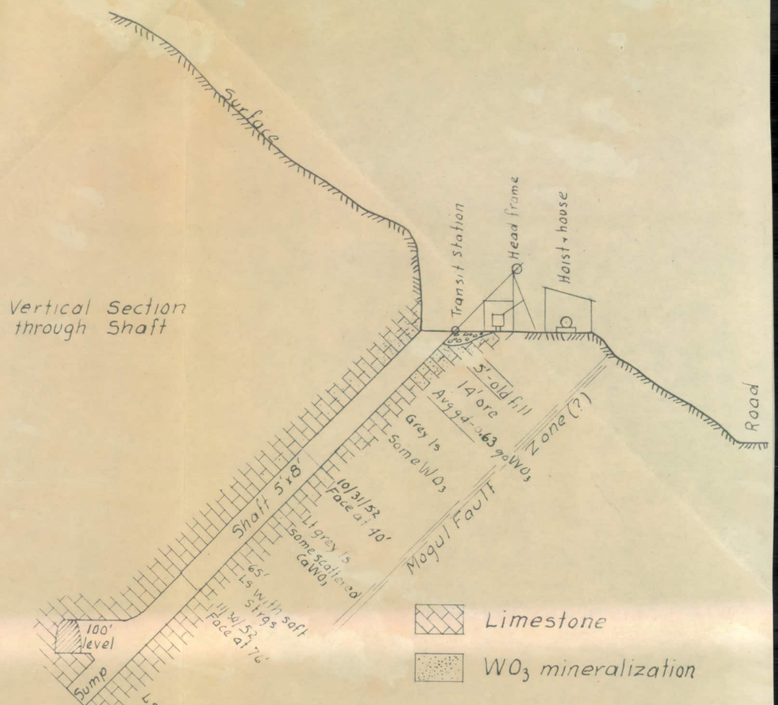
Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better 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





NIKAS MINING CO.
MORNING STAR MINE
Docket DMEA 2356
Contract Idm-E370
Scale: 1" = 20'
Date 11/1/52
H.C. Krumhauf

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

224 New Customhouse
Denver 2, Colorado

February 6, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 12 1953

WEM

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMEA Docket 2356, Contract Idm-E370, (Tungsten) Nikas Mining Co's. Morning Star Tungsten Mine, Pinal 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 December, 1952, pertaining to DMEA Docket 2356, Contract Idm-E370, Nikas Mining Co.

W. H. King

W. H. King

Enclosures

Dec 1952

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

Administrative Audit Difference Statement

Date February 4, 1953
Payee's
Reference: Progress
Report - December 1952

Nikas Mining Co.
55 West Congress St.
Tucson, Arizona

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

Amount Claimed $2,535.45

Difference $ 399.09

Amount Approved $2,136.36

The reason for the difference was due to:

In accordance with paragraph 6 of Exploration Project Contract MF200 the amount of $3,126.80 allowed in Exhibit "A" (6) is the allowable maximum for New Buildings, Improvements and Installations. The total amount of expenditures under Item No. 6 of the Form 104, exceeds the allowable maximum by $399.09 and is therefore disallowed.

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 ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

February 3, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2356, Contract Idm-E370 (Tungsten) Nikas Mining Co's. Morning Star Tungsten Mine, Pinal County, Arizona - Operator's Monthly Progress Report for the period of December, 1952

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

Work has been completed as authorized by the contract. Documentation has been waived, therefore we recommend that payment be made for 75 percent of the amount as reported by the Operator on Form MF-104 subject to verification of arithmetical accuracy within Form MF-104, and contingent on findings of subsequent on-site audit of the Operator's accounts.

Overcharge of $3525.89 - $3126.80 or $399.09, to New Buildings, Improvements, etc. which is stipulated as an Allowable Maximum in the contract. Proper deduction is requested.

Remarks:

Date of Report - January 18, 1953
Date Received in Field Office - January 27, 1953
Date Received in Region Office - January 29, 1953
Date Processed for Payment - January 30, 1953

for John F. Shaw
W. H. King

Enclosures

RDB:oc
cc: Contract
Secretary to the Operating Committee (2)
WRStorms
Chron.

MINING DIVISION
REGION IV

January 23, 1953

Memorandum

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

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

Subject : December 1952 Progress Report, Docket DMEA-2356, Contract Idm-8370, Nikas Mining Co's. Morning Star Tungsten Mine, Pinal 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;
(4) Letter from company certifying that all accounts have been paid.

Also enclosed are two extra copids 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)
DMEA-2356
DF

WRStorms:als

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

3. The $212.50 charge against equipment purchase is for an air-driven mine-water pump that has been listed on attached inventory record. An invoice covering this purchase is attached to the Operator's Narrative Report.

4. The Operator's Narrative Report and attached map is considered adequate. A letter by the Secretary-Treasurer of the Nikas Mining Co., regarding the condition of bills payable, is a part of this report.

T. M. Romslo

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

Tucson, Arizona
2401 E. 6th St.
January 12, 1953

Mr. W. P. Storrs
Chief, Arizona-New Mexico Branch
Mining Division, Region 4
U. S. Bureau of Mines
University of Arizona
Tucson, Arizona

Re: Docket D. . .A. 2356
Contract Idm-3.370

Dear Mr. Storrs:

During the month of December the shaft was sunk to a depth of 110 feet, but was not completed. The track must be straightened, timber must be placed, air and water lines must be laid and ventilation pipe must be extended.

A shaft station was being cut at the 110 feet level at the end of the period.

Drifts will be driven a short distance on both sides of the shaft before the shaft station and skip loading chute can be completed.

No ore was found in the lower part of the shaft.

No additional surface work was done during this period.

Sincerely yours,

H. E. Krumlauf
Consulting Mining Engineer

P. S. A statement by the officers of the company concerning bill due and payable is included in this report.

HEK
H. E. Krumlauf.

NIKAS MINING COMPANY

55 W. Congress

Tucson, Arizona

Mr. W. R. Storms
Chief, Arizona-New Mexico Branch
Mining Division, Region 4
U. S. Bureau of Mines
University of Arizona
Tucson, Arizona

Re: DMEA Docket 2356
Contract Idm E 370

Dear Mr. Storms:

To our knowledge all bills due and payable as of December 31, 1952 have been paid in full.

Yours very truly,

NIKAS MINING COMPANY

By _____
Secretary-Treasurer

_____
President

mg

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
RECEIVED
FEB 12 1953

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December 1952 Docket No. DMEA 2356 Contract No. Idm-E370
Operator's Name Nikas Mining Co., Minerals Tungsten
Address 55 W. Congress St., Tucson, Arizona.
Contract Amount, $ 59,200 Government Participation: 75 % Amount, $ 44,400

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	$1217.00	$ 2165.00	$ 3382.00			
Supervision	500.00	711.25	1211.25			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	21.62	252.33	273.95			
Explosives		437.09	437.09			
Pipe		254.42	254.42			
Track	123.89	89.08	212.97			
Tools	13.97	168.34	182.31			
Misc.	98.97	849.24	948.21			
(4) Operating Equipment:						
Rental	247.50	495.00	742.50			
Purchase	212.50	1446.96	1659.46			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		3525.89	3525.89	399.09	[illegible]	3,126.80
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	9.00		9.00			
Payroll Taxes	25.75	43.14	68.89			
Liability Insurance	65.25	97.22	162.47			
(8) Contingencies (specify):						
TOTALS	$2535.45	$10534.96	$13070.41	2136.36	10,534.96	12,671.32

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

Date Jan. 18, 1953 *Payee Nikas Mining Co.

Per H. E. Krumlauf Title Consultant

*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:

$ 1602.27

Signature [illegible]
(Authorized Certifying Officer)

Date 2/5/53 Vou. No. DMA 53-94

(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-E370 in accordance with the terms of the contract.

Signature D. M. Romolo WRH Title Mining Engineer Date Jan. 20, 1953

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

Signature [illegible] Title Executive Officer Date FEB 3 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 12 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1952 Docket No. DMEA 2356 Contract No. Idm-~~E3~~ E370
Operator's Name Nikas Mining Co. Minerals Tungsten
Address 55 W. Congress St., Tucson, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	ft.	$137.86	0	$ 326.14	0		360	
Crosscutting	ft	0	0	0	0		120	
Raising								
Shafts	ft.	2185.09	34	7558.92	110	$68.71	210	
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$2322.95		$ 7885.06				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		212.50		1659.46				$4100.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				3525.89 **				3126.80*
TOTAL COSTS		$2535.45		$13070.41				

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

Date Jan.18,1953 Operator Nikas Mining Co.

Per H.E.Krumlauf Title Consultant

H E Krumlauf

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: * Estimated cost without supervision

** This amount includes $818.75 for supervision leaving a balance of $2707.14 for this item. This balance is $419.66 under the contract estimate.

(Instructions on reverse)

(For Government use only)

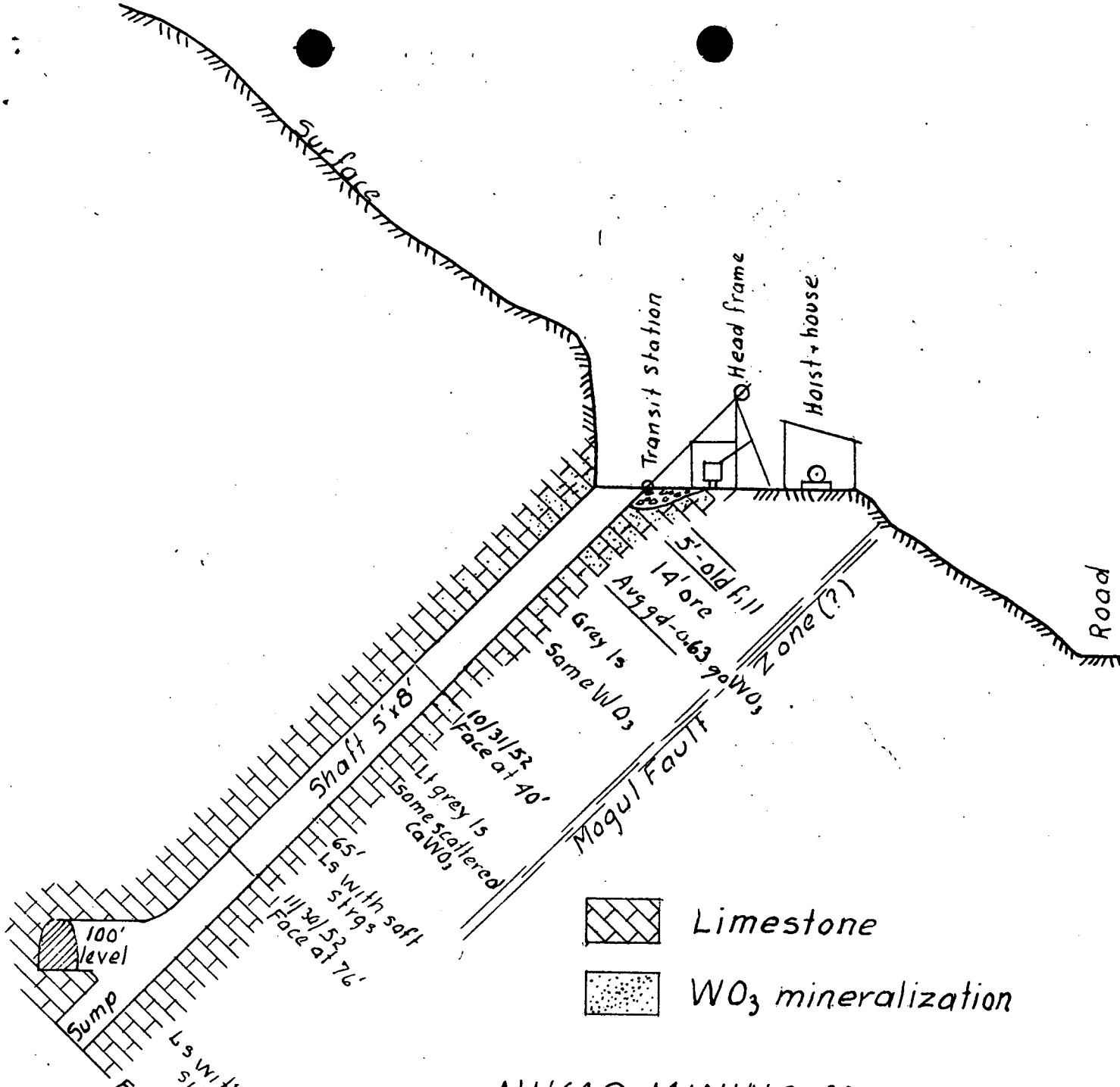
INSTRUCTIONS

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



NIKAS MINING CO.
MORNING STAR MINE
Docket DMEA 2356
Contract Idm-E370
Scale: 1" = 20'
Date: 11/1/52
HCKrumlauf

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

WSM

224 New Customhouse
Denver 2, Colorado

January 9, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 1 6 1953

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMEA Docket 2356, Contract Idm-E370 (Tungsten)
Nikas Mining Co's. Morning Star Mine, Pinal County, Arizona

Enclosed are two copies of the Operator's Monthly Progress Report Form MF-104, and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the period of November, 1952, pertaining to DMEA Docket 2356, Contract Idm-E370, Nikas Mining Co's. Morning Star Mine, Pinal County, Arizona

W. H. King
W. H. King

Enclosures

53-77

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

New Customhouse
Denver 2, Colorado

January 2, 1953

Memorandum

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

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2356, Contract Idm-E370 (Tungsten) Nikas Mining Co's. Morning Star Mine, Pinal County, Arizona
Operator's Monthly Progress Report for the period of November, 1952.

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

Work has been completed as authorized by the contract. Documentation has been waived, therefore we recommend that payment be made for 75 percent of the amount as reported by the Operator on Form MF-104 subject to verification of arithmetical accuracy within Form MF-104, and contingent on findings of subsequent on-site audit of the Operator's accounts.

Remarks

Date of Report - December 16, 1952
Date Received in Arizona-New Mexico Branch Office - ?
Date Received in Region IV Office - December 29, 1952
Date processed for payment - January 2, 1953

W. H. King
W. H. King

Enclosures

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1953

MINING DIVISION
REGION IV

December 24, 1952

Memorandum

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

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

Subject : November 1952 Progress Report, Docket DMEA-2356, Contract Idm-E370, Nikas Mining Co's. Morning Star Tungsten Mine, Pinal County, Ariz.

Enclosed in quintuplicate are:

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

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

Documentation was waived for this contract on October 1.

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)
DMEA-2356
DF

WRStorms:frj

MINING DIVISION
REGION IV

December 18, 1952

Memorandum

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

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

Subject : Progress Report for November 1952, Nikas Mining Co's. Morning Star Tungsten Mine, Pinal County, Ariz.; Docket DMEA-2356, Contract Idm-E370.

The subject property was visited on December 9, 1952 to check the progress of the exploratory project and to determine if the work was being carried out in accordance with the contract.

The inspection showed that on December 9 the inclined shaft was 88 feet deep and was reported to have reached a depth of 76 feet on November 31. As the shaft was 40 feet deep on October 31, the advance for November was 36 feet.

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

The following is based on the inspection of the project and the subject data:

1. The work performed, for which claim is made, is in accordance with the contract and is as reported on Form MF-104A. Although the cross section of the shaft at the time of the former inspection was considerably larger than necessary, it now has been reduced to the proper size.

2. The supply and service charges are necessary and do not appear excessive. They have been accepted as correct pending an on-site audit. Documentation was waived October 1, 1952.

3. The Operator's Narrative Report and attached map is considered adequate.

T M Romslo

T. M. ROMSLO

CC W. H. King (Orig. & 6)
DMEA-2356
DF

TMMRomslo:frj

NIEMS MINING COMPANY
55 W. Congress St.
Tucson, Arizona
Tucson, Arizona

December 16, 1952

Mr. W. R. Storms
Chief, Arizona-New Mexico Branch
Mining Division, Region 4
U. S. Bureau of Mines
University of Arizona
Tucson, Arizona

Re: Docket [illegible].A. 2356
Contract Idm.- E 370

Dear Sir:

During the period from November 1 to November 30 the mine was operated mostly on a one-shift basis. The reason for this one-shift operation was that the owner-foreman, T. Callas, would not permit the mine to be operated on a two-shift basis. During this period the shaft was sunk an additional 36 feet to a total depth along the incline of 76 feet.

Some softer ground was encountered at 65 feet but no timber was used. In fact, no timbering has been done in the shaft below 20 feet and when a depth of 110 feet, Stage 1 of the contract has been reached it will be necessary to set sills between the skip and manway compartments, reset sills and surveyed ten the track.

No ore has been found in the shaft below the 19 feet point but there is some scattered MnO_2.

No additional surface work was done during this period.

Most of the above information was furnished by the mine supervisor, Mr. J. J. Strutzel.

Sincerely yours,

H C Kumlaw

H. C. Kumlaw
Consulting Mining Engineer

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1953
1/14/53

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1952 Docket No. DMEA 2356 Contract No. Idm-2370
Operator's Name Nikas Mining Co. Minerals Tungsten
Address 55 W. Congress St., Tucson, Arizona.
Contract Amount, $ 59,200.00 Government Participation: 75% Amount, $ 44,400.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	$1124.00	$1041.00	$ 2165.00			
Supervision	500.00	211.25	711.25			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		252.33	252.33			
Explosives	116.12	320.97	437.09			
Pipe	56.05	198.37	254.42			
Track		89.08	89.08			
Tools		169.34	169.34			
Miscellaneous	260.65	588.59	849.24			
(4) Operating Equipment:						
Rental	247.50	247.50	495.00			
Purchase	25.00	1421.96	1446.96			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	24.75	3501.14	3525.89			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	24.36	18.78	43.14			
Liability Insurance	54.86	42.36	97.22			
(8) Contingencies (specify):						
TOTALS	$2433.32	$8101.64	$10534.96	2433.32	8,101.64	10,534.96

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

Date Dec. 16, 1952 *Payee Nikas Mining Co.

Per H. C. Kurnlauf Title Gen'l Mgr.

*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:

$ 1824.99

Signature [illegible] (Authorized Certifying Officer)

Date 1-6-53 Vou. No. 53-77

(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-E370 in accordance with the terms of the contract.

Signature M Tomalo WMT Title Mining Engineer Date Dec 24 1952

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

Signature W. H. King Title Executive Officer Date 1/2/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 1952 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Mining Co.
Address [illegible] Congress St., Tucson, Arizona
Minerals [illegible]

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	ft.	0	0	0 [illegible]	0		[illegible]	
Crosscutting	ft.	0	0	0.00	0		120	
Raising								
Shafts	ft.	[illegible].67	[illegible]	5373.83	76	$70.71	210	
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		[illegible]		$5562.11				Total Costs Authorized by Contract
Operating Equipment Purchased		[illegible]		[illegible]				[illegible]
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		[illegible]		3525.89				[illegible]
Total Costs		[illegible]		$10534.96				[illegible]

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

Date [illegible] Operator [illegible] Mining Co.

Per N. E. Krumlauf Title Gen'l Mgr.
N. E. Krumlauf

Remarks: Includes $[illegible] for supervision.

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)

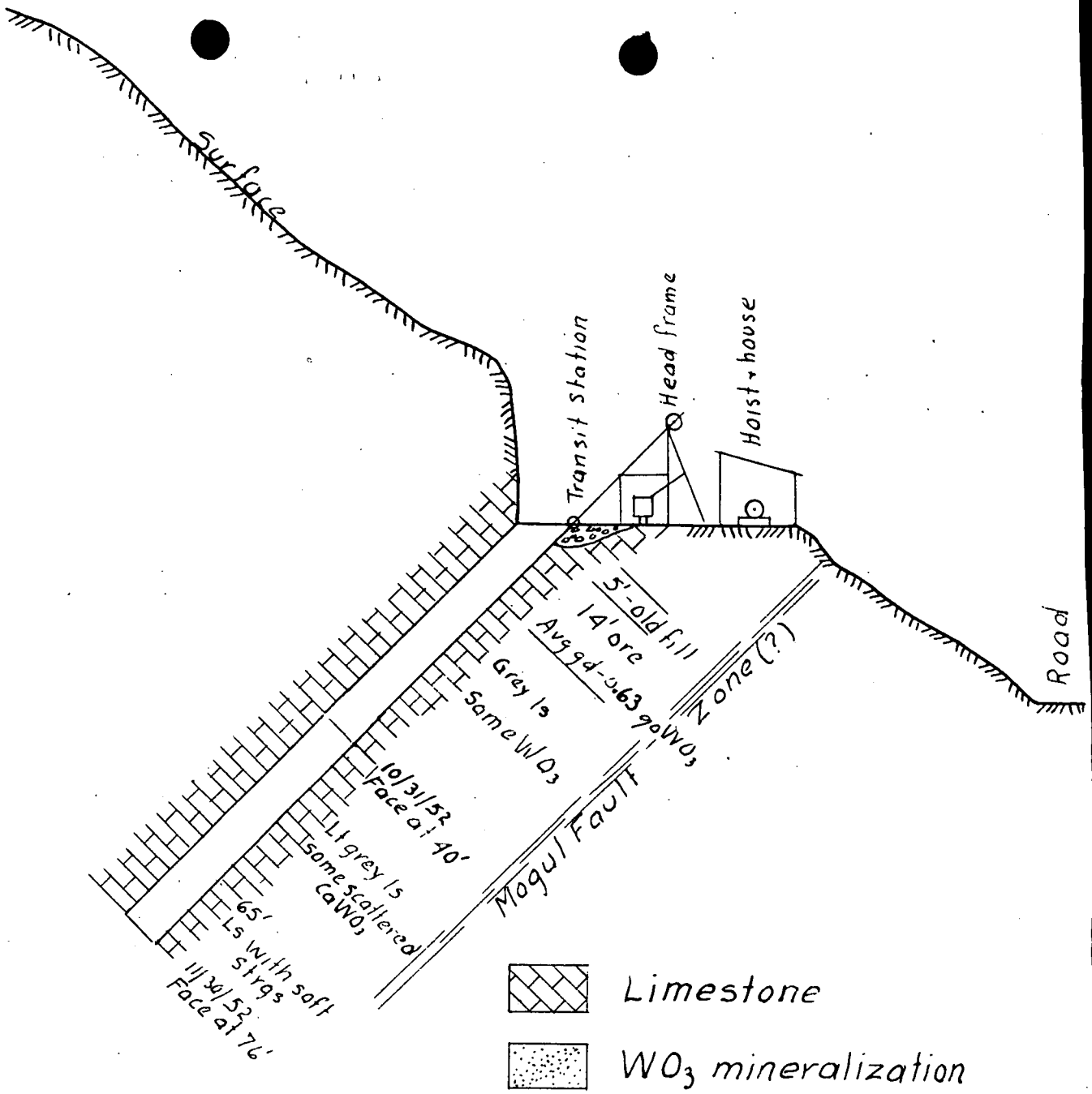
INSTRUCTIONS

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



NIKAS MINING CO.
MORNING STAR MINE
Docket DMEA 2356
Contract Idm-E370
Scale: 1" = 20'
Date 11/1/52
H C Krumlauf

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

224 New Customhouse
Denver 2, Colorado

December 17, 1952

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMEA Docket 2356, Contract Idm-E370 (Tungsten)
Nikas Mining Co's. Morning Star Mine, Pinal 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 October, 1952, pertaining to DMEA Docket 2356, Contract Idm-E370, Nikas Mining Co.

John F. Shaw

John F. Shaw for
W. N. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

December 11, 1952

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2356, Contract Idm-K370 (Tungsten) Nikas Mining Co's. Morning Star Mine, Pinal County, Arizona - Operator's Monthly Progress Report for the period of October, 1952

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

Work has been accomplished as authorized in the contract and payment is recommended for 75 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

A letter waiving documentation for this contract is being prepared effective October 1, 1952.

W. H. King

W. H. King

Enclosures
RDB:oc

cc: Contract
Secretary to the Operating Committee (2)
WRStorms
Chron.
AHKoschmann (2)

MINING DIVISION
REGION IV

December 2, 1952

Memorandum

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

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : October 1952 Progress Report Docket DMEA-2356, Contract Idm-E370, Nikas Mining Co's. Morning Star Tungsten Mine, Pinal County, Ariz.

Enclosed in quintuplicate are the following items for the above progress report:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with 2 maps;

(3) Form MF-104 and 104A with documentation.

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

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

Walter R. Storms

Walter R. Storms

CC W. H. King(6)
DMEA-2356
DF

WRStorms:frj

MINING DIVISION
REGION IV

November 28, 1952

Memorandum

To : W. R. Storms, Chief, Arizona-New Mexico Branch, Mining Division, Region IV, Tucson, Ariz.

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

Subject : Progress report for October 1952, Nikas Mining Company, Morning Star Mine, Pinal County, Ariz., DMEA Docket 2356, Contract Idm-E370.

The Morning Star mine was visited Nov. 10, 1952 to check progress on the project and to determine if the work continued in conformance with subject contract. An inspection of the project showed that the following work was accomplished during October 1952.

The hoist and compressor, transported from Phoenix, were installed. A hoist house was erected and a chute and sheave wheel were erected on the headframe. Water and air lines were installed. A collar-set was laid and braced. The shaft, reportedly at 40 feet on October 31, had been sunk to an inclined depth of 50 feet. In addition to the above, the mine yard was extended to provide for ore storage at no cost to the Government.

Progress for the period is shown on maps attached to the Operators Narrative Report.

The Operator's Narrative Report with maps, MF-104 forms, and documentary support for charges were submitted Nov. 28. They were returned to the operator the same day for corrections and were resubmitted Dec. 1. An inspection of the corrected data and of the project indicates the following:

1. Work performed, for which claim is made, is in accordance with the contract and is as reported on MF-104, with the following exception: The shaft is being sunk with a cross section of about 8 by 10 feet instead of the specified 5-by 8-foot clearance. This was called to the supervisor's attention. He had noted the over-breakage and had instructed the shaftmen to cut down the size in the future. It will be noted that unit costs are reasonable in spite of the unnecessary expense due to over-breakage.

CC W. N. King (orig. & 6)
DMEA-2356
DF

TMRomslo:frj

This is due to the following factors: (1) First few feet of shaft was in old fill; (2) slightly higher rate of advance than expected; (3) the rock stands well and little timbering has been done; and (4) rate of pay for shaft labor is lower than allowed by contract.

2. The supply and service charges were necessary and do not appear to be excessive. Notes on charges of certain items follow.

Item 4. Charges of operating equipment include the following allowables:

Rentals - hoist and compressor:

Purchases - Ventilation fan and minor auxiliary hoist equipment items. Attention is called to the Operators Report regarding a new jackhammer that was used during October. He has explained why the jackhammer has not been purchased and that it is being rented at no cost to the Government or project.

Item 6. The disallowed $9.17 for insurance in September has been deducted.

Item 7. Workman's Compensation Tax of 3.38 percent will be changed to normal rate of about 10 percent during this quarterly period. Unemployment tax has not been charged. According to the operator this tax is not accessible until employees have worked 20 weeks.

It will be noted that Payroll Taxes and Liability Insurance for the project's first period have been transferred to Item 6.

3. Documentary support for all charges have been furnished by the operator.

4. The Operator's Narrative Report is considered adequate.

T. M. Romslo

T. M. Romslo, Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

NIKAS MINING COMPANY
55 W. Congress St.
Tucson, Arizona

November 15, 1952

Mr. W. R. Storms
Chief, Arizona-New Mexico Branch
Mining Division, Region 4
U. S. Bureau of Mines
University of Arizona
Tucson, Arizona

Re: DMEA Docket 2356
Contract I m-E 370

Dear Mr. Storms:

From October 1 to October 15, inclusive, work on the surface plant at the Morning Star Mine was completed except for a few small jobs that will be done when needed. During this period the following was accomplished:

1. Water lines were laid from a nearby spring to the water tank and from the water tank to the mine. See attached map.

2. A chute was built on the head frame and the sheave wheel was installed.

3. The collar-set for the shaft was laid and braced.

4. The foundation for the hoist was prepared and poured.

5. A hoist and compressor were transported from Phoenix, Arizona, to the mine site.

6. The hoist was installed.

7. An air line was laid from the compressor to the shaft collar.

8. A hoist house was built over the hoist. (See attached map).

9. The mine yard was extended with a bulldozer to provide an ore storage yard. This work was not charged to the contract (see attached map).

On October 16 shaft sinking began and a two-shift operation was started October 20. By October 31 the shaft was down a distance of 40 feet. The first five feet of the footwall of the shaft was in old fill where a pocket of ore had been removed by earlier mining operations.

More water was encountered in the shaft than was expected and a sinking pump was obtained to handle it.

From 5 feet to 19 feet the shaft was in ore containing an average of 0.63 WO_3 (see the attached map of the shaft section). The balance of the shaft is in low grade material.

A new sinker-type drill and air leg was rented from the Western Machinery Company for $56.50 per month. This equipment will be purchased if funds are made available for the second stage of this work and will be charged to the contract at that time. In the meantime this equipment will be rented and the rent will not be charged to the contract.

Sincerely yours,

H E Krumlauf

H. E. Krumlauf
General Manager

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 49-R1036.3.
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2[illegible] 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1952 Docket No. DMEA2356 Contract No. Idm-E370
Operator's Name Nikas Mining Co. Minerals Tungsten
Address 55 W. Congress St., Tucson, Arizona.
Contract Amount, $59,200 Government Participation 75 % Amount, $44,400

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	$1041.00		$1041.00			
Supervision	211.25		211.25			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	190.24	$ 62.09	252.33			
Explosives	320.97		320.97			
Pipe	126.46	71.91	198.37			
Track	15.18	73.90	89.08			
Tools	5.36	162.98	168.34			
Miscellaneous	562.49	26.10	588.59			
(4) Operating Equipment:						
Rental	247.50		247.50			
Purchase	271.51	1150.45	1421.96			
Depreciation			Cotton	$3,126.80		
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	1132.54	2368.60	3501.14			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	18.78		18.78			
Liability Insurance	42.33		42.33			
(8) Contingencies (specify):						
TOTALS	$4185.61	$3916.03	$8101.64	4185.61	3916.03	8101.64

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

Date Nov. 15, 1952 *Payee Nikas Mining Co.

Per H C Krumlay Title Gen'l Mgr.

*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:

$3139.21

Signature [illegible]
(Authorized Certifying Officer)

Date 12/15/52 Vou. No. 53-71

(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. 4 dmr-E 376 in accordance with the terms of the contract.

Signature T M Pomeroy WBB Title Mining Engineer Date Dec. 1, 1952

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

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1952 Docket No. DMEA 2356 Contract No. Icp-[illegible]370
Operator's Name Ilkas Mining Co. Minerals Tungsten
Address 55 W. Congress St., Tucson, Arizona.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting		$ 100.28	0	$ 100.28	0	0	360'	
Crosscutting		0	0	0	0	0	120'	
Raising								
Shafts		2593.28	40'	2990.26	40'	$ 74.75	210'	
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$2781.56		$3170.54				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		271.51		1421.96				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		1132.54		3501.14				
TOTAL COSTS		$4185.61		$8101.64				

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: Some water was encountered in the shaft

Date Nov. 15, 1952 Operator Ilkas Mining Co.

Per H E Krumlauf Title Genl Mgr.
H.E. Krumlauf

→ 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)

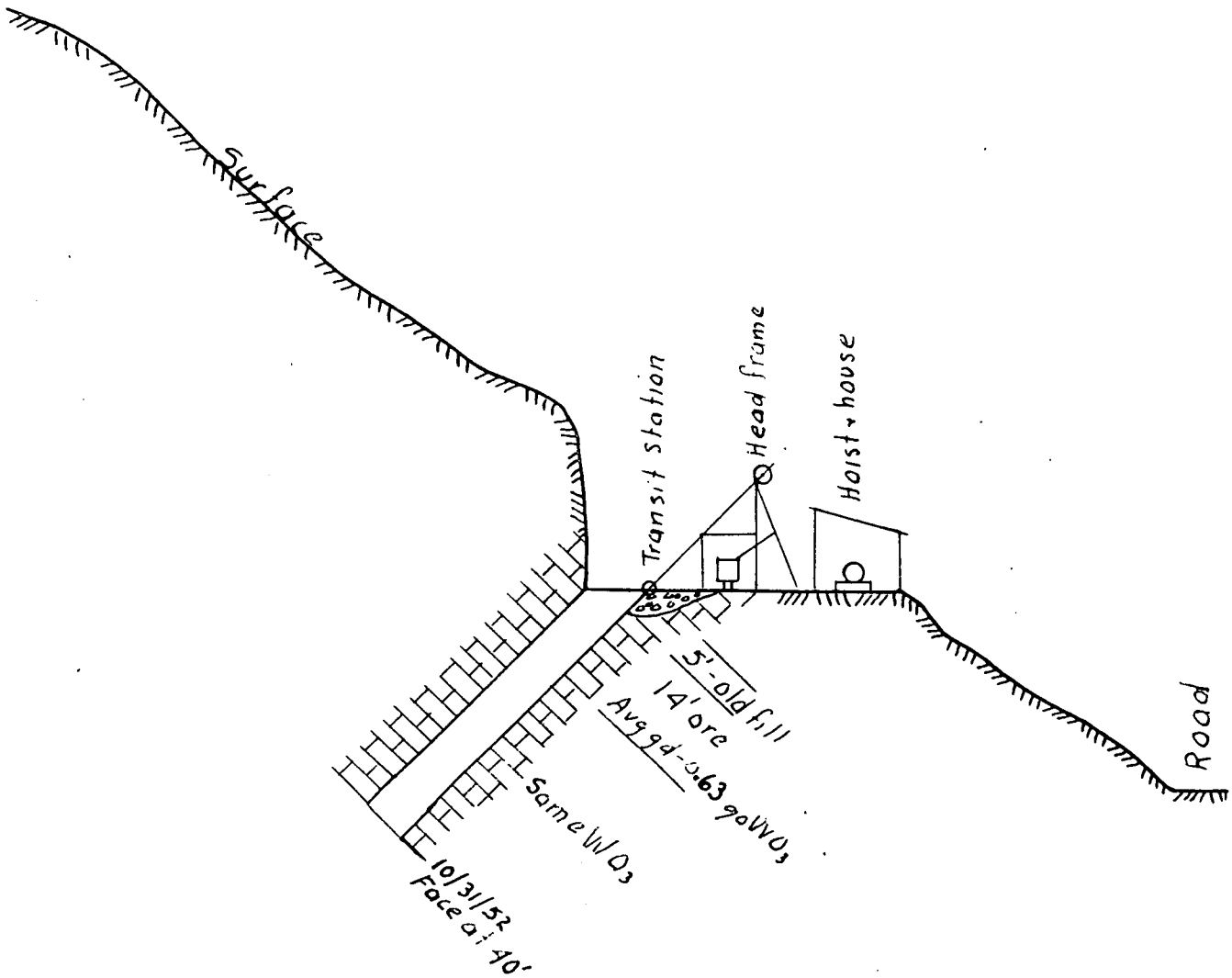
INSTRUCTIONS

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.

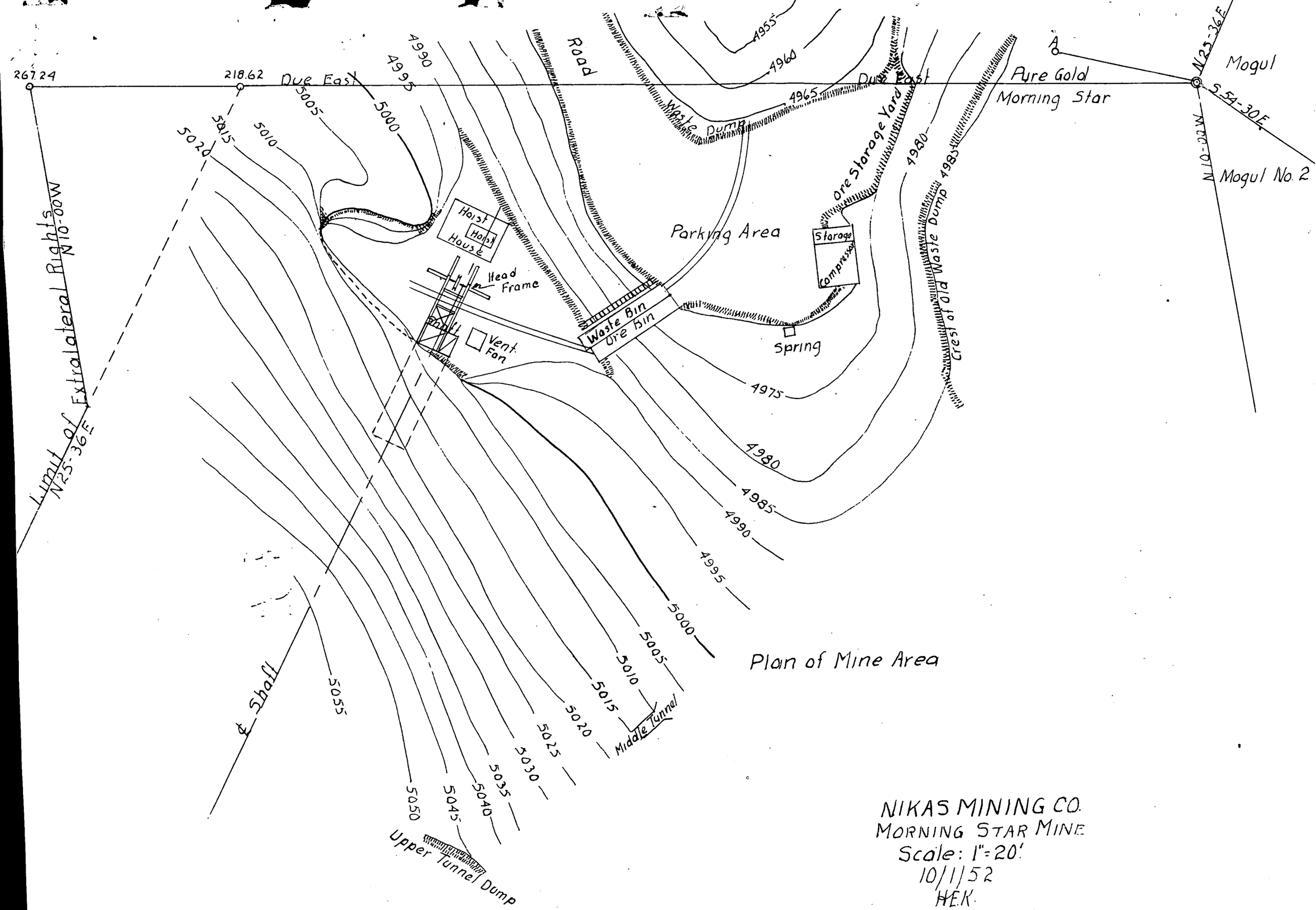
GPO 83-38475



Limestone

WO_3 mineralization

NIKAS MINING CO.
MORNING STAR MINE
Docket DMEA 2356
Contract Idm-E370
Scale: 1" = 20'
Date 11/1/52
H C Krumlauf



Plan of Mine Area

NIKAS MINING CO.
MORNING STAR MINE
Scale: 1" = 20'
10/1/52
H.E.K.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
NOV 5 1952

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

New Customhouse
Denver 2, Colorado

October 30, 1952

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMEA Docket 2396, Contract Idm-E370, (Tungsten) Nikas Mining Company, Pinal County, Arizona

Enclosed are two copies of the Operator's Monthly Progress Report MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the period from August 27, 1952 through September 30, 1952 pertaining to DMEA Docket 2396, Contract Idm-E370, Nikas Mining Company.

W. H. King
W. H. King

Enclosures

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

Administrative Audit Difference Statement

Date: October 22, 1952
Payee's
Reference: Progress
Report - September 1952

Nikas Mining Co.
55 West Congress St.
Tucson, Arizona

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

Amount Claimed $3,925.20

Difference $ 9.17

Amount Approved $3,916.03

The reason for the difference was due to:

Disallowed amount for insurance on truck, pending clarification of requirement by state of Arizona.

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
4-1-52 D

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

October 21, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMEA Docket 2356, Contract Idm-E370 (Tungsten) Nikas Mining Company, Pinal County, Arizona - Operator's Monthly Progress Report for the period from August 27, 1952 through September 30, 1952

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

Work has been accomplished as authorized in the contract and payment is recommended as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and mathematical accuracy of computations, except for the following deduction:

Insurance on truck Deducted pending clarification as to whether or not such insurance is required by Arizona State Law.	$9.17

Remarks - The discrepancy between recording under item (6) MF-104 and comparable breakdown of MF-104A will be corrected on the next report.

W. H. King
W. H. King

Enclosures

JWT:oc

cc: Contract
Secretary to the Operating Committee (2)
WRStorms
Chron.
AHKoschmann (2)

MINING DIVISION
REGION IV

October 17, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Dr., Mining Div., Region IV

Subject : August-September 1952, Progress Report, Docket DMEA-2356, Contract Idm-E370, Nikas Mining Co's. Morning Star Tungsten Mine, Pinal County, Ariz.

Enclosed in quintuplicate are the following items for the above progress report:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report;

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

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

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

Walter R. Storms

Walter R. Storms, Chief
Arizona-New Mexico Branch
Mining Division, Region IV

CC W. H. King (6)
DMEA-2356
DF

WRStorms:frj

MINING DIVISION
REGION IV

October 17, 1952

Memorandum

To : W. R. Storms, Chief, Arizona-New Mexico Branch, Mining Division, Region IV, Tucson, Ariz.

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

Subject : Progress Report for August 27 to September 30, 1952, inclusive, Nikas Mining Company, Morning Star Mine, Pinal County, Ariz., DMEA Docket 2356, Contract Idm-E370.

The Morning Star Mine was visited October 2, 1952 to check progress on the project and to determine if the work is being carried out in accordance with subject contract. Work was started August 27 and to the end of September the following had been accomplished:

1. A site for a compressor and storage shed, and a mine yard for head-frame and hoist were leveled.

2. A compressor and storage shed and a head-frame were erected.

3. Equipment and supplies were hauled to the property.

4. A temporary disposal track and dump was built to handle waste from the leveling of the mine yard.

5. A water tank was installed on the hill above the shaft.

6. The area was surveyed and mapped.

The Operator's Narrative Report with map, MF-104 forms and documentary support for charges were submitted October 16.

The inspection of the project and the operator's reports indicate the following:

1. Work performed, for which claim is made, is in accordance with the contract and is as reported on MF-104.

CC W. H. King (orig. & 6)
DMEA-2356
DF

TMRomslo:frj

2. The supply and service charges were necessary and do not appear to be excessive, with the exception noted below under item 6. An explanation of certain charges, for record purpose, follows:

Item 3. The materials and supplies were purchased for the exploratory work and have been charged to shaft sinking on MF-104. Included in tools is a mineral-light, cost $36.92, which the writer feels is a legitimate charge because it will be needed for sampling operations.

Item 4. - Purchase of truck, skip, and mine car are provided for in contract.

Item 6. The charge of $9.17 for insurance on the truck (see distribution sheet and attached invoice) should be $5.67. This reduction of $3.50 represents the prorated premium for collision that is not an allowable cost.

A bookkeeping error caused the charge for supervision to be less than the allowable amount, based on hours worked. The supervisor has waived claim for the balance as shown by his statement on sheet 5 of the payroll.

Item 7. Payroll taxes do not include unemployment tax that will be due and payable at a later date.

The industrial insurance rates of the Payroll Report to the Industrial Commission of Arizona are applicable for a short period during commencement of operations. Normal rates, around 10 percent, will probably be effective, starting with the 4th quarter of 1952.

3. Documentary support for all charges have been furnished by the operator.

4. The Operator's Narrative Report is considered adequate.

T. M. Romslo

T. M. Romslo, Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

NIRAM MINE COMPANY
55 W. Congress St.
Tucson, Arizona

October 13, 1952

Mr. H. . Storms
Chief, Arizona-New Mexico Branch
Mining Division, Region 4
U. S. Bureau of Mines
University of Arizona
Tucson, Arizona

Re: DMA Docket 2356
Contract Idm-F 370

Dear Mr. Storms:

Work was started at the Morning Star mine under the terms of the above contract on August 27 and during the ensuing period to October 1 the following has been accomplished:

1. A site was leveled for a compressor and storage shed. See attached m...

2. Compressor and storage shed was built.

3. The mine yard was leveled to provide room for a head frame and hoist. See attached map.

4. The head frame has been erected and is about ready for hoisting.

5. Mine cars, skip, rails, mine timbers, building supplies have been purchased and hauled to the mine location.

6. A temporary waste disposal track and dump was built to handle the waste from the mine yard.

7. The area was surveyed and mapped.

8. A water tank was moved to the property and was installed on the hill above the shaft. See attached map.

Invoices for all equipment and supplies obtained to date are included with this narrative report and all have been paid.

A statement for all labor and supervision employed to date is included and all has been paid.

Payment for unemployment compensation will be due and payable at a later date.

Concerning form MF 104A the amount charged under shafts represents timber, track, pipe, etc., that have been purchased for this work.

The only difficulties encountered to date are those inherent in the building of a mine surface plant on a steep mountain side.

Sincerely yours,

H E Krumlauf

H. E. Krumlauf
General Manager

Form 29F-104 (Rev.)
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Budget Bureau No. 42-R1036.3.
Defense Minerals Exploration Administration
Approval expires 6-30-53.
RECEIVED
NOV 8 1952
11/10/52

Month of Aug.-Sept., 1952 Docket No. DMEA 2356 Contract No. Idm-E307
Operator's Name Nikas Mining Co. Minerals Tungsten
Address 55 W. Congress St., Tucson, Arizona.
Contract Amount, $59,200 Government Participation: 75 % Amount, $44,400

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	$ 62.09		$ 62.09			
Explosives						
Pipe	71.91		71.91			
Track	73.90		73.90			
Tools	162.98		162.98			
Miscellaneous	26.10	370.88				
(4) Operating Equipment:						
Rental						
Purchase	1150.45		1150.45			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	2295.61	check contract	2295.61	2,286.44		2,286.44
(7) Miscellaneous:	3126.80 allowed in contract					
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	25.24		25.24			
Liability Insurance	56.92	2377.77	56.92			
(8) Contingencies (specify):						
TOTALS	$3925.20	3899.10	$3925.20	3,916.03		3,916.03

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

Date Oct. 14, 1952 *Payee Nikas Mining Co.

Per H E Krumlauf Title General Manager

*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:

$2937.02

Signature [illegible]
(Authorized Certifying Officer)

Date 10/22/52 Vou. No. DMA 53-52

(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-E370 in accordance with the terms of the contract.

Signature D. Romolo WRS Title Mining Engineer Date Oct 17, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form ME-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Aug.-Sept. 1952 Docket No. DMEA 2356 Contract No. Idm-E370
Operator's Name Nikas Mining Co. Minerals Tungsten
Address 55 W. Congress St., Tucson, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts		$396.98	0	$ 396.98	0			
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		1150.45		1150.45				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		2377.77		2377.77				
TOTAL COSTS		$3926.20		$3926.20				

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

Date Oct. 14, 1952 Operator Nikas Mining Co.

Per N E Kumlauf Title Genl Mgr.

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: The only difficulties encountered were those inherent in the boilding of a surface plant on a relatively steep mountain side.

(Instructions on reverse)

(For Government use only)

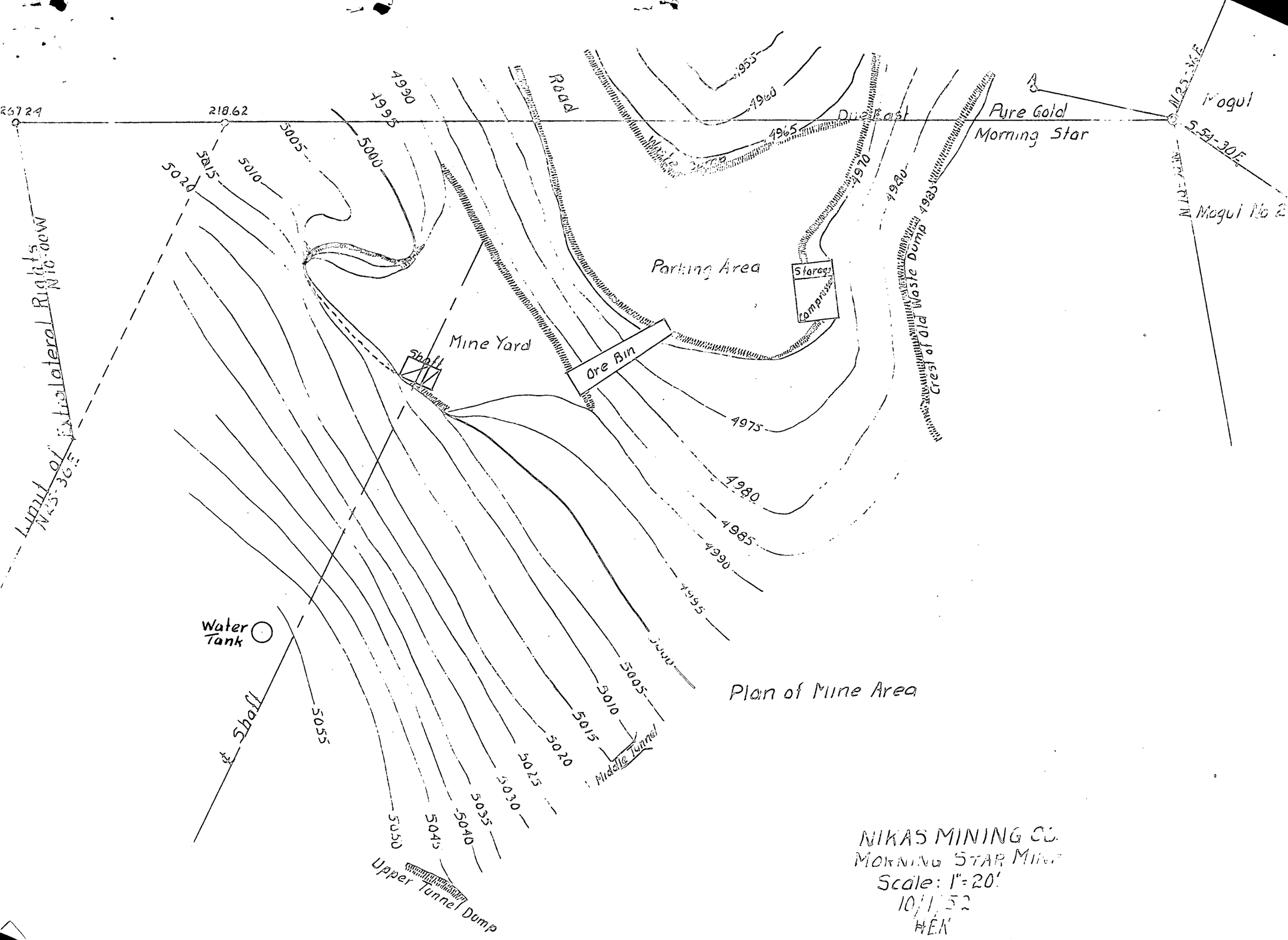
INSTRUCTIONS

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".

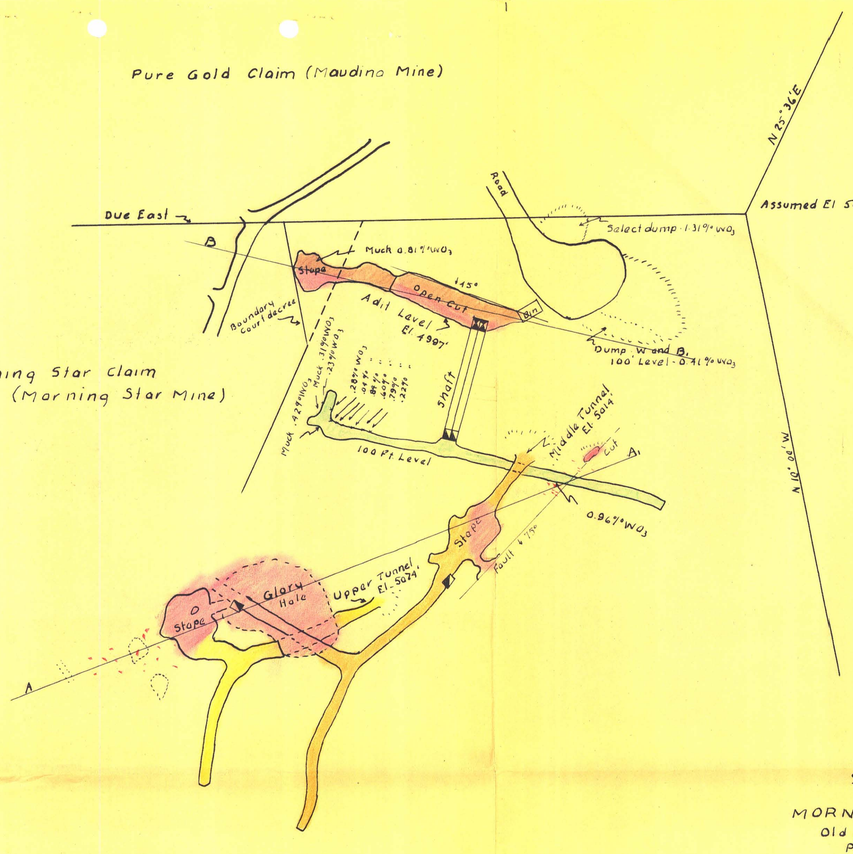
In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active 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



Plan of Mine Area

NIKAS MINING CO.
MORNING STAR MINE
Scale: 1" = 20'
10/1/52
HEK



Ore

SKETCH

MORNING STAR MINE

Old Hat Mining District

Pinal Co., Arizona

Scale: 1" = 40'

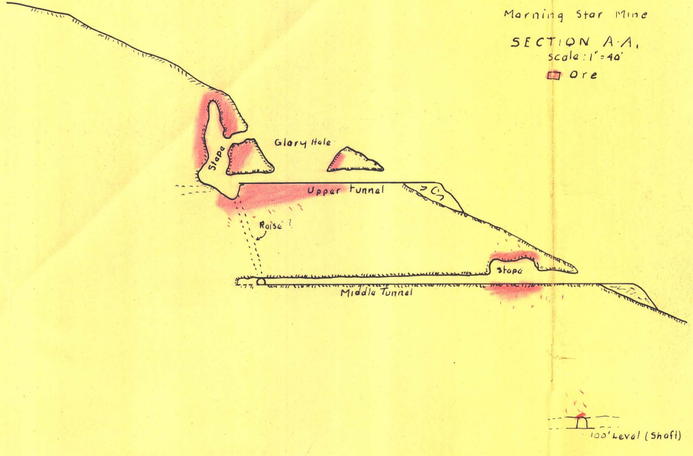
May 4, 1953

Morning Star Mine

SECTION A-A,

Scale: 1" = 40'

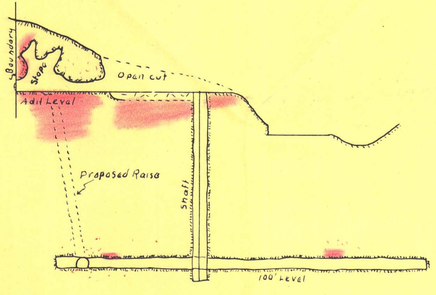
Ore



Morning Star Mine

SECTION B-B,

PLANE OF MOGUL FAULT

Scale: 1" = 40'

Ore