Contract Division

Mr. George M. Hill
Hill, Savey & Mitchell
512 Arizona Bank Building
Phoenix 3, Arizona

OCT 2 5 1962

Re: DMEA-2445 (Mercury
Ord Mercury Mines
Ord Mercury Mine
Gila County, Arizona
Contract Ydm-2460

Dear Mr. Hill:

We thank you for the information concerning the subject contract in your letter of October 8, 1962, and the completed Form 63, Request for Information on Certified Project and Project Under Royalty Agreement, also for the copy of lease, dated June 1, 1962, from Ord Mercury Mines to O. L. Johnson.

Enclosed, as you requested, is a copy of the Certification of Discovery or Development, dated April 13, 1956, issued as a result of exploration work under the contract. We also enclose a copy of letter to Ord Mercury Mines, dated April 16, 1956, transmitting the certification and setting forth the obligations of the Operator thereunder.

In the second paragraph of the enclosed letter of April 16, 1956, the sum of $19,067.57 has been reduced by royalty payments totalling $2,367.62, so that the amount repayable is now $16,699.95.

The instructions in the third paragraph of the same letter were superseded when the Defense Minerals Exploration Administration became the Office of Minerals Exploration. Royalty payments should now be forwarded to the Acting Field Officer, Region III, Office of Minerals Exploration, Building 20, Denver Federal Center, Denver 25, Colorado. Checks should be made payable to the Office of Minerals Exploration. References to Mr. Trover, in the fourth paragraph, should be changed to "Acting Field Officer, Region III."

We note that the lease to O. L. Johnson does not contain a clause recognizing the Government's lien. Article 18 of the contract provides that "The Operator shall not make any voluntary or permit any

involuntary transfer or conveyance of the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof;". Actually, it would be very much to the best interest of the Red Mercury Mines that the leases contain a clause or an addendum covering this matter.

Sincerely yours,

George Fumich, Jr.

Director

Enclosures

SFHolt/ms
10-24-62
cc: Director's Reading File
Region III (2) w/copy of incoming letter and Form 63 completed 10/8/62
√CA&A Division
Docket
500

REPORT OF
ROYALTY REVIEW

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E460, Docket DMEA-2445 (mercury), dated November 10, 1952, with

Ord Mercury Mines
258 South Scottsdale Road
Scottsdale, Arizona

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Ord Mercury Mine located in Gila County, Arizona, during the period December 15, 1955, through November 28, 1961.

A certification of discovery or development was issued on April 13, 1956, and, in accordance with Annex I attached to Amendment No. 4 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated November 22, 1955, indicated accepted costs under the exploration contract amounting to $25,423.43 with the Government's contribution on a 75 percent basis being $19,067.57.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to the Government's royalty through December 14, 1955, to be $47,351.68. The royalty account as of December 14, 1955, was:

Total Royalty Payable	$2,367.62
Total Royalty Paid	2,424.54
Overpayment of Royalty	$ 56.92

At November 28, 1961, the royalty account of this project was found to be:

Total Royalty Payable	$2,367.62
Total Royalty Paid	2,367.62
Balance of Royalty Due	$ -0-

E. D. Talbert, OME Auditor

December 1, 1961

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

The last exploration work under this contract was performed during October 1954. Prior to that date, that is on July 1, 1954, Uranium Enterprises Incorporated, 330 E. Camelback Road, Phoenix, Arizona, acquired control of the Operator and the property through an option to purchase 65 percent of the stock. On May 9, 1955, Uranium Enterprises became full owner through purchase of all of the Operator's stock. Although operations of the property after July 1954 continued in the name of the Operator, sales of production from November 1954 through May 1955 were in the name of Uranium Enterprises.

Prior to initiation of Uranium Enterprises milling operations only 608½ lbs. (8 flasks) of mercury were produced. Thereafter through May 1955, when all operations ceased, 11,251 lbs. (148 flasks) of mercury were produced from 2,530 tons of ore. All production came from the 240 level and from above the 150 level and ceased because of exhaustion of readily available ores and difficulty in rehabilitation of the small antiquated furnace.

All sales of production were covered by a prior Report of Royalty Review dated December 15, 1955. The $56.92 overpayment of royalty disclosed by that review was refunded to the Operator on January 24, 1956.

Inspections of the property and inquiries by field representatives of OME have found that, other than the removal of mining equipment and supplies during early 1957, no activity has occurred since the cessation of operations in 1955 and that no ore is stockpiled.

Annex I, a part of Amendment No. 4 to this contract, provides that the Operator, or his successor in interest, shall pay the Government a percentage royalty on all minerals produced from the five patented claims described in the contract. Annex I also grants the Government a lien upon the property and any production therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

(1) The property has been inactive since May 1955;
(2) All sales of production have been accounted for and proper royalty thereon paid; and
(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

MME Form 22
Dec. 60

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name and Address

Ord Mercury Mines, Inc.

258 South Scottsdale Road
P. O. Box 875
Scottsdale, Arizona

Contract No.	Docket No.
Idm E460	DMEA 2445

Prepared by (Signature)	Date
Hugh M. Connors	11-28-61

Hugh M. Connors

Yes	No	
		1. (a) Does the Operator stockpile ore subject to royalty repayment?
		(b) If so, is segregation and identification procedure adequate?
		2. (a) Does the Operator commingle production subject to DMEA or OME royalties with exempt production?
		(b) If so, is the allocation of the commingled production equitable?
		3. (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?
		(b) If so, are adequate records maintained on such material to protect the Government's interest?
		4. Are the assay controls in effect adequate?
		5. Does the manner of disposing of production give the Government its fair royalty returns?
		6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?
		7. Does the Operator buy from or sell to other Operators?
		8. Current status of property. (Check one).
		Operating.
	x	Inactive.
		Abandoned.
5-27-55		Date of last production if not operating.

Comment on items 1(b), 2(b), 3(b), and 4 to 6, if answer is No:

Uranium Enterprises -- 330 E. Camelback Road, Phoenix, Arizona made the last shipments, and I understand that James Poules is their Agent; his address is 7th & Pitkin Sts., Grand Junction, Colorado.

84861-60

extra

~~OFFICIAL FILE~~ COPY
O. M. E.
RECEIVED DEC 12 1961

DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

December 8, 1961

Ord Mercury Mines, Inc.
258 South Scottsdale Road
P. O. Box 575
Scottsdale, Arizona

Re: DMEA-2445 (Mercury)
Contract Idm-E460
Ord Mercury Mines
(Ord Mercury Mine)
Gila County, Arizona

Gentlemen:

Enclosed is a copy of the Report of Royalty Review on the captioned property dated December 1, 1961 for the period December 15, 1955, through November 28, 1961, which shows that no royalty is due the Government at this time.

Yours very truly,

TMR

for
Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosure

TMR/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. Idm E460
Chron

EXTRA COPY
O. M. E
RECEIVED DEC 12 1961

DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado

December 8, 1961

Memorandum

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

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: DMEA-2445 (Mercury)
Contract Idm-E460
Ord Mercury Mines
(Ord Mercury Mine)
Gila County, Arizona

Attached is the original Report of Royalty Review on the subject property dated December 1, 1961 covering the period December 15, 1955, through November 28, 1961.

TMR

Original signed by
for
Hugh M. Connors

Attachment
TMR/lm
cc Chief, Division of Field Operations (2)
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres Idm E460
Chron

DEC 5 1961

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-2445 (Mercury)
Ord Mercury Mines
Ord Mercury Mine
Gila County, Arizona
Contract Idm-8460

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

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.;
(b) One copy for the Operator; and
(c) One copy for your files.

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

Enclosures

EDTalbert/ama 12-5-61

cc:
Docket
Director's Reading File
CA & A Division
Mr. Rothrock

NOV 2 4 1961

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-2445 (Mercury)
Ord Mercury Mines
Ord Mercury Mine
Gila County, Arizona
Contract Idm-E460

This Division is preparing a Report of Royalty Review on the subject contract. Accordingly, your submission of an original and one copy of MME Form 22, Check Sheet of Examining Engineer, will be appreciated.

It appears that this project has been inactive since May 1955. If this is so, please make an appropriate statement under item 8 of MME Form 22.

EDTalbert/ama 11-24-61

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

C
O
P
Y

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

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

January 19, 1956

Mr. J. E. O'Conner, Business Manager
Ord Mercury Mines, Inc.
258 South Scottsdale Road
P. O. Box 875
Scottsdale, Arizona

Re: Royalty payments, DMEA Docket 2445 (Mercury)
Contract Idm-E460, Ord Mercury Mines, Inc.,
Gila County, Arizona

Dear Mr. O'Connor:

The report of royalty review referred to in our December 13, 1955 letter has been completed and released. Based on this audit, we enclose U. S. Government check No. 20,108,760 for $56.92 which represents the overpayment of DMEA royalties by Ord Mercury Mines, Inc. under DMEA Contract Idm-E460. Your royalty account is now correct as of December 14, 1955, the ending date of the period concerned in the audit (November 10, 1952 to December 14, 1955).

Also enclosed are photo copies of Schedules 1 and 1A of the royalty report of review by the Contract Administration and Audit Division. These are furnished to you in order that you may verify the amount of the refund check due your corporation.

Please acknowledge receipt of check.

Yours very truly,

/s/ W. M. Traver

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

Enclosures

For Certificate of Deposit No. 68, dated December 7, 1955, giving royalty repayment of $15.91, see E-6.

[redacted] RECEIVED
[redacted] DEC 22 1955

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, DMEA Field Team, Region III, pertaining to Contract Ida-2460, Docket No. DMEA-2445, with

Ord Mercury Mines,
An Arizona Corporation
Payson, Arizona,

for the purpose of determining the amount of royalties due the U. S. Government on sales of mercury produced from property referred to as Ord Mercury Mines, located in Gila County, Arizona, during the period November 10, 1952 to December 14, 1955.

My review included correspondence with Mr. T. M. Romalo, Mining Engineer, U. S. Bureau of Mines, Tucson, Arizona, who is thoroughly familiar with the project.

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

(1) The major portion ($43,476.68) of the sales of mercury was confirmed by direct correspondence with the purchaser, Mafford Chemical Company, Los Angeles, California;

(2) The balance of the sales ($4,875.00) of mercury were confirmed by examination of a copy of purchase orders issued by the purchaser, Brown Corporation, Los Angeles, California; and

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

The examination established the total net sales of mercury for the period under review to be $47,352.68. Royalties due the U. S. Government at the contract rate of 5% are $2,367.62. The royalties paid and the balance due are as follows:

Total Royalties Due	$2,367.62
Total Royalties Paid	2,424.54
Royalties Overpaid	[redacted]

December 15, 1955

T. H. Bradley, Auditor.

Schedule 1

RECEIVED
DEC 22 1955

OIL MERCHANT, INC.

STATEMENT OF ROYALTIES RECEIVED
NOVEMBER 10, 1955 TO NOVEMBER 15, 1955

Contract No. [illegible], Region No. [illegible]

	PURCHASERS		
	Texas Corporation	Mid-Cont. Gas.	Total
Number of Plants	15	141	156
Total Value	$4,875.00	$43,762.00	$48,637.00
Deductions	-	$ 1,285.32	$ 1,285.32
Net Value	$4,875.00	$42,476.68	$47,351.68
Royalty Percentage	5	5	5
Royalties Due	$243.75	$2,123.87	$2,367.62
Royalties Paid	243.75	2,180.79	2,424.54
Royalties Overpaid		$56.92	$56.92

[illegible]

	BALANCING STORAGE				CONTRACT [illegible]		
	NET VALUE ORIGINAL	BALANCING DUE	MONTHLY DEPRECIATION ACCRUED	REVISED NET VALUE	BALANCING DUE	BALANCING DUE	BALANCING REVISED
16414 - 16438	$ 7,855.78	$ 392.69	$ 254.34	$ 7,827.44	380.87	$ 392.69	$11.82
16449 - 16451	954.00	47.70	20.62	935.38	46.37	47.70	1.43
16452 - 16477	6,360.00	318.00	315.80	6,044.20	302.32	318.00	15.79
16478 - 16498	4,796.89	239.84	141.18	4,658.71	232.44	239.84	7.20
16496 - 16502	2,240.00	112.00	67.20	2,172.80	108.64	112.00	3.36
16503 - 16512	3,200.00	160.00	96.00	3,104.00	155.20	160.00	4.80
16516 - 16520	1,617.00	80.84	58.20	1,558.90	77.95	80.84	2.89
16521 - 16525	1,620.00	80.50	48.50	1,572.70	78.69	80.50	2.41
16529 - 16535	2,258.80	112.90	67.74	2,190.26	109.51	112.90	3.39
16537 - 16560	1,288.00	64.40	38.64	1,249.36	62.47	64.40	1.93
16510 - 16513	1,264.00	68.20	37.92	1,226.08	68.20	68.20	1.92
	$33,443.67	$1,672.07	$1,336.84	$32,382.83	$1,685.15	$1,672.07	$56.98

RECEIVED
DEC 0 1955

Check Sheet of Examining Engineer

RECEIVED
DEC 22 1955

Operator's Name Ord Mercury Mines

Address Payson,

Arizona

Exploration Contract No. Idm-E460 Docket No. DMEA-2445

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

M M Romo
Mining Engineer

Date Oct. 21, 1955

82448

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

DEC 28 1955

Mr. Thomas H. Brading
DMEA Auditor
224 New Customhouse
Denver 2, Colorado

Re: Idm-2460, DMEA-2445
Ord Mercury Mines

Dear Tom:

In my letter of December 27, 1955, in reference to your Report of Royalty Review covering the subject company, I neglected to advise you that the Report is acceptable. You are authorized to make the normal distribution.

Sincerely yours,

C. E. Fisher
for Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBorovies/wb
December 28, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

DEC 27 1955

Mr. T. H. Reading
DMEA Auditor
224 New Customhouse
Denver 2, Colorado

Re: Ida-2460, DMEA-2445
Gold Mercury Mines

Dear Tom:

Your Report of Royalty Review dated December 15, 1955, pertaining to the subject company indicates royalties paid amounting to $2,424.54 whereas our records indicate royalty receipts credited to this account amounting to $2,840.64. The difference of $416.10 apparently relates to Certificate of Deposit No. 14-20-040-62 dated January 18, 1955 which bore the following notation:

Ida-2460 U. S. Smelting $416.10

Will you please investigate and advise whether this was an error in typing on the deposit slip and the amount of this collection should be applied to Contract No. Ida-2360, Docket No. DMEA-2028, U. S. Smelting, Refining, and Mining Company. For your information our records indicate royalty receipts from the latter company through December 7, 1955 in the amount of $5,979.95.

Sincerely yours,

Jay L. Chambers, Chief
Contract Administration
and Audit Division

CEFisher/ccm
December 27, 1955
Copy to: Docket DMEA-2445
2028
Admr. Reading File
Mr. Chambers

E-460

For Certificate of Deposit No. 115, dated May 26, 1955, giving royalty repayment of $337.47, see E-4.

QUADRUPLICATE

STANDARD FORM 209c (Formerly Cert. of Deposit, Form 659); Promulgated August 1951 by Treasury Department, Fiscal Service

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

Deposited with Federal Reserve Bank Kansas City, Mo., 4-7-55
(Name and location of depositary) Denver, Colo. (Date sent)

DEPOSIT NO. 14-23-040-90

$1,749.60

the sum shown opposite for credit, subject to check, in the disbursing account of—

C. E. Evans, R.D.O., Denver, Colo.
(Name and address of officer to be credited)

SYMBOL NO. 413

On account of 14X4401

APR 8 [illegible]

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration
Administration
224 New Customhouse
Denver 2, Colo.

SPACE BELOW TO BE USED BY DEPOSITARY ONLY
I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

J. M. Boettger
(Authorized signature)

APR 7 1955
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

Ord Mercury Mines E-460 1,749.60

DENVER - BRANCH
1955 APR 7 PM 12 30
MAIL DEPT

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

224 New Customhouse
Denver 2, Colorado

January 4, 1956

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

Re: Idm-E460, DMEA-2445
Ord Mercury Mines

Dear Mr. Chambers:

Reference is made to yours of December 27, 1955 regarding subject contract.

I checked with Mrs. Stokes in the Fiscal Office and ascertained that her records show that the amount of $416.10 referred to in your letter was credited to Idm-E360, U. S. Smelting. She explained that her records did not show whether or not the error was in typing on the deposit slip, but the $416.10 should be credited to U. S. Smelting. At December 7, 1955 the balance on Contract Idm-E360 is $6,396.05, or $416.10 in excess of the $5,979.95 shown on the Washington records.

I trust this explanation will enable you to make the necessary adjustments on your records.

Sincerely yours,

T. H. Brading

T. H. Brading, Auditor

RECEIVED
JAN 9 1956

For Certificate of Deposit No. 59, dated January 11, 1955, giving royalty repayment of $243.75, see E-4.

QUADRUPLICATE

STANDARD FORM 209c (Formerly Cert. of Deposit, Form 6599)
Promulgated August 1951 by Treasury Department, Fiscal Service

CERTIFICATE OF DEPOSIT FOR CHECKING ACCOUNT

DEPOSIT NO.
14-23-030-56

Deposited with The Federal Reserve Bank of Kansas City, Denver, Colo. (Name and location of depositary) Dec. 23, 1954 (Date sent)

$ 243.75

the sum shown opposite for credit, subject to check, in the disbursing account of—

C. E. Evans, 363 New Customhouse, Denver 2, Colorado

(Name and address of officer to be credited)

SYMBOL NO.
413

On account of— DMX5075

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration
Administration
224 New Customhouse
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

DEC 24 1954

(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

E460 ~~Mariposa Enterprises~~ 243.75
~~XXXX~~
Ord Mercury Mines

For Certificate of Deposit No. 20, dated August 25, 1954, giving royalty repayment of $77.81, see E-4.

REPORT
OF REVIEW

[illegible] MATERIAL [illegible] ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Gyd Mercury Mines,
An Arizona Corporation
Phoenix, Arizona.

pertaining to Exploration Project Contract No. Ida-[illegible], Docket No. DMEA-[illegible], including Amendments Nos. 1 to 5, for the months of February, 1953 to October, 1954, inclusive, covering a project for the exploration of Mercury on property known as Gyd Mercury Mine, located in Gila County, Arizona.

My review included an examination of the Monthly Reports (Form MP-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, and a determination of the reasonableness and propriety of the costs.

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

A. The administrative costs to the Government of an audit would be excessive in relation to the amount of possible disallowances thereunder;

B. The monthly reports for the first month, or that portion of the contract under actual cost basis of $1,540.93, were supported by documentary proof of the costs incurred under the contract; and

C. A major portion ($23,882.50) of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor		$25,423.43
Exceptions:		
By DMEA Finance Officer	$0.00	
Herewith	0.00	0.00
Total Accepted Cost		25,423.43

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Nineteen thousand, sixty-seven, and 57/100ths Dollars

** $19,067.57 **

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

November 22, 1955

T. H. Breding, Auditor.

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

224 New Customhouse
Denver 2, Colorado

November 22, 1955

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

Re: Report of Review - Ord Mercury Mines
Contract Idm-E460, Docket No. DMEA-2445

Dear Mr. Chambers:

Attached are three copies of Report of Review covering subject contract. Also are enclosed copies of the Executive Officer's letter dated October 21, 1955 to Vance Thornburg, President of Uranium Enterprises, Inc. and reply dated November 10, 1955 from George M. Hill of Shimmel, Hill and Cavanagh, Attorneys, Phoenix, Arizona.

In view of the fact that the Executive Officer has forwarded copies of these letters to the Operating Committee, it is my thought that in order that your files might be complete, you would be interested in the attached letters.

Sincerely yours,

T. H. Brading, Auditor.

Encls.

RECEIVED
NOV 25 1955

SHIMMEL, HILL & CAVANAGH

BLAINE B. SHIMMEL
ROULAND W. HILL
GEORGE M. HILL
HARRY J. CAVANAGH
ROBERT R. STEWARD
JOHN E. SAVAGE
FERRIS W. DE LAMAR

November 10, 1955

Mr. W. M. Traver
Executive Officer, DMEA
Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: DMEA Docket 2445 (Mercury)
Contract Idm-E460, Ord Mercury Mines, Inc., Gila County, Arizona

Dear Mr. Traver:

Mr. Vance Thornburg has been absent from the city, and your letter of October 21 has been handed to me with the request that we give you the information therein requested.

Mr. Thornburg and his associates, in May of 1955, acquired by purchase all of the issued and outstanding stock of Ord Mercury Mines, an Arizona corporation.

There has been no change in the corporate structure. The properties and claims are all still owned by Ord Mercury Mines, and there has been no change of any kind other than a change in stockholders, which had no effect on the company, its properties or obligations.

For your information, the present officers are:

Vance Thornburg,	President
Garth W. Thornburg,	Vice President
George M. Hill,	Vice President
J. E. O'Connor,	Secretary-Treasurer

Very truly yours,

George M. Hill

For SHIMMEL, HILL & CAVANAGH

224 New Customhouse
Denver 2, Colorado

October 21, 1955

Mr. Vance Thornburg, President
Uranium Enterprises, Inc.
330 East Camelback Road
Phoenix, Arizona

re: DMEA Docket 2445 (Mercury)
Contract IAm-E460, Ord Mercury Mines,
Inc., Gila County, Arizona

Dear Mr. Thornburg:

It is our understanding that the Uranium Enterprises, Inc. acquired control of the Ord Mercury Mines as of July 1, 1954 under an option to purchase 65 percent of the stock, and later became full owners of the company on May 19, 1955 with the purchase of the remaining stock.

Would you please verify this ownership question for us and furnish a list of the officers of Uranium Enterprises, Inc. Please also advise whether the Ord Mercury Mines Corporation has been liquidated or whether you are conducting operations under this company name. For our records we request that you furnish us with two copies of the legal document by which Uranium Enterprises, Inc. assumed control of the Ord Mercury Mines, Inc. This document is necessary for our records and should have been requested from you when this change of ownership was brought to our attention.

Your reply to this letter in the near future will be greatly appreciated by us as the DMEA auditors are now in the process of preparing their final audit of the project.

Yours very truly,

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

MMB/vj
cc: Royalty File E460
Correspondence File E460
Sec. to Op. Comm. (2)
W. R. Sterns
Berkenkotter

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

- 3 1955

Mr. Thomas H. Reading
DMEA Auditor
224 New Courthouse Building
Denver 2, Colorado

Re: Report of Review
Idaho-2460, DMEA-2445
Ord Mercury Mines

Dear Tom:

Receipt is acknowledged of the Washington copies of your Report of Review covering the referenced contract.

The Report is acceptable and normal distribution may be effected.

Sincerely yours,

Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBoroview/wb
November 28, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

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

RECEIVED
JAN 30 1956
FINAL DISTRIBUTION
JAN 26 1956
MADE

224 New Customhouse
Denver 2, Colorado

January 10, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-2445 (Mercury), Contract Idm-E460, Ord Mercury Mines, Sunflower Mining District, Gila County, Arizona - FINAL PAYMENT

Reference is made to our memorandum of October 20, 1955 whereby we transmitted the final Form MF-104, Operator's Monthly Progress Report and Voucher for the period October-November 10, 1954 and requested that you withhold the entire amount of payment ($354.37) pending release of the Report of Review of contract expenditures by the Contract Administration and Audit Division, DMEA.

We now recommend that final payment to the Operator be made on the following basis which is in conformance with the Report of Review by the Contract Administration and Audit Division, dated November 22, 1955, which was released to this office December 2, 1955. The matter of royalties due has been satisfactorily resolved.

Basis for Final Payment

Total accepted cost	$25,423.43
Government participation at 75 percent	19,067.57
Total prior payments	18,713.20
Recommended Final Payment	$ 354.37

W. M. TRAVER

354.37

W. M. Traver

JDC:jy
cc: MF-104 File E460
Sec. Op. Comm. (2)
Storms
Townsend
Chron.

W.O. Copy.

Form MF-104 A, Engineers and Operators reports forwarded to W.O. by Memo of 12/30/54

Form F-04 (Rev. 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 22-R1036.5

RECEIVED
OCT 24 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October 1955 Docket No. DMEA 2445 Contract No. Idm-E460

Operator's Name Ord Mercury Mines Minerals Mercury

Address Payson, Arizona

Contract Amount, $ 28,000.00 Government Participation: 75 % Amount, $ 21,000.00

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		2590.00	2590.00			
Crosscutting	472.50	13510.00	13982.50			
Shaft Drilling		6510.00	6510.00			
(2) Labor and Supervision:		715.00	715.00			
Labor		300.00	300.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:		63.82	63.82			
Timber						
Explosives						
Pipe						
Fuels & greases		112.04	112.04			
(4) Operating Equipment:		100.00	100.00			
Rental						
Purchase		90.00	90.00			
Depreciation		800.00	800.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		15.00	15.00			
Sampling and Analysis		15.98	15.98			
Payroll Taxes		79.09	79.09			
Bookkeeping Liability Insurance		50.00	50.00			
(8) Contingencies (specify):						
TOTALS	472.50	24950.93	25423.43			

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

Date Nov. 13, 1952 *Payee ORD MERCURY MINES

Per Tom J. Russell Title Secr'y-Treas.

*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:

$ No payment

Signature RRe
(Authorized Certifying Officer)

Date 10/14/55 Vou. No. —

(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. 1dmE460 in accordance with the terms of the contract.

Signature William R. Hardwick Title Mining Engineer Date 11/19/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Davey Title Executive Officer Date OCT 7 1955

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.

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

RECEIVED
OCT 24 1955

224 New Customhouse
Denver 2, Colorado

October 20, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 2445, (Mercury), Contract Idm-E460, Ord Mercury Mines, Sunflower Mining District, Gila County, Arizona - Operator's Monthly Progress Report for the period October-November 10, 1954

Enclosed are the following:

(a) Two copies of Form MF-104
(b) One copy of the Inspecting Engineer's Report, dated November 19, 1954
(c) One copy of the Supervising Engineer's memorandum transmitting the Monthly Progress Report to the Executive Officer, DMEA Field Team, Region IV, dated November 19, 1954
(d) One copy of Form MF-104A
(e) One copy of the Operator's Narrative Report

One copy each of the last four items were forwarded to you in our memorandum of December 30, 1954.

W. M. Traver

W. M. Traver

Enclosures

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

RECEIVED
OCT 24 1955

Administrative Audit Difference Statement

Date: Oct. 21, 1955
Payee's Reference: Sept. - Nov. 2954

Gila County Jail
Payson, Arizona

Gentlemen:

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

Amount Claimed $178.50

Difference $

Amount Approved $ 178.50

The reason for the difference was due to:
Inclosed is not the usual old partial receipt of final expense and balance of the claim [illegible] Audit Report or report of review by the Contract Administration and Audit Division.

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.

RECEIVED
OCT 24 1955

224 New Customhouse
Denver 2, Colorado

October 7, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 2445, (Mercury) Contract, Idm-E460, Ord Mercury Mines, Sunflower Mining District, Gila County, Arizona - Operator's Monthly Progress Report, for the period October-November 10, 1954.

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 Government participation 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, except for the following deduction.

Withhold the entire amount pending receipt of the Operator's Final Engineering and Geologic Report, and release of the Final On-Site Audit Report or Report of Review by the Contract Administration and Audit Division, DMEA.

W. M. Traver

W. M. Traver

Enclosures
JDC:jy
cc: MF-104 File E460
Sec. Op. Comm. (2)
Storms
Townsend
Chron.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN - 1 1955

November 19, 1954

Memorandum

To : [illegible], Chief, Mining Division, Region [illegible]

From : Chief, Mining [illegible], Mining Div., Region IV

Subject : [illegible] Progress Report, [illegible] County, Ariz.

Enclosed in quadruplicate are the following:

(1) [illegible] engineer's reports

(2) Operator's narrative reports

(3) Forms [illegible]

Also enclosed are [illegible] extra copies of our engineer's report.

All work is within the terms of the contract and its amendments. However, as the contract time expired on November 19, 1954, I recommend that this final payment not be made until the operator's final report is received.

Walter R. Storms

Walter R. Storms

cc [illegible] (6)
[illegible]
[illegible]

[illegible]

November 18, 1954

Memorandum

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

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

Subject : Progress Report for Period October 1 to November 10, 1954, Project DMRA-3445, Contract Ida-3445, Red Mercury Mine, Gila County, Ariz.

The Red Mercury Mine was visited on November 18, 1954. Tom J. Russell was at the mine and assisted in measuring the progress. Thirteen and a half feet of drift were completed during the period. The time limit on this contract expired on November 10, 1954, and the operator has not asked for an extension, therefore, this is the last voucher to be submitted.

The status of the contract is as follows:

	Authorized	Completed	Remained
Rehabilitation	[illegible]	[illegible]	[illegible]
Drift & Crosscut	17,000.00	15,572.33	427.67
Winze	7,000.00	6,510.00	490.00
Repair hoists	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]

During the period covered by this report, 13½ feet of drifting was completed. This footage is included in the above table. The 13½ feet are in accordance with the terms of the contract and are approved. The total footage completed under the contract is as follows:

Winze	93 feet
Drift on 300-foot level	225 "
Crosscut on 300-foot level	40 "
Drift on 240-foot level	174½ "
Crosscut on 240-foot level	34 "

The 13½ feet that were completed in October discovered no ore. The alteration and leaching of the schist appears to be decreasing.

CC W. H. King (orig. & 8)
DMRA-3445
DF

WRMarshick:frj

Information is not yet available to complete an estimate of the extent of the discovery, but it is believed that from 3,000 to 5,000 tons of ore has been discovered.

The Operator is mining the ore and producing quicksilver. A total of 50 flasks have been produced. Royalty was paid on the returns of 8 flasks. Fifteen flasks were just recently sold to Braun Corp. in Los Angeles, and 35 flasks are in storage.

According to the Tucson Records, the operator has not been paid for the Government's agreed part of the work that was completed in August and September. The total amount now due the operator is as follows:

Due for August		$577.50
" "	September	288.75
" "	Oct. 1-Nov.10	354.38
Total due		$1,220.63

As the contract is now completed it is recommended that no further payment be made until the operator has presented a final report and the contract has been audited.

William R Hardwick

William R. Hardwick, Mining Engineer

Mining Methods Branch
Mining Division, Region IV

ORD MERCURY MINES

Payson, Arizona

****

NARRATIVE REPORT

MONTH OF: October, 1954 Docket No. DMEA 2445
Operator: Ord Mercury Mines Contract No. Idm-E460
Payson, Arizona

During October we advanced the west drift on the sub-level 13½ feet, bringing our total to 399½ feet of drifting, 74 feet of crosscut and 93 feet of winze.

Beside this work we have done 90 feet of raises, 43 feet of drifting and other work that does not go on the contract.

We will send in a final report as soon as possible on the total project as our time was up on the 10th of November.

Respectfully

ORD MERCURY MINES

Tom J Russell

Secr'y-Treas.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Oct 1954 Docket No. DMEA 2445 Contract No. Idm-E460
Operator's Name ORD MERCURY MINES Minerals Mercury
Address Payson, 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	472.50	13½	13,982.50	399½	35.00		
Crosscutting				2,590.00	74	35.00		
Raising								
Shafts								
Winzes				6,510.00	93	70.00		
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehab.				1,540.93				
TOTAL DISTRIBUTED COSTS		472.50		24,623.43				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				800.00				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		~~472.50~~		~~25,423.43~~ 23				

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

Date Nov. 13, 1954 Operator ORD MERCURY MINES

Per Tom J. Russell Title Secr'y-Treas.

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

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 Sept. 4 195 Docket No. DMEA 2445 Contract No. Idm-E460
Operator's Name Ord Mercury Mines Minerals Mercury
Address Payson, Arizona
Contract Amount, $ 23,000.00 Government Participation: 75 % Amount, $ 21,000.00

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		2,590.00	2,590.00			
Crosscutting	365.00	13,185.00	13,510.00			
Shaft		6,510.00	6,510.00			
(2) Labor and Supervision:		715.00	715.00			
Labor		300.00	300.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:		63.02	63.02			
Timber						
Explosives						
Pipe						
Fuels & Greases		112.04	112.04			
(4) Operating Equipment:		100.00	100.00			
Rental						
Purchase		90.00	90.00			
Depreciation		600.00	600.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		15.00	15.00			
Sampling and Analysis		15.98	15.98			
Payroll Taxes		79.09	79.09			
Bookkeeping		50.00	50.00			
(8) Contingencies (specify):						
TOTALS	365.00	24,565.03	24,950.03			

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

Date Oct 15, 54 *Payee ORD MERCURY MINES

Per Tom J. Russell Title Secr'y-Treas.

*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:

$ 288.75

Signature [illegible]
(Authorized Certifying Officer)

Date 12/9/54 Voucher No. DMA 55-38

(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. 1 DMEA 160 in accordance with the terms of the contract.

Signature William R. Hardwick Title Mining Engineer Date 11/5/54

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

Signature John T. Stowe for W. H. KING Title Executive Officer Date NOV 22 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-R1151.1
Approval expires 6-30-53.

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

Month of Sept 1954 Docket No. DMEA 2445 Contract No. idm-E460
Operator's Name Ord Mercury Mines Minerals Mercury
Address Payson, 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	385.00	11	13,510.00	386	35.00		
Crosscutting				2,590.00	74	35.00		
Raising								
Shafts								
Winzes				6,510.00	93	70.00		
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehab.				1,540.93				
TOTAL DISTRIBUTED COSTS		385.00		24,150.93				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				800.00				
New Buildings, Improvements, etc.								
TOTAL COSTS		385.00		24,950.93				

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 Oct. 15, 54 Operator ORD MERCURY MINES

Per Tom J. Russell Title Secr'y-Treas.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

November 22, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2445, Contract Idm-E460 (Mercury), Ord Mercury Mine, Gila County, Arizona. Operator's Monthly Progress Report, for the period September 1954.

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. This portion of the contract work is on a unit cost basis.

Remarks:

Date of Report	October 15, 1954
Date Received in Field Office	October 26, 1954
Date Received in Region Office	November 8, 1954

Held in Region Office pending completion of winding up operations.

John F. Shaw
for W. H. King

Enclosures

RDB:dm
cc: Sec. to Oper. Comm. (2)
WRStorms
Subject
Chron

November 5, 1954

Memorandum

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

From : Lincoln A. Stewart, Mining Engineer, for W. R. Storms, Chief, Mining Methods Br., Mining Div., Region IV

Subject : September 1954 Progress Report, Contract Idm-5460, Docket DMEA-2445, Grd Mercury Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

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

Also enclosed are 4 extra copies of our engineer's report.

The drifting reported for September is in accordance with the terms of the contract and amendments.

It is noted that the operator has not been paid the Government's share of the August work, which, with the September work, amounts to $866.25. Some additional unreported drifting has been done in October and a little more may be done in November, but the operator states no extension of time will be asked. Therefore, the contract expires November 10.

It is recommended that some part of this payment be withheld pending submission of the operator's final report and completion of the necessary audit.

Lincoln A Stewart

Lincoln A. Stewart, Mining Engineer
for Walter R. Storms, Chief
Mining Methods Branch
Mining Division, Region IV

CC W. H. King (8)
DMEA-2445
DF

LAStewart:frj

November 5, 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 : Progress Report for September 1954, Docket DMEA-2445, Contract Idm-E460, Ord Mercury Mine, Gila County, Ariz.

The Operator's voucher for September was received in Tucson on October 26, 1954, and the mine was visited on November 3, 1954. Tom J. Russell, Secretary-treasurer of the company was at the mine and assisted in measuring the progress.

The total drifting and crosscutting on the 240 level was found to be 258.6 feet. Russell reports that 11 feet of drifting was completed in September.

Russell stated that the 30-ton Foster furnace was operated intermittently during September on low-grade dump ore and some mercury was produced. The total reported production is eight flasks of mercury on which royalty of $77.81 has been paid.

The drifting during September exposed some low-grade mercury ore. Several thousand tons of mercury ore have been discovered below the adit level.

The 11 feet of drift that the operator reported for September was in accordance with the provisions of amendment 4 to the contract and is approved. The total cost of this work was $385.00 and the Government's agreed part of this cost is 75 percent or $288.75.

According to the Tucson records the Operator has not yet been paid for the Government's agreed part of the cost of the 22 feet of drifting that was completed in August, 1954. The total amount now due the operator is as follows:

CC W. H. King (Orig. & 8)
DMEA-2445
DF

WRHardwick:frj

Due for August	$577.50
Due for September	288.75
Total	$866.25

The time limit of this contract will end on November 10, 1954. Russell indicated on November 3, 1954 that no further extension will be requested. Therefore, it is recommended that the usual amount be withheld until a final report has been received and the accounts of the project have been audited.

William R. Hardwick

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

ORD MERCURY MINES

Payson, Arizona

NARRATIVE REPORT

Month of: Sept., 1954
Operator: Ord Mercury Mines
Payson, Arizona

Docket No. DMEA 2445
Contract No. Idm-E460
Mineral: Mercury

During the month of September we have advanced the sub-level drift only 11 feet.

We have driven a raise up to the 50 ft. level, 128 feet from the winze. This raise went up in good grade ore.

We also started a raise 40 ft from the winze and ha ve put in some sill timbers and chutes under both raises.

The face of the drift is showing some mineralization in the form of meta cinnibar. We are advancing same at present.

Respectfully

ORD MERCURY MINES

Tom J. Russell

Secr'y-Treas.

Form M[illegible]4 (Rev.)
(Ap[illegible]952)

UNITED STATES
DEPART[illegible]ENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 4[illegible]033.4
Approval expires 6-30-53.
Mines Administration
RECEIVED
DEC - 6 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1954 Docket No. DMEA 2445 Contract No. 1[illegible]-3460
Operator's Name Ord Tungsten Mines Minerals Tungsten
Address Parson, Arizona
Contract Amount, $20,000.00 Government Participation: 75 % Amount, $21,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE ONLY			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		2500.00	2500.00			
Drifting	770.00	12355.00	13125.00			
Raise		6510.00	6510.00			
(2) Labor and Supervision:						
Labor		715.00	715.00			
Supervision		300.00	300.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		63.02	63.02			
Explosives						
Pipe						
Track						
Fuels & Grease		112.04	112.04			
(4) Operating Equipment:						
Rental		100.00	100.00			
Purchase						
Depreciation		90.00	90.00			
(5) Initial Rehabilitation and Repairs		600.00	600.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		15.00	15.00			
Payroll Taxes		15.98	15.98			
Liability Insurance		70.09	70.09			
Bookkeeping		50.00	50.00			
(8) Contingencies (specify):						
TOTALS	770.00	23795.93	24,565.93	770.00	23,795.93	24,565.93

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Oct. 15, 1954 *Payee [illegible]
Per Tom J. Russell Title [illegible]

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

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

(Instructions on reverse)

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

$ 577.50

Signature Randell R. Cooper
(Authorized Certifying Officer)

Date 11-3-54 Vou. No. DMA-55-31
(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. 1 dm E 46 in accordance with the terms of the contract.

Signature William R. Hardwick Title Mining Engineer Date 9/17/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W H Kong Title Executive Officer Date NOV 2 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 [illegible]-104A
(April [illegible]52)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 6 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1954 Docket No. DMEA 2445 Contract No. Idm-8460
Operator's Name ORD MERCURY MINES Minerals Mercury
Address Payson, 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	770.00	22	13125.00	375	35.00		
Crosscutting				2590.00	74	35.00		
Raising								
Shafts								
Winzes				6510.00	93	70.00		
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehab.				1540.93				
Total Distributed Costs		770.00		23765.93				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				800.00				
New Buildings, Improvements, etc.								
Total Costs		770.00		24565.93				

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 Sep 15, 1954 Operator ORD MERCURY MINES

Per Tom J. Russell Title Secr'y- Treas.

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

November 2, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2445 (Mercury), Contract Idm-E460, Ord Mercury Mine, Gila County, Arizona. Operator's Monthly Progress Report for the month of August 1954.

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

Work has been completed as authorized under State III at an agreed unit cost. Therefore we recommend that payment be made for 75 per cent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of operator's report	Sept. 15, 1954
Date report received in B.O.M. Branch office	Sept. 17, 1954
Date report received in Regional office	Sept. 20, 1954

Report deferred from processing pending execution of amendment No. 5, which is now in affect.

W H King
W. H. King

Enclosures

JWT:dm
cc: Subject
Secretary to Oper. Comm. (2)
WRStorms
Chron

September 17, 1954

Memorandum

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

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

Subject : August 1954 Progress Report, DMEA Contract Idm-E460
Docket DMEA-2445, Ord Mercury Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

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

Also enclosed are 4 extra copies of our engineer's report.

All work is in accordance with terms of the contract and its amendments. However, as this contract expired on September 10, I recommend that the Government's share of these August costs be withheld until the final audit has been made and the final report has been submitted by the operator, unless the operator requests a time extension. The operator has requested an amendment to the contract to do additional work, but has not asked for extension of the contract expiration time although this extension would have to be granted if the amendment for additional work were approved.

Walter R. Storms

Walter R. Storms

CC W. H. King (8)
DMEA-2445
DF

WRS:cms:frj

September 17, 1959

Memorandum

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

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

Subject : Progress Report for August 1954, Docket DMEA-2445, Contract Idm-E460, Ord Mercury Mine, Gila County, Ariz.

The Ord Mercury mine was visited on September 2, 1954. Tom J. Russell, secretary-treasurer of the company was at the mine and assisted in measuring the progress for August.

On September 2, when the mine was visited, the operator had completed 22 feet of progress in the west 240 level drift. This advanced the face of the drift to a point 209 feet from the winze. This advance is in accordance with the provisions of the contract and is approved.

In addition to drifting on the 240-feet level, the operator has started a raise on ore approximately 50 feet east of the face of the drift. This raise was up 15 feet and showed good ore in the back.

During the last two weeks of August, the operator has produced approximately 15 tons of ore per day which was treated in a 30-ton Foster furnace. Several flasks of mercury were produced. Eight flasks of mercury were produced from test runs during February and March and $77.81 in royalty on this production was paid in August by the operator.

This contract provides for Government participation in the costs of the project to the extent of 75 percent. The total agreed estimated cost of the 22 feet of drift was completed in August was $770.00 and the Government's agreed part was $577.50.

CC W. H. King (Orig. & 8)
DMEA-2445
DF

WRHardwick:frj

The effective period of this contract ended on September 10, 1954. Russell has asked for an amendment to do additional work. If the operator's request for additional work is approved and the time extended, it is recommended that the operator be paid. However, if no extension is granted, it is recommended that the amount now due the operator be withheld until the contract has been audited and a final report has been presented by the operator.

William R. Hardwick

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

ORD MERCURY MINES

PAYSON, ARIZONA

NARRATIVE REPORT

Month of: August, 1954
Operator: Ord Mercury Mines
Payson, Arizona

Docket No. DMEA 2445
Contract No. Idm-E460

During the month of August we have advanced the sublevel drift for 22 feet. The heading is in mineralized material and the drift has passed through three ore shoots between the winze and the heading. We are at present driving a raise on one of the showings. This raise is in good ore. We are continuing the heading west.

Respectfully,

ORD MERCURY MINES,

Tom J. Russell

Secr'y-Treas.

Form MF-724 (Rev.)
April 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July 195 4 Docket No. DMEA 2445 Contract No. Idm-E460

Operator's Name Ord Mercury Mines Minerals Mercury

Address Payson, Arizona

Contract Amount, $ 28,000.00 Government Participation: 75 % Amount, $ 21,000.00

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	1190.00	1400.00	2590.00			
Drifting	1715.00	10640.00	12355.00			
Shaft		6510.00	6510.00			
(2) Labor and Supervision:						
Labor		715.00	715.00			
Supervision		300.00	300.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		63.82	63.82			
Explosives						
Pipe						
Track						
Fuels & Greases		112.04	112.04			
(4) Operating Equipment:						
Rental		100.00	100.00			
Purchase						
Depreciation		90.00	90.00			
(5) Initial Rehabilitation and Repairs	800.00		800.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		15.00	15.00			
Payroll Taxes		15.98	15.98			
Liability Insurance		79.09	79.09			
Bookkeeping		50.00	50.00			
(8) Contingencies (specify):						
TOTALS	~~3705.00~~	~~20090.93~~	~~23795.93~~	3705.00	20090.93	23795.93

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

Date Aug. 17, 54 *Payee ORD MERCURY MINES

Per Tom J. Russell Title Secr'y-Treas.

*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:

$ 2778.75

Signature Randell R. Cooper (Authorized Certifying Officer)

Date 9-8-54 Vou. No. DMA-55-18

(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. DMA-E460 in accordance with the terms of the contract.

Signature William R. Hardwick Title Mining Engineer Date 8/31/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: WRS by LAB L.A.B.

Signature W. S. King Title Executive Officer Date SEP 7 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 04A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

SEP 13 1954

Month of July 1954 Docket No. DMEA 2445 Contract No. Idm-E460
Operator's Name Ord Mercury Mines Minerals Mercury
Address Payson, 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	1715.00	49	12355.00	353	35.00		
Crosscutting	ft	1190.00	34	2590.00	74	35.00		
Raising								
Shafts								
Winzes				6510.00	93	70.00		
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehab.				1540.93				
TOTAL DISTRIBUTED COSTS		2905.00		22995.93				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		800.00		800.00				
New Buildings, Improvements, etc.								
TOTAL COSTS		3705.00		23,795.93				

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 August 17, 1954 Operator ORD MERCURY MINES

Per Tom J. Russell Title Secr'y-Treas.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

September 7, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2445 (Mercury), Contract Idm-E460, Ord Mercury Mine, Gila County, Arizona. Operator's Monthly Progress Report for the period, July 1954.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 per cent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	Aug. 17, 1954
Date Received in Field Office	Aug. 30, 1954
Date Received in Region Office	Sept. 2, 1954

W. H. King

Enclosures

RDB:mb

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

August 31, 1954

Memorandum

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

From : Lincoln A. Stewart for Chief, Mining Methods Branch, Mining Division, Region IV, Tucson, Ariz.

Subject : July 1954 Progress Report DMEA Contract Idm-E460, Docket DMEA-2445, Ord Mercury Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

1. Bureau of Mines engineer's report;
2. Operator's narrative report;
3. Forms MF-104 and MF-104a.

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

The monthly progress was checked on August 17 but the operator's reports did not arrive until August 30.

As all work is in accordance with the terms of the contract and its amendments, it is recommended that the Government's share of the july costs be paid.

Lincoln A. Stewart

Lincoln A. Stewart, Mining Engineer
for Walter R. Storms, Chief
Mining Methods Branch
Mining Division, Region IV

CC W. H. King (7)
DMEA-2445
DF

LAStewart:frj

August 30, 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 : Progress Report for July 1954, Docket DMEA-2445, Contract Idm-2460, Ord Mercury Mine, Gila County, Ariz.

The Ord Mercury Mine was visited on August 17, 1954. Tom J. Russell, secretary treasurer of the company, was at the mine. Robert J. Sundwall, a newly employed mine foreman, was in charge of the mine and assisted in measuring the progress for July.

On August 17, when the mine was visited, the operator had completed 83 feet of progress in addition to that which had previously been reported. This progress consisted of advancing the 240-foot level west drift for a distance of 49 feet, and driving a crosscut southward from a point 30 feet west of the winze on the same level, for a distance of 34 feet. This advance is in accordance with the provisions of the contract and is approved.

The drift discovered low-grade mercury ore to a point approximately 140 feet west of the winze. Beyond this point no mercury minerals were visible. Although the crosscut was driven approximately under a large stope on the 150-foot level, no mercury minerals were visible. The attached sketch shows the progress on the 240-foot level and the check assays that have been taken.

In addition to the drift and crosscut, the operator has requested payment for the item "Repairs to company owned houses - $800.00" which is a part of Stage II. A part of this item was completed in September of 1953 and T. J. Russell asked to present the item in two parts, but he was told that since the item is set up as a single unit he probably would be allowed to present it only once. The repairs are now complete.

cc W. H. King (Orig. & 7)
DMEA-2445
DF

WRHardwick:frj

Russell stated that a large interest in the operation had been sold to Vance Thornburg and associated interests who will provide additional capital to place the mine in operation but that no immediate change in organization is contemplated.

Robert J. Sandwall, Mine foreman, stated that the company will have a geologist on the job in a very short time and that all openings will be mapped and sampled and an estimate of the ore reserves will be possible. Several samples have been taken by the DMEA inspecting engineer. These samples indicate that the ore will be spotty in grade. However, it is believed that a substantial production of mercury may be possible.

On August 17, Russell was starting the fire in the 30-ton Foster furnace and he expects to be in steady production from now on. The only production so far has been eight flasks of mercury that were produced by retorting a small amount of ore in a test run. No Royalty has been paid on this production which was sold to a California buyer. The gross return was reported to be $1,582.00. Russell was asked to make royalty payments on this production and stated that he would do so.

This contract provides for Government participation in the costs of the project to the extent of 75 percent. The total agreed estimated cost of the 83 feet of drift and crosscut is $2,905.00. The "repair company buses "was set up as a single item at $800.00. The total cost of the work completed in July was $3,705.00 and the Government's agreed part was $2,778.75. It is recommended that the operator be paid this amount as provided by the contract.

William R. Hardwick

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

ORD MERCURY MINES

PAYSON, ARIZONA

NARRATIVE REPORT

Month of: July, 1954
Operator: Ord Mercury Mines
Payson, Arizona

Docket NMEA 2445
Contract Idm-E460
Mineral: Mercury

During the month of July we crosscut th to the footwall of the mineralization 34 feet and advad the west drift 49 feet.

We have also repaired the houses in tcamp and have expended some $2,500.00 on same. The repai consist of tim and paper for roofing, screens, nails, walbard for ceilings and other rehabilation repairs and haventered $800.00 on our report for same.

We have also repaired the mill complety and are conditioning the mine for production of ore.

We have made this work possible by thsale of some of our personal stock in the Ord Mercury Mines o Vance Thornburg and associated interests, of 330 East mel Bank, Phoenix, Arizona. All officers of the corporation rain the same as before. Also the corporate structure remai the same.

Respectfully,

ORD MERCURY MINE

Tom J Russell

Secr'y-Treas.

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, 1954 Docket No. DMEA 2445 Contract No. Idm-E460
Operator's Name Ord Mercury Mines Minerals Mercury
Address Payson, Arizona
Contract Amount, $ 28,000.00 Government Participation: 75 % Amount, $ 21,000.00

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		1400.00	1400.00			
Drifting	2415.00	8225.00	8225.00			
Shaft		6510.00	6510.00			
(2) Labor and Supervision:						
Labor		715.00	715.00			
Supervision		300.00	300.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		63.82	63.82			
Explosives						
Pipe						
Track						
Fuels & Greases		112.04	112.04			
(4) Operating Equipment:						
Rental		100.00	100.00			
Purchase						
Depreciation		90.00	90.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		15.00	15.00			
Payroll Taxes		15.98	15.98			
Liability Insurance		79.09	79.09			
Bookkeeping		50.00	50.00			
(8) Contingencies (specify):						
TOTALS	2415.00	17675.93	20,090.93			

U. S. BUREAU OF MINES
MINING DIVISION
JUL 12 1954
TUCSON, ARIZONA

I certify that the above bill is correct and just and that payment therefor has not been received.
Date July 3rd, 54 *Payee ORD MERCURY MINES
Per Tom Burnell Title Secr'y-Treas.

*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:

$ 1811.25

Signature Randel R. Cooper
(Authorized Certifying Officer)

Date 7-30-54 Vou. No. DMA-55-10
(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. 1dy-P460 in accordance with the terms of the contract.

Signature William R. Hardwick Title Mining Engineer Date 7/22/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature John F. Shaw for W. H. King Title Executive Officer Date JUL 26 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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
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 1954 Docket No. DMEA 2445 Contract No. Idm-E460
Operator's Name Ord Mercury Mines Minerals Mercury
Address Payson, 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	2415.00	69	10,640.00	304	35.00		
Crosscutting				1,400.00	40	35.00		
Raising								
Shafts								
Winzes				6,510.00	93	70.00		
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehab.				1,540.93				
TOTAL DISTRIBUTED COSTS		2415.00		20,090.93				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2415.00		20,090.93				

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 July 3rd, 1954 Operator ORD MERCURY MINES

Per [signature] Title Secr'y-Treas.

REMARKS:

U. S. BUREAU OF MINES
MINING DIVISION
JUL 12 1954
TUCSON, ARIZONA

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

July 26, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2445 (Mercury), Contract Idm-E460, Ord Mercury Mine, Gila County, Arizona. Operator's Monthly Progress Report for the month of June 1954.

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

Work has been 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.

This portion of the contract is on a unit cost basis of $35.00 per foot of advance.

Remarks:

Date of Report	July 3, 1954.
Date Received in Field Office	July 12, 1954.
Date Received in Region Office	July 26, 1954.

Delay in Field Office due to work load of inspecting engineer.

W. H. King

Enclosures

RDB:cwm

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

Memorandum July 22, 1954

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

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

Subject : June 1954 Progress Report, DMEA Contract Ldm-2460, Docket DMEA-2445, Ord Mercury Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

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

Also enclosed are 3 extra copies of our engineer's report.

The operator's report was received in the Tucson office on July 12, but because of other DMEA work, W. H. Hardwick, the Bureau's engineer, was not able to submit his report until today.

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

Walter R. Storms

Walter R. Storms

CC W. H. King (7)
DMEA-2445
RF

WRStorms:frj

July 22, 1954

Memorandum

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

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

Subject : Progress Report for June 1954, Docket DMSA-3445, Contract IDa-2660, Red Mercury Mine, Gila County, Ariz.

The Red Mercury mine was visited on July 6, 1954, the progress was measured, and two check samples were cut. Tom J. Russell was at the mine and assisted in measuring the progress.

On July 6, 1954, the 240-level drift had been advanced westward a total distance of 132 feet for a net gain of 74 feet. The operator states that 60 feet of this work was completed in June, and has presented a voucher requesting payment of the Government's agreed part of the cost. The Government's agreed part is 75 percent of an agreed estimated cost of $15.00 per foot of drift. The total cost of the 60 feet was $2,415.00 and the Government's part is $1,811.25. It is recommended that the operator be paid.

At 95 feet west of the winze the 240 drift cut a fault. Turning northward along the fault, the drift followed it for about 20 feet when a continuation of the ore stringer was found and followed on the west side of the fault. The two samples cut were both taken for a width of 36 inches and contained 0.32 percent and 0.41 percent mercury.

Russell now believes thathe has discovered enough ore to justify starting his large (30 ton) furnace and is preparing to do so.

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

CC W. H. King (Orig. & 7)
DMSA-3445
MF

WRHardwick:frj

ORD MERCURY MINES

PAYSON, ARIZONA

NARRATIVE REPORT

Month of: June, 1954
Operator: Ord Mercury Mines
Payson, Arizona

Docket No. DMEA 2445
Contract No. Idm-E460
Mineral: Mercury

During June we have advanced the sub-level 69 feet. The heading is in ore wider than the drift. The ore is increasing in size and value as we continue along the north wall of the mineralization and is following approximately the same pattern as in the level above. We are continuing the drift west.

We have four men re-conditioning the mill and expect to start milling ore from the old workings, conbined with ore from the drifting as soon as we can.

Respectfully

ORD MERCURY MINES

Tom J. Russell

Secr'y-Treas.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1954 Docket No. DMEA 2445 Contract No. Idm-E460
Operator's Name Ord Mercury Mines Minerals Mercury
Address Payson, Arizona
Contract Amount, $28,000.00 Government Participation: 75% Amount, $21,000.00

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		1400.00	1400.00			
Drifting	350.00	7875.00	8225.00			
Shaft		6510.00	6150.00			
(2) Labor and Supervision:						
Labor		715.00	715.00			
Supervision		300.00	300.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		63.82	63.82			
Explosives						
Pipe						
Track						
Fuels & Greases		112.04	112.04			
(4) Operating Equipment:						
Rental		100.00	100.00			
Purchase		90.00	90.00			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		15.00	15.00			
Payroll Taxes		15.98	15.98			
Liability Insurance		79.09	79.09			
Bookkeeping		50.00	50.00			
(8) Contingencies (specify):						
TOTALS	350.00	17325.93	17675.93	*350.00	17,225.93	17,675.93

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

Date June 10, 54 *Payee ORD MERCURY MINES

Per Tom J. Russell Title Secr'y-Treas.

*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:

$562.50

Signature [illegible]
(Authorized Certifying Officer)

Date 7/9/54 Vou. No. 2 55-4
(See other side)

* Reinstatement of 300.00 withheld from March report

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. dme EA60 in accordance with the terms of the contract.

Signature William R Hardwick Title Mining Engineer Date 6/30/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W H Kung Title Executive Officer Date JUL 8 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 1954 Docket No. DMEA 2445 Contract No. Idm-2460
Operator's Name Ord Mercury Mines Minerals Mercury
Address Payson, 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	350.00	10	8225.00	235	35.00		
Crosscutting				1400.00	40			
Raising								
Shafts								
Winzes				6510.00	93	70.00		
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehab.				1540.93				
TOTAL DISTRIBUTED COSTS		350.00		17675.93				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		350.00		17675.93				

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 June 10, 1954 Operator ORD MERCURY MINES

Per Tom J. Russell Title Secr'y-Treas.

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

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

Administrative Audit Difference Statement

Date: July 8, 1974
Payee's
Reference: Progress Report
[illegible], 1974

Ord Mercury Mines
Payson Arizona
Idm - E460

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

[illegible] of $550.00 unt Claimed $ 262.00

Difference * $ 50.00

Amount Approved $ 612.00

The reason for the difference was due to:

* Reinstatement of $50.00 withheld from payment on March, 1974 Progress Report.

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

July 14, 1954

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2445 (Mercury), Contract Idm-D460, Ord Mercury Mine, Gila 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 month of May 1954.

W. H. King

W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

July 8, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2445 (Mercury), Contract Idm-E460, Ord Mercury Mine, Gila County, Arizona. Operator's Monthly Progress Report for the month of May 1954.

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

Work has been completed as authorized under Stage III at an agreed unit cost. Therefore we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

In addition and in reference to our memorandum of April 6, 1954, please reinstate the amount of $300.00 we instructed you to withhold from reimbursement to the Operator on repayment of his claim for the month of March 1954.

Remarks:

Date of Operator's report	June 10, 1954.
Date report received in Field Office	June 22, 1954.
Date report received in Regional Office	July 6, 1954.

W. H. King

Enclosures

JWT:cwm

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

June 30, 1954

Memorandum

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

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

Subject : May 1954 Progress Report, DMEA Contract Idm-2460, Docket DMEA-2445, Gold Mercury Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report;

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

Also enclosed are 3 extra copies of our engineer's report.

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

Walter R. Storms

Walter R. Storms

CC W. H. King (7)
DMEA-2445
RF

WRStorms:frj

June 30, 1954

Memorandum

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

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

Subject : Progress Report for May 1954, Docket DMSA-2445, Contract Idm-2460, Ord Mercury Mines, Gila County, Ariz.

The voucher for the May work under contract Idm-2460 was received in the Tucson office of the U. S. Bureau of Mines on June 15. It was not correctly prepared, so was returned to the operator on June 17, 1954. At that time the mine was visited by John H. Faick, geologist, U. S. Geological Survey, and the undersigned engineer, and the progress was measured.

Tom J. Russell was not at the mine, but a crew was at work extending the drift westward on the 240 level. On June 17, the 240 level west drift had reached a point 94 feet west of the winze for a net gain of 47 feet since the amendment which provides for drifting on the 240 level was approved. The operator reports that 10 feet of this drifting was completed in May.

At 94 feet west of the winze, the drift cut a strong fault that strikes N. 80° W. and is vertical. A small stringer of cinnabar starts at a point 68 feet west of the winze and continues to the fault. Two samples were taken, one at a distance of 60 feet and one at 80 feet from the winze. The samples from this level are as follows:

Sample No.	Distance west of winze	Percent mercury
13000	5 ft.	2.33
13007	20 ft.	0.45
13008	40 ft.	0.22
13025	60 ft.	0.01
13026	80 ft.	0.16

CC W. H. King (Orig. & 7)
DMSA-2445
DF

WRHardwick:frj

Six flasks of mercury have been produced and sold. The records at the Tucson office of the U. S. Bureau of Mines show no royalty payments.

The 10 feet of drift that the operator reported for May was in accordance with the provisions of amendment No. 4 to the contract and is approved. The total cost of this work was $350.00 and the Government's agreed part of this cost was 75 percent, or $263.50. In addition, there is due the operator $300.00 which was withheld pending approval of amendment No. 4. Since additional work has been authorized and completed this can now be paid.

William R. Hardwick

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

ORD MERCURY MINES

PAYSON, ARIZONA

NARRATIVE REPORT

Month of: May, 1954
Operator: Ord Mercury Mines
Payson, Arizona

Docket No. DMEA 2445
Contract No. Idm-E460
Mineral: Mercury

During this period, after confirmation of the changes in our Contract, we advanced the sub-level drift 10 feet west. We were delayed a few days in getting our crew together after the lay-off.

This work is going ahead very well at present and we anticipate good results during the month of June.

Sincerely

ORD MERCURY MINES

Tom J. Russell

Secr'y-Treas.

Form MF-164 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53

Received
APR 4 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 1954 Docket No. DMEA 2445 Contract No. Idm-E460
Operator's Name Ord Mercury Mines Minerals Mercury
Address Payson, Arizona
Contract Amount, $ 28,000.00 Government Participation: 75 % Amount, $ 21,000.00

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			1400			
Crosscutting		~~1470.00~~	~~1470.00~~		1470.00	1470.00
Drifting	1960.00	5915.00	7875.00			
Shaft		~~6650.~~00	~~6650.~~00		6650.00	6650.00
(2) Labor and Supervision:			6510			
Labor		715.00	715.00			
Supervision		300.00	300.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		63.82	63.82			
Explosives						
Pipe						
Track						
Greases & Fuel		112.04	112.04			
(4) Operating Equipment:						
Rental		100.00	100.00			
Purchase						
Depreciation		90.00	90.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		15.00	15.00			
Payroll Taxes		15.98	15.98			
Liability Insurance		79.09	79.09			
Bookkeeping		50.00	50.00			
(8) Contingencies (specify):						
			325			
TOTALS	1960.00	~~15575.93~~	~~17535.93~~	1960.00	15575.93	17,535.93
*					-210.00	- 210.00

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

Date March 29/54 Payee ORD MERCURY MINES

Per Tom J. Russell Title Secr'y-Treas.

*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:

1960.00 15,365.93 17,325.93
$1170.00

Signature
(Authorized Certifying Officer)

Date 4/6/54 Vou. No. DMA-54-103
(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. dmE460 in accordance with the terms of the contract.

Signature William R. Hardwick Title Mining Engineer Date 4/1/54

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

Signature W. H. King Title Executive Officer Date APR 6 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 DMF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED APR 14 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1954 Docket No. DMEA 2445 Contract No. Idm-E460

Operator's Name Ord Mercury Mines Minerals Mercury

Address Payson, Ariz ona

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	1960.00	56	7875.00	225	35.00		
Crosscutting	Ft			1470.00	42 40	35.00		
Raising				1400				
Shafts								
Winzes				~~6650.00~~	~~95~~ 93	70.00		
Drilling: Core				6510				
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehab.				1540.93				
TOTAL DISTRIBUTED COSTS		1960.00		17,~~535~~ 325.93				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1960.00		17,~~535~~ 325.93				

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 29/54 Operator ORD MERCURY MINES

Per Tom J. Russell Title Secr'y-Treas.

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

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

Administrative Audit Difference Statement

Date: April 8, 1954
Payee's
Reference: Progress Report

March, 1954

Ord Mercury Mine
Dayson,
Arizona
Idm-E460

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

75% of the	Amount Claimed	1,470.00
	Difference	$ 300.00
	Amount Approved	$ 1,170.00

The reason for the difference was due to:

$300 is being withheld pending authorization of additional work or receipt of Operator's Final Report.

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

April 6, 1954

Memorandum

To: Q. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2445, Contract Idm-E460 (Mercury), Ord Mercury Mine, Gila County, Arizona - Operator's Monthly Progress Report for the period March 1954

Enclosed are the original and four copies of Form MP-104 and Form MP-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 MP-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

This portion of the contract is on a unit cost basis and does not require documentation.

An amount of $300.00 of the payment due the Operator is to be withheld pending authorization and performance of additional work or receipt of the Operator's final report.

Remarks:

Date of Report.....March 29, 1954
Date Received in Field Office.....March 30, 1954
Date Received in Region Office.... April 5, 1954

W. H. King

Enclosures

RDB:jp
cc Contract
Chron
WRStorms
Sec. to Oper. Comm. (2)

April 1, 1954

Memorandum

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

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

Subject : March 1954 Progress Report, Contract Idm-E460, Docket DMEA-2445, Ord Mercury Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

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

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

All work is in accordance with the terms of the contract. However, as this may be the last work done under the contract, I recommend that the customary amount be withheld until the operator's final report is received or until further work is done under terms of the contract.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2445
MF

WRStorms:frj

April 1, 1954

Memorandum

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

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

Subject : Progress Report for March 1954, Docket DMEA-2445, Contract Idm-E460, Ord Mercury Mine, Gila County, Ariz.

The Ord Mercury Mine was visited on March 22 to 25, 1954, by John H. Faick, geologist, U. S. Geological Survey, and the undersigned. The progress was measured and the geology mapped. The findings were discussed with Tom J. Russell, Secretary-Treasurer of the company.

After drifting westward on the 240 sublevel for a distance of 48 feet, the operator returned to the 300-foot level and advanced the drift west for a distance of 56 feet. The drift winds and twists in an attempt to follow the bleached, or favorable beds in the schist. In the face, this drift cut a very strong flat fault which makes water.

No ore was found. The schist has the same characteristics as that above which carries ore minerals. Three samples were taken at the most favorable location on the 300-foot level. No cinnabar, only small amounts of metacinnabar, have been found on this level. The operator thinks now that it is possible that the ore bottoms out somewhere between the 240-foot level and the 300-foot level. He will submit a request for an amendment to check this possibility.

From the 48-foot drift on the 240-foot level, approximately 100 tons of ore was mined and 9 tons of high-grade lump hand-sorted and retorted. From this 9 tons of ore, 6 flasks of mercury was recovered and sold. The remaining stock pile of ore was grab sampled and this sample ran 0.28 percent mercury, or approximately 6 pounds of mercury per ton. Weighting this with the 9 tons of high-grade ore, an average grade of approximately 10 pounds of

CC W. H. King (Orig. & 6)
DMEA-2445
BF

WRSterns:frj

mercury per ton of ore is indicated for the 100 tons of ore mined. An estimate of probable ore reserves will be included with an interim report to accompany the operator's request for an amendment.

The operator has submitted forms MF-104 and MF-104A requesting reimbursement for the Government's agreed part of the costs of the 56 feet of drifting that were completed in March. This drifting was in accordance with the terms of the contract and is approved. The agreed unit cost of drifting is $35.00 per foot. The cost of 56 feet was $1,960.00. The contract provides for Government participation to the extent of 75 percent of the cost or $1,470.00.

In all probability no more work will be done on this contract unless the operator's request for an amendment is approved. Therefore, it is recommended that the customary amount be withheld to assure a final report by the operator, and that the operator be paid any balance due him.

William R. Hardwick

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

ORD MERCURY MINES

PAYSON, ARIZONA

1 4 1954

NARRATIVE REPORT

Month of: March, 1954
Operator: Ord Mercury Mines
Payson, Arizona

Docket No. DMEA 2445
Contract No. Idm-E460
Mineral: Mercury

During March we have advanced the drift west 56 feet. This work has been in altered and faulted material all the way and has encountered considerable water near the face of the drift. This condition will call for heavy timbering for further advancement of this drift.

Respectfully,

ORD MERCURY MINES

Tom J. Russell

Secr'y-Treas.

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, 1954 Docket No. DMEA 2445 Contract No. Idm-E460
Operator's Name Ord Mercury Mines Minerals Mercury
Address Payson, Arizona
Contract Amount, $ 28,000.00 Government Participation: 75 % Amount, $21,000.00

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	1050.00	420.00	1470.00	980.00	420.00	1400.00
Drifting	980.00	4935.00	5915.00			
Shaft		6650.00	6650.00			
(2) Labor and Supervision:						
Labor		715.00	715.00			
Supervision		300.00	300.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		63.82	63.82			
Explosives						
Pipe						
Track						
Fuel & Greases		112.04	112.04			
(4) Operating Equipment:						
Rental		100.00	100.00			
Purchase						
Depreciation		90.00	90.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		15.00	15.00			
Payroll Taxes		15.98	15.98			
Liability Insurance		79.09	79.09			
Bookkeeping		50.00	50.00			
(8) Contingencies (specify):						
TOTALS	2030.00	13,545.93	15,575.93	1960.00	13,545.93	15,505.93
					- 140.00	- 140.00

I certify that the above bill is correct and just and that payment therefor has not been received.*
Date Mar. 3rd, 54 Payee ORD MERCURY MINES
Per Tom J. Russell Title Secr'y-Treas.

*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)

*Previous Disallowances

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
1960.00 13,405.93 15,365.93
$1470.00

Signature
(Authorized Certifying Officer)
Date 3/24/54 Vou. No. DMA 54-95
(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. DMEA 460 in accordance with the terms of the contract.

Signature William R. Hardwick Title Mining Engineer Date 3/15/54

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

Signature W S King Title Executive Officer Date MAR 19 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-R1151.1
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 1954 Docket No. DMEA 2445 Contract No. Idm-E460

Operator's Name Ord Mercury Mines Minerals Mercury

Address Payson, 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	980.00	28	5915.00	169	35.00		
Crosscutting	ft	1050.00	30	1470.00	42	35.00		
Raising								
Shafts								
Winzes				6650.00	95			
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehab.				1540.93				
TOTAL DISTRIBUTED COSTS		2030.00		15,575.93				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2030.00		15,575.93				

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 Mar. 3rd, 54 Operator ORD MERCURY MINES

Per Tom J. Russell Title Secr'y-Treas.

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

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

Administrative Audit Difference Statement

Date: March 23, 1954
Payee's Reference: Progress Report
January & February, 1954

Ord Mercury Mines
Payson Arizona
Idm-E460

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

Amount Claimed $ 2,030.00

Difference $ 70.00

Amount Approved $ 1,960.00

The reason for the difference was due to:

Contract provides for 40 feet of crosscutting at $35.00 per foot. This report shows two feet in excess of contract or $70.00 which is 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 EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

March 18, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2445, Contract Idm-E460 (Mercury), Ord Mercury Mine, Gila County, Arizona. Operator's Monthly Progress Report for the period January - February 1954.

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, except for the following deductions.

Contract provides for only 40 feet of crosscutting, the total reported to date being 42 feet. Therefore, a disallowance of 2 feet of crosscut at the approved unit cost of $35.00 per foot - $70.00 - is to be made.

Remarks:

Date of Report	March 3, 1954.
Date Received in Field Office	March 8, 1954.
Date Received in Region Office	March 17, 1954.

W. H. King

Enclosures

RDB:cwm

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

March 15, 1954

Memorandum

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

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

Subject : January-February 1954 Progress Report, Contract Idm-E460, Docket DMEA-2445, Grd Mercury Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

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

Also enclosed are 2 extra copies of our engineers report.

The operator has reported 28 feet of drifting and 30 feet of crosscutting. However, this 30 feet of crosscutting, plus 12 feet driven in December, brings the total to 42 feet, some 2 feet over the 40 feet allowed by the contract. Therefore, I recommend that only 28 feet of drifting, and 28 feet of crosscutting be approved, instead of 30 feet. This is 56 feet of drifting and crosscutting at $35 per feet for a total of $1,960, or the Government's share of $1,470.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2445
DF

WRStorms:frj

March 15, 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 : Progress Report for January and February 1954, Docket DMRA-2445, Contract Idm-R460, Ord Mercury Mine, Gila County, Ariz.

The Ord Mercury Mine was visited on March 2, 1954. Tom J. Russell, Secretary-Treasurer of the company, was present and assisted in measuring the progress.

This property was last visited on January 12, 1954. At that time the operator was starting a drift 60 feet above the 300 level on the west side of the winze. In December, the west drift on the 300 level had encountered heavy, badly broken ground which the operator could not correlate with respect to known ore bodies. He believed that the drifting in the ore 60 feet above the 300 level would give some information as to the most favorable direction to drift on the 300 level. During January 1954, this sub-level drift was driven 46 feet westward at no expense to the Government.

At the start, this sub-level drift was in high-grade cinnabar ore. As the drift progressed westward, the cinnabar became less, and metacinnabar increased until at 40 feet, no cinnabar was observed. Samples were taken across the drift in this metacinnabar-bearing area.

All material from the sub-level drift was stockpiled, and from this material approximately nine tons of high-grade lump ore was hand-picked and retorted. From the nine tons of ore, six flasks of mercury were recovered. The remainder of the stockpile was sampled. When the black metacinnabar ore was retorted, an unusual deep red sublimate formed. Some of this sublimate, together with some of the metacinnabar, has been collected for analysis by the U. S. Bureau of Mines laboratory.

Only the 46 feet of drifting on the sub-level 60 feet above the 300-foot level was completed in January at company expense. In February, the operator drove the 12-foot crosscut on the 300 level,

CC W. H. King (Orig. & 6)
DMRA-2445
DF

WRHardwick:frj

that had been started in December southward an additional 30 feet to what he considered the footwall schist and quartz. The Operator then advanced the west drift to the south and west for a distance of 28 feet.

The contract allows only 40 feet of crosscuts in stage II. The completion of 30 feet during February brings the cumulative total to 42 feet, therefore only 28 feet of the reported 30 feet of crosscut are in accordance with the terms of the contract. The 28 feet of drift that was completed during February is in accordance with the contract. This drift winds and twists, but the ground is badly broken and it follows the most favorable trend of the schist beds.

The operator has presented a narrative report, map, and Forms MF-104 and MF-104A requesting payment for 58 feet of crosscut and drift. However, as has been pointed out above, 2 feet of the crosscut are in excess of the provisions of the contract. Therefore, it is recommended that the Government participate in the costs for 28 feet of crosscut and 28 feet of drift.

The total cost of 56 feet of drift and crosscut is $1,960.00. The Government's agreed part of this cost is 75 percent or $1,470.00. It is recommended that the operator be paid this amount.

William R. Hardwick

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

ORD MERCURY MINES

PAYSON, ARIZONA

NARRATIVE REPORT

Month of: February, 1954
Operator: Ord Mercury Mines
Payson, Arizona

Docket No. DMEA 2445
Contract No. Idm-E460
Mineral: Mercury

During February we have advanced the drift in the lower level 28 feet south and west. Also finished the crosscut south to the footwall schist and quartz. This was advanced 30 feet. The west drift should encounter the footwall at this point where we plan to turn this to a south 80 degree west bearing until we encounter the main mercury vein that is in the 50' level of the adit winze.

We have also made six flasks of mercury in testing the ore taken from the sublevel we started last month. This ore was 9 ton selected from 46 feet of drift driven west at a point 60 feet from the bottom of the shaft. The balance of this rock was stockpiled for use in the furnace.

Sincerely

ORD MERCURY MINES

Tom J. Russell

Secr'y-Treas.

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

Budget Bureau No. 42-R1036.1
Approval expires 6-30-53.

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

Month of December, 1953 Docket No. DMEA 2445 Contract No. Idm 3-460
Operator's Name ORD MERCURY MINES Minerals Mercury
Address Payson, Arizona
Contract Amount, $ 28,000.00 Government Participation: 75 % Amount, $ 21,000.00

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	420.00		420.00			
Drifting	630.00	4305.00	4935.00			
Winze			6650.00			
(2) Labor and Supervision:						
Labor		715.00	715.00			
Supervision		300.00	300.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		63.82	63.82			
Explosives						
Pipe						
Track						
Fuels & Greases		112.04	112.04			
(4) Operating Equipment:						
Rental		100.00	100.00			
Purchase						
Depreciation		90.00	90.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		15.00	15.00			
Payroll Taxes		15.98	15.98			
Liability Insurance		79.09	79.09			
Bookkeeping		50.00	50.00			
(8) Contingencies (specify):						
					?	?
TOTALS	1050.00	12495.93	13545.93	1050.00	12495.93	13545.93

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

Date Jan 13-54 *Payee ORD MERCURY MINES

Per Tom J Russell Title Secr'y-Treas.

*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:

$ 787.50

Signature [illegible]
(Authorized Certifying Officer)

Date 1/26/54 Vou. DMA 54-76
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IdmE 466 in accordance with the terms of the contract.

Signature William R. Hardwick Title Mining Engineer Date 1/15/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. S. Kung Title Executive Officer Date JAN 25 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 December 1953 Docket No. DMEA 2[illegible]6 Contract No. Idm 9-[illegible]60

Operator's Name [illegible]

Minerals Mercury

Address Payson, 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	630.00	18	4035.00	141	35.00		
Crosscutting	ft	420.00	12	420.00	12	35.00		
Raising								
Shafts								
Winzes				6650.00	95			
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehab.				1540.93				
Total Distributed Costs		1050.00		13545.93				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1050.00		13545.93				

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 Jan 13, 1954 Operator [illegible]

Per Tom J. Russell Title Geol'y-Engr.

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

January 25, 1954

Memorandum

To: T. A Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2445, Contract Idm-E460 (Mercury), Ord Mercury Mine, Gila County, Arizona-Operator's Monthly Progress Report, for the period December, 1953.

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

Work has been accomplished as authorized in the contract and payment is recommended for 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.

Stage II work of this contract is on a unit foot basis which provides for payment of $35.00 per foot for drifting and cross-cutting.

Remarks:

Date of Report---------- January 13, 1954
Date Received in Field Office--- January 15, 1954
Date Received in Region Office--- January 2[illegible], 1954

W H King
W. H. King

Enclosures

RDB:es

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

January 18, 1953

Memorandum

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

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

Subject : December 1953 Progress Report, Contract Idm-2460, , Docket DMEA-2445, Grd Mercury Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report with map;

(2) Operator's narrative report;

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

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

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

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2445
DF

WRStorms:frj

January 18, 1954

Memorandum

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

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

Subject : Progress Report for December 1953, Docket DMEA-2445, Contract Idm-2460, Ord Mercury Mine, Gila County, Ariz.

The Ord Mercury mine was visited on January 12, 1954. Tom J. Russell, Secretary-Treasurer of the company, was present and assisted in measuring the progress.

The west drift of the 300-foot level had been advanced two rounds when a heavy fault was encountered. Tom Russell reported that at this point he was unable to hold the ground with timber and approximately 18 feet of drift was lost.

Starting at a point 104 feet west from the bottom of the winze, the drift on the 300-foot level was driven S. 63° W. to avoid the heavy ground. This drift was driven west 18 feet when a drill hole in the face made water. While this face drained, the operator drove a 12-feet crosscut south from a point 94 feet west of the bottom of the winze. This crosscut discovered a small stringer of metacinnabar.

No ore was discovered during the month. The operator started a drift out of the winze at the point where the ore bottomed. This point is about 40 feet below the 200-foot level. Mr. Russell stated that he intended to drive west on the ore and mine enough ore to operate the small retort which he has repaired. Most of the 13,362 tons of indicated ore that have been discovered are above this level. Russell expects to mill one ton per day.

Mr. Russell stated that he intends to get a diamond drill and drill a prospect hole both to the north and to the south on the 300-foot level and attempt to locate the ore. He stated that he would do very little drifting on the 300-foot level in January.

CC W. H. King (orig. & 6)
DMEA-2445
BF

WRHardwick:frj

The 18 feet of drift and the 12 feet of crosscut that were completed in December are in accordance with the terms of the contract which provides for Government participation to the amount of 75 percent of an agreed estimated cost of $35.00 per foot. The total cost for the month was $1,050.00 and the Government's part is $787.50. It is recommended that the operator be paid this amount.

William R. Hardwick

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

ORD MERCURY MINES

PAYSON, ARIZONA

NARRATIVE REPORT

Month of: December, 1953
Operator: Ord Mercury Mines
Payson, Arizona

Docket No. DMEA 2445
Contract No. Idm-E460

During December we completed only 18 feet of drift and 12 dt of crosscut. Due to encountering a heavy fault in the north drift running 325 degrees, we were forced to turn 18 feet from the face on a line of 243 degrees to stay in the altered mineral zone. At 18 feet in this drift a ten foot hole in the face showed faulted material with considerable water. While this was draining we stepped back 26 feet and started to crosscut south across the altered section containing some meta cinnibar mineralization. Carrying this crosscut 12 feet. We are still in the same material. Have also replaced 35 feet of timber in the drift and set 7 new sets of timber.

We have started a sublevel 40 feet below the 200 level in the winze. This tunnel is in 12 feet and has very good ore (estimate 2%) over about 1/3 of the heading. This ore is getting wider each round. We will probably start producing some mercury from our small closed retort the last of this month, while going ahead with the other work.

Sincerely,

ORD MERCURY MINES

Tom J. Russell

Secr'y-Treas.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November 195 3 Docket No. DMEA 2446 Contract No. Idr-EGCO
Operator's Name ORD MERCURY MINES Minerals Mercury
Address Payson, Arizona
Contract Amount, $ 20,000.00 Government Participation: 75% Amount, $ 21,000.00

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	1225.00	3080.00	4305.00			
Drifting						
Shaft		6650.00	6650.00			
(2) Labor and Supervision:						
Labor		715.00	715.00			
Supervision		300.00	300.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		63.82	63.82			
Explosives						
Pipe						
Fuels & Greases		112.04	112.04			
(4) Operating Equipment:						
Rental		100.00	100.00			
Purchase						
Depreciation		90.00	90.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		15.00	15.00			
Sampling and Analysis		15.98	15.98			
Payroll Taxes		79.09	79.09			
Liability Insurance						
Bookkeeping		50.00	50.00			
(8) Contingencies (specify):						
TOTALS	1225.00	11,270.93	12,495.93*	1225.00	11,270.93	12,495.03
					- 140.00	- 140.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Dec. 10, 53 *Payee ORD MERCURY MINES
Per Tom J. Russell Title Secr'y-Treas.

*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)

*Previous Disallowances

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
1225.00 11,130.93 12,355.93
$ 918.75

Signature [illegible] (Authorized Certifying Officer)
Date 12/18/53 Vou. No. DMA-54-62
(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. dmf-460 in accordance with the terms of the contract.

Signature William R. Hardwick Title Mining Engineer Date 12/14/53

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

Signature W. H. King Title Executive Officer Date DEC 17 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 195 3 Docket No. DMEA 2445 Contract No. Idm-2400
Operator's Name Ord Mercury Mines Minerals Mercury
Address Payson, 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	1225.00	35	4,305.00	123	35.00	260	35
Crosscutting							40	35
Raising								
Shafts								
Winzes				6,650.00	95			
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehab.				1,540.93				
TOTAL DISTRIBUTED COSTS		1225.00		12,495.93				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1225.00		12,495.93				28,000

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

Date Dec 10, 1953 Operator ORD MERCURY MINES

Per Tom J. Russell Title Secr'y-Treas.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

December 17, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2445, Contract Idm-E460 (Mercury), Ord Mercury Mine, Gila County, Arizona - Operator's Monthly Progress Report for the period November 1953.

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

Work has been accomplished as authorized in the contract and payment is recommended for 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, except for the following deductions.

Stage II of this contract is on a unit cost basis and therefore no documentation is required.

Remarks:

Date of Report	December 10, 1953.
Date Received in Field Office	December 14, 1953.
Date Received in Region Office	December 16, 1953.

W H King
W. H. King

Enclosures

RDB:cwm

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

MINING DIVISION
REGION IV

December 14, 1953

Memorandum

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

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

Subject : November 1953 Progress Report, Contract Idm-E460, Docket DMBA-2445, Ord Mercury Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's Narrative Report with map;

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

Also enclosed are two extra copies of our 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)
DMBA-2445
DF

WRStorms:frj

MINING DIVISION
REGION IV

December 14, 1953

Memorandum

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

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

Subject : Progress Report for November 1953, Docket DMEA-2445, Contract Idm-5460, Ord Mercury Mine, Gila County, Ariz.

The Ord Mercury Mine was visited on December 9, 1953. Tom J. Russell, Secretary Treasurer of the company, was present and assisted in measuring the progress.

The drift on the 300 level required considerable maintenance during November and most of the timber was replaced. During the month the face of the 300 level drift was advanced to a point approximately 103 feet west of the winze. Here a strong talc seam was cut and the drift was turned to follow this seam. By the end of the month the drift had advanced 20 feet along this seam for a total advance of 35 feet during the month.

No ore was discovered during the month. At several points in the last 35 feet of the drift, small lenses of altered material containing Meta Cinnibar were discovered. The operator states that in the upper part of the mine gouge seams similar to the one which the drift is now following, almost always lead to ore.

The 35 feet of drift that were completed in November are in accordance with the terms of the contract and are approved. The total cost of the 35 feet is $1,225.00 and the Government's agreed part is 75 percent, or $918.75. It is recommended that the operator be paid this amount as provided by the contract.

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

CC W. H. King (Orig. & 6)
DMEA-2445
DF

WRHardwick:frj

ORD MERCURY MINES

PAYSON, ARIZONA

DEC 6 1953

NARRATIVE REPORT

Month of: November, 1953
Operator: Ord Mercury Mines
Payson, Arizona

Docket No. DMEA 2445
Contract No. Idm-E460
Mineral: Mercury

During November we have advanced the drift in a westerly direction 35 feet and have had to replace several sets of timber in the fault zone near the shaft. At 103 feet We started a turn to the north to cut the hanging wall. The last 20 feet is in highly altered material, containing some (black Meta-Cinnibar). This formation is very bad ground and requires timber all the way.

We plan to continue this drift to the hanging wall, then turn west along the wall.

Sincerely

ORD MERCURY MINES

Tom J. Russell

Secr'y-Treas.

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1953 Docket No. DMEA 2445 Contract No. Idm-E460
Operator's Name Ord Mercury Mines Minerals Mercury
Address Payson, Arizona
Contract Amount, $ 25,000.00 Government Participation: 75 % Amount, $ 21,000.00

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	1575.00	1505.00	3080.00			
Drifting		6650.00	6650.00			
Shaft						
(2) Labor and Supervision:						
Labor		715.00	715.00			
Supervision		300.00	300.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		63.82	63.82			
Explosives						
Pipe						
Track						
Fuel & Greases		112.04	112.04			
(4) Operating Equipment:						
Rental		100.00	100.00			
Purchase						
Depreciation		90.00	90.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		15.00	15.00			
Sampling and Analysis		15.98	15.98			
Payroll Taxes		79.09	70.09			
Liability Insurance						
Bookkeeping		500.00	500.00			
(8) Contingencies (specify):						
TOTALS	1575.00	9695.93	11,270.93	1575.00	9695.93	11270.93
			*		- 140.00	- 140.00

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

Date Nov. 6th, 53 *Payee ORD MERCURY MINES

Per Tom J. Russell Title Secr'y-Treas.

*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)

* Previous Disallowance

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

1575.00 9555.93 11,130.93

$1181.25

Signature [illegible]
(Authorized Certifying Officer)

Date 11/18/53 Vou. No. DMA 54-50

(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. dmEA60 in accordance with the terms of the contract.

Signature William R. Hardwick Title Mining Engineer Date 11/13/53

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

Signature W. H. KING Title Executive Officer Date NOV 16 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 195 3 Docket No. DMEA 2445 Contract No. Idm-E460
Operator's Name Ord Mercury Mines Minerals Mercury
Address Payson, 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.	1575.00	45	3080.00	88	35.00	260	35.00
Crosscutting							40	35.00
Raising								
Shafts				6650.00	95	70.00	100	70.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehab.				1540.93				
TOTAL DISTRIBUTED COSTS		1575.00		11,270.93				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1575.00		11,270.93				28,000.00

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

Date Nov 6th, 1953 Operator ORD MERCURY MINES

Per Tom J. Russell Title Secr'y-Treas.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

November 16, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2445, Contract Idm-2460 (Mercury), Ord Mercury Mine, Gila County, Arizona. Operator's Monthly Progress Report for the period October 1953.

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

Work has been accomplished as authorized in the contract and payment is recommended for 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.

Remarks:

Date of Report	November 6, 1953.
Date Received in Field Office	November 9, 1953.
Date Received in Region Office	November 16, 1953.

John F. Shaw
John F. Shaw
For W. E. King

Enclosures

RDB:cwn

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

MINING DIVISION
REGION IV

November 13, 1953

Memorandum

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

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

Subject : October 1953 Progress Report, Contract Idm-E460, Docket DMEA-2445, Ord Mercury Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report with map;

(2) Operator's narrative report;

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

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

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

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2445
DF

WRStorms:frj

MINING DIVISION
REGION IV

November 13, 1953

Memorandum

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

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

Subject : Progress Report for October 1953, Docket DMEA-2445, Contract Idm-E460, Ord Mercury Mine, Gila County, Ariz.

The Ord Mercury Mine was visited on November 3, 1953. Tom J. Russell, Secretary-Treasurer, was present and assisted in measuring the progress. Extra copies of MF-104 and MF-104A forms were left at the mine.

The face of the 300-level drift had advanced to a point 88 feet west of the shaft. This represents an advance of 45 feet during the month of October.

No ore was discovered during the month. The drift passed through the fault at the point shown on the attached map and is now in better ground. A few traces of cinnabar were observed near the present face of the drift and the operator stated that he expects to crosscut to the north where he hopes to discover the faulted segment of the ore body at about 20 feet distance. The ore discovered to date is estimated to be 13,362 tons with a grade of 0.99 percent mercury.

The 45 feet of drifting that were completed in October were in accordance with the terms of the contract and are approved. The Government's agreed part is 75 percent of an estimated cost of $35.00 per foot. The total cost of work completed in October was $1,575.00, and the Government's part is $1,181.25. It is recommended that this amount be paid to the operator as provided by the contract.

William R. Hardwick

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

CC W. H. King (Orig. & 6)
DMEA-2445
DF

WRHardwick:frj

ORD MERCURY MINES

PAYSON, ARIZONA

RECEIVED
NOV 2 1953

NARRATIVE REPORT

MONTH OF: October, 1953
Operator: Ord Mercury Mines
Payson, Arizona

Docket No. DMEA 2445
Contract No. Idm-2460
Mineral: Mercury

During this period we have advanced our proposed 300 Ft. level drift 45 feet to a total of 88 feet. At 73 feet from the winze we crossed the heavy fault that crossed the winze above. Since that time for 15 feet we have been in altered material that seems to be more or less in place, with considerable quartz minerals and a slight showing of ore in talc fractures with a north-westerly trend. At 88 feet we have encountered a very heavy talc and quartz fracture with the same n.w. trend. These fractures are the same as are in the ore bodies above, so this would indicate our ore is north of the present heading. This is in line with the general dip of the ore body, also considerable moisture is coming through this fracture. After crossing this fracture we will follow the trend of same for a few rounds.

We have had trouble with swelling ground in the fault section and have had to replace considerable timber. This has slowed up our work quite a bit, but have always had good ground within the mineral zone and hope to encounter it soon.

Respectfully,

ORD MERCURY MINES

Tom J. Russell

Secr'y-Treas.

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.

RECEIVED
OCT 30 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Sept. 3 195 Docket No. DMEA 2445 Contract No. Idm E460
Operator's Name Ord Mercury Mines Minerals Mercury
Address Payson, Arizona
Contract Amount, $ 28,000.00 Government Participation: 75 % Amount, $ 21,000.00

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	1505.00		1505.00			
Drifting Shaft		~~6510.00~~ 6650.00	6650.00			
(2) Labor and Supervision:		715.00	715.00			
Labor		300.00	300.00			
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:		63.82	63.82			
Timber						
Explosives						
Pipe						
Fuel & Greases		112.04	112.04			
(4) Operating Equipment:		100.00	100.00			
Rental						
Purchase		90.00	90.00			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		15.00	15.00			
Sampling and Analysis		15.98	15.98			
Payroll Taxes		79.09	79.09			
Bookkeeping		50.00	50.00			
(8) Contingencies (specify):						
		8190.93	9695.93			
TOTALS	1505.00	~~8050.93~~	~~9555.93~~	1505.00	~~8,190.93~~	~~9,695.93~~
					*-140.00	*-140.00
				1505.00	8,050.93	9,555.93

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

Date Oct 8th, 1953 *Payee ORD MERCURY MINES

Per Tom J. Russell Title Secr'y-Treas.

*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:

$ 1128.75

Signature [illegible]
(Authorized Certifying Officer)

Date 10/23/53 Vou. No. DMA 54-41
(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. dmeE460 in accordance with the terms of the contract.

Signature William R Hardwick Title Mining Engineer Date 10/13/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. H. KING Title Executive Officer Date OCT 20 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 MEA-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 30 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Sept 195 3 Docket No. DMEA 2445 Contract No. Idm 2460
Operator's Name Old Mercury Mines Minerals Mercury
Address Payson, 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	1505.00	43	1505.00	43	35.00	300	35
Crosscutting								
Raising								
Shafts				~~6610.00~~	~~95~~	70	100	70
Winzes				6650.00	95			
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehab.				1540.93				
Total Distributed Costs		1505.00		~~9555.93~~ 9695.93				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
				9695.93				
Total Costs		1505.00		~~9555.93~~				28,000

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. 8th, 1953 Operator OLD MERCURY MINES

Per Tom J. Russell Title Secr'y-Treas.

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

October 19, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2445, Contract Idm-2460 (Mercury), Ord Mercury Mine, Gila County, Arizona. Operator's Monthly Progress Report for the period September 1953.

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

Work has been accomplished as authorized in the contract and payment is recommended for 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.

Stage II work is on a unit cost basis as per contract; therefore no documentation is required.

Remarks:

Date of Report	October 8, 1953.
Date Received in Field Office	October 12, 1953.
Date Received in Region Office	October 19, 1953.

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

Enclosures

RDB:cwm

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

MINING DIVISION
REGION IV

October 13, 1953

Memorandum

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

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

Subject : September 1953 Progress Report, Contract Idm-E460, Docket DMEA-2445, Ord Mercury Mine, Gila 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 MF-104A.

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

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

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2445
DF

WRStorms:frj

DEPARTMENT OF THE INTERIOR
Land Office Received
OCT 30 1953

MINING DIVISION
REGION IV

October 13, 1953

Memorandum

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

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

Subject : Progress Report for September 1953, Docket DMEA-2445, Contract Idm-E460, Ord Mercury Mine, Gila County, Ariz.

The Ord Mercury Mine was visited on October 6, 1953. Tom Russell, Secretary-Treasurer, was present and assisted in measuring the progress.

A sump, 7 feet deep, had been completed below the drift station. A drift had been driven 43 feet in a western direction. The timber in the winze had been strengthened, and some sets were doubled.

No ore was discovered. The drift now is passing through a fault zone which the operator estimates will extend for another 10 feet. After the drift passes out of this fault zone the operator will crosscut to the north where he expects to find the ore at a distance of about 20 feet. The ore discovered to date is estimated to be 13,362 tons at a grade of 0.99 percent mercury.

The43 feet of drifting that were completed in September are in accordance with the provisions of the contract and are approved. The cost of 43 feet of drift is $1,505.00 at the contract rate of $35.00 per foot. The Government's agreed part is 75 percent, or $1,128.75. It is recommended that the operator be paid this amount as provided by the contract.

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

CC W. H. King (Orig. & 6)
DMEA-2445
DF

WRHardwick:frj

ORD MERCURY MINES

PAYSON, ARIZONA

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 30 1953

NARRATIVE REPORT

Month of: September, 1953
Operator: Ord Mercury Mines
Payson, Arizona

Docket No. DMEA 2445
Contract No. Idm-8460
Mineral: Mercury

During September we have advanced the drift west for 43 feet. We also timbered the shaft to the bottom and continued the shaft 7 feet for a sump.

The drift has been in a blue schist laced with quartz stringers. We have encountered numerous small faults with a n.w. strike and a westerly dip. This faulted condition is getting more intense as we near the point we should encounter the ore zone. We have timbered the drift all the way and will probably have to continue this, at least until we get into the mineral zone, where conditions have always been more favorable here.

We had considerable trouble with the last 30 feet of the shaft and had to double up on some of the timber. However this swelling has stopped as we are draining the water from this area.

Respectfully,

ORD MERCURY MINES

Tom J. Russell

Secr'y-Treas.

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED SEP 23 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1953 Docket No. DMEA 2445 Contract No. Idm-E460
Operator's Name Ord Mercury Mines Minerals Mercury
Address Payson, Arizona
Contract Amount, $ 28,000.00 Government Participation: 75 % Amount, $ 21,000.00

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						
Shaft	1540.00	5110.00	6650.00	1,400.00	5110.00	6510.00
(2) Labor and Supervision:						
Labor		715.00	715.00			
Supervision		300.00	300.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		63.82	63.82			
Explosives						
Pipe						
Track						
Fuels & Greases		112.04	112.04			
(4) Operating Equipment:						
Rental		100.00	100.00			
Purchase						
Depreciation		90.00	90.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		15.00	15.00			
Payroll Taxes		15.98	15.98			
Liability Insurance		79.09	79.09			
Bookkeeping		50.00	50.00			
(8) Contingencies (specify):						
					?	?
TOTALS	1540.00	6650.93	8190.93	1,400.00	5,110.00	6,510.00

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

Date Sept. 5th, 1953 Payee ORD MERCURY MINES

Per Tom J. Russell Title Secr'y-Treas.

*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:

$ 1,050.00

Signature [illegible]
(Authorized Certifying Officer)

Date 9-17-53 Vou. No. DMA 54-29

(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. DMEA 60 in accordance with the terms of the contract.

Signature William R. Hardwick Title Mining Engineer Date Sept. 10, 1953

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

Signature W. H. Kemp Title Executive Officer Date SEP 15 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 30 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1953 Docket No. DMEA 2445 Contract No. Idm-E460

Operator's Name Ord Mercury Mines Minerals Mercury

Address Payson, 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	ft	1540.00	22	6650.00	95	70.00		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehab				1540.93				
TOTAL DISTRIBUTED COSTS		1540.00	22	8190.93				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1540.00	22	8190.93				

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 Sept 5, 1953 Operator ORD MERCURY MINES

Per Tom J. Kennedy Title Secr'y-Treas.

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 28 1953

Administrative Audit Difference Statement

Date: Sept 27, 1953
Payee's
Reference: Expense Report

August, 1953

Ord Mercury Mines
Payson, Arizona
I-[illegible]-E160

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

Amount Claimed $ 1540.00

Difference $ 140.00

Amount Approved $ 1400.00

The reason for the difference was due to:

Two feet excess stope sinking at 70.00 140.00

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.

RECEIVED
SEP 23 1953

224 New Customhouse
Denver 2, Colorado

September 15, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2445, Contract Idm-E460 (Mercury), Ord Mercury Mine, Gila County, Arizona. Operator's Monthly Progress Report for the period August 1953.

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

Work has been accomplished as authorized in the contract and payment is recommended for 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, except for the following deductions:

Two feet of winze sinking at the specified rate of $70.00 per foot is to be disallowed as the contract only provides for 100 feet of winze below the 200 level.

Remarks:

Date of Report	September 5, 1953.
Date Received in Field Office	September 10, 1953.
Date Received in Region Office	September 14, 1953.

An amendment is being prepared to extend the completion of the contract.

W. H. King
W. H. King

Enclosures
RDB:cwm

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 28 1953

MINING DIVISION
REGION IV

September 10, 1953

Memorandum

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

From : Lincoln A. Stewart for Walter R. Storms, Chief, Mining Methods Br., Mining Div., Region IV

Subject : August 1953 Progress Report, DMEA Docket 2445, Contract Idm-E460, Ord Mercury Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

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

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

As pointed out by Hardwick, only 20 of the 22 feet of advance is in accordance with the contract, therefore I recommend that the Government's share of the project cost be limited to 20 feet of advance.

Lincoln A Stewart

Lincoln A. Stewart, Mining Engineer
for Walter R. Storms, Chief
Mining Methods Branch
Mining Division, Region IV

CC W. H. King (6)
DMEA-2445
DF

LAStewart:frj

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 28 1953

MINING DIVISION
REGION IV

September 10, 1953

Memorandum

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

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

Subject : Progress Report for August 1953, Docket DMEA-2445, Contract Idm-E460, Mercury, Ord Mercury Mine, Gila County, Ariz.

With John N. Faick, geologist, U. S. Geological Survey, the undersigned engineer visited the Ord Mercury Mine on September 4, 1953. Mr. Tom J. Russell, Secretary-Treasurer and active manager of the company was present and assisted in measuring progress.

The winze had been advanced to a point 102 feet below the 200 level for an advance of 22 feet during the month of August. The operator was timbering a station in the bottom of the winze. He stated that he intended to collar and excavate a sump below the present bottom. The bottom of the winze is not in ore.

From the station which the operator is setting at 102 feet below the 200 level he intends to drive a drift south 80° west. This is the strike of the ore in the level above. At a distance of 35 feet the operator expects to cross the fault which displaces the ore. After crossing this fault the operator expects to crosscut to the north until he finds the ore zone. He believes this will be approximately 20 feet. This plan seems justified and is approved.

At a depth of 90 feet in the winze the operator reported a small drag remnant of ore. The talc gouge in which this ore occurred strikes south 80° west and will be followed by the drift in that direction. The ore indicated to date is estimated to be 13,362 tons at a grade of 0.99 percent mercury.

The operator has presented a voucher requesting payment for the 22 feet of winze completed during August. The contract provides "Stage II consists of - - - sinking the adit winze 100 feet below the 200 foot level - - - ".

EE W. H. King (Orig. & 6)
DMEA-2445
DF

WRHardwick:frj

It would therefore appear that the contractor is entitled to payment for only 20 feet or to a depth of 100 feet instead of 102 as claimed. Of the 22 feet of winze completed during August 20 feet are in accordance with the provisions of the contract and are approved. The contract provides for payment by the Government of 75 percent of an estimated cost of $70.00 per foot of winze. The total cost of 20 feet of winze at $70.00 per foot is $1,400.00, and the Government's agreed part of this amount of $1,050.00. It is recommended that the operator be paid this amount in accordance with the terms of the contract.

William R. Hardwick

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

ORD MERCURY MINES

PAYSON, ARIZONA

RECEIVED
SEP 30 1953

NARRATIVE REPORT

Month of: August, 1953 Docket No. DMEA 2445
Operator: Ord Mercury Mines Contract No. Idm-E460
Payson, Arizona Mineral: Mercury

During this period we have advanced the proposed winze 22 feet to a depth of 102 feet and have gone through the faulted material that we had so much trouble with.

We had some ore showing at 90 feet and are following the talc gouge this occurred on to the west.

We are now timbering the bottom station and have advanced the drift 15 feet from the bottom. The drift shows some vein material following the regular ore strike in the level above. However the ore body is probably displaced to the morth some, but cannot tell until we open up some length in the drift.

Respectfully

ORD MERCURY MINES

Tom J. Russell

Secr'y-Treas.

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1953 Docket No. DMEA 2445 Contract No. Idm-E460
Operator's Name Ord Mercury Mines Minerals Mercury
Address Payson, Arizona
Contract Amount, $28,000.00 Government Participation: 75 % Amount, $21,000.00

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						
Shaft	3080.00	2030.00	5110.00			
(2) Labor and Supervision:						
Labor		715.00	715.00			
Supervision		300.00	300.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		63.82	63.82			
Explosives						
Pipe						
Track						
Fuel & Greases		112.04	112.04			
(4) Operating Equipment:						
Rental		100.00	100.00			
Purchase						
Depreciation		90.00	90.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		15.00	15.00			
Payroll Taxes		15.98	15.98			
Liability Insurance		79.09	79.09			
Bookkeeping		50.00	50.00			
(8) Contingencies (specify):						
TOTALS	3080.00	3570.93	6650.93	3080.00	3570.93	6650.93

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Aug 13, 1953 *Payee ORD MERCURY MINES,
Per Tom J. Russell Title Secr'y-Treas.

*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:

$2310.00

Signature
(Authorized Certifying Officer)
Date 9/2/53 Vou. No. DMEA 54-24

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. dmE 460 in accordance with the terms of the contract.

Signature William R. Hardwick WRH Title Mining Engineer Date 8/17/53

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

Signature W. H. King Title Executive Officer Date AUG 31 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 July 1953 Docket No. DMEA 2445 Contract No. Idm-E460
Operator's Name Ord Mercury Mines Minerals Mercury
Address Payson, 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								
Crosscutting								
Raising								
Shafts	ft	3080.00	44	5110.00	73	70.00	100	70.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehab				1540.93				
TOTAL DISTRIBUTED COSTS		3080.00	44	6650.93				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3080.00	44	6650.93				28,000.00

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

Date Aug 13, 1953 Operator ORD MERCURY MINES

Per Tom J. Russell Title Secr'y-Treas

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

August 31, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2445, Contract Idm-E460 (Mercury), Ord Mercury Mine, Gila County, Arizona. Operator's Monthly Progress Report for the period July 1953.

Enclosed are the original and cour 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.

Remarks:

Date of Report	August 13, 1953
Date Received in Field Office	August 17, 1953
Date Received in Region Office	August 19, 1953

Held up pending request for amendment to extend the completion date of the contract.

W. H. King
W. H. King

Enclosures

RDB:cwm:jp
cc Contract
Chron
WRStorms w/copy of report
Sec. to Oper. Comm. (2) w/copies of report

DEPARTMENT OF THE INTERIOR
Bureau of Mines
SEP 8 - 1953

MINING DIVISION
REGION IV

August 17, 1953

Memorandum

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

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

Subject : July 1953 Progress Report, Contract Idm-E460, Docket DMEA-2445, Ord Mercury Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

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

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

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

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-2445
DF

WRStorms:frj

MINING DIVISON
REGION IV

August 17, 1953

Memorandum

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

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

Subject : July 1953 Progress Report, Contract Idm-E460, Docket DMEA-2445, Ord Mercury Mine, Gila County, Ariz.

The Ord Mercury mine was visited on August 13, 1953. Tom J. Russell, Manager, was at the property and was present when the measurements were made. Mr. Russell stated that in addition to the underground work, some repairs were made on buildings to house employees. Some additional work remained to be completed before this part of Stage II is completed, and the operator stated that he would not claim reimbursement until the repair of company buildings was complete.

The winze had advanced to a point 80 feet below the rail of the 200 level for a gain of 44 feet during the month.

The operator stated that of the 44 feet of advance, 28 feet were through a fault zone and the gouge was very difficult to handle. The bottom is in better ground and the operator expects to complete the winze in about two weeks, then start drifting.

No ore was discovered during July. The oreshoot has passed out of the winze in a rake to the west. The ore indicated to date is estimated to be 13,362 tons at a grade of 0.99 percent mercury.

The 44 feet of winze which were completed in July are in accordance with the terms of the contract and are approved. The contract provides for reimbursement to the operator at the rate of 75 percent of an agreed price of $70.00 per foot. The total cost of 44 feet is $3,080.00 and the Government's part is $2,310.00. It is recommended that the operator be paid for the 44 feet completed in July in accordance with the terms of the contract.

William R. Hardwick

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

CC W. H. King (Orig. & 6)
DMEA-2445
DF

WRHardwick:frj

ORD MERCURY MINES

PAYSON, ARIZONA

NARRATIVE REPORT

Month of: July, 1953
Operator: Ord Mercury Mines
Payson, Arizona

Docket No. DMEA 2445
Contract No. Idm-E460
Mineral: Mercury

During this period we have advanced the sinking in the winze 44 feet.

We have had considerable water for about thirty feet but it has slowed up for the last ten feet and is apparently draining the country above.

We are working two shifts in the winze and hope to finish the sinking in the next two weeks. There has been considerable faulted material for about 25 feet which has made us keep our timber close. We are now through this and the bottom is in the regular blue schist that lies south and east of the regular vein. The ore body had followed its regular trend to the west before this fault was encountered.

Have also roofed five houses and have been reconditioning the furnace and crushing plant. Have also had to practically renew the ties in the 900 feet of track in the adit tunnel.

Respectfully

ORD MERCURY MINES

Tom J. Russell

Secry-Treas.

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

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

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

Month of June, 1953 Docket No. DMEA 2445 Contract No. Idm-E460
Operator's Name Ord Mercury Mines Minerals Mercury
Address Payson, Arizona
Contract Amount, $ 28,000.00 Government Participation: 75 % Amount, $ 21,000.00

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						
Shaft	560.00	1470.00	2030.00			
(2) Labor and Supervision:						
Labor		715.00	715.00			
Supervision		300.00	300.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		63.82	63.82			
Explosives						
Pipe						
Track						
Fuel & greases		112.04	112.04			
(4) Operating Equipment:						
Rental		100.00	100.00			
Purchase						
Depreciation		90.00	90.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		15.00	15.00			
Payroll Taxes		15.98	15.98			
Liability Insurance		79.09	79.09			
Bookkeeping		50.00	50.00			
(8) Contingencies (specify):						
TOTALS	560.00	$3,010.93	$3,570.93	560.00	3,010.93	3,570.93

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

Date 7/15/53 *Payee Ord Mercury Mines

Per Tom J. Russell Title Sec'y-Treas.

*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:

$ 420.00

Signature [illegible]
(Authorized Certifying Officer)

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

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. dmeFA60 in accordance with the terms of the contract.

Signature William R. Hardwick Title Mining Engineer Date 7/20/53

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

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

GPO 83-38476

Form MF-304A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1953 Docket No. DMEA 2445 Contract No. Idm-E460
Operator's Name Ord Mercury Mines Minerals Mercury
Address Payson, 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								
Crosscutting								
Raising								
Shafts	ft.	560.00	8	2,030.00	29	70.00		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehab.				1,540.93				
TOTAL DISTRIBUTED COSTS		560.00	8	$3,570.93				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		560.00	8	3,570.93				

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 7/15/53 Operator Ord Mercury Mines

Per Tom J. Russell Title Secr'y-Treasy.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

August 3, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2445, Contract Idm-E460 (Mercury), Ord Mercury Mine, Gila County, Arizona-Operator's Monthly Progress Report, for the period June 1953.

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

Work has been accomplished as authorized in the contract and payment is recommended for 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.

Remarks:

Date of Report----------July 15, 1953
Date Received in Field Office---------July 20, 1953
Date Received in Region Office--------July 29, 1953
Date Processed for Payment----------July 31, 1953

W. H. King
W. H. King

Enclosures

RDB:es

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

MINING DIVISION
REGION IV

27
July 23, 1953

Memorandum

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

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

Subject : June 1953 Progress Report, Contract Idm-E460, Docket DMEA-2445, Ord Mercury Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

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

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

As the winze sinking 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-2445
DF

WRStorms:frj

MINING DIVISION
REGION IV

July 13, 1953

Memorandum

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

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

Subject : Progress Report for June 1953, Docket DMEA-2445, Contract Idm-E460, Ord Mercury Mine, Gila County, Ariz.

The Ord Mercury Mine was visited on July 3, 1953. Tom J. Russell, Manager, was at the property. Mr. Russell stated that he had been unable to keep a full crew but that he had now hired additional men and expected to continue sinking on two shifts starting after the 4th of July holiday.

The winze had advanced to a point 36 feet below the track of the 200 level for a gain of 8 feet during the month of June. This measurement was made to the top of a muck pile resulting from a round which had been drilled and blasted but not yet mucked out.

The operator reported that a talc section was encountered at approximately 30 feet below the 200 level and that there was no ore in the schist below this point. A thin mineralized zone,6 to 7 inches thick, continued along the hanging wall in the conglomerate. No sample was taken since the winze is now below the oreshoot which plunges to the west. A sample taken at 20 feet below the 200 level ran 0.95 percent mercury for a width of 3 feet.

Assuming that the oreshoot plunges uniformly from the point at which it intersects the 150 level to the point where the winze passed out of ore, and furthermore, assuming that the oreshoot continues for a distance of 40 feet to the west of the winze, 13,362 tons of ore containing 0.99 percent Mercury ore indicated. This grade is based on samples No. 2, 3, 4, 5, and 12923. It is probable that this grade will be reduced considerably by dilution when the ore is mined.

The 8 feet of winze that were completed in June are in accordance with the terms of the contract and are approved. The contract provides for payment at the rate of $70.00 per feet or a total of $560.00, of which the Government's agreed part is 75 percent, or $420.00. It is recommended that the operator be paid in accordance with the terms of the contract.

William R Hardwick

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

CC W. H. King (Orig. & 6)
DMEA-2445
DF
WRHardwick,:frj

ORD MERCURY MINES

PAYSON, ARIZONA

Month of: June, 1953 Docket No. DMEA 2445 Contract No. Idm-E460
Operator: Ord Mercury Mines
Payson, Arizona
Mineral: Mercury

NARRATIVE REPORT

Gentlemen:

During this period our report shows only 8 feet advance with the winze, we have had some delay on account of losing three men during this time. However we have crew enough now to continue this work on a two shift basis, which should show good results in July.

During the time we were short of men we did considerable timbering in the adit level, also put lagging solid in the winze above the two hundred level where we started sinking. We also installed a pump in the two hundred level, west drift with a sump to catch the water from this level, also using this pump station to relay the water from the bottom of the winze to the adit level. We had considerable water for a few days from 28 feet to 35 feet down, but this flow has dropped back to normal.

We have also done considerable work toward getting the surface plant ready to operate.

Sincerely

ORD MERCURY MINES

Tom J. Russell

Secr'y-Treas.

Form MEA 104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 13 1953

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Period ~~Month~~ of Apr 29th-June 1, 195~~3~~ Docket No. DMEA 2445 Contract No. DM-E460

Operator's Name ORD MERCURY MINES, Minerals Mercury

Address Payson, Arizona

Contract Amount, $28,000.00 Government Participation: 75% Amount, $21,000.00

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						
Shaft	1,470.00		1,470.00			
(2) Labor and Supervision:						
Labor		715.00	715.00			
Supervision		300.00	300.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		63.82	63.82			
Explosives						
Pipe						
Track						
Fuel & greases		112.04	112.04			
(4) Operating Equipment:						
Rental		100.00	100.00			
Purchase						
Depreciation		90.00	90.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		15.00	15.00			
Payroll Taxes		15.98	15.98			
Liability Insurance		79.09	79.09			
Bookkeeping		50.00	50.00			
(8) Contingencies (specify):						
TOTALS	1470.00	1,540.93	3,010.93	1470.00	1,540.93	3,010.93

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

Date June 10, 1953 *Payee ORD MERCURY MINES

Per Tom J. Russell Title Secr'y-Treas.

*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:

$1102.50

Signature
(Authorized Certifying Officer)

Date 6/30/53 Vou. No. DMA-54-2

(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. Tom E460 in accordance with the terms of the contract.

Signature William R. Hardwick WRH Title Mining Engineer Date 6/16/53

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

Signature W. H. King Title Executive Officer Date JUN 24 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 13 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Period ~~Month~~ of Apr 29-June 15 3 Docket No. DMEA 2445 Contract No. IDM-E460
Operator's Name Ord Mercury Mines Minerals Mercury
Address Payson, 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								
Crosscutting								
Raising								
Shafts	feet	1470.00	21	1,470.00	21	70.00		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehab Jon				1,540.93				
TOTAL DISTRIBUTED COSTS		1470.00	21	2,010.93				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1470.00		2,010.93				

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 June 10, 1953 Operator ORD MERCURY MINES

Per Tom J Russell Title Secr'y-Treas.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

June 25, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2445, Contract Idm-E460 (Mercury), Ord Mercury Mine, Gila County, Arizona - Operator's Monthly Progress Report, for the period May 1953.

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

Written approval for Stage II work was given in a letter dated April 15, 1953 from W. R. Storms, a copy of which is on file in this office.

Remarks:

Date of Report	June 10, 1953
Date Received in Field Office	June 12, 1953
Date Received in Region Office	June 18, 1953
Date Processed for Payment	June 25, 1953

W. H. King
W. H. King

Enclosure

RDB:fwo

cc Sec Oper Comm
WRStorms
Contract
Chron

MINING DIVISION
REGION IV

June 16, 1953

Memorandum

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

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

Subject : May 1953 Progress Report, Contract Idm-E460, Docket DMEA-2445, Ord Mercury Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

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

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

As the shaft sinking 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-2445
DF

WRStorms:frj

MINING DIVISION
REGION IV

June 16, 1953

Memorandum

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

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

Subject : Progress Report for May 1953, Docket DMEA-2445, Contract Idm-E-460, Ord Mercury Mine, Gila County, Ariz.

The Ord Mercury Mine was visited on June 10, 1953. Tom J. Russell, Manager, was on the property and with four employees was sinking a winze as authorized in Stage II of the contract. The winze had advanced to a point 28 feet below the track of the 200 level. The starting point was 7.0 feet below the track, thus the advance was 21 feet. The operator stated that this advance was completed in May.

The winze is following the footwall of a bed which the operator called a conglomerate dike. The face of the conglomerate forms the north edge of the winze which inclines approximately 5 degrees from the vertical as shown on the plans submitted with the progress report for April. The conglomerate apparently forms the north limit of the ore. The mineralized zone is approximately 3 feet thick. In this zone, pink cinnabar-colored schist was quite prominent and some crystalline cinnabar was visible. A sample was cut across the mineralized zone at a depth of 20 feet below the 200 level. An estimate of the ore reserves is not included with this report because much of the reported ore-bearing ground is inaccessible. The location of the known assays is shown on the progress map for May. These assays have been corrected to show the results of the Salt Lake City analyses.

The operator has presented a narrative report which is adequate. The 21 feet of winze which the operator reports for May are in accordance with the provisions of the contract and are approved. This contract provides for a cost of $70.00 per foot of winze or a total of $1,470.00 for the 21 feet. The Government's agreed part is

CC W. H. King (Orig. & 6)
DMEA-2445
DF
WRHardwick:frj

75 percent of this amount, or $1,102.50. It is recommended that the operator be paid this amount in accordance with the terms of the contract.

William R Hardwick

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

ORD MERCURY MINES

PAYSON, ARIZONA

PROGRESS REPORT

Period of: April 20 th June 1, 1953 Project No. RMA 2045
Operator's Name: Ord Mercury Mines Contract No. IDI-2460
Address: Payson, Arizona Mineral: Mercury

Defense Minerals Exploration Administration
University Station
Tucson, Arizona

Gentlemen:-

During this period we have completed 21 foot of the proposed shaft. Before starting to sink the shaft we completed the timbering of the 200 level station and put in a tenour set in the 200 level. We have also had to replace 16m and repair a good portion of the track from the hoist station to the dump.

While about one half of the shaft width has been ore of very good grade (estimate 1%) we have been unable to separate this material and have been stockpiling some along the track to the ore bin for future use. About 75 tons here. This ore shows a fissical solo to the rock and is placed against the hanging wall on the north side of the shaft. At 20 foot down from the 200 level is show a tendency to narrow down in the east end of the shaft, however, that is left is very good.

We have not killed or shipped any ore during this period.

Sincerely

ORD MERCURY MINES

Tom J Russell

Secy-Treas.

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

Period ~~Month~~ of Feb 11 to Mar 23 1953 Docket No. DMEA 2445 Contract No. IDM-2400

Operator's Name Ord Mercury Mines Minerals Mercury

Address Payson, Arizona

Contract Amount, $28,000.00 Government Participation: 75 % Amount, $21,000.00

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						
Shaft						
(2) Labor and Supervision:						
Labor	715.00		715.00			
Supervision	300.00		300.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	63.82		63.82			
Explosives						
Pipe						
Track						
Fuel & grease	112.04		112.04			
(4) Operating Equipment:						
Rental	100.00		100.00			
Purchase						
Depreciation	90.00		90.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	15.00		15.00			
Payroll Taxes	15.98		15.98			
Liability Insurance	79.09		79.09			
Bookkeeping	50.00		50.00			
(8) Contingencies (specify):						
TOTALS	1540.93		1540.93	1540.93		1540.93

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

Date April 2, 1953 Payee ORD MERCURY MINES

Per Tom J. Russell Title Secretary-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:

$ 1155.70

Signature [illegible]
(Authorized Certifying Officer)

Date 4/23/53 Vou. No. DMA 53-127
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-13460 in accordance with the terms of the contract.

Signature T M Pemelo WAH Title Mining Engineer Date April 16, 1953

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

Signature W. H. King Title Executive Officer Date APR 20 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

Period ~~Month~~ of Feb 11 to Mar 23 195 53 Docket No. DMEA 2445 Contract No. IDM-E460

Operator's Name ORD MERCURY MINES Minerals Mercury

Address Payson, 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								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Underground Rehabilit		1540.93		1540.93				
TOTAL COSTS		1540.93		1540.93				

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 April 2, 1953 Operator ORD MERCURY MINES

Per Tom J. Russell Title Secr'y-Manager

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

April 20, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2445, Contract Idm-2460 (Mercury), Ord Mercury Mine, Gila County, Arizona. Operator's Monthly Progress Report for the period February 11, 1953 to March 23, 1953.

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

Work has been accomplished as authorized in the contract and payment is recommended for 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.

Although the contract specifies "Labor - 2 miners for 4 weeks $718.00" no exception is taken to use of one miner and one laborer as the amount claimed is within the estimated cost specified in the contract.

Remarks:

Date of Report	April 2, 1953.
Date Received in Field Office	April 6, 1953.
Date Received in Region Office	April 20, 1953.
Date Processed for Payment	April 20, 1953.

W. H. King
W. H. King

Enclosures

RDEY:cwm

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

MINING DIVISION
REGION IV

April 16, 1953

Memorandum

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

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

Subject : March 1953 Progress Report, Docket DMMA-2445, Contract Idm-D460, Ord Mercury Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

(3) Forms MF-104 and MF-104a 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)
DMMA-2445
DF

WRStorms:frj

MINING DIVISION
REGION IV

April 16, 1953

Memorandum

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

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

Subject : Progress Report for March 1953, Ord Mercury Mine, Gila County, Ariz., Docket BMM-2445, Contract Idm-E460.

The Ord Mercury mine was visited March 31, 1953 to check progress, to determine if the work done was in accordance with subject contract and to determine if further work is warranted. An inspection of the project was made in the company of Tom Russell, secretary-manager.

The inspection showed that the work of Stage 1 had been completed. This work was reportedly done during the period February 11 to March 23. It consisted of the following:

1. "0" level ("B" Tunnel) - cleaned up muck and timbered the portal, and mucked out and timbered a caved zone at "B" winze.

2. 150 level (new adit) - several minor rock-falls were mucked out, drainage ditch cleaned from Adit winze to portal, and bad ground was supported by repairing existing timbers and by installing new timber sets.

3. Mine dewatered, by pumping, from 150 level to bottom at the 200 level.

4. 200 level - cleaned to a point where drift is closed tight with muck from stope, a distance of 40 feet from winze.

5. Sampling - sampled 5 places shown on map attached to Operator's Narrative Report.

During the inspection of the mine I took 4 samples. The samples were assayed by the U. S. Bureau of Mines at Tucson. They then were sent to the Bureau's Salt Lake City office for rechecking.

cc W. H. King (orig. & 6)
BMM-2445
DF

TMRomslo:frj

In accordance with the mutual agreement of my Interim Report of Feb. 27, Russell stopped all work upon completion of Stage 1. Written approval to reopen the project and to proceed with work authorized by stage 2, was mailed to Russell on April 15. The decision to approve continuance of the project was made without awaiting the result of check-assays. It was based on data that indicated the authorized exploratory work could reasonably be expected to encounter significant reserves of ore and that some ore, probably of present economic grade, remains above the 200 level. The possibility that ore may be encountered at depth is based on the occurrence of ore at sample location 5 and by Russell's claim that the drift below the stope from the 200 level contains a 4-foot vein of high-grade ore. Further, what appears to be a fault segment of this ore body has notbeen mined below the 200-foot level. That some partially developed ore exists is supported by the assays of Russell's samples. However, the inspection indicated that possible ore above the 150 level is much less than claimed by Russell. An estimate of these reserves cannot be made because faces of stopes reportedly in ore are inaccessible and portions of the potential ore zone have not been exposed by mine workings.

The starting point for winze sinking operations of stage 2 was established at 7.0 feet below the track of the 200 level.

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

The following conclusions are based on the inspection of the project and a review of subject data:

1. The work performed and for which claim is made is in accordance with the contract;

2. The charges of Form MF-104, supported by proper documents, do not appear to be excessive;

3. The Operator's Narrative Report is considered adequate.

T. M. Romslo

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

ORD MERCURY MINES

PAYSON, ARIZONA

April 2nd, 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

Period: Feb 11 to Mar 28, 1953 Docket No. DMEA 2485 Contract No. IDM-F460

NARRATIVE REPORT

We have completed stage one of this contract as far as I think it is practical to go with it. Upon getting the water out of the bottom level of the winze we find that 40 feet back in the west drift the whole section has caved, making it not practical to continue further. Inasmuch as most of this material is ore that can be pulled from the proposed level after sinking the winze. This level will dry up in the meantime. The present winze is in good condition.

While I had been working on this since the 1st of January, we actually started work under this contract February 11, 1953. After cleaning up the main adit portal and water ditch we installed the rental pump and began pumping while we were cleaning up and installing timber in the main adit drift.

We also continued pumping while mucking out the caved portal of "B" Tunnel and timbering same. Also had to muck out and catch up a collapsed raise at "B" winze in "B" tunnel.

We reached the bottom of the winze and recovered our own pump on March 2, 1953. However I found that this pump had to be repaired before we could return the rental pump. This was done and our own pump in operation in the one month rental period. There being considerable talc and mud in the caved section, considerable water was impounded in and behind this caved area. As it drained out we had to pump sporadically for the last ten days. While doing this we repaired the timber under the first raise west of the winze on the bottom level and bulkheaded the east drift from the bottom of same. This drift was only 20 feet long and had encountered a fault that water slacked upward into the floor of the main drift 20 feet east of the collar of the adit winze. We filled this hole with muck from the west bottom drift. We finished this rehabilitation work on March 23rd. Your Tucson office was notified and Mr. Romslo inspected the work and check sampled my assays on March 30th and 31st.

I am continuing pumping and some repair work while waiting to hear about the second stage of the work.

ORD MERCURY MINES

Tom A. Russell
Secy

NOV 19 1962

NOV 21 1962
O.M.E.

Ord Mercury Mines
c/o Mr. George M. Hill
Hill, Savey and Mitchell
512 Arizona Bank Building
Phoenix 3, Arizona

Re: DMEA-2445 (Mercury)
Ord Mercury Mines
Ord Mercury Mine
Gila County, Arizona
Contract Idm-2460

Gentlemen:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated April 13, 1956, all minerals mined or produced from November 10, 1952, to November 10, 1962, were subject to the Government's royalty as set forth in the said contract.

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

Sincerely yours,

George Fumich, Jr.

Director

SFHolt/mm
11-13-62
cc: Director's reading
✓CA&A Division
Region III (2)
Docket
Code 500

800

GEORGE M. HILL
JOHN E. SAVOY
ANIS MITCHELL

LAW OFFICES
HILL, SAVOY & MITCHELL
512 ARIZONA BANK BUILDING
PHOENIX 3, ARIZONA
TELEPHONE ALPINE 8-7523

October 8, 1962

COPY

Mr. W. R. Griswold, Chief
Division of Minerals
United States Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Re: DMEA-2445 (Mercury)
Ord Mercury Mines, Inc.
Ord Mercury Mine
Gila County, Arizona
Contract Idm-E460

Dear Mr. Griswold:

There has been a change in the ownership of the stock of Ord Mercury Mines, Inc., an Arizona corporation, in that it was taken over by the Thornburg interests in 1955.

We are not familiar with what obligations there may be due from production on this property to the United States Government by virtue of the above DMEA exploration work.

The files and records of the company do not disclose any Certificate of Discovery as a result of the development work. In the event there was such a certificate I would appreciate receiving a copy of it.

We have received no report from the present operator under the new lease.

Thanking you for your courtesy, I am

Very truly yours,

George M. Hill

For HILL, SAVOY & MITCHELL

George M. Hill/LL
Encls.

LEASE OF MINING CLAIMS

DATE: June 11, 1962.

LESSOR: ORD MERCURY MINES, an Arizona corporation.

LESSEE: O. L. JOHNSON.

The LESSOR, for and in consideration of the rents and royalties hereinafter specified to be paid by the LESSEE and the covenants and agreements herein contained by said LESSEE to be kept and performed, does hereby by these presents lease and demise to the LESSEE those certain patented mining claims known and designated as ORD #1 through ORD #20, inclusive, situated in the Brown Mining District, in Sections 11, 12, 13 and 14, Township 7 North, Range 9 East, Gila and Salt River Base and Meridian, Gila County, Arizona, on the following terms and conditions:

1. The LESSEE will enter upon the said leased premises within thirty (30) days from the date hereof, and thereafter shall mine the same in good faith and according to approved mining methods, so as to take out the greatest amount of minerals or ores possible, with due regard to the development and preservation of said mine or mining premises as a workable mining property, and so that all available minerals shall be mined as the work progresses, and will not indulge in the practice known as high grading or gouging, and shall not suspend mining operations for a longer period than twenty (20) days in any twelve (12) consecutive months without consent of the LESSOR. Delays caused by unavoidable accidents or causes beyond the control of the LESSEE alone are excepted.

2. The LESSEE shall at all times keep the drifts, shafts, tunnels and other works thoroughly drained and clear of loose rock and rubbish, as dictated by good mining practices.

3. The LESSOR, or its duly-authorized agent or agents, may from time to time go upon and enter into all parts of said leased premises for the purpose of inspection, survey or taking samples therefrom, and the LESSEE shall render the LESSOR, or its duly-authorized agent or agents, reasonable assistance in making such inspection, survey or examination.

4. The LESSEE covenants and agrees to pay to the LESSOR as royalties ten per cent (10%) of the gross receipts of the LESSEE from the sale, or the market value if not sold, of all minerals extracted by the LESSEE from the leased premises.

5. The LESSEE shall keep a correct account of all minerals mined and sold, the grade and weight thereof, to whom sold, and the price received therefor, which books shall be open to the inspection of the LESSOR at all reasonable times.

6. The royalties herein provided for shall be due and paid on the 20th day of each month for all minerals sold during the preceding calendar month. At the time of making each payment of royalties the LESSEE shall transmit to the LESSOR an exact statement of the amount of all minerals mined from the leased premises during the preceding month and the grades thereof, the amount of all minerals sold during the preceding month, to whom sold, and the price received therefor, and shall, if requested, furnish the LESSOR true copies of all settlement sheets for any and all such sales or shipments. Payments of royalties shall be made to the LESSOR at such address as it may from time to time designate.

7. The LESSOR shall not be responsible in case of accident to any of the employees of the LESSEE in or about said property.

8. All taxes and assessments levied or assessed in excess of the amount of the taxes for the year 1961, on the mining claims, mining equipment, buildings machinery, and all minerals mined and shipped pursuant to the terms of this lease, shall be paid and borne by the LESSEE.

9. All bills and expenses incurred by the LESSEE or those in privity with him shall be promptly paid by the LESSEE, and by such prompt payment the LESSEE shall prevent the filing of any and all liens against the demised premises for or on account of labor, supplies, materials, equipment or services furnished or performed, and if by reason of the failure of said LESSEE to pay such bills or expenses any lien or liens shall be filed against said premises, said LESSEE shall contest and defend against such lien, and if as a result thereof any such lien shall be established against said

premises, then the LESSEE shall promptly pay off and discharge same, and if said LESSEE shall fail to do so, then the LESSOR shall have the right to pay off and discharge the same and the said LESSEE holds himself liable and bound to pay to the LESSOR all sums so advanced or paid to clear said premises from such liens.

10. The LESSEE further agrees to post on the leased premises all notices required by the laws of Arizona, and to post at the collar of all working shafts, tunnels and entrances to the mine and at all boarding houses, on or before the day the LESSEE begins operations and files for record in the office of the County Recorder of Gila County, Arizona, within thirty (30) days from the date of this lease, a notice that said mining claims are not being operated by the LESSOR, that the LESSOR will not be liable for labor, materials or merchandise furnished to or performed in the operation or development of said mine or mining claims, and that said mine or mining claims will not be subject to a lien therefor.

11. The LESSEE shall deliver to the LESSOR quiet and peaceful possession of said leased premises in good order and condition, with all drifts, tunnels and other workings thoroughly drained and cleared of loose rock and rubbish, without demand or further notice, upon the expiration of the term of this lease, or at any time previous thereto upon demand for forfeiture. It is mutually understood that all structures, machinery and equipment which may be placed upon the premises by the LESSEE may be removed therefrom within sixty (60) days after the termination of this lease; provided, however, that no such structure, machinery, tools and equipment shall be removed while the LESSEE may be in any manner indebted to the LESSOR under any obligation incurred under this lease.

12. Upon the violation of any covenant, provision or condition herein contained in this lease the LESSOR shall give the LESSEE notice thereof in writing, and in the event any such violation of any covenant, provision or condition, breach or default is not remedied and the terms and conditions of this agreement fully complied with and in every way restored

to good standing within thirty (30) days of the date of receipt of notice by the LESSEE, then this lease shall, at the option of the LESSOR, expire and terminate and the said LESSOR or its agent may thereupon, after demand of possession in writing, enter upon said premises and dispossess all persons occupying the same, with or without force and with or without due process of law.

13. The LESSEE shall have the right at any time to abandon this lease in the event that commercial ores cannot, in the opinion of the LESSEE, be produced on the claims hereinabove referred to; but upon the LESSEE determining to abandon the same he shall give to the LESSOR written notice, at LESSOR'S address as herein stated, by registered mail, not less than ten (10) days prior to any such abandonment. In the event of the failure of this lease or its forfeiture or termination as herein provided, the LESSEE shall have a reasonable time within which to remove from said mining claims any and all equipment, machinery, buildings or bins and surface improvements, whether affixed to the realty or otherwise; excluding, however, the timber or underground supports.

14. The term of this lease shall be for five (5) years from and after the date of its execution.

15. Minimum Royalties: If and in the event the percentage royalties as hereinabove provided for the months beginning September 1, 1962 and thereafter are not in an amount of $100.00 a month or more, then the LESSEE shall pay to the LESSOR, on October 1, 1962 and on the first day of each month thereafter, a minimum rental of $100.00 a month; provided, however, that all gross royalties shall apply on the minimum, so that the minimum amount to be paid by the LESSEE to the LESSOR of the total of the percentage and minimum royalties shall be not less than $100.00 a month for each month of this lease, beginning September 1, 1962.

16. Any notices required to be given under the terms hereof by either party may be given by depositing the same in the registered mails of the United States, postage prepaid, and addressed as follows:

LESSOR: Ord Mercury Mines
512 Arizona Bank Bldg.
34 W. Monroe Street
Phoenix 3, Arizona

LESSEE: O. L. Johnson
3830 E. Van Buren Street
Phoenix 8, Arizona

17. Time is of the essence of this agreement, and the terms and conditions hereof shall bind and benefit the heirs, executors, administrators and assigns of the parties hereto.

IN WITNESS WHEREOF the LESSOR has caused this instrument to be executed by its duly-authorized Vice President and the LESSEE has hereunto set his hand as of the day and year first hereinabove written.

ORD MERCURY MINES,
an Arizona corporation

(SEAL)

By George M. Hill
George M. Hill, Vice President
LESSOR

O. L. Johnson
O. L. JOHNSON
LESSEE

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this the 11th day of June, 1962, before me, the undersigned Notary Public, personally appeared GEORGE M. HILL, who acknowledged himself to be the Vice President of ORD MERCURY MINES, an Arizona corporation, and that he, as such officer, being authorized so to do, executed the foregoing Lease of Mining Claims for and on behalf of the said corporation for the purpose and consideration therein expressed.

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

My commission expires

(SEAL) August 7, 1962.

Lelia G. Long
Notary Public

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this thirth day of June, 1962, before me, the undersigned Notary Public, personally appeared O. L. JOHNSON, known to me to be the person whose name is subscribed to the foregoing Lease of Mining Claims, and acknowledged that he executed the same for the purpose and consideration therein expressed.

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

My commission expires

(SEAL) Aug. 7, 1962 .

Lelia G. Long
Notary Public

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

To: Ord Mercury Mines
258 South Scottsdale Road
P. O. Box 875
Scottsdale, Arizona

Pursuant to the provisions of Exploration Project Contract No. Idm-E460, dated November 10, 1952, as amended, (Docket No. DMEA 2445), hereinafter called the "Contract," between Ord Mercury Mines, a corporation, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that a discovery or development from which production may be made has resulted from the exploration work.

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

Rehabilitation to the 200-foot level and winzing and drifting below that level resulted in the discovery or development of mineralized zones of altered schists bearing cinnabar and metacinnabar.

Mineralization occurs in parallel shear zones. In these zones the schists and phyllites have been crumpled, sheared, hydrothermally altered and locally impregnated with cinnabar and quartz.

THE UNITED STATES OF AMERICA

cc: Docket
Code 400
Code 800
Code 110

Dated: APR 1 3 1956

By [signature]
Administrator, Defense Minerals
Exploration Administration

Oper. Committee
Adm. Read. File
Thor Kiilsgaard, USGS
R. W. Geehan, USBM
Helena Meyer, USBM

cc: C. A. Fredell, Act.Dir.,EPS,GSA
Finance Office
Field Team, Region 3

ADMcMahon/ls
2/21/56

APR 16 1956

Ord Mercury Mines
258 South Scottsdale Road
P. O. Box 875
Scottsdale, Arizona

Re: Docket No. DMEA 2445 - Mercury
Ord Mercury Mine
Gila County, Arizona
Contract No. Idm-E460

Gentlemen:

Transmitted herewith is a certification of discovery or development issued under the subject contract which was executed November 10, 1952.

By the terms of the exploration project contract and of the certification, all production from the lands described in the referenced contract from the date of the exploration project contract is subject to the Government's percentage royalty as set forth in the contract until the sum of $19,087.57 is paid or until November 10, 1962, whichever occurs first.

Payments should be made to Mr. J. M. Traver, Executive Officer, DMEA Field Team, Region III, 224 New Custom House, Denver 2, Colorado. Checks should be payable to the Defense Minerals Exploration Administration. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing the quantity of mercury sold, the name of purchaser, and the price and charges certified to be correct by the purchaser.

You are requested to notify Mr. Traver of any changes in ownership or production rights that may have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for any extended period, please notify Mr. Traver at 6-month intervals that no production has been made, when that is the case.

Sincerely yours,

O. O. Nicholson

Administrator

cc: Docket
Code 400
Oper. Comm.
Adm. Read. File
Code 800
Enclosure

cc: Code 110
FT, Region 3
Finance Office

cc: Thor Kiilsgaard, USGS
R. W. Geehan, USBM
Helena Meyer, USBM

ADMcMahon/ls 2/17/56

400

APR 16 1956

Mr. W. M. Traver, Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 2645 - Mercury
Ord Mercury Mine
Ord Mercury Mine
Gila County, Arizona
Contract No. DMe-1460

Dear Mr. Traver:

Enclosed are copies of a certification of discovery or development for the above-noted property and of related correspondence.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosure

APPROVED:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

AJMcMahon/fec 2/20/56

cc to: Docket
Code 400
Adm. Read. File
Operating Comm.
Ft. Reg. III
H. M. Meyer, USBM
T. H. Kiilsgaard, USGS
Mr. Chambers - Code 800
Mr. Johnson - Code 110
Mr. Geehan, USBM

APR 16 1956

Mr. Clarence A. Fredell, Acting Director
Minerals Division
Emergency Procurement Service
General Services Administration
Washington 25, D. C.

Re: Contract No. GSA 5145 - Mercury
Gold Mercury Mine
Gold Mercury Mine
Gila County, Arizona
Contract No. 2Ma-5145

Dear Mr. Fredell:

Enclosed is a copy of a certification of discovery or development issued under the subject contract.

Contract No. 2Ma-5145 for the exploration of the Gold Mercury Mine was executed November 28, 1952.

Expenditures authorized $25,000.00
Government participation at 75% $18,750.00

Expenditures authorized were for rehabilitating the 6-, 75-, and 200-foot levels; unwatering the mine to the bottom of the 200-foot level and erecting temporary workings; sinking a winze 200 feet; and drilling 500 feet of drifts and crosscuts.

Work accomplished under the contract consisted of the rehabilitation and dewatering as planned, a 75-foot winze, and 1,75[illegible] feet of drifting and crosscutting. The total cost of the work completed was $[illegible], with Government participation at 75% amounting to $[illegible].

As a result of this exploration project one measured amounting to 4,[illegible] tons were discovered. The yield from 4,[illegible] tons of this ore was [illegible] flasks of mercury valued at $[illegible] and upon which the sum of $[illegible] in royalties was paid to the Government through January 1956. The remaining 4,[illegible] tons of indicated reserves consist of 5,[illegible] tons of low grade ore, above the 200 level, averaging approximately three (3) pounds of mercury per ton and [illegible] tons of slight (8) pound ore below the 200 level.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

RECEIVED

OCT 10 1955

284 New Customhouse
Denver 2, Colorado

October 6, 1955

Ord Mercury Mines
330 East Camelback Road
Phoenix, Arizona

Re: Docket DMEA 2445 (Mercury),
Contract 14n-2460

Gentlemen:

The Administrator, DMEA, in his letter of September 30, 1955, advised you that the Government, acting through the Defense Minerals Exploration Administration, did not consider the probability of finding significant mercury ore to be sufficiently promising to justify Government participation in any additional exploration. You therefore are required to prepare and submit five copies of an adequate final engineering and geologic report which covers all project work completed under the original exploration program in conformance with Article 7(b) of the contract form.

Government participation in approved work completed in October and November, 1954, will be withheld until we have received this report and until we receive clearance from the Contract Administration and Audit Division.

Very truly yours,

W. M. Traver

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

WMT:yrl
cc: Chairman, Oper. Comm. (3)
Hershman
Stearns
Faick
Townsend
Corres. file
Chron.

No. 5

AMENDMENT OF CONTRACT: No. Idm-E460

Contract Docket No. DMEA 2445, dated November 10, 1952, between the United States of America and Ord Mercury Mines, is hereby amended as follows, effective September 10, 1954:

> Referring to Amendment No. 4, dated May 10, 1954, paragraph ending with "twenty-two (22) months", change the said twenty-two (22) months to read "twenty-four (24) months".
>
> Further referring to said Amendment No. 4, sub-heading "Stage II 1/", following the words "said unexpended balance of funds amounting to $1225.00 will be expended", delete the next three lines, and "40 feet of raise at $30.00 per foot" and in lieu thereof substitute the following: "in extending the drift westerly on the strike of the mineralization on the 240 level (called sub-level by operator)."

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated OCT 11 1954

ORD MERCURY MINES

By Tom J. Russell

UNITED STATES OF AMERICA

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

Seal

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Box 4125 University Station
Tucson, Arizona

September 17, 1954

Memorandum

To: W. H. Koschmann

From: J. N. Faick

Subject: Ord Mercury Mine, DMEA 3445, Idm-E460
Gila County, Arizona

We are in receipt of a request dated September 15, 1954 from Mr. T. J. Russel, Secretary-Treasurer, to amend the contract for exploration of the Ord Mercury mine. Amendment No. 4, dated May 10, 1954 provided for the driving of a 40-foot raise, to cost $30 per foot, from the 300-level drift for the purpose of exploring the bottom of one of the oreshoots. The operators now want to abandon the proposed raise and to use the available money for drifting westward on the 240- sublevel.

This proposed change in the contract is apparently requested for the following reasons:

1. The 300-level is in very heavy ground and is yielding a troublesome flow of water. The operators will probably lose this level, if they have not already done so. To drive the raise now would be difficult and very expensive.

2. The operators are undoubtedly convinced that commercial ore does not extend to the 300-level, and they probably intend to recover the deepest ore by underhand stoping below the 240-level.

3. Favorable exploration results are being obtained by driving westward on the 240-level and this drifting undoubtedly offers the best opportunity to appreciably increase the ore reserves.

Although I personally believe the proposed raise would be desirable exploration, I do not believe we should require the operator to drive it. The exploration project has been reasonably successful and a 40-foot raise for the 300-level would not materially modify the results already obtained.

I recommend that the proposed amendment to the contract be granted.

JNF:ms
cc. Koschmann (3)
Storms

J. N. Faick
Geologist

September 17, 1954

Memorandum

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

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

Subject : Proposed Amendment, DMEA Contract Idm-E460, Docket DMEA-2445, Ord Mercury Mines, Gila County, Ariz.

Enclosed in sextuplicate are the following:

(1) Request from the Ord Mercury Mines for an amendment, whereby the funds provided under amendment No. 4 for a 40-foot raise from the 300-foot level be transferred to drifting on the 240-foot level;

(2) Bureau of Mines engineer's report.

Also enclosed are 3 extra copies of our engineer's report.

DMEA Exploration Project Contract No. Idm-E460 expired on September 10, 1954. Ord Mercury Mines request is dated September 15, after the expiration date of the contract. However, if possible, I would recommend that this request be granted and the funds which were to be used for a 40-foot raise from the 300-foot level under Amendment No. 4 be transferred and used for drifting on the 300-foot level. In order to complete this work, the contract termination or expiration time should be extended for at least 2 months.

As explained by Hardwick, the 300-foot level now is full of water and as the ground there was extremely heavy, most of the level probably has caved, or would cave if the water were removed. Therefore, it seems doubtful if the raise could be driven except at a very high cost. The operator can sink a short winze from the 240-foot level, if he desires, in place of this raise.

J. N. Faick concurs with this recommendation and will submit a separate report.

Walter R. Storms

Walter R. Storms

CC W. H. King (8)
J. N. Faick
DMEA-2445
DF

WRStorms:frj

September 17, 1954

Memorandum

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

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

Subject : Request for Amendment, DMEA Contract Idm-5460, Docket DMEA-2445E, Ord Mercury Mine, Gila County, Ariz.

Tom J. Russell, secretary-treasurer of Ord Mercury Mines, an Arizona corporation, has asked that the provision for 40 feet of raise in amendment No. 4 to contract Idm-5460 be deleted and in lieu thereof, he has asked that an additional 35 feet of drifting be provided on the 240-foot level.

The original contract provided for 300 feet of drifting on the 300-foot level. However, when 265 feet of drifting had been completed it became evident that the ore body did not extend down to that level and the operator asked to substitute a raise in lieu of the remaining 35 feet of drifting. This request was approved as Amendment No. 4.

The mine was not operated for a short period of time and the 300-foot level was allowed to flood. This level has now dried and the operator believes that it is not advisable to do the necessary repair work to enter and drive the raise. Instead he proposes to apply the remaining funds to extend the 240-foot level further to the west.

When the face of the 240 level west drift was examined by the writer on September 2, 1954, there was a small amount of cinnabar showing. Several small but significant crosscuts have been discovered by this drift and it is very probable that the showing in the face may develop into a significant lens of ore. Therefore, it is recommended that the operator's request be granted, and that the provision for the raise from the 300-foot level be changed to provide for an additional 35 feet of drift on the 240-foot level.

CC W. H. King (Orig. & 8)
J. N. Faick
DMEA-2445
DF

WRHardwick:frj

If the amendment is approved, it will be necessary to extend the termination date to allow time to complete the work, say 60 days.

William R. Hardwick

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

ORD MERCURY MINES
Payson, Arizona

September 15, 1954

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

Re: Docket DMEA 2445
Contract Idm-E460
Mercury

Dear Sir:-

In view of existing conditions; heavy ground and water in the bottom level of the Ord mine, we respectfully request that an amendment to our contract be processed allowing the balance of our contract, namely the driving of a raise from the bottom level, approximately 60 feet to the sub-level, be transferred to the sub-level, in continuing the drift west along the mineralization. This work should show more results than the said raise.

Respectfully,

ORD MERCURY MINES,

Tom J. Russell

Secr'y-Treas.

No. 4

AMENDMENT OF CONTRACT: No. Idm-E460

Contract Docket No. DMEA 2445, dated November 10, 1952, between the United States of America and Ord Mercury Mines is hereby further amended as follows, effective March 26, 1954:

Referring to "Article 3. Exppploration project" of Exploration Project Contract Form MF-200 (June 1951) (Revised Feb. 1952), following the words "and shall bring the project to completion within a period of", delete "eighteen (18) months" and in lieu thereof substitute "twenty-two (22) months".

Referring to EXHIBIT "A" attached to Exploration Project Contract Form MF-200 (June 1951) (Revised Feb. 1952), work described under headings Stage II and Stage III, subheadings "Description of the Work" and "Costs of the Work", said work description and relevant costs are modified as follows:

Stage II 1/

Whereas only 265 feet of drifting and crosscutting has been performed on the 300 level at a cost of $9,275.00 and conditions encountered do not warrant further drifting on the 300 level, which leaves an unexpended balance of 35 feet of drifting and crosscutting and funds amounting to $1,225.00. Therefore, in lieu of performing the remaining 35 feet of drifting on the 300 level at $35.00 per foot, said unexpended balance of funds amounting to $1,225.00 will be expended in driving a raise on the metacinnabar mineralization at a point in the 300 level drift approximately 90 feet from the inclined winze as follows:

40 feet of raise at $30.00 per foot

Stage III 1/

The 200 feet of drifting and crosscutting at the agreed unit cost of $35.00 per foot, described under Stage III of said EXHIBIT "A" will be expended in extending the drift westerly on the strike of the ore on the 240 level (called 248 sublevel by operator) and crosscutting therefrom to the extent acceptable to the Government, dependent on conditions encountered as the work progresses.

Referring to Article 9 of Exploration Project Contract Form MF-200, the provisions of Annex I, attached hereto and made a part of this amendment are substituted in lieu of said Article 9.

1/ The work to be performed under this amendment is shown on the map titled "Section in Plane of Mineralized Zone - Ord Mercury Mine" which is attached hereto and made a part of this amendment.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated MAY 10 1954

ORD MERCURY MINES

By Fred L. O. Jones
President

UNITED STATES OF AMERICA

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

Seal

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
JUL 13 1954

ANNEX I

The following provisions are in lieu of Article 9

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by this contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other amounts realized from the sale or other disposition of any such production (including any bonuses, premiums, allowances, or other benefits), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half ($1\frac{1}{2}$) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) percent of any such net amounts, plus one-half ($\frac{1}{2}$) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

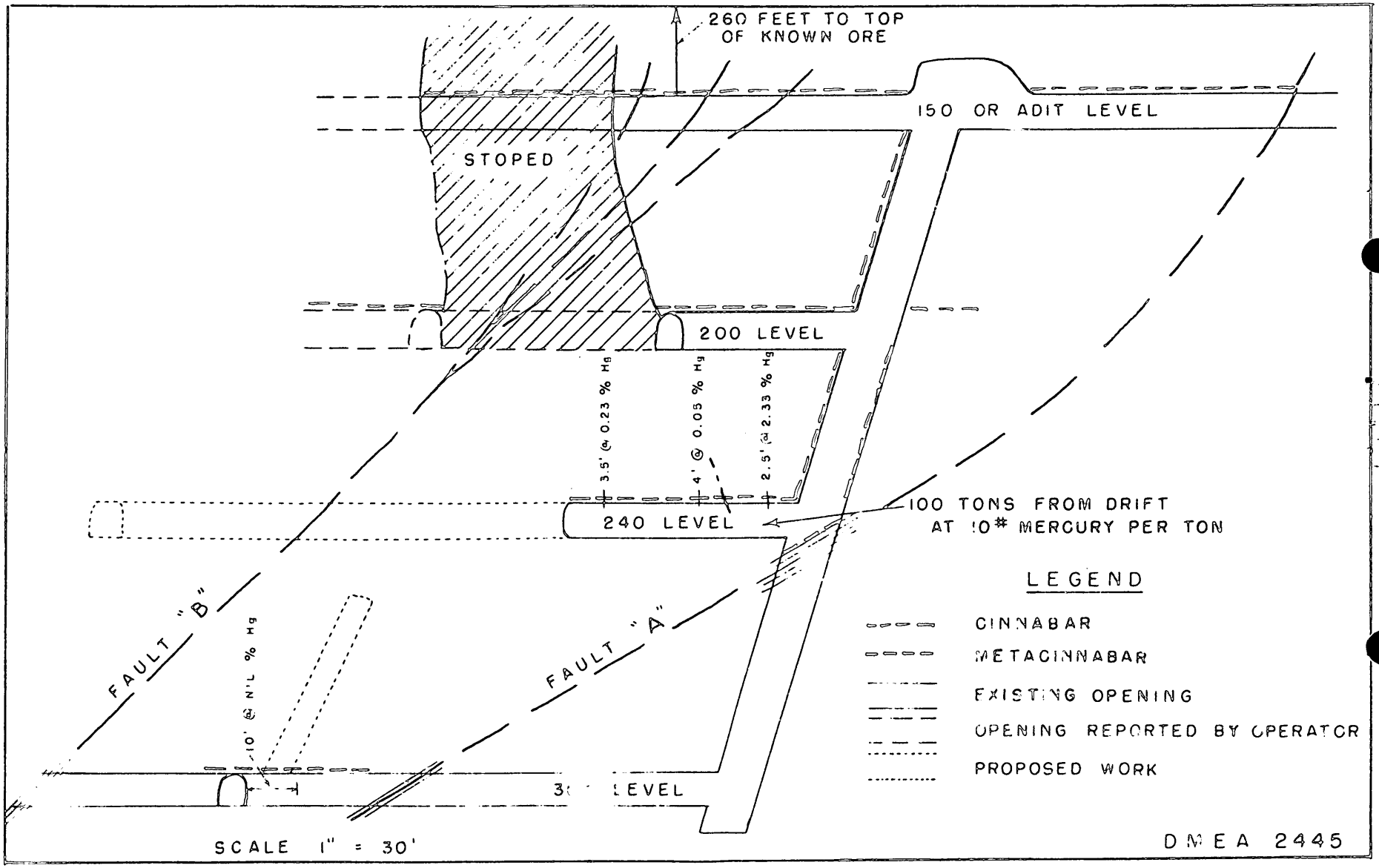
(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

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

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

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.



SECTION IN PLANE OF MINERALIZED ZONE - ORD MERCURY MINE

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Box 4126, Tucson 5, Arizona

April 1, 1954

To: A. H. Koschmann, 200 New Customhouse, Denver 2, Colorado

From: John H. Faick

Subject: Application for Amendment to the contract, Docket DMEA 2445, Contract Ida-2460; T. J. Russel, applicant for the Ord Mercury Mine, Gila County, Arizona

Mr. T. J. Russel has recently made application to the Defense Minerals Exploration Administration for permission to revise his exploration project by amending the present contract. A map illustrating the proposed revisions in the exploration project will be submitted by W. H. Hardwick, U.S.Bur. Mines.

The amendment is requested because drifting on the 300 level, from the bottom of the winze, has failed to find commercial ore, but encountered only narrow, uneconomic veins or stringers containing metacinnabar in a gangue of quartz. The operator reported that a few tons of pounds of ore containing cinnabar was found at the bottom of the winze but the veinlets containing metacinnabar are about 100 to 120 feet west of the winze. The veinlets containing metacinnabar occur near the north wall of a westerly trending quartzose zone which is about 25 feet wide and which is believed to be the downward extension the ore zone mined in the old workings. At about 60 feet above the 300 level; the applicant, at his own expense, drove the 240 sublevel westward about 48 feet from the winze. This sublevel was driven in ore from which about 9 tons were hand sorted and retorted, and the sorted ore yielded 50 pounds of mercury per ton. Many tons of lowgrade material containing 0.28 percent mercury was not treated, but was stored on the dump. The width of the high grade ore zone on the 240 level is about 2 feet, and adjacent to it is a zone of low grade material, the width of which has not been determined. The ore zone between the 240 and 200 levels has not been mined, but above the 200 level much of the ore has been exploited.

The ore mineral previously mined on the 200 and higher levels was all cinnabar insofar as known. On the 240 level an appreciable amount of metacinnabar was found, and on this level the ore minerals are estimated to be about 40 percent cinnabar and about 60 percent metacinnabar. In the 300 level drift there is no cinnabar and only minor amounts o metacinnabar were found in the drift. The change in mineralogy which takes place between the 200 and 300 levels is not accompanied by any apparent change in lithology of the host rocks or by any unusual structural condition, or by any apparent change in the character of the gangue minerals.

The change from cinnabar ore on the 200 level, to cinnabar-metacinnabar ore on the 240 level and the apparent complete disappearance of cinnabar and the notable reduction of the amount of metacinnabar between the 240 and 300 levels is regarded as being geologically significant. This mineralogical change is accompanied by the appearance of arsenic and antimony in the ore as is shown by analysis of sublimates obtained from retorting 9 tons of the high-grade ore obtained from the 240 level. Neither arsenic or antimony has been reported previously.

The almost complete disappearance of mercurous minerals from the vein zone below the 240 level is interpreted by this writer to indicate that geological conditions were unfavorable for the deposition of mercury at this depth (nearly 400 feet below the outcrop) and therefore the bottom of the commercial-grade oreshoot is probably somewhere between the 240 and 300 level. Further search for the main oreshoot by drifting on the 300 level is unwaranted at this time; however, it is possible that other oreshoots in other parts of the mine may extend to the depth of the 300 level.

All the work authorized by Stage III of the contract, including drifting on the 300 level has not been completed, and the operator proposes to use the remaining work for drifting and crosscutting on the 240 level. The operator proposes to extend the 240 level (which was driven without Government aid) to the west end of the oreshoot. Near the west end of the oreshoot is a westerly dipping crossfault which is reported to have displaced the main ore zone northward about 20 feet. Most of the known ore is on the east or foot wall side of this fault; however, some ore is reported to have been mined from the hanging wall or west side of the crossfault. The operator proposes to extend the 240-level drift across this crossfault and, on the west side of it, to explore for an extension of the ore zone.

In order to establish the lower limit of the ore body, it is proposed to raise from the 300 level. The length of the raise that will be required is unknown because we cannot predict the exact bottom of the commercial ore; however, about 40 feet of raise should be provided. A raise less than 40 feet long may not reach the bottom of the ore, and a vertical raise about 53 feet long would reach the 240 drift and would therefore probably be development work rather than exploration. It is not practical, at this time, to select the most favorable location for a raise from 300 level, or to determine whether it should be vertical or inclined. Selection of the location and type at raise should be made on the basis of results obtained from extending the 240 drift.

As additional drifting and crosscutting is not justified on the 300 level at this time, it is recommended that the contract be amended to permit drifting and crosscutting on the 240 level drift. It is also recommended that provision be made for raising from the 300 level to the bottom of the ore as soon as a favorable location can be selected.

Sincerely,

John H. Faick

JHF:ick:ms

8 c.c. to A. H. Koschmann

April 19, 1954

Memorandum

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

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

Subject : Request for Amendment, DMEA Contract Idm-8460, Docket DMEA-2445, Ord Mercury Mine, Gila County, Ariz.

Enclosed in sextuplicate are the following:

(1) Request from operator to amend Contract Idm-8460, so the remaining funds under Stage II may be used to drive a raise upward from the new 300-foot level to the new sublevel (called the 248-foot sublevel by operator), and so Stage III funds may be used for drifting westward on this sublevel.

(2) Bureau of Mines engineer's report with map, recommending this work.

Stage II of the contract consisted "of minor repairs to company-owned houses, sinking the adit winze 100 feet below the 200-foot level, drifting westward approximately 250 feet from the bottom of the winze on the new 300-foot level, and driving 40 feet of crosscuts." The operator has sunk the winze the proposed distance and has driven 225 feet of drift and 40 feet of crosscut on the 300-foot level. No ore was found on this level so the operator drove a 40-foot drift at its own expense from the winze at the 40-foot point on known ore (this sublevel is called the 248-foot sublevel by the operator). The operator now requests an amendment to the contract so the remaining funds from Stage II and some from Stage III may be used to drive a 60-foot raise from the 300-foot level up to the sublevel in order to find the bottom of the sublevel crosscut.

Under DMEA regulations, it would seem that possibly such a raise would be exploratory in nature only until it hit the ore, then probably it could be classed as development work. Hardwick has recommended that 40 feet of raise be allowed under the requested amendment. The remainder would be at company expense. Hardwick also recommends a cost for raising of $30 per foot, which seems fair enough, considering the heavy character of the ground on the 300-foot level.

CC W. H. King (3)
J. H. Faick
DMEA-2445
DF

WHSterns:frj

The operator also requests that the funds remaining under Stage III, after completing the raise, be used for drifting westward on the sublevel. Hardwick recommends that this work be allowed. John H. Faick of the Geological Survey submitted a report on April 1, recommending these same things, although he recommends drifting first on the sublevel, with the raise to be driven at a later date.

As the possibility of discovering further quantities of mercury ore seems good, I recommend that the operator's request be allowed.

Walter R. Storms

Walter R. Storms

April 19, 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 : Interim Report, Docket DMEA-3445, Contract Idm-2460, Ord Mercury Mine, Gila County, Ariz.

The Ord Mercury Mine was visited on March 22, to 25, 1954 by John N. Faick, geologist, U. S. Geological Survey, and the undersigned engineer for the purpose of examining the results of Stage II. This stage under Contract Idm-2460 consisted of minor repairs to company buildings, sinking 100 feet of winze, and driving 300 feet of drift and crosscut on the 300-foot level to explore for the downward extension of a known ore body. Work was authorized by a letter to Tom J. Russell on April 15, 1953. Progress has been slow, due principally to the difficulty of obtaining experienced miners and other labor, and to difficult, heavy ground that was encountered. On March 22, 1954 the winze had been completed and a total of 265 feet of drift and crosscut had been completed on the 300-foot level, and 48 feet of drift had been completed at the operator's own expense on a sublevel 40 feet below the starting point of the winze.

The drifting on the 300-level winds and twists but the operator has attempted to follow the favorable beds of schist. The ground exposed on the 300 level has been examined as the work progressed by Tom J. Russell, the operator, and the undersigned, and the gangue minerals appear to be identical with those in the ore zone above. However, no cinnabar was found on the 300-foot level. After the drift passed through the fault "A" which apparently had cut off the cinnabar mineralization in the winze, no cinnabar was found as had been expected. A black mineral, which was identified as metacinnabar, was observed. This mineral occurred in small quantities in quartz or schist gangue in exactly the same manner as did cinnabar in the levels above. However, three samples were cut along the drift and crosscut at the point where the crosscut left the drift and in what was judged to be the most favorable location. These samples showed no mercury.

CC W. H. King (orig. & 5)
J. N. Faick
DMEA-3445
DF

WRHardwick:fwj

After finding no cinnabar and only a small amount of metacinnabar on the 300 level in locations that appeared to be favorable, the operator opened the winze at the point where cinnabar had last been observed, or just above the fault "A" shown on the attached sketch, and drove westward on the ore. This drift exposed very good cinnabar ore for about 15 feet and at that point disclosed an abrupt transition from cinnabar to metacinnabar. Metacinnabar continued on to the end of the drift. Two samples taken across the back in this metacinnabar gave 0.03 percent mercury, at 20 feet from the winze and 0.23 percent mercury at 40 feet from the winze. The back of the drift has been raised in the metacinnabar area and some high grade metacinnabar ore exposed. Approximately 1,600 pounds of picked black ore was retorted and 24 pounds of mercury was recovered.

Discouraged by the scanty mercury mineralization on the 300 level the operator has requested that the remaining drifting on the 300 level be converted to raising from the 300-foot level on the mineralized zone in an attempt to prove that the zone where metacinnabar occurs on the lower level corresponds to the zone on the 240 sublevel where high-grade metacinnabar ore was found. The operator also expects to determine the bottom economic limit of his ore.

The operator has presented no cost estimate for the proposed raise. In heavy ground of the type found in the Ord mine, a cost of $30.00 per foot could be expected. There remains 35 feet of drifting under Stage II, or funds to the amount of $1,225.00. The cost of 40 feet of raise at $30.00 per foot would be $1,200.00. Thus the proposed raise could be driven 40 feet for the funds still remaining in the unexpended portion of Stage II of the project. Any raising in ore would seem to be development and not exploration, so it is thought that 40 feet should be enough.

In addition to the raise discussed above, the operator has requested that the entire Stage III of the project, which consists of driving 200 feet of drift and crosscut, be transferred from the 300-level to the 240 sublevel and be applied to extend the drift from the present face on westward until Fault "B" has been crossed. He then proposes to crosscut to the north and attempt to find the downward extension of the ore which, he states, was found on the level above.

Further drifting on the 300 level does not seem justified at this time, and since there seems to be good indications that additional ore may be discovered by drifting westward on the 240 sublevel, it is recommended that the part of the operator's request be approved which requests the transfer of the Stage III part of the contract from the 300 level to the 240 sublevel.

John N. Faick, geologist, U. S. Geological Survey, has recommended 40 feet of raise to definitely establish the bottom of commercial ore and I concur in his recommendation. I recommend that the operator's requested amendment be approved to drive not to exceed 40 feet of raise at an estimated cost of $30.00 per foot.

William R. Hardwick

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

ORD MERCURY MINES

PAYSON, ARIZONA

March 26th, 1954

Mr. Walter R. Storms, Chief
Mining Methods Branch
Mining Division, Region IV
Box 4097 University Sta tion
Tucson, Arizona

Re: Docket DMEA-2445
Contract Idm-E460

Dear Sir:-

In view of the conditions existing in the bottom level of the Ord Mercury Mine, we respectfully request that an a mendment to our Contract No. Idm-E460 be processed allowing the balance of Stage II and Stage III of the Contract to be applied to driving a raise from the lower level up to the known mineralization (about 60 Ft), and to drifting west along the strike of the ore in the 248 foot or sub-level that we drove last month.

This will determine where the lower section of the ore body is faulted or if there is a radical change in the mineralization at this depth, we can tell at what level this takes place.

Respectfully,

ORD MERCURY MINES

Tom J. Russell

Secr'y-Treas.

Science Library's Administration
RECEIVED
1953

No. 3

AMENDMENT OF CONTRACT: No. Idm-E460

Contract Docket No. DMEA 2445, dated November 10, 1952, between the United States of America and Ord Mercury Mines is hereby amended as follows, effective as of the date of said Contract:

> Referring to "Article 3. Exploration project" of Exploration Project Contract Form MF-200 (June, 1951) (Revised Feb. 1952), as amended by Amendment No. 2 dated Sept. 21, 1953, following the words "and shall bring the project to completion within a period of", delete "one year" and in lieu thereof substitute "eighteen (18) months".

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum."

Dated NOV 30 1953

ORD MERCURY MINES

By Tom J. Russell
Tom J. Russell

UNITED STATES OF AMERICA

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

(SEAL)

Department of the Interior
Defense Minerals Administration
RECEIVED
DEC 2 1953

MINING DIVISION
REGION IV

November 2, 1953

Memorandum

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

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

Subject : Contract Idm-R460, Docket DMEA-2445, Ord Mercury Mine, Gila County, Ariz.

Enclosed are original and 5 copies of a request from Ord Mercury Mines to amend Contract Idm-R460 so the completion time may be extended to May 10, 1954 from November 10, 1953.

As the operator still has considerable work to do under the contract, which cannot be completed by November 10, it has asked for this extension. I recommend that the request be approved.

Walter R. Storms

Walter R. Storms

CC W. H. King (5)
DMEA-2445
RF

WRStorms:frj

ORD MERCURY MINES

PAYSON, ARIZONA

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2 - 1953

October 29th, 1953

Executive Officer, DMEA
Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Re: Contract Idm-E460
Docket No. DMEA 2445

Gentlemen:-

Due to unforseen difficulties we have been unable to complete our DMEA Contract No. Idm-E460 by November 10th, 1953, expiration date of same by Amendment No. 2.

We respectfully request that this Contract be amended to extend the completion date to 18 months instead of 12 months as stated, or May 10th, 1954.

We have had considerable trouble keeping a crew for more than one shift on this job. Also have had considerable trouble with bad ground in the last 50 feet of the winze and 60 feet of the new drift from the bottom of the winze. We seem to be out of this at present and anticipate much faster work from now on.

Thanking you kindly for prompt consideration of this matter, we are

Sincerely yours,

ORD MERCURY MINES

Tom J Russell

Secr'y-Treas.

No. 2

AMENDMENT OF CONTRACT: No. Idm-E460

Contract Docket No. DMEA 2445, dated November 10, 1952, between the United States of America and Ord Mercury Mines is hereby amended as follows, as of the date of said contract:

> Referring to "Article 3. Exploration Project" of Exploration Project Contract Form MF-200 (June 1951)(Revised Feb. 1952), delete "nine (9) months" and in lieu thereof substitute "one year."

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum."

Dated: SEP 21 1953

ORD MERCURY MINES

By Tom J. Russell
Tom J. Russell

UNITED STATES OF AMERICA

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

Seal

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 2 0 1953

MINING DIVISION
REGION IV

August 24, 1953

Memorandum

Air Mail

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

From : Chief, Mining MethodsBr., Mining Div., Region IV

Subject : Extension of Time, Contract Idm-E460, Docket DMEA-2445, Ord Mercury Mines, Gila County, Ariz.

Enclosed are original and 5 copies of a request for an amendment to contract Idm-E460 to extend the life of the contract for 3 months from its present expiration date of August 10. I recommend that this amendment be approved so operator can complete the winze and drifting under Stage II, and possibly do some drifting under Stage II, if approved by the DMEA representative.

Walter R. Storms

Walter R. Storms

CC W. H. King (5)
DMEA-2445
DF

WRStorms:frj

ORD MERCURY MINES

PAYSON, ARIZONA

August 21st, 1953

Executive Officer, DMEA
Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Re: Exploration Contract
No. XDM-1160
Docket No. DMEA 2445

Gentlemen:-

We were advised by Mr. Stone on August 20th that our Contract had expired on August 10th. We were under the impression that we had nine months to complete this contract as Amendment No. 2, March 17th, gave us 120 days to start work. However I note the contract date, November 10th, 1952 is correct.

Therefore we request that the Contract XDM-1160, Docket No. DMEA 2445 be extended for a period of three months to allow time for us to complete the winze and do the necessary drifting. We are almost down with the winze now and fully organized with a good crew on the job.

Sincerely,

ORD MERCURY MINES

Tom J. Russell

Secr'y-Treas.

No. 1

AMENDMENT OF CONTRACT: No. Idm-E460

Contract Docket No. DMA 2445, dated November 10, 1952, between the United States of America and Ord Mercury Mines is hereby amended as follows, effective as of the date of said contract:

> Referring to Article 3, Exploration Project, after "The Operator, within", strike out "sixty (60)" and insert "one hundred twenty (120)".
>
> Referring to EXHIBIT "A", Stage 1, Operating Equipment, subheading To be furnished by Operator, delete the following: "1 - 1949 Chevrolet 1½ ton pickup - allowable monthly depreciation $20.00*" and insert in lieu thereof the following: "1 - 1947 Chevrolet ½ ton pickup - allowable monthly depreciation $20.00*".

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum."

Dated March 17, 1953

ORD MERCURY MINES

By Tom J. Russell

UNITED STATES OF AMERICA

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

GRD [illegible] MINING [illegible]

Payson Arizona

February 12th, 1953

Executive Officer, DMEA
Field Team, Region IV
224 Lew Customhouse
Denver 2, Colorado

Re: Exploration Contract
No. IDm-2460
Docket No. DMEA 2445

Gentlemen:-

Due to difficulty in obtaining a suitable pump to fit in with our equipment on the job, we have delayed actually hiring miners under this Contract until February 11th. While I have been devoting my time to this since the 1st of January, we wish to request that our actual starting date be extended to February 11th. 1953. We have acquainted Mr. Stearns at the Kusen Station, of this delay.

Also on Exhibit A, item 4, attached to the Contract, I note, Chevrolet 1½ ton pickup truck. This item should read 1947 ½ ton Chevrolet pickup truck, with the same vaulation as before.

We would also like our mailing address changed from Tonto Basin, Arizona to Payson, Arizona. This will let us receive our mail one day sooner.

Sincerely yours,

GRD [illegible] MINING [illegible]

Tom J. Russell

Secretary

Docket No. [illegible]

Commodity Mercury

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 460

Date of Contract ~~or~~ Amendment: November 10, 1952

Name and Address of Operator:

Ord Mercury Mines
Arizona Corporation
Tonto Basin, Arizona

Amount of Government participation $ 21,000.00

Percent of Government participation 75 %

Region: III State: Arizona

Note: Please release $1,932.43. Contract terminated.

(Name)

for J. L. Chambers, Chief
Contract Administration and
Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington. 12/15/55

54458

Docket No. ~~DMEA 2445~~

Commodity ~~Mercury~~

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 460

Date of Contract ~~or Amendment~~: November 10, 1952

Name and Address of Operator:

Ord Mercury Mines,
Arizona Corporation,
Tonto Basin, Arizona

Amount of Government participation $21,000.00

Percent of Government participation 75 %

Region: IV State: Arizona

(Name)

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

(Title)

Date Delivered to Bureau of Mines, Washington. December 12, 52 13908

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 18 1952

DOCKET NO. DMEA 2445

COMMODITY Mercury

Idm-E460

U. S. BUREAU OF MINES
MINING DIV.
DEC 8 1952
TUCSON, ARIZ.

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

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 10th day of November, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Ord Mercury Mines, an Arizona Corporation
Tonto Basin, Arizona

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Arizona, County of Gila, described as follows:[3]
Ord No. 6, U.S. Survey No. 4086; Ord No. 7, U.S. Survey No. 4086; Ord No. 12, U.S. Survey No. 4086; Ord No. 13, U.S. Survey No. 4086; Ord No. 19, U.S. Survey No. 4086

the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances
A promissory note in favor of the Reconstruction Finance Corporation in the amount of $36,598.37 . A copy of a letter from the R.F.C. to the DMEA Administrator subordinating the rights of the R. F. C. to the DMEA is attached.

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

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

in or upon the described land; and shall bring the project to completion within a period of nine (9) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay seventy-five percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $21,000.00, which is 75 percent of $28,000.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Ord Mercury Mines
(Operator)

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

By H. Grady Harrison Pres

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

Tom J. Russell sec

[CORPORATE SEAL]

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

EXHIBIT A

Description of the Work

The exploration project is divided into three stages and consists of the following:

STAGE I

This stage consists of rehabilitating the 0-,50-, and 100 foot levels, unwatering the mine to the present bottom at the 200 foot level, and sampling the accessible workings.

Estimated Costs of the Project

(Items followed by an asterisk are allowable maximums)

(1) Independent Contracts

None

(2) Labor, Supervision, Consultants

Supervision	$300.00*	
Labor-2 miners for 4 weeks	718.00	
		1,018.00

(3) Operating Materials and Supplies

Timber, fuel, greases, small tools, nails, bolts, and any other supplies and materials necessary to complete this project	420.00

(4) Operating Equipment

To be purchased

None

To be rented

Pump	100.00* per month	100.00

To be furnished by Operator

1-300 c.f.m. compressor-allowable monthly depreciation	70.00*

1 - 1949 Chevrolet $1\frac{1}{2}$ ton pickup-allowable monthly depreciation	$20.00*	
2 - Mine cars - allowable monthly depreciation	5.00*	$95.00

(5) Initial Rehabilitation and Repairs

None

(6) New Buildings, Improvements, Installations

None

(7) Miscellaneous

Assaying	150.00	
Bookkeeping	50.00	
Repairs and maintenance-operating equipment	67.00	
Workmen's Compensation, employer's liability and payroll taxes	100.00	367.00

(8) Contingencies

Total contingencies	700.00
Total Cost of Stage I	2700.00
Government's participation, Stage I, at 75%	2025.00

The Operator will perform the work indicated under Stages II and III on a unit basis which includes all costs of the work and the Government will reimburse the Operator for the Government's pro rata share of the costs on the basis of the agreed unit costs indicated below, as they accrue, for units of work actually performed, in lieu of actual costs.

STAGE II

Description of the Work

Stage II is to be undertaken only after completion of Stage I, and the location and extent of the work is dependent upon the results of Stage I. This work must have the prior written approval of the DMEA representative.

Stage II consists of minor repairs to company-owned houses, sinking the adit winze 100 feet below the 200-foot level, drifting westward approximately 260 feet from the bottom of the winze on the new 300-foot level, and driving 40 feet of crosscuts. The location and extent of the crosscuts will be determined after part or all of the drifting is completed, and must be acceptable to the DMEA representative.

The location of the tunnel in relation to the property line is shown on Figure 2 attached, which is made a part of this exhibit.

The location of the proposed extension of the winze and of the proposed drift is shown on Figure 3 attached, which is made a part of this exhibit.

Estimated Costs of the Work

Repairs to company-owned houses	$ 800.00 1/	
Sinking 100 feet of 2-compartment winze at $70.00 per foot	7000.00	
Driving 300 feet of drifts and crosscuts at $35.00 per foot	$10500.00	
Total Cost of Stage II		$18,300.00
Government's participation at 75%		$13,725.00

1/ The entire work constitutes the unit of work.

STAGE III

Description of the Work

Stage III is to be undertaken only after completion of Stage II, and the location and extent of the work is dependent upon the results of Stage II. This work must have the prior written approval of the DMEA representative.

Stage III consists of driving an additional 200 feet of drifts and crosscuts.

Costs of the Work

Driving 200 feet of drifts and crosscuts at $35.00 per foot	$7000.00	
Cost of Stage III		7,000.00
Government's participation at 75%		5,250.00
Total Cost of project		$28,000.00
Total Government's participation at 75%		$21,000.00

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RECONSTRUCTION FINANCE CORPORATION

WASHINGTON 25, D. C.

October 27, 1952

Mr. C. O. Mittendorf
Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Ord Mercury Mine
Tonto Basin, Arizona

Dear Mr. Mittendorf:

Reference is made to your letter dated October 13, 1952, in connection with the captioned mine.

I wish to advise that this Corporation interposes no objection to the proposed exploration project referred to in your aforesaid letter and in the event commercial production of ore results, this Corporation will not object to the payment from proceeds of production of royalties due the Government under the contract.

Very truly yours,

/s/ Leo Nielson

Leo Nielson
Secretary

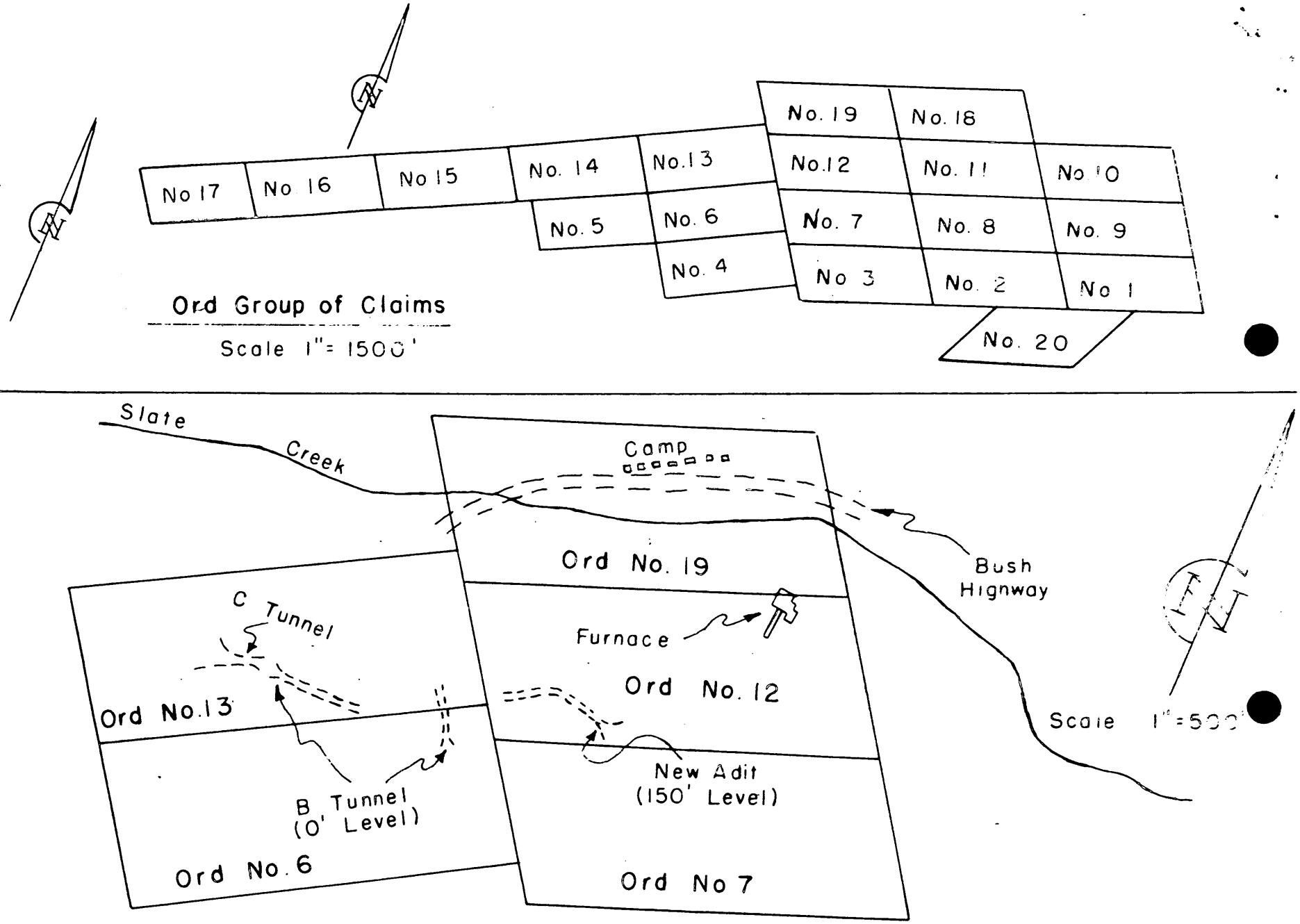

FIG. 2— Claim Map, Ord Mercury Mine

Gila County, Arizona DMEA 2445

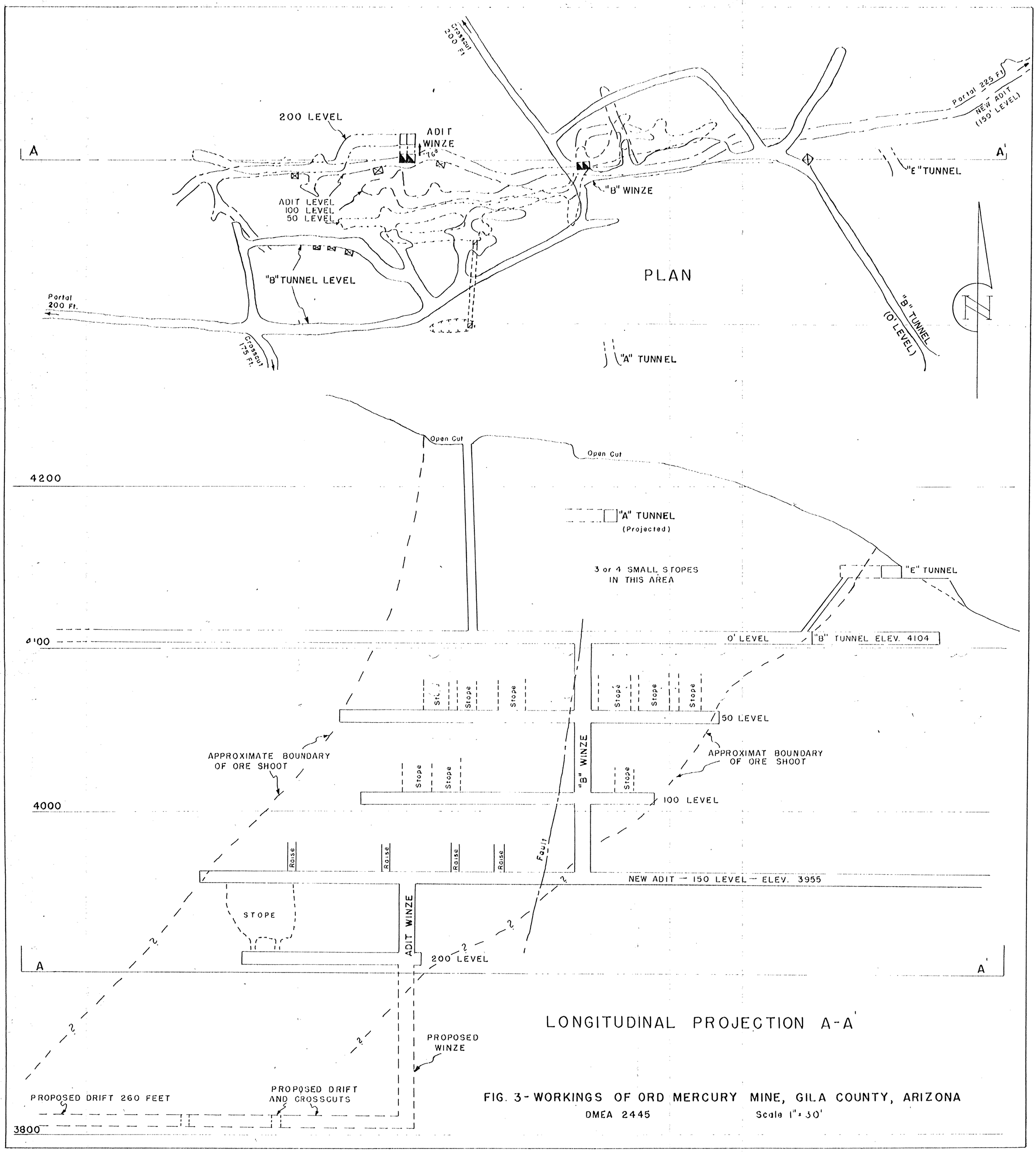

FIG. 3 - WORKINGS OF ORD MERCURY MINE, GILA COUNTY, ARIZONA

DMEA 2445 Scale 1" = 30'