ON COPY

TERMINATION OF EXPLORATION PROJECT CONTRACT BY
AGREEMENT AFTER DEVELOPMENT BUT BEFORE COMPLETION OF THE WORK

It is agreed this 2nd day of November, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Bear Canyon Mining Company, hereinafter called the "Operator", parties to that certain Exploration Project Contract Idm-F440, Docket No. DMEA-2550, dated November 13, 1952, as amended, that the said contract shall be and is hereby terminated as of the first date above written.

Any work prosecuted or costs incurred by the Operator after the date first above written shall be for the sole account of the Operator, except for (a) such necessary and reasonable costs and expenses as may be incurred in preserving and disposing of any facilities, buildings, fixtures, equipment, or other items, to the cost of which the Government has contributed and in which the Government has an equity, and (b) the costs of any reports, accounts, and winding-up and settlement actions provided for in the contract.

The undersigned Operator hereby releases and agrees to save harmless the Government from all claims and demands under or arising out of said Exploration Project Contract, except as herein expressly otherwise provided.

Witness the following signatures as of the day and year first above written.

BEAR CANYON MINING COMPANY

By D. E. Brown

UNITED STATES OF AMERICA

By W. S. King

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Bear Canyon Mining Company
P. O. Box 1730
Globe, Arizona

pertaining to Exploration Project Contract No. Idm-E446, Docket No. DMEA 2550, and including Amendments Nos. 1 and 2, for the months of November, 1952 to October, 1953, covering a project for exploration of Asbestos, located in Gila County, Arizona, commonly known as Bear Canyon Asbestos Mine.

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

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

All 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		$21,617.25
Exceptions:		
By DMEA Finance Officer	-0-	
Herewith	-0-	
Total Accepted Cost		$21,617.25

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Nineteen Thousand Four Hundred Fifty Five and 53/100ths Dollars

- $19,455.53 -

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.

Dated: March 1, 1954.

B. J. Brekhus, Auditor

Minerals Administration
RECEIVED

No. 2

AMENDMENT OF CONTRACT: No. Idm-2446

Contract Docket No. DMEA 2550, dated November 13, 1952 between the United States of America and Bear Canyon Mining Company is hereby amended as follows:

Referring to the work operations described in EXHIBIT "A" attached to Exploration Project Contract Form MF-200(A)(February 1952), execution of this Amendment by the parties concerned constitutes an agreement that work operations under Contract Idm-2446 will be recessed effective July 1, 1953, contingent on the final conditions:

1 - Normal operations under the terms of Contract Idm-2446 shall be resumed on or before November 1, 1953.
2 - The undersigned Operator hereby releases and agrees to save harmless the Government from all claims and demands under or arising out of said Exploration Project during the period operations thereunder are recessed.
3 - Reimbursement to the Operator, under the terms of the contract, for expenses incurred during the month of June 1953, will be deferred until Form MF-104, Operator's Monthly Report and Voucher is received for the first calendar month after work operations are resumed.

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 26 1953

BEAR CANYON MINING COMPANY

By Dennis E. Green
Dennis E. Green,
Authorized Partner

UNITED STATES OF AMERICA

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

No. 1

AMENDMENT OF CONTRACT: No. Idm-E446

Contract Docket No. DMEA 2550, dated November 13, 1952, between the United States of America and Bear Canyon Mining Company is hereby amended as follows, effective when dated and signed by the Executive Officer, DMEA:

> Referring to EXHIBIT "A" attached to Exploration Project Contract Form MF-200(A), "Description of the Work", first paragraph, add the following:
>
> > The unexpended portion of the footage and funds authorized for driving the incline and drifting from the incline at the location near the east wall of the stope may be expended in drifting and raising to explore for ore occurrence ahead of the present underground workings on the west edge of the stope. The tentative location of the work is shown on the attached map which is made a part of this amendment. The location and extent of drifting and raising shall be acceptable to and as approved by the DMEA representative. The starting point of such drifting and raising must be agreed upon by the operator and the DMEA representative before work is started. It is mutually agreed that the price of $28.50 per foot as established in EXHIBIT "A", first referred to, for driving the incline and drifting at the east side location, shall remain in effect for the drifting and raising at the west side location.

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 MAR 25 1953

BEAR CANYON MINING COMPANY

By D. E. Green
Dennis E. Green
Authorized Partner

UNITED STATES OF AMERICA

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAR 30 1953

MARCH 1953

DMEA 2550

FIGURE A.- GENERALIZED GEOLOGICAL SKETCH, SHOWING PROPOSED AMENDED WORK

BEAR CANYON ASBESTOS MINE · GILA COUNTY, ARIZONA

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 6 1952

DOCKET NO. DMEA 2550

COMMODITY Asbestos

Contract No. I6m-3446

DIVISION COPY

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 13th 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] the Bear Canyon Mining Company, a limited co-partnership, comprised of Dennis E. Green, James B. Green, Roy O. Yarbrough and H. A. King, duly organized and existing under and by virtue of the laws of the State of Arizona, P. O. Box 1730, Globe, Arizona

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Arizona, County of Gila, described as follows:[3] Blue Mule No. 1 through No. 7, Blue Mule No. 9 through No. 15, and Blue Mule No. 17, recorded in Book 35, pages 165 to 179 inclusive, in the Gila County Court House at Globe, Arizona. Rex No. 1 through No. 4 recorded in Book 33, pages 244 to 246 in the Gila County Court House, Globe, Arizona.

the Operator represents and undertakes:[4]

[redacted]

(*b*) That the Operator is a lessee, in possession and entitled to possession, [redacted]

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 thirty (30) days from the date of this contract shall commence work on a project of exploration for[5] Asbestos

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

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay ninety (90) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $23,598.00, which is ninety (90) percent of $26,220.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

BEAR CANYON MINING COMPANY
(Operator)

By Dennis E. Green
Dennis E. Green, Authorized Partner

THE UNITED STATES OF AMERICA

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

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

_____ [CORPORATE SEAL]

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

EXHIBIT "A"

Description of the Work

The proposed work consists of driving an incline northeasterly in the limestone from the east wall of the stope a distance of 470 feet, and drifting on the strike of the formation a distance of 450 feet. The locations of the drifts on the strike of the formation will be determined after part or all of the incline is completed, and must be acceptable to the DMEA representative.

The starting point of the incline must be mutually agreed upon by the operator and the DMEA representative before work is started.

The location of the proposed incline, and the tentative location of the drifting is shown on Figure 3 which is attached and made a part of this exhibit.

The location of the proposed work in relation to the property lines is shown on Figure 2 which is attached and made a part of this exhibit.

Costs of the Work

470 feet of incline @ $28.50 per foot	$13,395.00
450 feet of drift @ $28.50 per foot	$12,825.00
Total cost of project	$26,220.00
Government's participation at 90%	$23,598.00

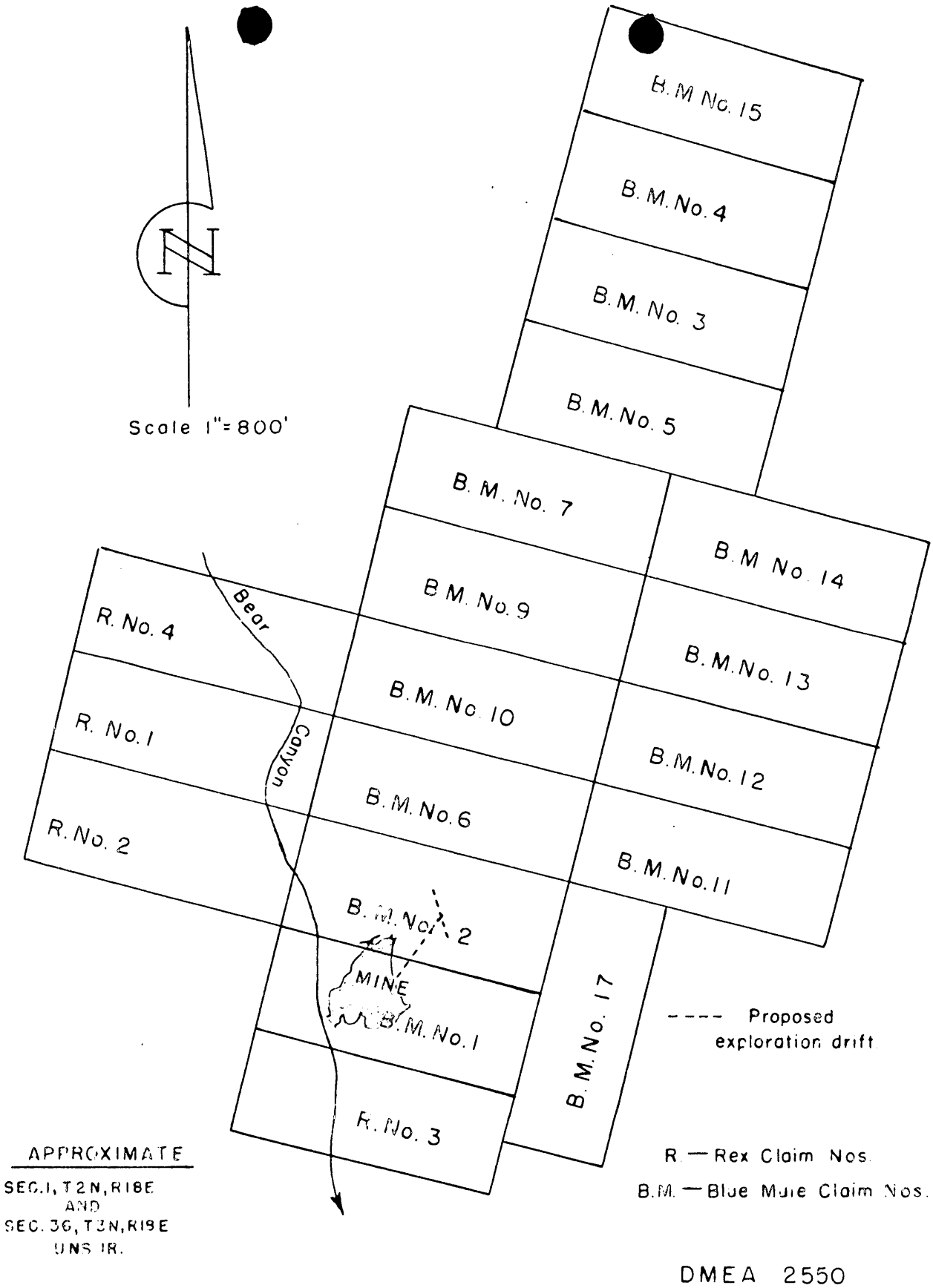

Fig. 2 — Claim Map, Bear Canyon Mining Co., Gila County, Arizona

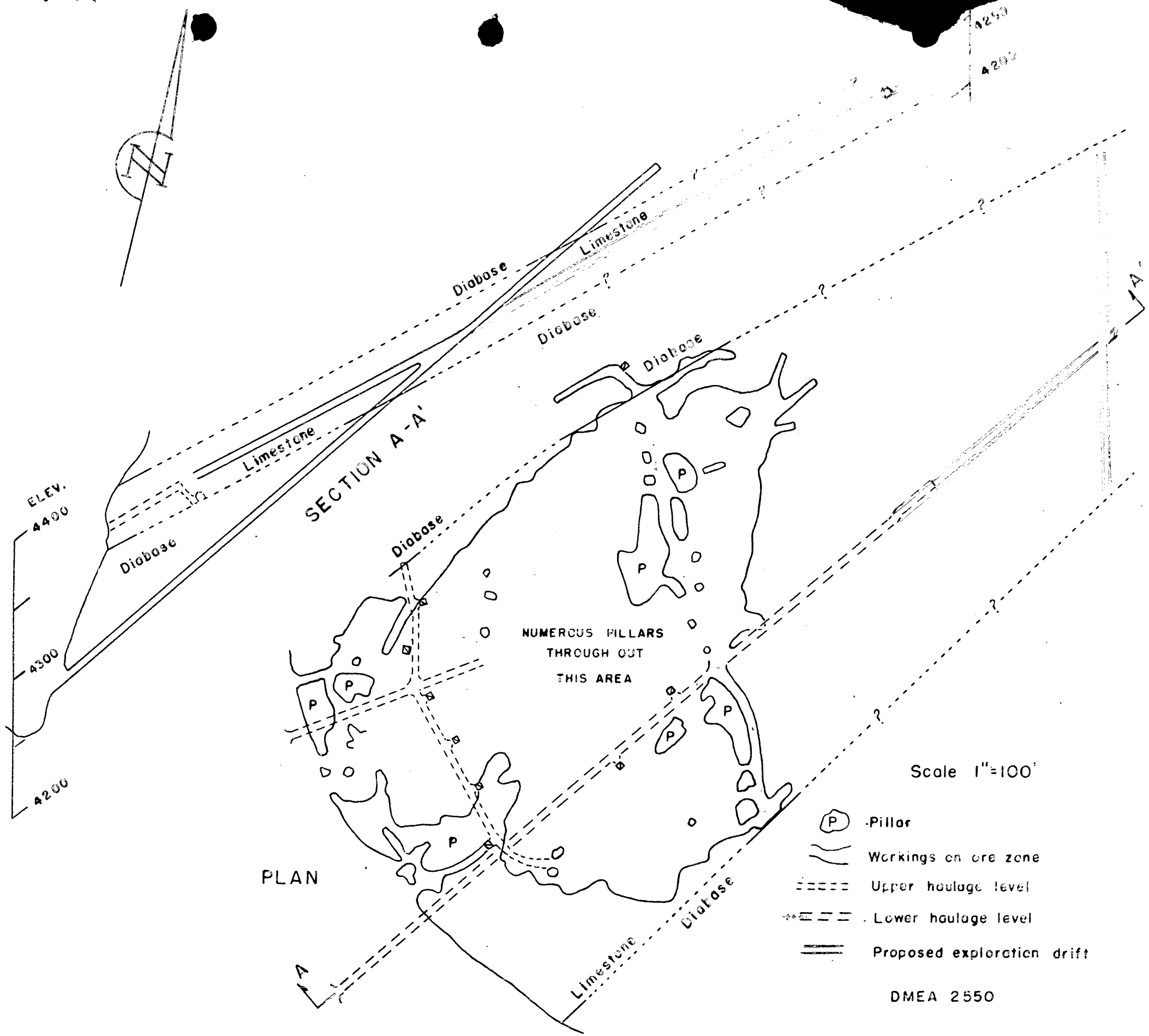

Figure 3 — Plan and Section of Bear Canyon Mine, Showing Proposed Work

600

NOV 2 - 1954

Mr. D. E. Green
Bear Canyon Mining Company
Box 1073
Globe, Arizona

Re: Docket No. DMEA-2550 - Asbestos
Bear Canyon Mine
Gila County, Arizona
Contract No. Idm-2446

Dear Mr. Green:

We are pleased to advise you that your performance of exploration work under the subject contract has been acceptable to the Government, and the account relating thereto has been closed. The final audit of the Contract Administration and Audit Division shows:

Total claimed for units of work performed	$21,617.25
Total Government contribution at 90 percent	$19,455.53

Your attention is called to the provision of the contract which requires you to keep and preserve your records and accounts of this transaction for a period of three years for possible future reference.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the exploration contract. In the absence of such certification the Government retains no claim or lien against the property or royalty on any production made after the date of this letter.

The Government thanks you for your interest and participation in the exploration program of the Defense Minerals Exploration Administration.

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:gad 10/21/54
Copy to: Admr. R. File
Docket
Field Team, Region IV
Mr. Chambers
Mr. Houk

Dr. Bowles, 3516 Mr. Killsgaard, 5223

Project Summary Report

By: James Hopkins October 21, 1954

1. Docket No. DMEA-2550 - Asbestos
Contract No. Idm-E446
Bear Canyon Asbestos Mine
Gila County, Arizona

Operator: Bear Canyon Mining Company
Box 1730
Globe, Arizona

Operator's property rights: Lessee. Lease from San Carlos Indian Reservation dated October 6, 1952.

Contract: Dated November 13, 1952.

Work authorized:

470 Feet of incline @ $28.50/ft.	$13,395.00
450 Feet of drift @ $28.50/ft.	12,825.00
Total estimated cost	$26,220.00
Government participation @ 90%	$23,598.00

Amendmenta: No. 1, dated March 25, 1953, authorizes unused footage and unexpended funds for drifting and raising on the west edge of stope in lieu of driving incline and drifts from the incline.

Amendment No. 2, dated October 26, 1953, authorized a recess from July 1, 1953, to November 1, 1953.

Work completed:

322.5 feet of drifting		
338 feet of crosscutting		
98 feet of raising		
758.5 ft. @ $28.50	total	$21,617.25

Total cost of project	$21,617.25
Government participation @ 90%	$19,455.53

Work began November 28, 1952, and terminated by mutual agreement November 2, 1953. Field Team final reports by Geologist and Mining Engineer dated March 1954. Operator's final report, dated April 13, 1954. There are no ore reserves. Some asbestos (quantity not stated) was produced but was not acceptable by GSA.

3. Audit: Report of Review dated March 1, 1954.

Total cost as billed by contractor		$21,617.25
Exceptions	None	
Total Accepted cost		$21,617.25
Government participation @ 90%		$19,455.53

4. Certification of discovery - none issued.

5. Comments:

How conducted: Project work was conducted in an efficient manner. Operator was very cooperative with examiners.

Operation: The operation was very good.

Engineering: Good sound engineering and intelligent narrative reports were furnished by the Operator.

Geological premise: The premise that the productive fiber bed continued down dip in the Mescal formation was not substantiated by the project work.

Geological criteria upon which work was based:

1. Exceptionally favorable structural controls for asbestos deposition.
2. Fiber bearing bed in Mescal had been very productive down to point where incline was begun.

Geological criteria developed during the project: The limestone host is overlain and underlain by concordant diabase sills and is bounded on the northwest and southeast by crosscutting diabase. The fiber bearing bed is "isolated" and is a sliver of the Mescal formation.

Future possibilities: All possibilities of finding good quality fiber appear to have been exhausted by the project.

Recommendations: The Nonmetallic Minerals Division agrees with the recommendations of the Field Team that no certification of discovery should be made. The Geological Survey and the Bureau of Mines also concur.

JHopkins:gad 10/21/54
Copy to: Admr. R. File
Mr. Houk

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

224 New Customhouse
Denver 2, Colorado

April 22, 1954.

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket No. 2550 (Asbestos), Contract No. Idm-E446, Bear Canyon Mining Company, Gila County, Arizona.

Enclosed are two copies of a memorandum to Mr. T. A. Christensen dated April 19, 1954, relative to final payment under the terms of the subject contract.

Final payment to the Operator in the amount of $500.00 has now been made in conformance with the Report of Review by the Contract Administration and Audit Division, dated March 1, 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

April 19, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket No. 2550 (Asbestos), Contract No. Idm-446, Bear Canyon Mining Company, Gila County, Arizona.

Reference is made to our memorandum of October 19, 1953 whereby we transmitted Form MF-104, Operator's Monthly Progress Report and Voucher for the period June 1953 to September 1953 and instructed you to withhold the amount of $500.00 from reimbursement to the Operator pending receipt of the Operator's report and release of the Report of Review by the Contract Administration and Audit Division.

The Operator's final report was received in this office April 16, 1954, therefore we now recommend that final payment to the Operator be made in conformance with the Report of Review by the Contract Administration and Audit Division, dated March 1, 1954, which was released to this office March 16, 1954.

Basis for Final Payment

Total Accepted Cost	$21,617.25
Government Participation at 90%	19,455.53
Total Prior Payments	18,955.53
Balance due the Operator	$ 500.00

W. H. King

W. H. King

500.00

JWT:cwm

4/20/54 DMA 54-111

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

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

224 New Customhouse
Denver 2, Colorado

April 5, 1954

Memorandum

To: O. C. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2550 (Asbestos), Contract Idm-E446, Bear Canyon Mining Company, Gila County, Arizona

Enclosed are the original and two copies of "Termination of Exploration Project Contract by Agreement After Commencement But Before Completion of the Work" which has been executed in conformance with teletype dated March 18, 1954 from George C. Selfridge. Also enclosed for your disposition are the original and five copies of the original termination agreement signed by you which is superseded by the termination agreement now in effect. Data relevant to the termination agreement was forwarded to you as attachments to prior correspondence in the matter.

Copies of this termination agreement have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King

W. H. King

Enclosures

March 17, 1954

Memorandum

To: Mr. C. O. Mittendorf

From: Lawrence G. Houk

Subject: Termination of Contract No. [illegible], Docket No. [illegible]-2550, Asbestos, Bear Canyon Mining Company, Gila County, Arizona

On July 9, 1953, the DMEA Field Team advised the Operator that the Government was desirous of bringing this project to a satisfactory conclusion and would demand repayment of all contributions if the Operator breached the contract by failing to complete the work.

The Monthly Operator's Report for September, 1953, showed an advance of four feet in No. 2 raise. This exposed two cross harizons. The third fiber horizon was not found by the raise.

In October there were five feet of advance in raise No. 2 and an 8-foot test hole in the back failed to indicate any fiber zone.

On November 2, 1953, a termination agreement was sent to the operator for his signature. The termination agreement preserved the Government's right to a percentage royalty on all production. The Operator refused to sign this type of agreement.

In a memorandum of March 11, 1954, from the field team, termination by mutual agreement without a pseudo certification clause was recommended by the Executive Officer, Region IV. The penetration of the target area by the work completed after June 30, 1953, that is 9-feet of raise and 8-feet of drill hole, is considered by the field team to be sufficient to indicate that no further work is justified.

A study of the docket by the Nonmetallic Minerals Division indicates to us that this is correct and we concur with their recommendation that the contract be terminated by mutual agreement without pseudo royalty clause. We are, therefore, preparing a wire today to Mr. King authorizing him to terminate the contract by mutual agreement.

LGHouk:gad 3/17/54

Copy to: Admr. R. File
Docket File
Mr. Houk

Hook X-2971
Room 4637

Interior
Defense Minerals Exploration
Administration

14X5923.970 Working Fund,
Interior, Defense Minerals Exploration
Administration

TELETYPE

March 17, 1954

To: Mr. W. H. King, Executive Officer, DMEA Field Team, Region IV, Bureau of Mines
224 New Customhouse Bldg., Denver 2, Colorado

Subject: DMEA-2956, Bear Canyon Mining Company, Gila County, Arizona, Contract
No. 14m-2446

You are authorized to terminate subject contract by agreement using Standard Form 18262-1.

George C. Selfridge

George C. Selfridge
Chairman, Operating Committee, DMEA

LGHook:gad 3/17/54
Copy to: Admr. R. File
Docket File
Operating Committee
Dr. Bowles, 3516
Mr. Larrabee, G-232 GSA Bldg.
Mr. Hook

SENT
MAR 18 1954
Clerical Service Section

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

Defense Minerals Exp.
RECEIVED
MAR 19 1954

224 New Customhouse
Denver 2, Colorado

AIRMAIL

March 18, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2550 (Asbestos), Contract Idm-E446, Bear Canyon Mining Company, Gila County, Arizona

Confirming the advice contained in our teletype of this date, and in conjunction with matter discussed and forwarded by our memorandum of March 11, 1954, we are enclosing the original and three copies of a memorandum report by A. F. Shride of the U. S. Geological Survey, dated March 9, 1954, wherein he recommends that the termination agreement be revised to make it easier on the operator.

W H King
W. H. King

Enclosures

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

REFERRED TO: DATE 3/19

1. H. Berry *
2. 600
3.
4.

FOR: Contract executed as Rep. IV

- Action
- Approval
- Comment
- Conference
- Consideration
- Filing
- Instructions
- Investigation
- Initials
- Mailing
- Previous correspondence
- Recommendation
- Record of
- Referring to
- Reply for signature of
- Rewriting
- Signature
- Suggestions
- Your information

REMARKS:

Hazel; I removed the orig. and didn't know whether to send you this of to code 600. please let me know. e

Check (X) before the items needing attention.

GPO 16—63815-1

Initials of sender.

COPY PKW

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 4126, University Station
Tucson 5, Arizona

March 9, 1954

Memorandum

To: Field Team, Region IV
(Through A. H. Koschmann) AHK

From: A. F. Shride

Subject: Termination agreement, Contract Idm-E446, DMEA 2550 (asbestos), Bear Canyon Mining Company, Gila County, Arizona

As a supplement to Mr. Storms' memorandum of March 8 perhaps the following points will aidin processing a termination agreement- which should not be, but seems to be a wearisome problem.

First, it should be realized by all parties that the exploration program has been completed. Additional drifting, etc. is allowable under the contract; however, all objectives have been explored and this allowance is in excess of that needed.

Second, the other prospects, in which J. A. Cunningham is interested, are one-half to one mile from the Bear Canyon deposit and are not geologically associated with it. If there is a feasible way of waiving subordination on claims other than those covering the Bear Canyon deposit, such would seem one way out of the problem. Exploration of the Bear Canyon deposit in no way benefited the outlying prospects. There was no reason at the time the contract was prepared that the outlying claims should have been subordinated.

/s/ A. F. Shride

A. F. Shride

AFShride:mvt

Copies to Koschmann (2)
Storms
Shride

COPY PKW

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 4126, University Station
Tucson 5, Arizona

March 9, 1954

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/s/ A. F. Shride

A. F. Shride

AFShride:mvt

Copies to Koschmann (2)
Storms
Shride

COPY PKW

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 4126, University Station
Tucson 5, Arizona

Defense Minerals Administration
RECEIVED
MAR 19 1954

March 9, 1954

Memorandum

To: Field Team, Region IV
(Through A. H. Koschmann) AHK

From: A. F. Shride

Subject: Termination agreement, Contract Idm-E446, DMEA 2550 (asbestos), Bear Canyon Mining Company, Gila County, Arizona

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/s/ A. F. Shride

A. F. Shride

AFShride:mvt

Copies to Koschmann (2)
Storms
Shride

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

224 New Customhouse
Denver 2, Colorado

March 11, 1954

Memorandum

To: G. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2550 (Asbestos), Contract Idm-1445, Bear Canyon Mining Co., Gila County, Arizona

In conjunction with material forwarded by our memorandum of January 4, 1954, and both prior and subsequent correspondence in the matter of terminating the subject contract, enclosed for your consideration are the original and three copies of a memorandum dated March 8, 1954 from the Chief, Mining Methods Branch, Mining Division, Region IV, with attachments, wherein he discusses the reason for the termination agreement. Also enclosed are three sets of data relative to the termination of the contract which were the basis of our teletype to you of October 9, 1953. The above data was retained here for attachment to the Washington office copies of the termination agreement after it had been executed by the operator.

It appears in this instance that the termination agreement should be revised and the paragraph relative to the payment of royalties omitted.

C. H. King

C. H. King

Enclosures

March 8, 1954

Memorandum

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

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

Subject : Proposed Termination, Contract Idm-5446, Docket DMEA-2550 (Asbestos), Bear Canyon Mining Co., Gila County, Ariz.

Attached is copy of a letter dated February 24 from the law offices of Shimmel, Hill and Hill, Phoenix, Ariz. to Mr. C. O. Mittenderf, Administrator, Defense Minerals Exploration Administration, and copy of a letter dated March 3 from Mr. J. L. Hoffland, DMEA Chief Counsel, to Mr. George M. Hill of that law firm. The following information should clarify this situation somewhat.

On October 22, 1953, Mr. R. W. Agston of the Bureau of Mines made a routine inspection of work done at the Bear Canyon Mining Co.'s asbestos mine in Gila County, Ariz. where the company had been doing exploration work under DMEA Exploration Project Contract No. Idm-5446. As no commercial fiber had been found and as there seemed little chance of discovering significant quantities of asbestos by further exploratory work, the company suggested that the contract be terminated by mutual agreement. Therefore, Agston advised D. E. Green, the company's spokesman, to send in his formal request for such a termination.

Later in October 1953, a formal request was received from the Bear Canyon Mining Co. for termination of the contract by mutual agreement. We forwarded this request to you on October 26, 1953 with a letter of recommendation from Agston. We had talked to Mr. A. F. Shride of the Geological Survey and Mr. L. A. Stewart of the Bureau of Mines and both agreed that further exploration work under the contract terms did not seem justified. Both had formerly examined the Bear Canyon mine.

Evidently you sent the termination request to the DMEA Administrator with your approval because early in November 1953, we received original and five copies of a Termination Agreement from you, all signed by the DMEA Administrator, with the request that we have the company's representative, Mr. D. E. Green, sign all copies, then return them to you (except the Operator's copy which was to be given to Green). On November 9, 1953, we sent original and four copies of the Termination agreement to Green, keeping the Operator's copy here.

CC W. H. King (6)
A. F. Shride
DMEA-2550
DW

WRWatermm:frj

On November 12, 1953, Messrs. D. K. Green and J. B. Green of the Bear Canyon Mining Co. and J. A. Cunningham called at our Tucson office and discussed the Termination agreement with Messrs. A. F. Shride of the Geological Survey, R. W. Agnew of the Bureau of Mines and me. It seemed that the partners (the Bear Canyon Mining Co. is a partnership composed of D. K. Green, J. B. Green, R. G. Yarbrough and H. A. King) wanted to terminate the DMEA Contract, then lease the property to J. A. Cunningham. Cunningham planned to do some exploration work at another point on the claims, but the Termination agreement, as sent out by DMEA in Washington, contained a clause whereby royalty would have to be paid on ore discovered any place on the claim group. Therefore, if Cunningham discovered commercial asbestos fiber any place in the group, he would have to pay a royalty to DMEA, which he did not want to do.

D. K. Green did not want to sign the Termination Agreement for the company because of this clause, so we told him to write directly to the DMEA Administrator regarding this objectionable clause. This he did (see my memorandum to you of December 21), and on January 20, 1954, the DMEA Administrator answered his letter. Green then talked to the law firm of Shimmel, Hill and Hill in Phoenix, with the result that this firm wrote to Mr. C. O. Mittenbergf on February 24, copy of their letter being attached.

I believe, if you will read over our monthly progress reports and correspondence, you will note that the Bureau of Mines, the Geological Survey, and the company mutually agreed that as there seemed little chance of any significant amount of asbestos being discovered, the project should be terminated. Mr. Mittenbergf, in his letter of January 20 to Mr. D. K. Green, states in part: "At the operator's request, and for its sole convenience, the Government, on November 1, 1953, offered to terminate the work under the contract, provided, among other things (paragraph 4), that the operator agree to pay royalty on any production from the land described in the contract, in the same manner and to the same extent as if the Government had certified the project under the provisions of article 6 of the contract".

It is the opinion of the Geological Survey's local representative and of this office that there is no need to complete Contract Ldm-5446, as it seems to us that it would be a needless waste of the taxpayers' money. Some asbestos fiber was mined under the contract, but we now find that it was never sold as the General Services Administration's representative refused to buy it at the Globe asbestos purchase depot because it was of non-strategic grade.

As Mr. Hoffland stated in his letter of March 3 to Mr. George H. Hill of Shimmel, Hill and Hill in Phoenix: "I am forwarding a copy of this letter to Mr. Stearns at Tucson, and perhaps with further advice from him and from you, we can determine what it is that the interested parties wish to do, and whether we can agree with them on the subject",

We are sending you this lengthy memorandum with the hope that it will help explain the situation. As no ore was discovered under the contract, the partners of the Bear Canyon Mining Co. think that the clause in the Termination agreement, pertaining to royalty payments, should be omitted. As this is a matter of policy, we make no recommendation concerning royalty payments. However, we do recommend that the contract be terminated and that no additional Government funds be spent on this property under Contract Lbr-2446.

Walter R. Storms

Walter R. Storms

Law Offices
SHERMAN, HILL & HILL
Title & Trust Building
Phoenix, Arizona

February 24, 1964

Mr. C. O. Mittendorf, Administrator
United States Department of the Interior 140
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Docket No. DMEA-2550 (Asbestos)
Bear Canyon Mining Company
Gila County, Arizona
Contract No. Idm-2446

Dear Mr. Mittendorf:

On behalf of Mr. D. E. Green of Globe, Arizona and other interested parties in the Bear Canyon Mining Company, I am writing you to explore various alternatives with relation to the Bear Canyon project.

Mr. Green advises me that this project was not terminated at the request of the Bear Canyon Mining Company, but that the company did request a termination for its sole convenience, in which the Government was not willing to acquiesce; and that as a result of the refusal of the Government to acquiesce a crew was put back to work on the property and carried the project to a point required by the Government, which failed to disclose or locate any asbestos; at which point it was the understanding, at least of the Bear Canyon Mining people, that the contract would be terminated under the provisions of Article 8.

It appears, under these circumstances, that the only alternative would be to complete the project, inasmuch as certain of the Bear Canyon Mining Company parties are desirous of withdrawing from any further participation in the operation, while others would like to carry on a prospecting operation on other parts of the leased property on which no Government funds were expended. However, there is a 10% royalty due the Indian Service because the property is on an Indian reservation; and that, coupled with the Government royalty, eliminates the feasibility of going ahead with prospecting on the property.

COPY

I am sure that at some point there has been a misunderstanding between the parties, because equipment was returned to the property and a crew was returned there for the purpose of completing the project to a point that would satisfy the Government, and it does not appear that such expense would have been incurred had the Government been willing to terminate the contract on the written request of the operator.

I am sending a copy of this letter to Mr. W. R. Storms at Tucson, and I would like to have him either verify or advise you of the true facts if they are not set forth in this letter.

While I do not represent Mr. Green, I do represent a number of the other interested parties in this project who are anxious to withdraw from it and have the liability terminated regardless of anything further that is done on the property. They do not, however, desire to stand in the way of other members of the syndicate who may want to do additional prospecting.

Very truly yours,

For SHIDMEL, HILL & HILL

George M. Hill/LL

cc: Mr. D. E. Green
P. O. Box 1730
Globe, Arizona

cc: Mr. R. W. Storms
U. S. Bureau of Mines
University Station
Tucson, Arizona

COPY

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

March 3, 1954

Mr. George M. Hill
Shimmel, Hill & Hill
Title & Trust Building
Phoenix, Arizona

Re: Docket No. DMEA-2550 (Asbestos)
Bear Canyon Mining Company
Gila County, Arizona
Contract No. Idm-8446

Dear Mr. Hill:

Reference is made to your letter of February 24 to the Administrator, copies of which it is indicated went to Mr. B. E. Green and Mr. R. W. Storms of the Bureau of Mines at Tucson. Your letter has been referred to me for reply.

I cannot gather from your letter just what it is that you wish to accomplish. Does the Operator now wish to terminate the work? If, as you seem to indicate, some of the "interested parties" wish to withdraw from the project, and others wish to continue with it, it seems to me that these parties will have to come to some agreement among themselves before this agency can do anything for them.

I am forwarding a copy of this letter to Mr. Storms at Tucson, and perhaps with further advice from him and from you, we can determine what it is that the "interested parties" wish to do, and whether we can agree with them on the subject.

Very truly yours,

/s/ J. F. Hoffmann
Chief Counsel

Copy to: Mr. R. W. Storms
U. S. Bureau of Mines
University Station
Tucson, Arizona

COPY

March 8, 1954

Memorandum

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

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

Subject : Proposed Termination, Contract Ida-5446, Docket DMEA-2550 (Asbestos), Bear Canyon Mining Co., Gila County, Ariz.

Attached is copy of a letter dated February 24 from the law offices of Shimmel, Hill and Hill, Phoenix, Ariz. to Mr. C. O. Mittenthal, Administrator, Defense Minerals Exploration Administration, and copy of a letter dated March 3 from Mr. J. L. Hoffland, DMEA Chief Counsel, to Mr. George H. Hill of that law firm. The following information should clarify this situation somewhat.

On October 22, 1953, Mr. R. W. Agston of the Bureau of Mines made a routine inspection of work done at the Bear Canyon Mining Co.'s asbestos mine in Gila County, Ariz. where the company had been doing exploration work under DMEA Exploration Project Contract No. Ida-5446. As no commercial fiber had been found and as there seemed little chance of discovering significant quantities of asbestos by further exploratory work, the company suggested that the contract be terminated by mutual agreement. Therefore, Agston advised B. E. Green, the company's spokesman, to send in his formal request for such a termination.

Later in October 1953, a formal request was received from the Bear Canyon Mining Co. for termination of the contract by mutual agreement. We forwarded this request to you on October 26, 1953 with a letter of recommendation from Agston. We had talked to Mr. A. F. Shride of the Geological Survey and Mr. L. A. Stewart of the Bureau of Mines and both agreed that further exploration work under the contract terms did not seem justified. Both had formerly examined the Bear Canyon mine.

Evidently you sent the termination request to the DMEA Administrator with your approval because early in November 1953, we received original and five copies of a Termination Agreement from you, all signed by the DMEA Administrator, with the request that we have the company's representative, Mr. B. E. Green, sign all copies, then return them to you (except the Operator's copy which was to be given to Green). On November 9, 1953, we sent original and four copies of the Termination Agreement to Green, keeping the Operator's copy here.

cc: W. H. King (6)
A. F. Shride
DMEA-2550
BF

WRSterns:fr:j

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D. E. Green did not want to sign the Termination Agreement for the company because of this clause, so we told him to write directly to the DMEA Administrator regarding this objectionable clause. This he did (see my memorandum to you of December 21), and on January 20, 1954, the DMEA Administrator answered his letter. Green then talked to the law firm of Shimmel, Hill and Hill in Phoenix, with the result that this firm wrote to Mr. C. O. Mittendorf on February 24, copy of their letter being attached.

I believe, if you will read over our monthly progress reports and correspondence, you will note that the Bureau of Mines, the Geological Survey, and the company mutually agreed that as there seemed little chance of any significant amount of asbestos being discovered, the project should be terminated. Mr. Mittendorf, in his letter of January 20 to Mr. D. E. Green, states in part: "At the operator's request, and for its sole convenience, the Government, on November 1, 1953, offered to terminate the work under the contract, provided, among other things (paragraph 4), that the operator agrees to pay royalty on any production from the land described in the contract, in the same manner and to the same extent as if the Government had certified the project under the provisions of article 6 of the contract".

It is the opinion of the Geological Survey's local representative and of this office that there is no need to complete Contract Ida-6446, as it seems to us that it would be a needless waste of the taxpayers' money. Some asbestos fiber was mined under the contract, but we now find that it was never sold as the General Services Administration's representative refused to buy it at the Globe asbestos purchase depot because it was of non-strategic grade.

As Mr. Hoffland stated in his letter of March 3 to Mr. George R. Hill of Shimmel, Hill and Hill in Phoenix: "I am forwarding a copy of this letter to Mr. Stern at Tucson, and perhaps with further advice from him and from you, we can determine what it is that the interested parties wish to do, and whether we can agree with them on the subject",

We are sending you this lengthy memorandum with the hope that it will help explain the situation. As no ore was discovered under the contract, the partners of the Bear Canyon Mining Co. think that the clause in the Termination agreement, pertaining to royalty payments, should be omitted. As this is a matter of policy, we make no recommendation concerning royalty payments. However, we do recommend that the contract be terminated and that no additional Government funds be spent on this property under Contract Idm-6446.

Walter R. Storms

Walter R. Storms

Law Offices
SNELL, HILL & HILL
Title & Trust Building
Phoenix, Arizona

February 24, 1954

Mr. C. O. Mittendorf, Administrator
United States Department of the Interior 140
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Docket No. DMEA-2550 (Asbestos)
Bear Canyon Mining Company
Gila County, Arizona
Contract No. Ida-2446

Dear Mr. Mittendorf:

On behalf of Mr. H. E. Green of Globe, Arizona and other interested parties in the Bear Canyon Mining Company, I am writing you to explore various alternatives with relation to the Bear Canyon project.

Mr. Green advises me that this project was not terminated at the request of the Bear Canyon Mining Company, but that the company did request a termination for its sole convenience, in which the Government was not willing to acquiesce; and that as a result of the refusal of the Government to acquiesce a crew was put back to work on the property and carried the project to a point required by the Government, which failed to disclose or locate any asbestos; at which point it was the understanding, at least of the Bear Canyon Mining people, that the contract would be terminated under the provisions of Article 8.

It appears, under these circumstances, that the only alternative would be to complete the project, inasmuch as certain of the Bear Canyon Mining Company parties are desirous of withdrawing from any further participation in the operation, while others would like to carry on a prospecting operation on other parts of the leased property on which no Government funds were expended. However, there is a 10% royalty due the Indian Service because the property is on an Indian reservation; and that, coupled with the Government royalty, eliminates the feasibility of going ahead with prospecting on the property.

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I am sending a copy of this letter to Mr. W. R. Stearns at Tucson, and I would like to have him either verify or advise you of the true facts if they are not set forth in this letter.

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Very truly yours,

For SMIDDEL, HILL & HILL

George H. Hill/LL

cc: Mr. D. E. Green
P. O. Box 1730
Globe, Arizona

cc: Mr. R. W. Stearns
U. S. Bureau of Mines
University Station
Tucson, Arizona

COPY

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

March 3, 1954

Mr. George A. Hill
Shimmel, Hill & Hill
Title & Trust Building
Phoenix, Arizona

Re: Docket No. DMEA-2550 (Asbestos)
Bear Canyon Mining Company
Gila County, Arizona
Contract No. Ida-2446

Dear Mr. Hill:

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I cannot gather from your letter just what it is that you wish to accomplish. Does the Operator now wish to terminate the work? If, as you seem to indicate, some of the "interested parties" wish to withdraw from the project, and others wish to continue with it, it seems to me that these parties will have to come to some agreements among themselves before this agency can do anything for them.

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Very truly yours,

/s/ J. F. Hoffhand
Chief Counsel

Copy to: Mr. R. W. Stearns
U. S. Bureau of Mines
Underground Station
Tucson, Arizona

COPY

MINING DIVISION
REGION IV

October 26, 1953

Memorandum

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

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

Subject : Request for Termination, Contract Idm-E446, Docket DMEA-2550, Bear Canyon Mining Co. (Asbestos), Gila County, Ariz.

Enclosed in sextuplicate are

(1) Request from operator to terminate contract by mutual agreement before completion of exploration project;

(2) Memorandum from Bureau of Mines engineer, R. W. Ageton, recommending termination.

This contract was signed on November 13, 1952 for the purpose of exploring the down-dip extensions of the company's asbestos deposit by an inclined shaft and strike drifts from this incline. As no ore was discovered in the originally proposed work, the contract was amended so drifting could be done at another location. The project was shut down in June after some work had been done in the new location under the amendment, then reopened late in September. However, no ore was discovered by this work.

The work done to date seems to indicate that there is little chance of discovering ore by further work, therefore the operator has requested that the contract be terminated by mutual agreement. The Bureau of Mines engineer agrees with this conclusion and recommends that the contract be terminated. A. F. Shride of the Geological Survey concurs with this recommendation, as do I.

Walter R. Storms

Walter R. Storms

CC W. H. King (5)
DMEA-2550
DF

WRStorms:frj

MINING DIVISION
REGION IV

October 26, 1953

Memorandum

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

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

Subject : Proposed termination of contract Idm-2446, Docket DMEA-2550, (Asbestos), Bear Canyon Mining Co., Gila County, Ariz.

A letter from the Bear Canyon Mining Company dated October 14, 1953, was received requesting consideration of termination of contract Idm-2446 by mutual agreement before completion. The matter was discussed with A. F. Shride, geologist, U. S. Geological Survey, who stated that if the work to date failed to disclose 3 fiber zones and the 2 zones exposed did not contain fiber of marketable quality, then the contract should be terminated.

In accordance with your request, the subject property was visited on October 22, 1953. The contract advance in the No. 2 raise is 44.0 feet from the back of the old raise, or a total of 58.5 feet from the starting point. The October footage now subject to payment and allowable under the contract is 5.0 feet.

The 5.0-foot advance beyond the point of the September progress failed to disclose the expected 3rd fiber and/or serpentine zone. The operator drilled an 8-foot hole in the back of the raise, but the cuttings did not contain fiber or serpentine.

The result of the work under the amendment indicates that further work is not justified for 2 reasons: First, the potential of the area is limited since no fiber was found in the No. 1 raise; and second, the fiber exposed in the No. 2 raise is harsh to semi-harsh, with no 3rd zone exposed. Therefore, it is recommended that contract Idm-2446 be terminated by mutual agreement before completion, and that payment for the 5.0-foot advance during October, together with the 4.0-foot advance during September, be withheld until a final report is received from the operator.

Robert W. Ageton

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

CC W. H. King (Orig. & 5)
DMEA-2550
DF

RWageton:frj

Globe, Arizona
October 14, 1953
P. O. Box 1730

Mr. W. R. Storm
United States Bureau of Mines
P. O. Box 4097 University Station
Tucson, Arizona

Dear Mr. Storm:

Referring to Docket DMEA 2550, Commodity Asbestos, Contract Number IDME 446 and Amendment dated March 25, 1953.

On March 25th, 1953 amendment to the above referred to contract was granted as requested by the Bear Canyon Mining Company. It had been discussed and mutually agreed by the operators of the Bear Canyon Mining Company and the field team with the Bureau of Mines of Tucson, Arizona, that the possibilities of discovering commercial ore bodies under the original agreements had been explored and that further footage under the original contract would be to no avail. Therefore, an amendment was requested and granted for revision in the original plan for the purpose of drifting and raising, in an effort to explore the possibilities of a commercial ore body in the west edge of the stope.

At the time this request was made, Bear Canyon Mining Company was advised by Mr. Andy Schribe, government geologist of the Bureau of Mines of Tucson, that by drifting and raising through the diabase in the west portion of the mine we would likely encounter lime-stone and possibly an ore zone. However, Mr. Schribe also advised us that even though we did encounter an ore zone, the fiber might be too harsh to be of commercial value.

This work under the above referred to amendment has been carried forward to the extent of drifting and raising as reflected in our monthly progress reports. Since our recess period dated from July 1st, 1953 until the resumption of work in the latter part of September 1953, we have completed about 8 or 10 feet in raise Number Two(2) in an effort to cut a possible third ore zone. We also drilled an 8 foot test hole and the third zone was not encountered. Since there was very little fiber in zone Number One (1) and zone Number Two(2) and the fiber that was encountered is of such a harsh quality, that it is in our opinion not marketable and that the above mentioned 8 or 10 feet together with the 8 foot test hole eliminates the possibility of a third ore zone. We desire to make the following request:

The Bear Canyon Mining Company, is of the opinion that all possibilities under the original contract and it's amendment have been explored to the fullest extent without the discovery of a commercial ore zone. We therefore, respectfully request the termination of this contract in the belief that further expenditures would be wasteful and to no avail. This matter has been discussed with Mr. Robert Ageton and Mr. Andy Schribe, Tucson field team, and we feel sure that they concer with us in this decision.

Yours very truly,
Bear Canyon Mining Company

By D. E. Green

DEG:a

C
O
P
Y

TELETYPE:

DN 235 BUREAUMINES 3-16-54 4-21 PM

C O MITTENDORF

REFERENCE DOCKET 2550, CONTRACT IDM-E446, BEAR CANYON MINING COMPANY MATTER DISCUSSED IN OUR MEMORANDUM OF MARCH 11, RELATIVE TO REVISION OF TERMINATION AGREEMENT. REPORT BY GEOLOGICAL SURVEY BEING FORWARDED BY AIRMAIL.

W H KING

C
O
P
Y

DN 235 BUREAU OF MINES 10/29/53 1:59 PM

C O MITTENDORF

REFERENCE DOCKET 2550, CONTRACT IDM-E-446, BEAR CANYON MINING CO., OPERATOR REQUESTS TERMINATION OF CONTRACT BY MUTUAL AGREEMENT EFFECTIVE OCTOBER 1, 1953 WHICH HAS CONCURRENCE OF FIELD AND THIS OFFICE." SEPT. 104 REPORT FORWARDED TO SECRETARY, OPERATING COMMITTEE, OCTOBER 27, 1953. PLEASE TELETYPE AUTHORIZATION FOR US TO PREPARE AGREEMENT.

W. H. KING

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1953

224 New Customhouse
Denver 2, Colorado

OCT 26 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2550 (Asbestos), Contract Idm-E446, Bear Canyon Mining Company, a limited co-partnership comprised of Dennis E. Green, James B. Green, Roy C. Yarbrough and H. A. King, Gila County, Arizona

Enclosed are the original and two copies of Amendment No. 2 to Contract Idm-E446 which has been executed to authorize a recess of operations effective July 1, 1953, with operations to be resumed on or before November 1, 1953. The amendment was prepared in conformance with authority contained in a teletype from the Chairman of the Operating Committee dated September 28, 1953. Also enclosed are three sets of data relevant to the amendment.

Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King
W. H. King

Enclosures

1-1027
(April 1946)

UNITED STATES
DEPARTMENT OF THE INTERIOR

C O P Y

AGENCY DMEA WASH

TELETYPE

Originator:
Ext.: Room:

Appro.:
Date: 9/28/53
Time: 439P
No.:
To: W H KING EXECUTIVE OFFICER DMEA FIELD TEAM REG IV 224 NEW CUSTOMHOUSE BLDG DN
Subject: DOCKET NO. DMEA-2550, CONTRACT NO. ID6-2446, BEAR CANYON MINING CO.

YOU ARE AUTHORIZED TO RECESS DMEA-2550, ID6-2446 FROM JULY 1 TO NOVEMBER 1. HOWEVER TERMINATION FOR NON PERFORMANCE WOULD NOT BE IN THE BEST INTEREST OF THE GOVERNMENT. WE CONCUR IN PROCEDURE OUTLINED IN YOUR LETTER OF JULY 9 TO THE OPERATOR.

GEORGE C. SELFRIDGE CHAIRMAN OPERATING COMMITTEE DMEA

Authorized:

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

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

P. O. Box 1730
Globe, Arizona
August 31, 1953

Mr. W. H. King
824 New Customhouse
Denver 2, Colorado

Dear Mr. King:

Re: Docket No. [illegible] (Asbestos)
Contract [illegible]
Gila County, Arizona

In accordance with your instructions of August 18, 1953 to carry through the proper procedure of our obligations under the above referred to contract, we wish to make the following request:

On or about July 1st, 1953 operations at the Bear Canyon Mining Company were discontinued, due to certain managerial difficulties as has been previously outlined. We respectfully request your authorization of a recess period from July 1st, 1953 to a date of on or before November 1st, 1953. It is our contention that our remaining difficulties will be resolved and work resumed within the next few days, or at least will not exceed the date of November 1st, 1953.

Thanking you kindly for your indulgence, I am

Yours very truly,
Bear Canyon Mining Company
By [signature]

DEG:ba

UNITED STATES 140
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

March 3, 1954

Mr. George M. Hill
Shimmel, Hill & Hill
Title & Trust Building
Phoenix, Arizona

Re: Docket No. DMEA-2550 (Asbestos)
Bear Canyon Mining Company
Gila County, Arizona
Contract No. Idm-2446

Dear Mr. Hill:

Reference is made to your letter of February 24 to the Administrator, copies of which it is indicated went to Mr. D. R. Green and Mr. R. W. Storms of the Bureau of Mines at Tucson. Your letter has been referred to me for reply.

I cannot gather from your letter just what it is that you wish to accomplish. Does the Operator now wish to terminate the work? If, as you seem to indicate, some of the "interested parties" wish to withdraw from the project, and others wish to continue with it, it seems to me that these parties will have to come to some agreements among themselves before this agency can do anything for them.

I am forwarding a copy of this letter to Mr. Storms at Tucson, and perhaps with further advice from him and from you, we can determine what it is that the "interested parties" wish to do, and whether we can agree with them on the subject.

Very truly yours,

J. L. Hofflund
Chief Counsel

JLHofflund/emd
Copy to: Docket
Adm. R. File
Mr. R. W. Storms, Bu. Mines, Tucson, Ariz.
Op. Comm.
Mr. Larrabee
Mr. Bowles
L. G. Houk
Field Team, Reg. IV (2)
J. L. Hofflund
chron.

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

140

JAN 20 1954

Mr. D. E. Green
Bear Canyon Mining Company
P. O. Box 1730
Globe, Arizona

Re: Docket No. DMEA-2550 (Asbestos)
Bear Canyon Mining Company
Gila County, Arizona
Contract No. Idm-2446

Dear Mr. Green:

Reference is made to your letter of December 17, 1953, to Mr. W. R. Storms, requesting clarification of paragraph 4 of the termination agreement, with reference to Articles 6 and 8 of the contract.

Under the provisions of the contract, the operator is obligated to complete all the work described in the contract, unless the Government terminates the contract under the provisions of Article 8. The Government has not terminated the contract and does not desire to do so without assurance that in the event there is production from the land described in the contract the Government will receive royalty.

At the operator's request, and for its sole convenience, the Government, on November 1, 1953, offered to terminate the work under the contract, provided, among other things (paragraph 4), that the operator agrees to pay royalty on any production from the land described in the contract, in the same manner and to the same extent as if the Government had certified the project under the provisions of Article 6 of the contract. This provision is a consideration to the Government for releasing the operator from the obligation to complete the work.

If it is preferable to the operator to repay the Government's contribution to the cost of the project work, than to execute the termination agreement, it would be satisfactory to the Government.

Sincerely yours,

R. O. Mittendorf

Administrator

cRubin/emd 1/19/54
Docket
m. R. File
Comm.
Larrabee, G-232 GSA Bldg.
owles, 3516
douk
ield Team, Reg. IV (2)

J.L.Hofflund H.C.Rubin chron. pending

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

224 New Customhouse
Denver 2, Colorado

December 16, 1953.

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2550, Contract Idm-E446 (Asbestos), Bear Canyon Mining Company, 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 October 1953.

per John F. Shaw
W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

November 27, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2550, Contract Idm-L446 (Asbestos), Bear Canyon Mining Company, 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 MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 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	October 31, 1953.
Date Received in Field Office	November 17, 1953
Date Received in Region Office	November 25, 1953.

W. H. King

Enclosures

RDB:cwm

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

MINING DIVISION
REGION IV

November 17, 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-2446, Docket MMEA-2580, Bear Canyon Mining Co., (Asbestos) 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 and as $500 already has been withheld pending receipt of the operator's final report, I recommend that the Government's share of the October costs be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
MMEA-2580
MF

WRStorms:frj

MINING DIVISION
REGION IV

November 17, 1953

Memorandum

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

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

Subject : Monthly Progress Report, October 1953, Bear Canyon Mining Co., (Asbestos) Docket DMEA-2550, Contract Idm-E446, Gila County, Ariz.

In accordance with your request, the subject property was visited on October 22, 1953. The contract advance in the No. 2 raise is 44.0 feet from the back of the old raise, or a total of 58.5 feet from the starting point. The October footage now subject to payment and allowable under the contract is 5.0 feet.

The 5.0-foot advance beyond the point of the September progress failed to disclose the expected 3rd fiber and/or serpentine zone. The operator drilled an 8-feet hole in the back of the raise, but the cuttings did not contain fiber or serpentine.

Since $500.00 has been withheld pending receipt of Final Report from the operator, it is recommended that the Government's share of the cost of the 5.0 feet of advance during the month of October be paid.

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

CC W. H. King (orig. & 6)
DMEA-2550
DF

RWAgeton:frj

October 31, 1953
Globe, Arizona
P. O. Box 1730

Mr. W. H. Storm
United States Bureau of Mines
P. O. Box 4097
Tucson, Arizona

Dear Mr. Storm:

Reporting on Docket IMEA 2550, Commodity Asbestos, Contract Number IM-E 446 and amendment dated March 25, 1953.

In the early part of October 1953, five (5) feet was completed in raise Number 2, and an 8 foot test hole was drilled. No fiber or indication of fiber was found in this work.

We contacted Bob Agoton, of the Tucson field team and ask for an inspection at this point. Mr. Agoton concurred in our belief that no commercial ore had been located, and that the areas designated for exploration under this contract had been exhausted. We suggested that in our opinion it would be advisable to terminate the contract at this point. We were advised by the field team that the proper procedure to follow would be to make a formal request for the termination of this contract. This request was made on the 14th day of October 1953.

Yours very truly,
Bear Canyon Mining Company

D. E. Dixon

DE3:a

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 October 31, 1953 Docket No. DMEA 2550 Contract No. IDM-E 446
Operator's Name Bear Canyon Mining Company Minerals Asbestos
Address P. O. Box 1730, Globe, Arizona
Contract Amount, $ 26,220.00 Government Participation: 90 % Amount, $

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	00	9,633.00	9,633.00			
Drifting	00	9,191.25	9,191.25			
Raising	142.50	2,650.50	2,793.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	142.50	21,474.75	21,617.25	142.50	21,474.75	21,617.25

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

Date Oct. 31, 1953 *Payee Bear Canyon Mining Company

Per [signature] Title Authorized Partner

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

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

(Instructions on reverse)

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

$ 138.25

Signature [signature]
(Authorized Certifying Officer)

Date 12/2/53 Vou. No. DMA 54-54

(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. E446 in accordance with the terms of the contract.

Signature Robert H. Ogden WRH Title Mining Engineer Date 11/23/53

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

Signature W. H. King Title Executive Officer Date NOV 27 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 October 31 1953 Docket No. DMEA 2550 Contract No. IDM-E 446
Operator's Name Bear Canyon Mining Company Minerals Asbestos
Address P. O. Box 1730, Globe, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	feet	000	000	9,191.25	322.5	28.50	470	28.50
Crosscutting	feet	000	000	9,633.00	338	28.50	450	28.50
Raising	feet	142.50	5	2,793.00	98	28.50		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		142.50	5	21,617.25				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								26,220.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		142.50		21,617.25				

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. 31, 1953 Operator Bear Canyon Minint Company

Per [signature] Title Authorized Partner

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

December 9, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Docket No. DMEA-2550 - Asbestos
Bear Canyon Mining Company
Gila County, Arizona
Contract No. Idm-W446

Re: Amendment No. 2

This amendment was prepared and executed by Mr. King, Region IV. It authorized a recess of operations effective July 1, 1953. This amendment was prepared in conformity with authority contained in a teletype to Mr. King from the Chairman of the Operating Committee on September 28, 1953.

The Nonmetallic Minerals Division concurs in the amendment as prepared.

Note: It should be noted that there has been managerial difficulties since about the first of July, 1953, in this co-partnership. The managger's power of attorney to sign documents may not now be valid. Therefore, signature on the Termination Agreement of November 2, 1953, should be checked when this document is returned fully executed.

J. T. Robertson
Nonmetallic Minerals Division

JTRobertson:ag 12/9/53
Copy to: Admr. R. File
Docket File
Mr. Houk

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

NOV 2 1953

Mr. [illegible], Executive Officer
DMEA Field Team, Region [illegible]
2[illegible] [illegible] Warehouse Building
Denver 2, Colorado

[illegible] beatoo[illegible]
Bear Canyon Mining Company
Gila County, Arizona
Contract No. [illegible]

Dear Mr. [illegible]:

Reference is made to your letter to the Administrator, dated October 29, 1953, in which you request authority to terminate the contract.

There is enclosed herewith duly signed by the Administrator an agreement terminating the contract under the contract, but reserving the rights of the Government [illegible] Contract [illegible].

[illegible] manner

AHKane/emc 10/30/53

George C. Selfridge

National Contracting Committee

Enclosure

Copy to: Docket
Adm. R. File
Operating Comm.
J. H. Hedges
T. P. Thayer
L. O. Houk
J. [illegible] Hofflund
A. [illegible] Kane
chron.
pending

J. H. Hedges
Member, Bureau of Mines

T. P. Thayer
Member, Geological Survey

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 30 1953

224 New Customhouse
Denver 2, Colorado

October 27, 1953.

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104 - DMEA Docket 2550, Contract Idm-E446 (Asbestos), Bear Canyon Mining Company, 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 for the months of June 1953 and September 1953, pertaining to DMEA Docket 2550, Contract Idm-E446 (Asbestos), Bear Canyon Mining Company, Gila County, Arizona.

W. H. King

W. H. King

Enclosures

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 30 1953

Administrative Audit Difference Statement

Date: October 22, 1953
Payee's
Reference: Progress Report - June, 1953

Dear Canyon Mining Company
P. O. Box 1730
Globe, Arizona
I-DMA-E-446

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

Amount Claimed	$2,636.25
90%	$2,372.63
~~Difference~~	$ -500.00
Amount Approved	$1,872.63

The reason for the difference was due to:

$500.00 withheld pending release of Final Report of Review.

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 30 1953

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 2550, Contract Idm-2446 (Asbestos), Bear Canyon Mining Company, Gila County, Arizona. Operator's Monthly Progress Report for the period June 1953 and September 1953.

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

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

Amount claimed on June 1953 report	$2636.25
Amount claimed on September 1953 report	114.00
Total Amount Claimed	$2750.25
Amount approved at 90%	$2475.23

An amount of $500.00 is to be withheld from the amount due the Operator pending release of the final Report of Review and receipt of Operator's final report.

Remarks:

Date of Report	June 30, 1953 and Sept. 30, 1953.
Date Received in Field Office	July 10, 1953 and Oct. 12, 1953.
Date Received in Region Office	July 15, 1953 and Oct. 19, 1953.

John F. Shaw
John F. Shaw
For W. E. 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-E446, Docket BMEA-2550, Bear Canyon Mining Co.'s Asbestos 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.

All work is in accordance with the terms of the contract. It now seems possible that the operator will request termination of the contract by mutual consent before completion. Therefore, it is recommended that the Government's share of the June costs be paid, but the September costs be withheld.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
BMEA-2550
DF

WRStorms:frj

MINING DIVISION
REGION IV

October 13, 1953

Memorandum

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

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

Subject : Monthly Progress Report, September 1953, Bear Canyon Mining Co., (Asbestos) Docket DMEA-2550, Contract Idm-E446, Gila County, Ariz.

In accordance with your request the subject property was visited on October 6, 1953. D. E. Green, agent for the company, advised by a letter dated September 29, 1953, that the exploration project had been resumed. Total advance in the No. 2 raise for the month of September was 4 feet.

In the No. 2 raise at 4 feet above the diabase a 6-inch serpentine zone containing an average of 1 inch total fiber was found. Approximately 7 feet above this zone is the 2nd fiber horizon in a 9- to 12-inch serpentine zone with 1½ to 2 inches total fiber, some fiber lengths ranging from 3/4 inch to 1 inch. The fiber is harsh and lacks tensile strength. It is believed that the No. 2 raise should expose a 3rd serpentine zone. However, the back of the raise was 14 feet above the diabase contact without cutting either fiber or serpentine. Prior to leaving the Globe district, the writer was informed by L. D. Poor, foreman of the project, that a 7½-foot hole above the back of the raise did not "boil out" fiber. Also another round in the raise was blasted, but Poor had not checked to see if serpentine or fiber was exposed. Lack of a 3rd fiber horizon should be considered as a contributing factor in determining whether further exploration is justified.

The partners of the company have selected J. A. Cunningham, c/o Old Dominion Hotel, Globe, Ariz., as the new manager of their operations. However, D. E. Green has been retained as the party authorized to sign the MF-104 forms.

The 4-foot advance in the No. 2 raise during the month was according to the terms of the contract and is approved. However, since the writer believes that the company may ask for termination of the contract by mutual agreement, it is recommended that the Government's

CC W. H. King (orig. & 6)
DMEA-2550
DF
RWAgeton:frj

share of the June costs be paid and that payment for the 4-foot advance during September be withheld.

Robert W. Ageton

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 1953

September 30, 1953
Globe, Arizona
P. O. Box 1730

Mr. W. H. Storm
United States Bureau of Mines
P. O. Box 4097, University Station
Tucson, Arizona

Dear Mr. Storm:

Reporting on Docket DMEA 2550, Commodity Asbestos, Contract Number IDM-E 446 and amendment dated March 25, 1953.

For the month of September four (4) feet was completed in raise number two(2) and two ore zones have been exposed. We regret very much to report that the ore in these two zones is very limited and also of poor quality. It is our opinion that this discovery has no commercial value, either from the standppoint of quality or quantity.

Yours very truly,
Bear Canyon Mining Company
By D. E. Green

DEG:a

Form MF-104A
(April 1952)

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

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 30 1953 Docket No. DMEA 2550 Contract No. IM-B 446

Operator's Name Bear Canyon Mining Company Minerals Asbestos

Address P. O. Box 1730, Globe, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	feet	00	00	9,191.25	322.5	28.50	470	28.50
Crosscutting	feet	00	00	9,633.00	338	28.50	450	28.50
Raising	feet	114.00	4	2,650.50	93	28.50		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		114.00	4	21,474.75			TOTAL COSTS AUTHORIZED BY CONTRACT	
Operating Equipment Purchased							26,220.00	
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		114.00	4	21,474.75				

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. 30, 1953 Operator Bear Canyon Mining Company

Per [signature] Title Authorized Partner

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 30 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September 30, 1953 Docket No. DMEA 2550 Contract No. DM-E 446
Operator's Name Bear Canyon Mining Company Minerals Asbestos
Address P. O. Box 1730, Globe, Arizona
Contract Amount, $ 26,220.00 Government Participation: 90 % Amount, $

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	00	9,633.00	9,633.00			
Drifting	00	9,191.25	9,191.25			
Raising	114.00	~~2,536.50~~ 2,636.25	~~2,650.50~~ 2,750.25	114.00	2,536.50	2,650.50
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	114.00	21,360.75	21,474.75	114.00	21,360.75	21,474.75

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

Date September 30-1953 Payee Bear Canyon Mining Company

Per [signature] Title Authorized Partner

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

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

(Instructions on reverse)

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

$102.60

Signature [signature]
(Authorized Certifying Officer)

Date 10/23/53 Voucher No. DMA 54-41
(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-E446 in accordance with the terms of the contract.

Signature Robert H. Ogden WRM Title Mining Engineer Date 10/13/53

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

Signature John F. Shea for W. H. King Title Executive Officer Date OCT 19 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

R
4

600

September 28, 1953

Docket No. DMEA-2550 - Asbestos
Bear Canyon Mining Company
Gila County, Arizona
Contract No. Idm-E446

Memorandum

To: Mr. C.O.Mittendorf

From: Lawrence G. Houk

Subject: Termination of subject contract.

The May Monthly Operator's Report (last received) shows $18,724.50 expended under $26,220.00 with 657 foot units completed of 920 authorized.

The DMEA field team wrote the Operator July 9 that it was desireous of bringing the project to a satisfactory conclusion and the Government will demand repayment of all contribution if the Operator willfully breaches the contract by failing to complete work.

As of July 3 there remained 170.5 feet of drifting and/or raising.

Lincoln Stewart recommends completion of contract inasmuch as a certification of discovery may be possible, with additional work.

The Nonmetallic Minerals Division concurs with procedure outlined in letter of July 9, 1953 from the field team to the Operator and recommends that the contract work be completed.

LGHouk:gad 9/28/53
Copy to: Admr. R. File
Docket File
Mr. Houk

R 4

DMEA

2971 4637

14X3923.970 Working Fund, Interior, Defense Minerals Exploration Administration
September 28, 1953
12:00 M

W. H. King, Executive Officer, DMEA Field Team, Region IV, 224 New Customhouse Building, Denver 2, Colorado
Docket No. DMEA-2550, Contract No. Idm-X446, Bear Canyon Mining Co.

You are authorized to recess DMEA-2550, Idm-X446 from July 1 to November 1. However termination for nonperformance would not be in the best interest of the Government. We concur in procedure outlined in your letter of July 9 to the operator.

George C. Selfridge

George C. Selfridge, Chairman
Operating Committee, DMEA

LGHouk:gad 9/28/53

Copy to: Admr. R. File
Docket File
Operating Committee
Dr. Bowles, B520
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

DN 235 BUREAU OF MINES 9/25/53 9:34

C O MITTENDORF

REFERENCE DOCKET 2550, CONTRACT IDM E-446, BEAR CANYON MINING COMPANY. OPERATOR HAS REQUESTED AUTHORIZATION FOR RECESS OF OPERATIONS FROM JULY 1, 1953 TO NOVEMBER 1, 1953 ON ACCOUNT OF MANAGERIAL DIFFICULTIES. PLEASE TELETYPE AUTHORIZATION FOR PREPARATION OF AMENDMENT TO THAT EFFECT WITH INCLUDED RECITATION TERMINATING CONTRACT IF WORK IS NOT RESUMED BY NOVEMBER 1, 1953.

W. H. KING

MINING DIVISION
REGION IV

July 13 , 1953

Memorandum

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

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

Subject : June 1953 Progress Report, Contract Idm-E446, Docket DMEA-2550, Bear Canyon Mining Co., Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

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

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

As all work is in accordance with the terms of the contract, this work is approved. However, as the company may have ceased contract work on June 30 without applying for a recess, I recommend that the Government's share of the costs be withheld until the future plans of the operator are known. As indicated in L. A. Stewart's interim report of July 3, the company seems to be having internal trouble so may not continue work under the contract.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2550
DF

WRStorms:frh

MINING DIVISION
REGION IV

July 13, 1953

Memorandum

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

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

Subject : Monthly progress report, June 1953, Bear Canyon Mining Co., Docket DMEA-2550, Contract Idm-L446, Gila County, Ariz.

In company with L. A. Stewart, I visited the subject property on July 1, 1953. The drift in diabase authorized by Amendment No. 1 has been driven N. 30° W. a total of 62.5 feet, or an advance of 3.5 feet in June. A raise (No. 1) had been driven from the west side of this drift at 50 feet in the drift, or 80 feet from the limestone diabase contact. It measured 54 feet from the back of the drift. Limestone was encountered at 20 feet above the starting point. Serpentine zones were encountered at 5, 9, and 16.5 feet above the diabase but contained no fiber. No serpentinization was noted above the top band (16.5 ft.).

On June 23, Shride and Stewart made an interim visit to the property, stopped work on this raise and suggested that the second raise be placed closer to the diabase contact that had cut off the ore zones of the main mine. It then was decided to test for the overlying limestone from an old 14-foot raise that was 30 feet from the contact. This raise (No. 2) had been advanced 35 feet in June. At 42 feet above the back of the drift limestone was encountered. A 6-inch serpentine zone, containing an average of 1 inch total fiber, was penetrated at 4 feet above the diabase. The top of the raise, at 7.5 feet above the diabase, had encountered the bottom of a second serpentine-asbestos zone. Veinlets of asbestos could be seen in a small "boot-legged" drill hole above the top of the raise. This zone may be as much as 10 inches thick with possibly 2 inches total fiber, but this is a guess until the raise is advanced. The fiber is harsh and lacks tensile strength.

CC W. H. King (org. & 6)
DMEA-2550
DF

LAStewart:frj

The work done in June is thus 3.5 + 54.0 + 35.0 for a total of 92.5 feet. This 92.5 feet is in accordance with the terms of the contract, and so is approved. However, as the company may have ceased contract work on June 30, I recommend that no payment be made until the future plans of the company are indicated.

Robert W. Ageton

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

P. O. Box 1730
Globe, Arizona
June 30, 1953

Mr. W. R. Storm
United States Bureau of Mines
P. O. Box 4097, University Station
Tucson, Arizona

Dear Mr. Storm:

Reporting on the work completed for the month of June 1953, Docket Number IMEA 2550, Commodity Asbestos, Contract Number IDM-E 446, and Amendment dated March 25th, 1953.

During the month of May 1953 we began drift work into the diabase intrusion in the west part of the mine under our Amended Program and advanced 59 feet. For the month of June 1953 we carried this drift forward 3.5 feet. We began our raise Number One and advanced 54 feet in this raise. Three ore zones were encountered but no fiber.

We immediately called upon your field team for inspection and it was mutually agreed by Lincoln, Andy and myself that we should re-track and extend the footage in the old raise in an effort to contact the lime beds at that point. We raised a total of 35 feet in this raise. One ore zone was cut in this raise and a second ore zone was drilled into. There was fiber in both of these ore zones. The third ore zone should be approximately 10 feet higher up.

Yours very truly,

Bear Canyon Mining Company

D. E. Green

DEG:a

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 30, 1953 Docket No. DMEA 2550 Contract No. IIM-E 446
Operator's Name Bear Canyon Mining Company Minerals Asbestos
Address P. O. Box 1730, Globe, Arizona
Contract Amount, $26,220.00 Government Participation 90 % Amount, $

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	.00	9,633.00	9,633.00			
Drifting	99.75	9,091.50	9,191.25			
	2,536.50	.00	2,536.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2,636.25	18,724.50	21,360.75	2,636.25	18,724.50	21,360.75

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

Date June 30, 1953 *Payee Bear Canyon Mining Company

Per D. E. Brown Title Authorized Partner

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

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

(Instructions on reverse)

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

$1872.63

Signature [illegible]
(Authorized Certifying Officer)

Date 10/23/53 Vou. No. DMA 54-41

(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 446 in accordance with the terms of the contract.

Signature [illegible] WRB Title Mining Engineer Date 7/13/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.DB

Signature [illegible] for W.H. King Title Executive Officer Date OCT 19 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Department of the Interior
Defense Minerals Administration
RECEIVED
OCT 30 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 30, 1953 Docket No. DMEA 2550 Contract No. IDM-E 146
Operator's Name Bear Canyon Mining Company Minerals Asbestos
Address P. O. Box 1730, Globe, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Feet	99.75	3.5	9,191.25	322.5	28.50	470	28.50
Crosscutting	Feet	.00	00	9,633.00	338	28.50	450	28.50
Raising	feet	2,536.50	89	2,536.50	89	28.50		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2,636.25	92.5	21,360.75			TOTAL COSTS AUTHORIZED BY CONTRACT	
Operating Equipment Purchased							26,220.00	
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,636.25		21,360.75				

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 30, 1953 Operator Bear Canyon Mining Company

Per [signature] Title Authorized Partner

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

July 6, 1953

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMEA Docket 2550, Contract Idm-E440 (Asbestos), Bear Canyon Mining Co. 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 for the period of May, 1953, pertaining to DMEA Docket 2550, Contract Idm-E446, Bear Canyon Mining Co., Gila County, Arizona.

W. H. King

W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

June 24, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2550, Contract Idm-E446 (Asbestos), Bear Canyon Mining Co. Gila County, Arizona - Operator's Monthly Progress Report, for the period May 1953.

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

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

Remarks:

Date of Report	May 31, 1953
Date Received in Field Office	June 1, 1953
Date Received in Region Office	June 17, 1953
Date Processed for Payment	June 24, 1953

W. H. King
W. H. King

Enclosures

RDB:fwo

cc See Oper Comm (2)
WRStorms
Contract
Chron

MINING DIVISION
REGION IV

June 15, 1953

Memorandum

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

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

Subject : May 1953 Progress Report, Contract Idm-2446, Docket DMEA-2550, Bear Canyon Mining Co. (Asbestos), 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)
DMEA-2550
DF

WRStorms:frj

MINING DIVISION
REGION IV

June 15, 1953

Memorandum

To : Walter R. Sterns, Chief, Mining Methods Branch, Mining Div., Region IV

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

Subject : Monthly progress report, May 1953, Bear Canyon Mining Co., Docket DMEA-2550, Contract Ida-E446, Gila County, Ariz. (Asbestos)

In company with Robert W. Ageton, I visited the subject property on June 10. The operators stated advance of 76 feet was found to be correct.

The 17-foot advance in the north crosscut from the inclined drift completes the contract work on this level. At the operators expense the little westerly-bearing stope about 100 feet north from the incline was advanced about 20 feet. Operator states that about 2 inches of fiber is present along the floor, but as the last blast had not been mucked out, the examiners did notsee this. Also at company expense, the operator is stoping another lens near the end of the exploratory drift. The west end of the stope is barren of fiber. On the east side there is an 8 or 10 foot width of 2 inches of total fiber. It is fairly harsh but of good strength. Production from both of these stopes will be small.

The remaining contracted footage is being used in the west side of the main stope according to amendment No. 1. Fifty-nine feet of drifting in diabase had been accomplished during May. At the time of the examiners visit, raising was in progress at a point 50 feet from the stope. At about 15 feet up, the raise was still in diabase.

Work has been performed according to contract and it is recommended that the Government's share of the costs of this project be paid.

Lincoln A Stewart

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

CC W. R. King (Orig. & 6)
DMEA-2550
DF

LAStewart:frj

MINING DIVISION
REGION IV

June 15, 1953

Memorandum

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

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

Subject : May 1953 Progress Report, Contract Idm-1446, Docket DMEA-2550, Bear Canyon Mining Co. (Asbestos), 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)
DMEA-2550
DF

WRStorms:frj

MINING DIVISION
REGION IV

June 15, 1953

Memorandum

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

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

Subject : Monthly progress report, May 1953, Bear Canyon Mining Co., Docket DMEA-2550, Contract Ida-E446, Gila County, Ariz. (Asbestos)

In company with Robert W. Ageton, I visited the subject property on June 10. The operators stated advance of 76 feet was found to be correct.

The 17-feet advance in the north crosscut from the inclined drift completes the contract work on this level. At the operators expense the little westerly-bearing stope about 100 feet north from the incline was advanced about 20 feet. Operator states that about 2 inches of fiber is present along the floor, but as the last blast had not been mucked out, the examiners did notsee this. Also at company expense, the operator is steping another lens near the end of the exploratory drift. The west end of the stope is barren of fiber. On the east side there is an 8 or 10 feet width of 3 inches of total fiber. It is fairly harsh but of good strength. Production from both of these stopes will be small.

The remaining contracted footage is being used in the west side of the main stope according to amendment No. 1. Fifty-nine feet of drifting in diabase had been accomplished during May. At the time of the examiners visit, raising was in progress at a point 50 feet from the stope. At about 15 feet up, the raise was still in diabase.

Work has been performed according to contract and it is recommended that the Government's share of the costs of this project be paid.

Lincoln A. Stewart

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

CC W. H. King (Orig. & 6)
DMEA-2550
DF

LAStewart:frj

MINING DIVISION
REGION IV

June 15, 1953

Memorandum

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

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

Subject : May 1953 Progress Report, Contract Idm-2446, Docket DMEA-2550, Bear Canyon Mining Co. (Asbestos), 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)
DMEA-2550
DF

WRStorms:frj

MINING DIVISION
REGION IV

June 15, 1953

Memorandum

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

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

Subject : Monthly progress report, May 1953, Bear Canyon Mining Co., Docket DMEA-2550, Contract Idm-h446, Gila County, Ariz. (Asbestos)

In company with Robert W. Ageton, I visited the subject property on June 10. The operators stated advance of 76 feet was found to be correct.

The 17-foot advance in the north crosscut from the inclined drift completes the contract work on this level. At the operators expense the little westerly-bearing stope about 100 feet north from the incline was advanced about 20 feet. Operator states that about 2 inches of fiber is present along the floor, but as the last blast had not been mucked out, the examiners did notsee this. Also at company expense, the operator is stoping another lens near the end of the exploratory drift. The west end of the stope is barren of fiber. On the east side there is an 8 or 10 foot width of 2 inches of total fiber. It is fairly harsh but of good strength. Production from both of these stopes will be small.

The remaining contracted footage is being used in the west side of the main stope according to amendment No. 1. Fifty-nine feet of drifting in diabase had been accomplished during May. At the time of the examiners visit, raising was in progress at a point 50 feet from the stope. At about 15 feet up, the raise was still in diabase.

Work has been performed according to contract and it is recommended that the Government's share of the costs of this project be paid.

Lincoln A. Stewart

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

CC W. R. King (Orig. & 6)
DMEA-2550
DF

LAStewart:frj

P. O. Box 1030
Globe, Arizona
May 31, 1953

Mr. W. R. Storm
United States Bureau f Mines
P. O. Box 1097, University Station
Tucson, Arizona

Dear Mr. Storm:

Reporting on the work completed for the month of May 1953, Docket Number DMEA 2590, Commodity Asbestos, Contract Number IDE-E [illegible], and Amendment dated March 25th, 1953.

At the end of May 31, 1953, we had completed 321 feet of cross-cutting to the east and to the west. During the month of May 1953 we advanced 17 feet in the west end of the cross-cutting. We have encountered some ore in this area and are doing some stoping in an effort to determine the extent of this ore body.

We have begun our drift work in the west portion of the mine as approved by above referred to Amendment. During the month of May 1953 we have advanced 59 feet with this drift, and are now ready to make our first raise.

Yours very truly,
Bear Canyon Mining Company

D. E. Brown

DEB: a

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 31, 195 3 Docket No. DMEA 2550 Contract No. DMEA 146
Operator's Name Bear Canyon Mining Company Minerals Asbestos
Address Box 1730 Globe, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting	Feet	1,[illegible]	59	9,091.50	319	28.50	470	28.50
Raising	Feet	484.50	17	9,633.00	235	20.50	450	28.50
Shafts					558			
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2,166.00	76	18,724.50	637		TOTAL COSTS AUTHORIZED BY CONTRACT	
Operating Equipment Purchased							26,220.00	
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,166.00	76	18,724.50				

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

REMARKS:

Date May 31 53 Operator Bear Canyon Mining Company

Per D. E. Green Title Authorized Partner

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

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

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

Month of May 31, 195[illegible] Docket No. DME[illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $26,220.00 Government Participation 90 % Amount, $

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	484.50	9,148.50	9,633.00			
Drifting	1,681.50	7,410.00	9,091.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2,166.00	16,558.50	18,724.50	2166.00	16,558.50	18,724.50

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

Date May 31, 1953 Payee [illegible]

Per [illegible] 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:

$1949.40

Signature [illegible]
(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. Idm E 446 in accordance with the terms of the contract.

Signature Lincoln A. Stewart WAS Title Mining Engineer Date June 15, 1953

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

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

224 New Customhouse
Denver 2, Colorado

May 26, 1953

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMEA Docket 2550, Contract Idm-E446 (Asbestos), Bear Canyon Mining Company, 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 for the period of April, 1953, pertaining to DMEADocket 2550, Contract Idm-E446 (Asbestos), Bear Canyon Mining Company, Gila County, Arizona.

W. H. King

W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

May 15, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2550, Contract Idm-E446 (Asbestos), Bear Canyon Mining Company, Gila County, Arizona. Operator's Monthly Progress Report for the period April 1953.

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

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

Remarks:

Date of Report	April 30, 1953.
Date Received in Field Office	May 11, 1953.
Date Received in Region Office	May 13, 1953.
Date Processed for Payment	May 15, 1953.

W. H. King
W. H. King

Enclosures

RDB:cwm

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

MINING DIVISION
REGION IV

May 12, 1953

Memorandum

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

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

Subject : April 1953 Progress Report, Docket DMEA-2550, Contract Idm-E446, Bear Canyon Mining Co. (Asbestos), 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)
DMEA-2550
MF

WRStorms:frj

MINING DIVISION
REGION IV

May 12, 1953

Memorandum

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

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

Subject : Monthly progress report, April 1953, Bear Canyon Mining Co., Docket DMEA-2550, Contract Idm-E446, Gila County, Ariz. (Asbestos)

In company with Robert W. Ageton, I visited the subject property May 6, 1953. The operator's report was received at the Tucson office on May 11. The stated advance of 31 feet in the north crosscut was measured and found correct. It will be noted that the operator refers to this as the west crosscut.

In the writer's March report it was stated that, starting about 100 feet in the crosscut, asbestos mineralization was cut along the west wall of the drift. A diabase dike cut off this mineralization within 20 feet. The operator has stoped about 15 feet into this deposit. The veins and limestone bedding are distorted by the adjacent diabase dike. A total of 2 to 4 inches of fairly harsh fiber occurs in 2 veins across a 10 to 12 foot face. It is probable that only a small amount of asbestos will be produced from this stope. To the north of the above mentioned dike the limestone beds are warped upward. The crosscut was driven up this slope. About an inch of fiber was present across the width of a 5-foot lens at about 20 feet from the diabase. Although there is insufficient fiber to be commercial, the company is prospecting along the lens at their own expense. It is probable that the warping of the beds is due to the close proximity of the main discordant sill that cuts off the ore zones along the north face of the mine.

As soon as track and water lines are laid, the operator will start work at the amended exploration location.

Work has been performed according to contract and it is recommended that the Governments share of the cost of this project be paid.

Lincoln A. Stewart

LINCOLN A. STEWART

CC W. H. Ming (orig. & 6)
DMEA-2550
DF

LAStewart:frj

P. O. Box 1730
Globe, Arizona
April 30, 1953

Mr. W. R. Storm
United States Bureau of Mines
P. O. Box 4097, University Station
Tucson, Arizona

Dear Mr. Storm:

Reporting on the work completed for the month of April 1953, Docket Number IBMA 2550, Commodity Asbestos Contract Number IDM-E 446.

At the end of March 1953 we had completed 207 feet of cross-cutting to the east and to the west. During the month of April 1953 we advanced 31 feet in the west end of the cross-cut. We cut through the diabase intrusion that we encountered in the previous month and have picked up a vein of fiber that we hope will be of sufficient quantity to be commercial.

We have encountered considerable water sepage in this end of the cross-cut. That together with the necessity of extending trackage, air lines and etc. accounts for the slow down during the month of April 1953.

We hope to begin work on our amended program during the month of May 1953.

Yours very truly,

Bear Canyon Mining Company,

D. E. Brown

DEG:a

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 30, 1953 Docket No. DMEA 2550 Contract No. JUM-E 446
Operator's Name Bear Canyon Mining Company Minerals Asbestos
Address P. O. Box 1730, Globe, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	feet	.00	00	7,410.00	260	28.50	470	28.50
Crosscutting	feet	883.50	31	9,148.50	287	28.50	450	28.50
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		883.50	31	16,558.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								26,220.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		883.50	31	16,558.50				

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 30, 1953 Operator Bear Canyon Mining Company

Per D. E. Greene Title Authorized Partner

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 April 30, 1953 Docket No. DMEA 2550 Contract No. IDM-E146

Operator's Address Bear Canyon Mining Company, P. O. Box 1730, Globe, Arizona Minerals Asbestos

Contract Amount, $ 26,220.00 Government Participation: 90% Amount, $

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	883.50	8,265.00	9,148.50			
Drifting		7,410.00	7,410.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	883.50	15,675.00	16,558.50	883.50	15675.00	36558.50

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

Date April 30, 1953 *Payee Bear Canyon Mining Company

Per [signature] Title Authorized Partner

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

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

(Instructions on reverse)

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

$ 795.15

Signature [signature]
(Authorized Certifying Officer)

Date 5/19/53 Vou. No. DMA 53-134

(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. Form E 446 in accordance with the terms of the contract.

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

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

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Mr. Robertson

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

224 New Customhouse
Denver 2, Colorado

April 22, 1953

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMEA Docket No. 2550, Contract Idm-E446 (Asbestos), Bear Canyon Mining Company, 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 for the period of March, 1953, pertaining to DMEA Docket 2550, Contract Idm-E446, Bear Canyon Mining Company, Gila County, Arizona.

W. H. King
W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

April 16, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2550, Contract Idm-E446, (Asbestos), Bear Canyon Mining Company, Gila County, Arizona. Operator's Monthly Progress Report for the period March 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 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	March 31, 1953.
Date Received in Field Office	April 3, 1953.
Date Received in Region Office	April 15, 1953.
Date Processed for Payment	April 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

April 13, 1953

Memorandum

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

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

Subject : March 1953 Progress Report, Contract Idm-2446, Docket DMEA-2550, Bear Canyon Mining Co. (Asbestos), 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)
DMEA-2550
DF

WRStorms:frj

MINING DIVISION
REGION IV

April 13, 1953

Memorandum

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

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

Subject : Monthly progress report, March 1953, Bear Canyon Mining Co., Docket DMEA-2550, Contract Idm-E446, Gila County, Ariz.

The Operator's report was received at the Tucson office April 3, 1953. I visited the property April 8, measured the drifts, and ran a brunton survey to determine the relationship of the diabase contacts to the old workings.

In the north drift the workings started with diabase against the east side of the drift. Sills of diabase cut across the drift, but limestone showed either at the bottom or at the top of the drift. At about 100 feet, the sill cut down and the ore-bearing beds appeared, to be cut off again by a dike within 20 feet. The company has started a stope in this 20-foot interval, that shows up to 4 inches of fairly harsh fiber. The limestone at the end of the drift showed no fiber at the time of my visit.

The south drift was driven in limestone along the contact with diabase. The last 20 feet cut diabase that presumably is the main mass to the south. Only traces of fiber were occasionally seen in this drift.

The maps furnished with the operator's report indicate the advance, and are sufficient for this report, but a Bureau map is attached to show the detailed course of the workings.

The monthly advance of 158 feet is correct and according to contract. It is recommended that the Government's share of the cost of this project be paid.

Lincoln A. Stewart

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

CC W. H. King (Orig. & 6)
DMEA-2550
DF

WRStorms:frj

P. O. Box 1730
Globe, Arizona
March 31, 1953

Mr. W. R. Storm
United States Bureau of Mines
P. O. Box 1097, University Station
Tucson, Arizona

Dear Mr. Storm:

Reporting on the work completed for the month of March 1953, Docket Number IMEA 2550, Commodity Asbestos Contract Number IDM-E 446.

At the end of February we had advanced 66 feet to the east and 66 feet to the west with our cross cutting. During the month ofMarch we advanced in the east cross cutting 85 feet, and the last 20 feet being in diabase. During the month of March we advanced in the west cross-cutting 73 feet, the last 14 feet being in diabase. The total cross cutting for the month is 158 feet. In the east cross cutting we did not encounter anything that looked promising, however, in the west cross cutting just before encountering the diabase there is a vein of commercial fiber about 10 feet in width. We will follow this vein with the hopes that it will widen out and a pocket of commercial ore may be recovered.

Yours very truly,
Bear Canyon Mining Company

D. E. Green

DEG:a

U. S. BUREAU OF MINES
MINERALS DIVISION
APR 6 1953
TUCSON, ARIZONA

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 March 31, 1953 Docket No. DMEA 2550 Contract No. DM-B 146
Operator's Name Bear Canyon Mining Company Minerals Asbestos
Address P. O. Box 1730, Globe Arizona
Contract Amount, $ 26,220.00 Government Participation: 90 % Amount, $

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	4,503.00	3,762.00	8,265.00			
Drifting	.00	7,410.00	7,410.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	4,503.00	11,172.00	15,675.00	4503.00	11,172.00	15,675.00

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

Date March 31-53 *Payee Bear Canyon Mining Company

Per [signature] Title Authorized Partner

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

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

(Instructions on reverse)

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

$ 4052.70

Signature [signature]
(Authorized Certifying Officer)

Date 4/21/53 Vou. No. DMA 53-123

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E 446 in accordance with the terms of the contract.

Signature Lincoln A. Stewart WRB Title Mining Engineer Date Apr 13, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: LDB.

Signature W. H. King Title Executive Officer Date APR 16 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 31, 1953 Docket No. DMEA 2550 Contract No. DM-E 446
Operator's Name Bear Canyon Mining Company Minerals Asbestos
Address P. O. Box 1730, Globe, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	feet	.00	000	7,410.00	260	28.50	470	28.50
Crosscutting	feet	4,503.00	158	8,265.00	290	28.50	450	28.50
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		4,503.00	158	15,675.00	~~560~~		TOTAL COSTS AUTHORIZED BY CONTRACT	
Operating Equipment Purchased							26,220.00	
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4,503.00	158	15,675.00				

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 March 31, 1953 Operator Bear Canyon Mining Company

Per D. L. Brown Title Authorized Partner

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

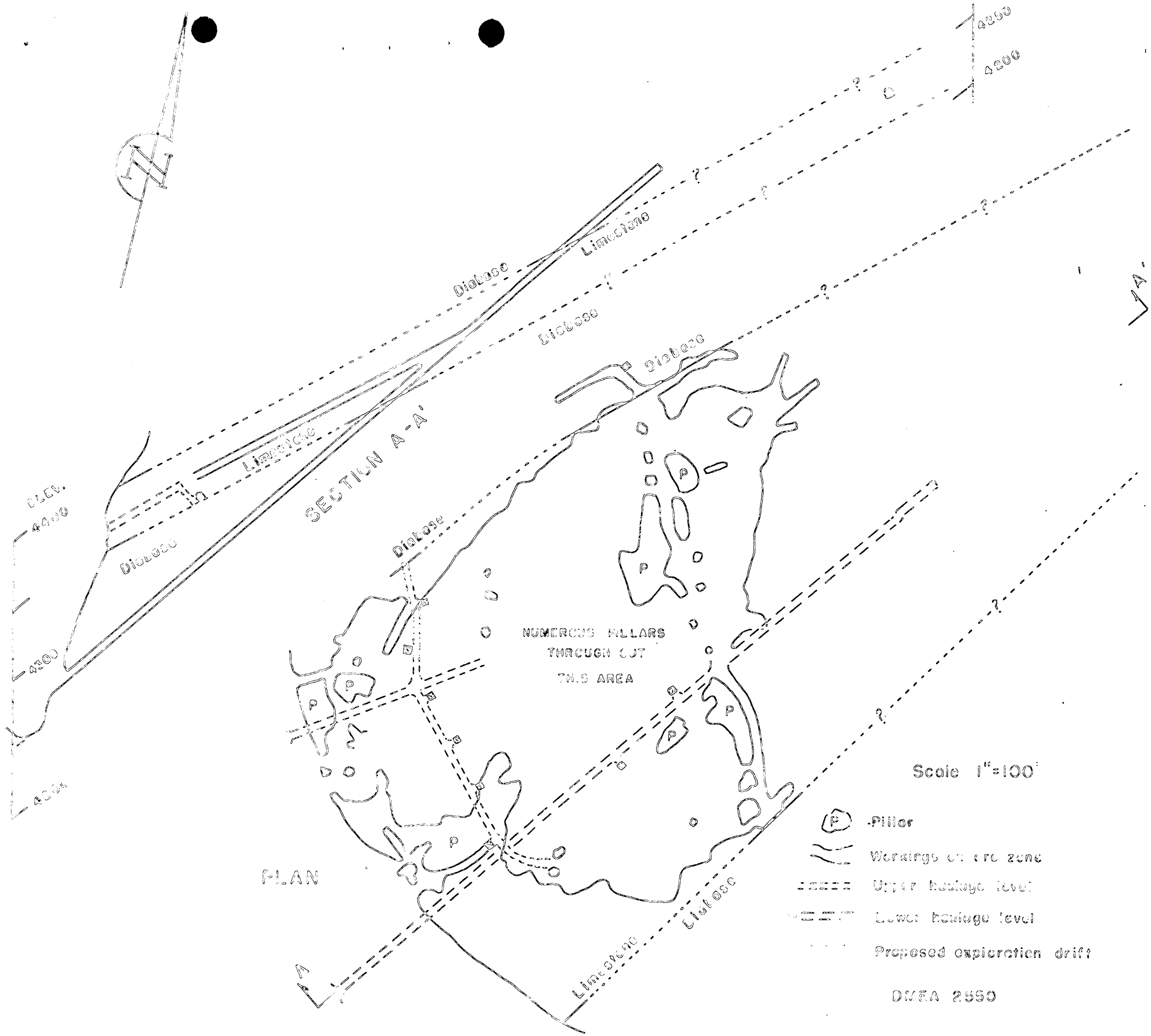

Figure 3: Plan and Section of Bear Canyon Mine, Showing Proposed Work

April 3, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Docket No. DMEA-2550 - Asbestos
Bear Canyon Mining Company
Gila County, Arizona

Re: Amendment No. 1 to Contract No. Idm-E446
Recommendation of approval.

The amendment does not increase the total cost of the project but simply permits a diversion of a portion of the work to another part of the mine, and is recommended by the field engineers after a recent inspection.

This Division concurs in the recommendation of the amendment as written and signed in Region IV.

LGHouk:gad 4/3/53

Copy to: Admr. R. File
Docket File
Mr. Houk

April 3, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Docket No. DMEA-2550 - Asbestos
Bear Canyon Mining Company
Gila County, Arizona

Re: Amendment No. 1 to Contract No. Idm-E446
Recommendation of approval.

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This Division concurs in the recommendation of the amendment as written and signed in Region IV.

LGHouk:gad 4/3/53

Copy to: Admr. R. File
Docket File
Mr. Houk

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

224 New Customhouse
Denver 2, Colorado

March 25, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Amendment No. 1 to Contract Idm-E446, Docket DMEA 2550, Bear Canyon Mining Company

Enclosed are the original and two copies of Amendment No. 1 to Contract Idm-E446. Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

Also enclosed are three copies of a letter from the operator requesting this amendment and three copies of a memorandum from a Bureau of Mines engineer approving this amendment.

W. H. King

W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P.O.Box 4126, University Station
Tucson 5, Arizona

AHK

March 13, 1953

Memorandum

To: A. H. Koschmann, Denver, Colorado

From: A. F. Shride, Tucson, Arizona

Subject: Proposed Amendment, Idm-E446 (IMEA 2550), Bear Canyon Mining Company, Gila County, Arizona (Asbestos)

I have reviewed in the field the proposed amendment to the above contract to do drifting from the northwest part of the Bear Canyon Mine, and have read Lincoln A. Stewart's (Bureau of Mines) appraisal of the proposal. This appraisal is being submitted to Denver today with the request for amendment.

I am in complete agreement with Stewart's conclusions, and his favorable recommendation of the amendment.

A. F. Shride

A. F. Shride
Geologist

MINING DIVISION
REGION IV

March 12, 1953

Memorandum

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

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

Subject : Proposed amendment, Contract Idm-E446, Docket DMEA-2550, Bear Canyon Mining Co. (Asbestos), Gila County, Ariz.

Enclosed are original and five copies of a requested amendment to contract Idm-E446 from the above company and memorandum from L. A. Stewart of the Bureau of Mines with detailed recommendations. A. F. Shride of the Geological Survey concurs with these recommendations of Stewart's, as do I.

Walter R. Storms

Walter R. Storms

CC W. H. King (5)
DMEA-2550
DF

WRStorms:frj

MINING DIVISION
REGION IV

March 12, 1953

Memorandum

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

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

Subject : Amendment to include an additional work site, Bear Canyon Mining Co., Docket DMEA-2550, Contract Idm-E446, Gila County, Ariz. (Asbestos).

Work under this contract was started Nov. 28, 1952, and has progressed according to contract. At 237 feet from the starting point of the proposed 470-foot inclined drift, a crosscutting diabase sill has cut off the favorable limestone beds. The contact of the crosscutting diabase is roughly along the strike of the beds, as is shown by 150 feet of crosscut driven to date. It appears likely that this general condition will prevail entirely across the projected width of the ore shoot, and thus will reduce the potential area of exploration by about one-half.

A proposal had been included in the original application to explore an area on the northwest side of the mine by drilling 6 holes for a total of 322 feet. When an amended application was made, the operator decided to devote all work to the exploration of the down-dip portion of the mine, notwithstanding the fact that exploration of this northwest area had merit.

On the DMEA examiners' 1/ visit to the mine on February 3, 1953, when it had become evident that the crosscutting diabase might reduce the size of the target, Green of the Bear Canyon Mining Co. suggested a revival of this northwest exploration by amendment of the contract. Shride discussed the geological conditions that might be present on that side of the mine, and it was decided to delay request for amendment until sufficient work had been done to demonstrate that excess footage would be available.

By March 1953 it appeared that this amendment was justified, and Green submitted the attached request.

1/ Shride, A. F., Geological Survey and Stewart, L. A., Bureau of Mines.

CC W. H. King (Orig. & 5)
DMEA-2550
DF

LAStewart:frj

In the Bear Canyon mine, the bed of limestone that contains the ore zones is overlain and underlain by diabase sills, and is cut off on each side by crosscutting diabase structures that are roughly parallel and about 400 feet apart. Quoting from the July 1952 Bear Canyon geologic report by Shride: "The crosscutting portion of the diabase sill that bounds the fiber-bearing limestone on the northwest side of the deposit is not exposed at the surface, but pinches out underground about 70 feet northeast of the southwestermost portal of the mine". Figure 5, section B-B', of the same geologic report indicates the likelihood of a "matching" limestone-diabase contact at some unknown distance to the northwest. Shride further states in his original report "- - - it is unfortunate that some sort of exploration is not planned in that (the northwest) direction as the geologic possibilities of a "blind" ore body beyond the crosscutting portion of the diabase sill are good".

The requested amendment proposes to explore for this contact with the contracted footage <u>that is unused in the current exploration</u>.

Mr. Green furnished a map showing the location of the proposed work, but it has been thought advisable to include a map showing revised geology and a postulated section of this area so a better understanding may be had of the exploration problem (figure A).

It is possible that the "matching" feature shown in figure 5 of the original report will be at approximately the same elevation on the northwest side of the crosscutting diabase, but the probability is that it will be higher. Figure A has been drawn on the latter assumption. It is likely that the diabase will maintain concordancy along the same bedding plane, which is about 15 feet below the ore zone.

Tentatively, it is suggested that the best approach would be to drift 50 feet into the diabase, then raise, say 25 feet, and drill a 12-foot hole in the top of the raise. If limestone is not encountered, advance the drift an additional 50 feet and again raise. It is obvious from surface exposures on this side of the hill that the diabase contact must dip to the northwest, thus the drift and the diabase contact should be converging in section in that direction. If limestone is intersected in a raise and the ore zone is present, any remaining footage should be devoted to exploring the width of the ore shoot. The length of the ore body adjacent and parallel to the diabase-limestone contact will be determined by mining development.

The applicant has offered unit cost figures that are in line with the costs of the current contract. As indicated by the request, the prospect raise that encounters the ore zone will become the access raise, hence will have to be enlarged to accommodate a timbered manway. It will have to be provided with a chute. The additional work and timbering necessary for this raise has been estimated at an increased cost of $10.00 per feet over the prospect raising. The unit bid costs of drifting and prospecting raising at $28.50 per foot, and the timbered access raise at $38.50 per foot are considered reasonable.

It is recommended that this amendment be granted and that the specified unit costs be approved. On account of the indeterminate location of the "matching" structure, and the presently unknown amount of excess footage available, the total footage of the drifting and/or raising should be specified only as the amount unused in the primary contract.

It is suggested that the effective date of this amendment be made as of the date it is approved by the Executive Officer. By that time, the present exploration probably will have progressed sufficiently to indicate that adequate footage remains to justify starting the new exploration, concurrent with finishing up the primary exploration.

The details of this memorandum have been discussed with A. F. Shride of the Geological Survey who concurs with the statements made and with the above recommendation.

Lincoln A. Stewart

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

P. O. Box 1730
Globe, Arizona
March 2, 1953

U. S. Bureau of Mines
MINES DIVISION
MAR - 3 1953
TUCSON, ARIZONA

Mr. W. H. King, Executive Officer
U. S. Bureau of Mines,
224 New Customs House Bldg.
Denver 2, Colorado

Dear Mr. King:

Please refer to the Bear Canyon Mining Company contract for exploration work with BMM Docket Number BMM 2550, Commodity, Asbestos, Contract Number IBM-5 446.

At a point 237 feet from the beginning of our incline drift we encountered diabase. We immediately contacted your field team at Tucson and requested an inspection. This inspection was made and it was decided that we would drift 25 feet into this diabase, and then drill a 12 foot hole in the face and if the indications were still diabse, it would be inadvisable to continue forward. It was mutually agreed that cross cutting would be located at the contact and carried out both to the east and to the west and to follow along said contact. This 12 foot test hole was drilled the night of February 6th, 1953 and proved to be still in diabase. We have therefore discontinued our forward drift and have begun cross cutting as proposed by Daly and Lincoln. To date we have extended our cross cuts a total of 66 feet each way.

In view of the fact that some 200 feet of this proposed 470 foot incline drift will be unused, we therefore wish to ask for an amendment of the above mentioned contract to-wit.

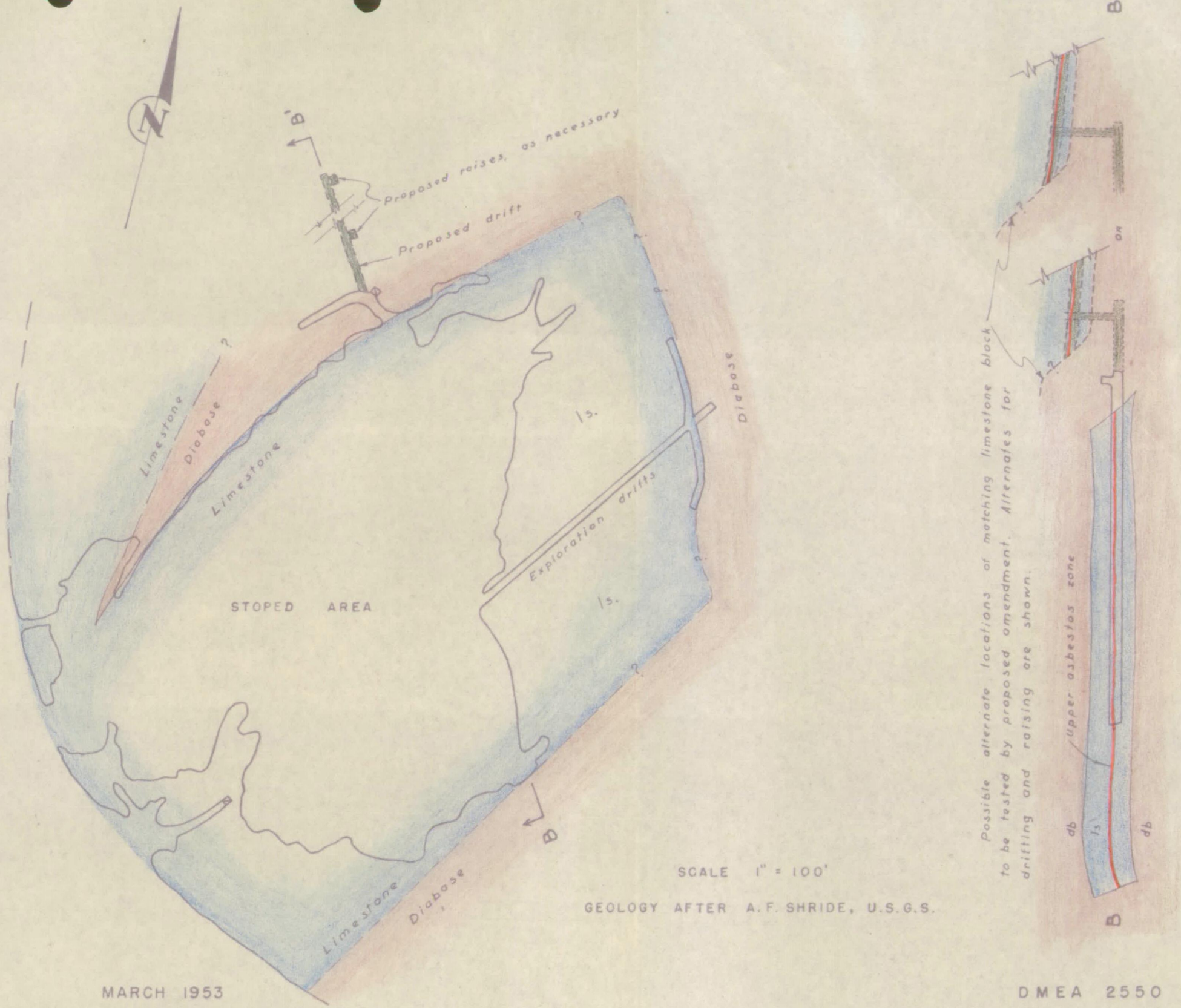
Referring to the map of Bear Canyon which is attached hereto. In the west section of the mine you will note an old drift in a westerly direction into a diabase intrustion thence in a southerly direction. Our amended proposal is to continue this drift in a westerly direction in an effort to pass through this diabase intrustion. We are of the opinion that a lime bed will be encountered with a good possibility for asbestos.

Amendment: A 5 foot by 7 foot drift in the west part of the mine to be carried in a westerly direction to explore for asbestos on the west side of the diabase intrusion. Raises at intervals may be necessary to probe upward for the limestone bed. If asbestos is found in a raise it is proposed to drift on the vein. Therefore the Bear Canyon Mining Company will be willing to contract the above mentioned proposed drifting and raising at $28.50 per foot which is in accord with the original contract. The raise that encounteres fiber will become the access way for drifting on the higher level. The raise will have to be enlarged for a timbered manway. This raise will be contracted at $38.50 per foot. The allowable total footage of this drifting and raising to be to that amount that is unused in the exploration of the central portion of the mine, possibly two or three hundred feet. In no event will this amendment exceed the total overall expenditure of the original contract.

It is the desire of the Bear Canyon Mining Company to carry out this amended program if it is approved, simultaneously with the cross cutting that is now in progress, as soon as it is evident that this excess footage will be available. For this reason it will be appreciated very much for you to give this proposal your attention at your very earliest convenience.

Thanking you in advance, I am

Yours very truly,
Bear Canyon Mining Company
D. C. Green



MARCH 1953

DMEA 2550

FIGURE A.- GENERALIZED GEOLOGICAL SKETCH, SHOWING PROPOSED AMENDED WORK

BEAR CANYON ASBESTOS MINE

GILA COUNTY, ARIZONA

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

C C
O O
P P
Y

224 New Customhouse
Denver 2, Colorado

March 19, 1953

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMEA Docket 2550, Contract Idm-E446 (Asbestos)
Bear Canyon Mining Company, Gila County, Arizona.

Enclosed are two copies of the Operator's Monthly Progress Report MF-104 and 104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of February 1953, pertaining to DMEA Docket 2550, Contract Idm-E446)Asbestos), Bear Canyon Mining Company, Gila County, Arizona.

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

Enclosures

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

224 New Customhouse
Denver 2, Colorado

March 13, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2550, Contract Idm-2446, (Asbestos) Bear Canyon Mining Company, Gila County, Arizona. Operator's Monthly Progress Report for the period February 1953.

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

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

Remarks:

Date of Report	February 28, 1953.
Date Received in Field Office	March 5, 1953.
Date Received in Region Office	March 12, 1953.
Date Processed for Payment	March 13, 1953.

W. H. King
W. H. King

Enclosures

RDB:cwm

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

MINING DIVISION
REGION IV

March 10, 1953

Memorandum

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

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

Subject : February 1953 Progress Report, Docket DMEA-2550, Contract Idm-E446, Bear Canyon Mining Co., Gila County, Ariz.

Enclosed in quintuplicate are the following items for the report:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

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

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

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

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2550
DF

WRStorms:frj

MINING DIVISION
REGION IV

March 10, 1953

Memorandum

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

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

Subject : Monthly progress report, February 1953, Bear Canyon Mining Co., Docket DMEA-2550, Contract Idm-E446, Gila County, Ariz.

On March 3 I was in Globe expecting to visit this mine. It had snowed and rained for 2 days previously and Mr. Green advised me it would be impossible to get to the property. However, I was able to visit the mine on March 6.

As indicated by the applicant's report, the inclined drift had been advanced 23 feet into the diabase, or 15 feet during February. From the face of the incline a 12-foot drill hole was still in diabase. The operator then started crosscutting north and south on the limestone side of the contact. At the time of the examination the crosscuts were 74 feet north and 72 feet south. Showings of fiber were very meager.

The map furnished with the operators report delineates the work sufficiently well so that a Bureau map is not necessary at this time. As all work has been in accordance with the contract, I recommend payment of the Government's share of the cost of this project.

CC W. H. King (Orig. & 6)
DMEA-2550
BF

Lincoln A. Stewart

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

~~WRStormsxxfrjxxx~~

LAStewart:frj

U. S. BUREAU OF MINES
MAR - 5 1953
Tucson, Arizona

P. O. Box 1730
Globe, Arizona
March 3, 1953

Mr. J. R. Storm
United States Bureau of Mines
P. O. Box 4097, University Station
Tucson, Arizona

Dear Mr. Storm:

Reporting on the work completed for the month of February 1953, Docket Number IMEA 2550, Commodity Asbestos, Contract Number IM-E 446.

At the end of January 1953 we had advanced 6 feet into diabase on our incline drift, at this point we called for a field team inspection for the purpose of obtaining geological advice with reference to the forward continuation into this diabase. It was mutually agreed that drifting into the diabase would be continued to a approximately 25 feet beyond the contact and then we would drill a 12 foot hole and if we were still in diabase, we would ten back up to the contact and begin cross cutting both to the east and to the west along the diabase contact.

During the month of February 1953 we drifted 15 feet forward into the diabase and then began our corss cutting at the contact and have extended 66 feet in an easterly direction and 66 feet in a westerly direction. The diabase in both of these drifts seems to be swinging back in a southerly direction as shown on the diagram attached. We are still not encountering fiber in commercial quantities.

Thanking you again, I am

Yours very truly,
Bear Canyon Mining Company

D. E. Green

DEG:a

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 Feb. 20-53 195_ Docket No. DMEA 2550 Contract No. [illegible] 146

Operator's Name Bear Canyon Mining Company Minerals Asbestos

Address P. O. Box 1730, Globe, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	427.50	15	7,410.00	260	28.50	470	28.50
Crosscutting	Foot	3,762.00	132	3,762.00	132	28.50	450	28.50
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		4,189.50	147	11,172.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								26,220.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4,189.50	147	11,172.00				

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

Date Feb. 20, 53 Operator Bear Canyon Mining Company

Per [illegible] Title Authorized Partner

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)

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 20, 1953 Docket No. DMEA 2550 Contract No. IM-B 146
Operator's Name Bear Canyon Mining Company Minerals Asbestos
Address [illegible], Box 1730, Globe, Arizona
Contract Amount, $ 26,220.00 Government Participation: 90 % Amount, $

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	3,762.00	.00	3,762.00			
Drifting	427.50	6,982.50	7,410.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	4,189.50	6,982.50	11,172.00	4,189.50	6,982.50	11,172.00

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

Date Feb. 20, 1953 *Payee Bear Canyon Mining Company

Per [illegible] Title Authorized Partner

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

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

(Instructions on reverse)

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

$3770.55

Signature [illegible]
(Authorized Certifying Officer)

Date 3/19/53 Vou. No. 53-109

(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-E446 in accordance with the terms of the contract.

Signature Lenoche A Stewart WHK Title Mining Engineer Date Feb 9, 1953

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

Signature W. H. King Title Executive Officer Date MAR 13 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

MINING DIVISION
REGION IV

March 12, 1953

Memorandum

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

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

Subject : Proposed amendment, Contract Idm-E446, Docket DMEA-2550, Bear Canyon Mining Co. (Asbestos), Gila County, Ariz.

Enclosed are original and five copies of a requested amendment to contract Idm-E446 from the above company and memorandum from L. A. Stewart of the Bureau of Mines with detailed recommendations. A. F. Shride of the Geological Survey concurs with these recommendations of Stewart's, as do I.

Walter R. Storms

Walter R. Storms

CC W. H. King (5)
DMEA-2550
DF

WRStorms:frj

MINING DIVISION
REGION IV

March 12, 1953

Memorandum

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

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

Subject : Amendment to include an additional work site, Bear Canyon Mining Co., Docket BMSA-2550, Contract Idm-1446, Gila County, Ariz. (Asbestos).

Work under this contract was started Nov. 28, 1952, and has progressed according to contract. At 237 feet from the starting point of the proposed 470-foot inclined drift, a crosscutting diabase sill has cut off the favorable limestone beds. The contact of the crosscutting diabase is roughly along the strike of the beds, as is shown by 150 feet of crosscut driven to date. It appears likely that this general condition will prevail entirely across the projected width of the ore shoot, and thus will reduce the potential area of exploration by about one-half.

A proposal had been included in the original application to explore an area on the northwest side of the mine by drilling 6 holes for a total of 322 feet. When an amended application was made, the operator decided to devote all work to the exploration of the down-dip portion of the mine, notwithstanding the fact that exploration of this northwest area had merit.

On the BMSA examiners' 1/ visit to the mine on February 3, 1953, when it had become evident that the crosscutting diabase might reduce the size of the target, Green of the Bear Canyon Mining Co. suggested a revival of this northwest exploration by amendment of the contract. Shride discussed the geological conditions that might be present on that side of the mine, and it was decided to delay request for amendment until sufficient work had been done to demonstrate that excess footage would be available.

By March 1953 it appeared that this amendment was justified, and Green submitted the attached request.

1/ Shride, A. F., Geological Survey and Stewart, L. A., Bureau of Mines.

CC W. H. King (Orig. & 5)
BMSA-2550
DF

LAStewart:frj

In the Bear Canyon mine, the bed of limestone that contains the ore zones is overlain and underlain by diabase sills, and is cut off on each side by crosscutting diabase structures that are roughly parallel and about 400 feet apart. Quoting from the July 1952 Bear Canyon geologic report by Shride: "The crosscutting portion of the diabase sill that bounds the fiber-bearing limestone on the northwest side of the deposit is not exposed at the surface, but pinches out underground about 70 feet northeast of the southwesternmost portal of the mine". Figure 5, section B-B', of the same geologic report indicates the likelihood of a "matching" limestone-diabase contact at some unknown distance to the northwest. Shride further states in his original report "- - - it is unfortunate that some sort of exploration is not planned in that (the northwest) direction as the geologic possibilities of a "blind" ore body beyond the crosscutting portion of the diabase sill are good".

The requested amendment proposes to explore for this contact with the contracted footage <u>that is unused in the current exploration</u>.

Mr. Green furnished a map showing the location of the proposed work, but it has been thought advisable to include a map showing revised geology and a postulated section of this area so a better understanding may be had of the exploration problem (figure A).

It is possible that the "matching" feature shown in figure 5 of the original report will be at approximately the same elevation on the northwest side of the crosscutting diabase, but the probability is that it will be higher. Figure A has been drawn on the latter assumption. It is likely that the diabase will maintain concordancy along the same bedding plane, which is about 15 feet below the ore zone.

Tentatively, it is suggested that the best approach would be to drift 50 feet into the diabase, then raise, say 25 feet, and drill a 12-foot hole in the top of the raise. If limestone is not encountered, advance the drift an additional 50 feet and again raise. It is obvious from surface exposures on this side of the hill that the diabase contact must dip to the northwest, thus the drift and the diabase contact should be converging in section in that direction. If limestone is intersected in a raise and the ore zone is present, any remaining footage should be devoted to exploring the width of the ore shoot. The length of the ore body adjacent and parallel to the diabase-limestone contact will be determined by mining development.

The applicant has offered unit cost figures that are in line with the costs of the current contract. As indicated by the request, the prospect raise that encounters the ore zone will become the access raise, hence will have to be enlarged to accommodate a timbered manway. It will have to be provided with a chute. The additional work and timbering necessary for this raise has been estimated at an increased cost of $10.00 per foot over the prospect raising. The unit bid costs of drifting and prospecting raising at $28.50 per foot, and the timbered access raise at $38.50 per foot are considered reasonable.

It is recommended that this amendment be granted and that the specified unit costs be approved. On account of the indeterminate location of the "matching" structure, and the presently unknown amount of excess footage available, the total footage of the drifting and/or raising should be specified only as the amount unused in the primary contract.

It is suggested that the effective date of this amendment be made as of the date it is approved by the Executive Officer. By that time, the present exploration probably will have progressed sufficiently to indicate that adequate footage remains to justify starting the new exploration, concurrent with finishing up the primary exploration.

The details of this memorandum have been discussed with A. F. Shride of the Geological Survey who concurs with the statements made and with the above recommendation.

Lincoln A. Stewart

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

P. O. Box 1730
Globe, Arizona
March 2, 1953

U. S. BUREAU OF MINES
MINES DIVISION
MAR - 5 1953
TUCSON, ARIZONA

Mr. W. H. King, Executive Officer
U. S. Bureau of Mines,
224 New Customs House Bldg.
Denver 2, Colorado

Dear Mr. King:

Please refer to the Bear Canyon Mining Company contract for exploration work with BM Docket Number IM M 2550, Commodity, Asbestos, Contract Number IM-E 446.

At a point 237 feet from the beginning of our incline drift we encountered diabase. We immediately contacted your field team at Tucson and requested an inspection. This inspection was made and it was decided that we would drift 25 feet into this diabase, and then drill a 12 foot hole in the face and if the indications were still diabse, it would be inadvisable to continue forward. It was mutually agreed that cross cutting would be located at the contact and carried out both to the east and to the west and to follow along said contact. This 12 foot test hole was drilled the night of February 6th, 1953 and proved to be still in diabase. We have therefore discontinued our forward drift and have begun cross cutting as proposed by Indy and Lincoln. To date we have extended our cross cuts a total of 66 feet each way.

In view of the fact that some 200 feet of this proposed 470 foot incline drift will be unused, we therefore wish to ask for an amendment of the above mentioned contract to-wit.

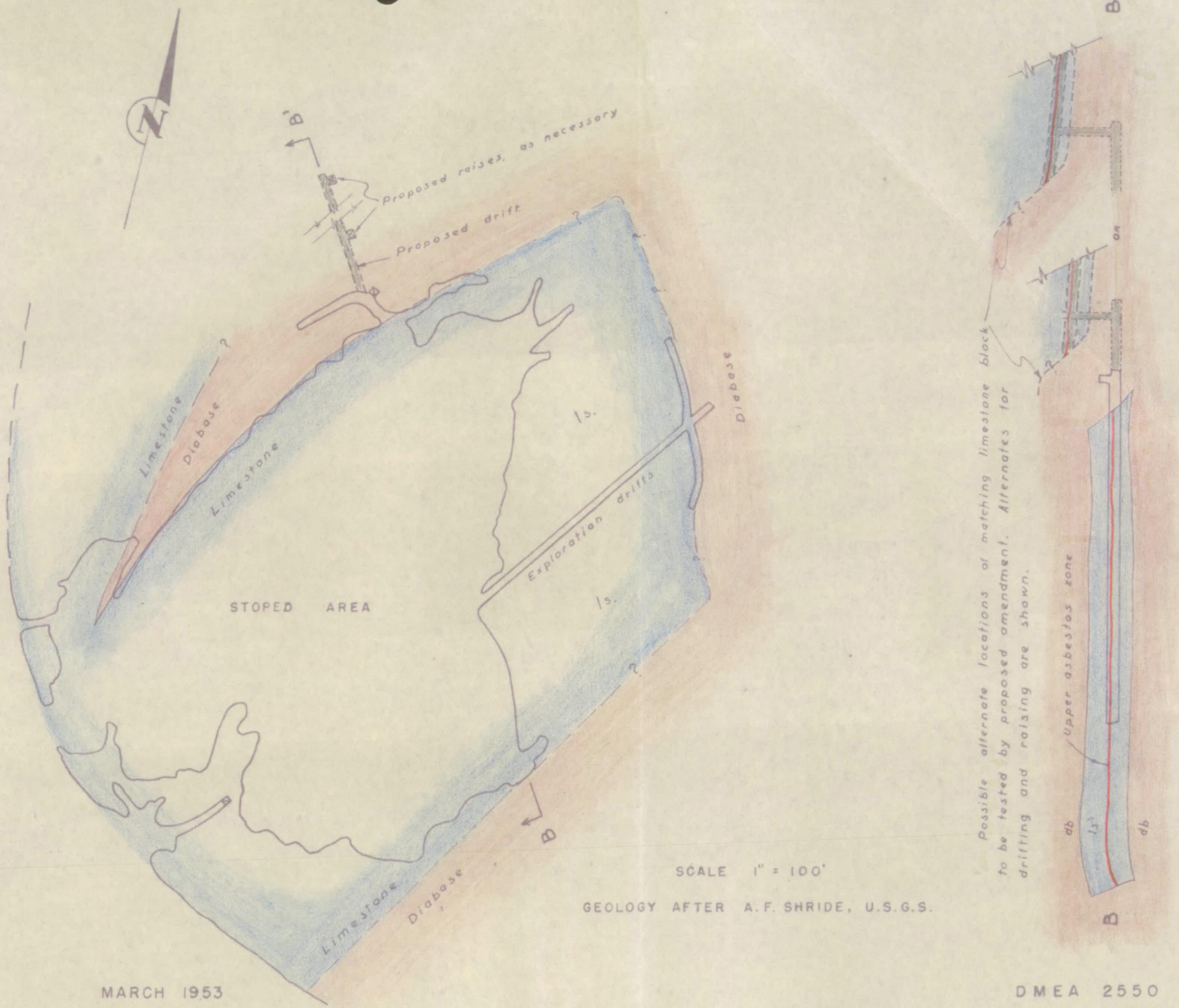
Referring to the map of Bear Canyon which is attached hereto. In the west section of the mine you will note an old drift in a westerly direction into a diabase intrustion thence in a southerly direction. Our amended proposal is to continue this drift in a westerly direction in an effort to pass through this diabase intrustion. We are of the opinion that a lime bed will be encountered with a good possibility for asbestos.

Amendment: A 5 foot by 7 foot drift in the west part of the mine to be carried in a westerly direction to explore for asbestos on the west side of the diabase intrusion. Raises at intervals may be necessary to probe upward for the limestone bed. If asbestos is found in a raise it is proposed to drift on the vein. Therefore the Bear Canyon Mining Company will be willing to contract the above mentioned proposed drifting and raising at $28.50 per foot which is in accord with the original contract. The raise that encounteres fiber will become the access way for drifting on the higher level. The raise will have to be enlarged for a timbered manway. This raise will be contracted at $38.50 per foot. The allowable total footage of this drifting and raising to be that amount that is unused in the exploration of the central portion of the mine, possibly two or three hundred feet. In no event will this amendment exceed the total overall expenditure of the original contract.

It is the desire of the Bear Canyon Mining Company to carry out this amended program if it is approved, simultaneously with the cross cutting that is now in progress, as soon as it is evident that this excess footage will be available. For this reason it will be appreciated very much for you to give this proposal your attention at your very earliest convenience.

Thanking you in advance, I am

Yours very truly,
Bear Canyon Mining Company



SCALE 1" = 100'

GEOLOGY AFTER A. F. SHRIDE, U.S.G.S.

MARCH 1953

DMEA 2550

FIGURE A.- GENERALIZED GEOLOGICAL SKETCH, SHOWING PROPOSED AMENDED WORK

BEAR CANYON ASBESTOS MINE

GILA COUNTY, ARIZONA

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P.O.Box 4126, University Station
Tucson 5, Arizona

March 13, 1953

Memorandum

To: A. H. Koschmann, Denver, Colorado

From: A. F. Shride, Tucson, Arizona

Subject: Proposed Amendment, Idm-2446 (DMEA 2550), Bear Canyon Mining Company, Gila County, Arizona (Asbestos)

I have reviewed in the field the proposed amendment to the above contract to do drifting from the northwest part of the Bear Canyon Mine, and have read Lincoln A. Stewart's (Bureau of Mines) appraisal of the proposal. This appraisal is being submitted to Denver today with the request for amendment.

I am in complete agreement with Stewart's conclusions, and his favorable recommendation of the amendment.

A. F. Shride

A. F. Shride
Geologist

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

C C
O O
P P
Y

224 New Customhouse
Denver 2, Colorado

February 17, 1953

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 2550, Contract Idm-E446, (Asbestos) Bear Canyon Mining Co., Gila County, Arizona.

Enclosed are two copies of the Operator's Monthly Progress Report MF-104 and 104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of January, 1953, pertaining to DMA Docket 2550, Contract Idm-E446, (Asbestos) Bear Canyon Mining Company, Gila County, Arizona.

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

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

New Customhouse
Denver 2, Colorado

February 11, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, Field Team, Region IV

Subject: DMEA Docket 2550, Contract Idm-E446, (Asbestos) Bear Canyon Mining Co., Gila County, Arizona - Operator's Monthly Progress Report for the period of January, 1953

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

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

Remarks:

Date of Report - February 1, 1953
Date Received in Field Office - February 4, 1953
Date Received in Region Office - February 9, 1953
Date Processed for Payment - February 11, 1953

W. H. King

W. H. King

Enclosure

RDB:oc

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

MINING DIVISION
REGION IV

February 5, 1953

Memorandum

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

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

Subject : January 1953 Progress Report, Docket DMEA-2550, Contract Idm-E446, Bear Canyon Mining Co. (Asbestos), Gila County, Ariz.

Enclosed in quintuplicate are the following items for the above report:

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

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

As all work is in accordance with 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-2550
DF

WRStorms:als

MINING DIVISION
REGION IV

February 5, 1953

Memorandum

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

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

Subject : Monthly progress report, January 1953, Bear Canyon Mining Co., Docket DMRA-2550, Contract Idm-2446, Gila County, Ariz.

On February 3, in company with A. F. Shride, geologist, U. S. Geological Survey, I visited the Bear Canyon mine to check the January progress. As mentioned in the operator's narrative report, a crosscutting diabase structure was encountered at 237 feet from the starting point of the inclined drift.

At the time of the examination, the drift was 14 feet into the diabase. The examining team advised the operator to further test the extent of the diabase by advancing 2 more rounds, then to drill one hole forward with the longest drill steel available. Thus about 35 feet will have been tested beyond the contact.

If limestone is not encountered, the operator will start crosscutting in the limestone at or near the contact. As the strike of the diabase contact is approximately the same as the strike of the limestone formations, it will be possible to "feel out" the lateral course of the diabase body, which may or may not extend entirely across the limestone segment that contains asbestos mineralization.

As all work has been in accordance with the terms of the contract, I recommend payment of the Government's share of costs of this project.

Lincoln A Stewart

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

CC: W. H. King (Orig. & 6)
DMRA-2550
DF

LAStewart:als

P. O. Box 1730
Globe, Arizona
Feb. 1, 1953

Mr. J. R. Storm
United States Bureau of Mines
P. O. Box 4096, University Station
Tucson, Arizona

Dear Sir:

Reporting on the work completed for the month of January 1953, on incline drift Docket Number IMEA 2550, Commodity Asbestos, Contract Number IDM-E 446. During the month of January we advanced 95 feet making a total to date of 245 feet. The reason for the decrease in footage for the month of January over December was due principally to the encountering of a considerable seepage of water. The encountering of this water has necessitated some pumping and has made the handling of muck much more difficult due to it being wet. We are of the opinion that this seepage has been drifted by, since there seems to be no dampness in the face of our drift for the last three rounds. However, the seepage is continuing from the side of the drift and may continue to be bothersome for some time. At 237 feet from the starting point we have encountered a dye base intrusion and have advanced 8 feet into this dye base. I immediately notified the field team in Tucson of this condition and requested their examination and advice with relation to forward continuation of this incline. I have been advised that said inspection will be promptly made Tuesday February 2, 1953. We are continuing our forward advance into this dye base intrustion but will be governed by the field team's recommendations as to what change of course, if any, should be taken.

We will continue in the future as we have in the past to push this work to the limit in order that this project may be completed at the very earliest date possible.

Thanking you and your staff for the cooperation that you have given us, we are

Yours very truly,
Bear Canyon Mining Company

D. E. Green

DEG:a

Form MR-1041
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 20 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Jan. 31-Jan. 31 1952-53 Docket No. DMEA 2550 Contract No. [illegible]446
Operator's Name Bear Canyon Mining Company Minerals Asbestos
Address P. O. Box 1730, Globe, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	feet	2,707.50	95	6,982.50	245	28.50	470	28.50
Crosscutting	feet						450	28.50
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2,707.50		6,982.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								26,220.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,707.50		6,982.50				

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

Date Feb. 1, 1953 Operator Bear Canyon Mining Company

Per [signature] Title Authorized Partner

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-194 (Rev.)
(April 1953)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Budget Bureau No. 42-R1036.3.
Defense Minerals Administration
Approval Expires 6-30-53.
RECEIVED
FEB 20 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Dec.31-Jan.31 1952-53 Docket No. DMEA 2550 Contract No. IDM-D 446
Operator's Name Bear Canyon Mining Company Minerals Asbestos
Address P. O. Box 1730, Globe, Arizona
Contract Amount, $ 26,220.00 Government Participation: 90 % Amount, $

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	2,707.50	4,275.00	6,982.50			
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2,707.50	4,275.00	6,982.50	2,707.50	4,275.00	6,982.50

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

Date Feb.1,1953 *Payee Bear Canyon Mining Company

Per D. E. Brown Title Authorized Partner

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

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

(Instructions on reverse)

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

$2436.75

Signature
(Authorized Certifying Officer)

Date 2/16/53 Vou. No. DMA 53-97

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 446 in accordance with the terms of the contract.

Signature Lincoln A Stewart WRB Title Mining Engineer Date Feb. 5, 1953

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

Signature W. H. Kemp Title Executive Officer Date FEB 11 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

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

C C
O O
P P
Y

224 New Customhouse
Denver 2. Colorado

January 27, 1953

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMEA Docket 2550, Contract Idm-#446
Asbestos, Bear Canyon Mining Co., Gila County, Arizona

Enclosed are two copies of the Operator's Monthly Progress Report MF-104, and 104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of December, 1952, pertaining to DMEA Docket 2550, Contract Idm-E446, Bear Canyon Mining Co.

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

Enclosures

600

Mr. Denis Green
Bear Canyon Mining Company
Box 1730
Globe, Arizona

JAN 23 1953

Dear Mr. Green:

Reference is made to your telephone request for information on the status of your lease requests in the Bureau of Indian Affairs, Washington Office.

Mr. H. F. Larkin of Indian Affairs, indicated today the lease requests of Green & Neal and Metate Asbestos Corp. have been received in his office and would be processed as rapidly as possible. The authority to waive the advertising in these cases may be delegated to the regional office at Phoenix. If this office can be of further service, please advise.

Sincerely yours,

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

LGHouk:fls 1/22/53

Copy to: Admr. R. File
Docket File
Mr. Houk

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

New Customhouse
Denver 2, Colorado

January 19, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, Field Team, Region IV

Subject: DMEA Docket 2550, Contract Idm-2046 (Asbestos) Bear Canyon Mining Co., Gila County, Arizona - Operator's Monthly Progress Report for the period of December, 1952

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

It was not possible to verify the advance reported by the Operator but as the work is being performed on a cost per foot basis, the December advance can be verified at the next month's check.

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

Remarks:

Date of Report - January 1, 1953
Date Received in Field Office - January 7, 1953
Date Received in Region Office - January 15, 1953
Date Processed for Payment - January 19, 1953

W. H. King
W. H. King

Enclosures

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

MINING DIVISION
REGION IV

January 13, 1953

Memorandum

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

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

Subject : December 1952 Progress Report, Docket DMEA-2550, Contract Idm-E446, Bear Canyon Mining Co. (Asbestos), Gila County, Ariz.

Enclosed in quintuplicate are the following items for the above report;

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

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

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

Walter R. Storms

Walter R. Storms

CC: W. H. King (6)
DMEA-2550
DF

WRStorms:als

MINING DIVISION
REGION IV

January 13, 1953

Memorandum

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

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

Subject : Monthly progress report, December 1952, Bear Canyon Mining Co., Docket DMMA-2550, Contract Idm-D446, Gila County, Ariz.

During the period of January 6 through 8, I conducted Robert Waskey to Globe where conferences were held relative to plans for improving the milling technique of Arizona asbestos. Mr. Waskey is Assistant Chief, Industrial Minerals Branch, DMPA.

Our plans included a visit to the Bear Canyon mine where I could check the December advance. It had rained and snowed in this area for 2 days prior to our visit, and Mr. Green, president of the company informed us that 20 miles of his road was so heavy with mud that he advised us against the trip.

As the work is being performed on a cost per foot basis, the December advance can be verified at the next months check.

The lack of fiber in the exploratory incline is not discouraging. For reasons explained in the examiners reports, this incline was lodated midway between the crosscutting diabase structures and therefore would not be expected to be in a zone that contained much mineralization.

As the work performed is in accordance with terms of the contract, I recommend payment of the Government's share of costs of this project.

Lincoln A. Stewart

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

CC: W. R. King (Orig. & 6)
DMMA-2550
DF

LAStewart:als

Globe, Arizona
December 6, 1953
P. O. Box 1730

Mr. W. R. Storm,
United States Bureau of Mines
P. O. Box 4097, University Station
Tucson 5, Arizona

Dear Sir:

We commenced work November 28th, 1952 on Incline drift. Docket Number DMEA 2550 Commodity Asbestos, Contract Number IDM-E 446. Through the month ending December 31st, 1952, we completed 150 feet of the incline drift. The completed work is shown on the map hereto attached. As expected we have encountered little or non serpentine or fiber thus far. The limestone is good live lime and the conditions are very favorable that we will encounter an ore body if and when we drift into minor or major movements in the lime bed. It is very possible that these disturbances may not be encountered until cross-cutting has begun.

We are pushing this work to the limit by working three (3) eight (8) hour shifts per day, six days a week.

Yours very truly,
Bear Canyong Mining Company

D E Green

DEG:a

Form N[illegible] (Rev.)
(A[illegible])

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Budget Bureau No. 45-R1036.3.
Approval expires 6-30-53.
Defense Minerals Administration
RECEIVED

OPERATOR'S MONTHLY REPORT AND VOUCHER

FEB 2 1953

Month of Nov. 28 - Dec. 31, 195 2 Docket No. DMEA 2550 Contract No. IIH-E 146
Operator's Name Bear Canyon Mining Company Minerals Asbestos
Address P.O. Box 1730, Globe, Arizona
Contract Amount, $ 26,220.00 Government Participation: 90 % Amount, $

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) [redacted] Contracts: Short Form						
Drilling						
Bulldozing						
Crosscutting						
Drifting	4,275.00		4,275.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	4,275.00		4,275.00	4,275.00		4,275.00

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

Date Jan. 1, 1953 *Payee Bear Canyon Mining Company

Per [signature] Title Authorized Partner

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

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

(Instructions on reverse)

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

$ 3847.50

Signature [signature]
(Authorized Certifying Officer)

Date 1/23/53 Vou. No. DMA 53-87
(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. Ida-E446 in accordance with the terms of the contract.

Signature Lincoln A. Stewart Title Mining Engineer Date 1/12/53

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

Signature W. H. King Title Executive Officer Date JAN 19 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form M[illegible]
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Nov. 28-Dec 31 1952 Docket No. DMEA 2550 Contract No. DMI-B 446
Operator's Name Bear Canyon Mining Company Minerals Asbestos
Address P.O. Box 1730 Globe, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	feet	4,275.00	150	4,275.00	150	28.50	470	28.50
Crosscutting	feet						450	28.50
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		4,275.00		4,275.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								26,220.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4,275.00		4,275.00				

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

REMARKS:

Date January 1, 1953 Operator Bear Canyon Mining Company

Per D. L. Green Title Authorized Partner

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

November 20, 1952

Docket No. DMEA-2550 - Asbestos
Bear Canyon Mining Company
Gila County, Arizona
Contract No. Idm-[illegible]46

Memorandum

To: Chairman, Operating Committee

From: Nonmetallic Minerals Division

Subject: Region IV Delegation Contract

Recommendation: Approval

Past experience in exploring and developing this deposit indicates that it should continue down dip. If such proves to be the case, drifts driven from the bottom of the proposed incline would be good exploration. Since the exploratory work can be stopped at any time it becomes unpromising, no great risk is involved and there appears to be a reasonable chance of making an important addition to the reserve tonnage. The contract should be approved.

Laurance F. Hearne
Nonmetallic Minerals Division

Reviewed by
DMEA OPERATING COMMITTEE

Does not go through Committee. Routine Clearance

November 20, 1952

Memorandum

To: Chairman, Operating Committee

From: Nonmetallic Minerals Division

Subject: Review of Docket No. DMA-2550 - Asbestos
Beartlayon Mining Company
Gila County, Arizona
Contract No. Idm-2446

5/26/52 Received application dated 5/1/52.
8/21/52 Received copy of Field Team report from Region IV dated July, 1952, outlining exploration program.
8/27/52 Memorandum from U.S.G.S. suggesting favorable action.
9/2/52 Letter from Administrator to Region IV suggesting that the operator obtain a renewal of his lease for at least four years from the San Carlos Indian Council.
11/17/52 Received executed contract from Region IV dated 11/13/52.

Laurance F. Hearne
Nonmetallic Minerals Division

LFHearne:fls

Copy to: Adm. R. File
Docket File
Mr. Houk

November 20, 1952

Docket No. DMEA-2550 - Asbestos
Bear Canyon Mining Company
Gila County, Arizona
Contract No. Idm-B446

Memorandum

To: Chairman, Operating Committee

From: Nonmetallic Minerals Division

Subject: Region IV Delegation Contract

Recommendation: Approval

Past experience in exploring and developing this deposit indicates that it should continue down dip. If such proves to be the case, drifts driven from the bottom of the proposed incline would be good exploration. Since the exploratory work can be stopped at any time it becomes unpromising, no great risk is involved and there appears to be a reasonable chance of making an important addition to the reserve tonnage. The contract should be approved.

Laurance F. Hearne
Nonmetallic Minerals Division

LFHearne:fls

Copy to: Admr. R. File
Docket File
Mr. Houk

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

[illegible] New Customhouse
Denver 2, Colorado

November 17, 1952

Memorandum

To: C. O. Mittendorf

From: Executive Officer, Field Team, Region IV

Subject: DMEA Docket 2550, Contract Idm-[illegible]46, Bear Canyon Mining Company

Enclosed are three copies of a Power of Attorney authorizing Dennis E. Green to sign for the Bear Canyon Mining Company.

W. H. King
W. H. King

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 5 0 1952

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That,

WHEREAS, the Bear Canyon Mining Company is a limited co-partnership, comprised of DennisE. Green, James B. Green, Roy O. Yarbrough and H. A. King, duly organized and existing under and by virtue of the laws of the State of Arizona, with certificate of co-partnership filed in the office of the County Clerk of Gila County, Arizona, and is engaged in the business of mining and milling asbestos ore, or fiber, and

WHEREAS, a certain Mining Lease of Tribal Indian Lands was made and entered into on the 6th day of October, 1952, by and between the San Carlos Apache Tribal Council of San Carlos, State of Arizona, lessors, and the Bear Canyon Mining Company of Globe, State of Arizona, lessee, covering certain lands in Gila County, State of Arizona, to-wit:

> Mineral Survey No. 3752, of the San Carlos Indian Reservation, more particularly described in said lease,

for a term of five (5) years from and after the date of approval thereof by the Secretary of Interior, and

WHEREAS, the Bear Canyon Mining Company has applied for an exploration loan through the Defense Mineral Emergency Agency of the United States Government, and are desirous of empowering Dennis E. Green, Operator of the Bear Canyon Mining Company, to execute all papers incident or necessary in connection with the application or agreement for said loan;

NOW, THEREFORE, we, the undersigned James B. Green, Roy O. Yarbrough and H. A. King have made, constituted and appointed and by these presents do make, constitute and appoint Dennis E. Green our true and lawful attorney for us and in our name, place and stead, and for the use and benefit of the Bear Canyon Mining Company, the full power and authority to execute said loan papers for an exploration loan or agreement and all papers in connection with said exploration loan with the Defense Mineral Emergency Agency of the United States Government, on our behalf or on behalf of the Bear Canyon Mining Company, giving our said attorney full power to do everything whatsoever requisite and necessary to be done in the premises, as fully as we might do if personally present with full powers of substitution and revocation, hereby ratifying and confirming all that our said attorney shall lawfully do or cause to be done therein by virtue hereof.

7th IN WITNESS WHEREOF, we have hereunto set our hand, this day of October, 1952.

James B. Green
James B. Green

Roy O. Yarbrough
Roy O. Yarbrough

H. A. King
H. A. King

STATE OF OKLAHOMA)
COUNTY OF OKLAHOMA) ss.

Before me, a notary Public, in and for said county and State, on this ____ day of October, 1952, personally appeared H. A. King, to me known to be the identical person who executed the

within and foregoing instrument, and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

Merl Siles
Notary Public

My commission expires: August 6, 1956.

STATE OF NEW MEXICO)
COUNTY OF LEE) ss.

Before me, a Notary Public, in and for said county and State, on this 9th day of October, 1952, personally appeared James B. Green and Roy O. Yarbrough, to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

[illegible]
Notary Public

My commission expires: Oct. 24, 1953.

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

[illegible] New Customhouse
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 7 1952

Registered Mail
#54267

November 13, 1952

Memorandum

To: C. O. Mittenderf, Administrator, Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Contract Idm-2446, Docket DMEA-2550, Bear Canyon Mining Company (Asbestos)

Enclosed are the original and two copies of Contract Idm-2446. Copies of this contract have been given to the Operator, the Fiscal Office of Region IV, and a copy has been retained for our files.

W. H. King
W. H. King

Enclosures (3)

RECEIVED
NOV 21 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

DMEA

2971 4637

14X3923.970 Working Fund, Interior, Defense Minerals Exploration Administration
October 31, 1952
3:00 P. M.

W. H. King, Executive Officer, DMEA Field Team, Region IV
Bureau of Mines, 224 New Customhouse Bldg., Denver 2, Colorado
DMEA-2550, Bear Canyon Mining Company

Region IV is authorized to waive Owner's Consent to Lien on DMEA-2550, Bear Canyon Mining Company, by striking out "and the Owner's Consent to Lien is attached" in Article 2 (b) of the Contract.

C. O. Mittendorf

Administrator
Defense Minerals Exploration
Administration

Confirmation Copy
LGHouk:gad
Copy to: Adm. R. File
Docket File
Mr. Houk

2071

1-1027
(April 1946)

UNITED STATES
DEPARTMENT OF THE INTERIOR

AGENCY .....

TELETYPE

Originator:
Ext.: ..... Room: .....

Appro.:
Date: 10/31/52
Time:
No.:
To: C O MITTENDORF DMEA WASHINGTON

DEPARTMENT OF THE INTERIOR
Defense Materials Administration
[illegible]
[illegible] 2

Subject:

PLEASE GIVE US AUTHORITY TO WAIVE OWNER'S CONSENT TO LIEN ON CONTRACT COVERING DOCKET DMEA 2550, BEAR CANYON MINING COMPANY, COMMODITY ASBESTOS, PROPERTY LOCATED ON SAN CARLOS APACHE RESERVATION. D. E. GREEN, PRESIDENT ARIZONA ASBESTOS PRODUCERS ASSOCIATION WILL ARRIVE IN THIS OFFICE TODAY WITH APPROVED LEASE IN ORDER TO EXPEDITE PROCESSING CONTRACT. PLEASE ADVISE RETURN TELETYPE.

W. H. King

W. H. KING

CONFIRMATION

Authorized: J.F.B.

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

U. S. GOVERNMENT PRINTING OFFICE 16—60915-1

630

SEP 2 1952

Mr. . A. King
Executive Officer, DMRA
Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Subject: Docket No. DMRA-2550 - Asbestos
Bear Canyon Mining Company
Gila County, Arizona

Dear Mr. King:

Receipt of your two memoranda of August 13, 1952, regarding the above application is acknowledged.

You are advised that the DMRA is authorized to waive "Owner's Consent to Lien" on Indian lands. The applicant's lease must be for a minimum of four years, preferably five. It is suggested in this case that the applicant obtain a renewal of his lease, explaining his situation to the San Carlos Indian Council.

Sincerely yours,

C. O. Mittendorf

Acting Administrator

LFHearne:gad 8/26/52

Copy to: Admin. Reading File
Docket File
Mr. Norton, G-232 GSA Bldg.
Dr. Bowles, 3510
Mr. Houk

Memorandum August 27, 1952

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA 2550 (Asbestos).

To: L. W. Houk, Defense Minerals Exploration Administration

From: P. L. Weis, U. S. Geological Survey

Applicant: Bear Canyon Mining Company

Name of property: Bear Canyon Mine

Location of property: Gila County, Arizona

Date of field team report: July, 1952

Authorship of field team report: L. A. Stewart and A. F. Shride

Field team's recommendation: To grant a loan of $26,220 to allow the excavation of 920 feet of exploratory drifting.

Action suggested: In view of the fact that it is impossible to obtain a lease for longer than 5 years on any property on the San Carlos Indian Reservation, DMEA should determine whether (1) it is possible to change DMEA regulations to include properties covered by only a 5 year lease, (2) future policy in this promising asbestos area should be modified in order to make a loan legal in the area, and (3) take action on this application appropriate with (1) and (2) above.

Paul L. Weis

Copy to: Director's reading, 4212
Branch Reading, 4212
DMEA
Norton's files
P. L. Weis
J. Horan

PLWeis:fw
G-8/27/52

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

224 New Customhouse
Denver 2, Colorado

August 13, 1952

Memorandum

To: C. O. Mittendorf, Acting Administrator
Defense Minerals Exploration Administration

From: Field Team, Region IV

Subject: Final Report, DMEA Docket 2550 (Asbestos), Bear Canyon Mining Company, Gila County, Arizona

The subject property is on the San Carlos Indian Reservation and the tribal council has no authority to sign the Owner's Consent to Lien, Form MF-203, or to grant leases for periods longer than five years.

Reference is made to memorandum dated July 10, 1952, from the Chief Counsel to the Acting Administrator, DMEA, regarding a similar situation involving DMEA 1776X.

Please advise if there is any possibility of obtaining a waiver so that a contract may be prepared or if we should prepare a letter of denial to the applicant.

W. H. King

W. H. King

JUL 2 - 1952

Hon. Ernest W. McFarland

United States Senate

My dear Senator McFarland:

Reference is made to your letter of June 26, 1952, requesting information on the following applications:

Bear Canyon Mining Company	[illegible]
Estate Asbestos Corporation	[illegible]
Apache Asbestos Mine	[illegible]
B. W. Jaquays Mining Company	[illegible]

All of the above applications are being processed by the Denver office of the Defense Minerals Exploration Administration, Region IV, under delegation of authority. On June 30th that office informed us regarding these applications as follows:

Bear Canyon Mining Company, [illegible] - application for $15,000. A Field Team examination will be made on this property as soon as possible.

Estate Asbestos Corporation, [illegible] - application for $15,700. The Denver staff and the applicant have been attempting to work out a mutually agreeable exploration assistance program.

Apache Asbestos Mine, [illegible] - application for $24,616.39. The applicant has exposed some good grade asbestos and requests report be held up until August 1 as he may decide to cancel loan application.

B. W. Jaquays Mining Company, [illegible] - application for $16,420. Final Field Team report expected in Denver this week.

For further detail on these projects, it is suggested you contact the Denver Office of the Defense Minerals Exploration Administration, attention Mr. W. H. King, Bureau of Mines, [illegible] New Customhouse Building, Denver 2, Colorado.

Sincerely yours,

C. O. Mitchell

Acting Administrator
Defense Minerals Exploration
Administration

LOMcnk:gmd 8/2/52
Copy to: Admin. Reading File
Mr. Bowles, 3522
Mr. Norton, G-232 GSA Bldg.
Operating Committee
Field Team, Region IV
Docket File
Mr. Monk

C O P Y

BUR MINES DN 235 7-1-52

L. C. HOUK, DMEA

REURTELEPHONE - DMEA 2338 JAQUAYS ASBESTOS, FINAL REPORT EXPECTED THIS WEEK. DMEA 2384 APACHE ASBESTOS, APPLICANT HAS EXPOSED SOME GOOD GRADE ASBESTOS AND REQUESTS REPORT BE HELD UP UNTIL AUGUST 1 AS HE MAY DECIDE TO CANCEL LOAN APPLICATION. INFORMATION ON DMEA 2550 AND DMEA 2005 ARE AS GIVEN BY TELEPHONE.

W. H. KING

MIN PLS
END TWO MSGS PLS ACK FTM
ASSBSSS
MSG RECD OK PLV

C O P Y

"AMERICAN ASBESTOS CEMENT CORP."

GILA COUNTY, ARIZ.

Figure 1.

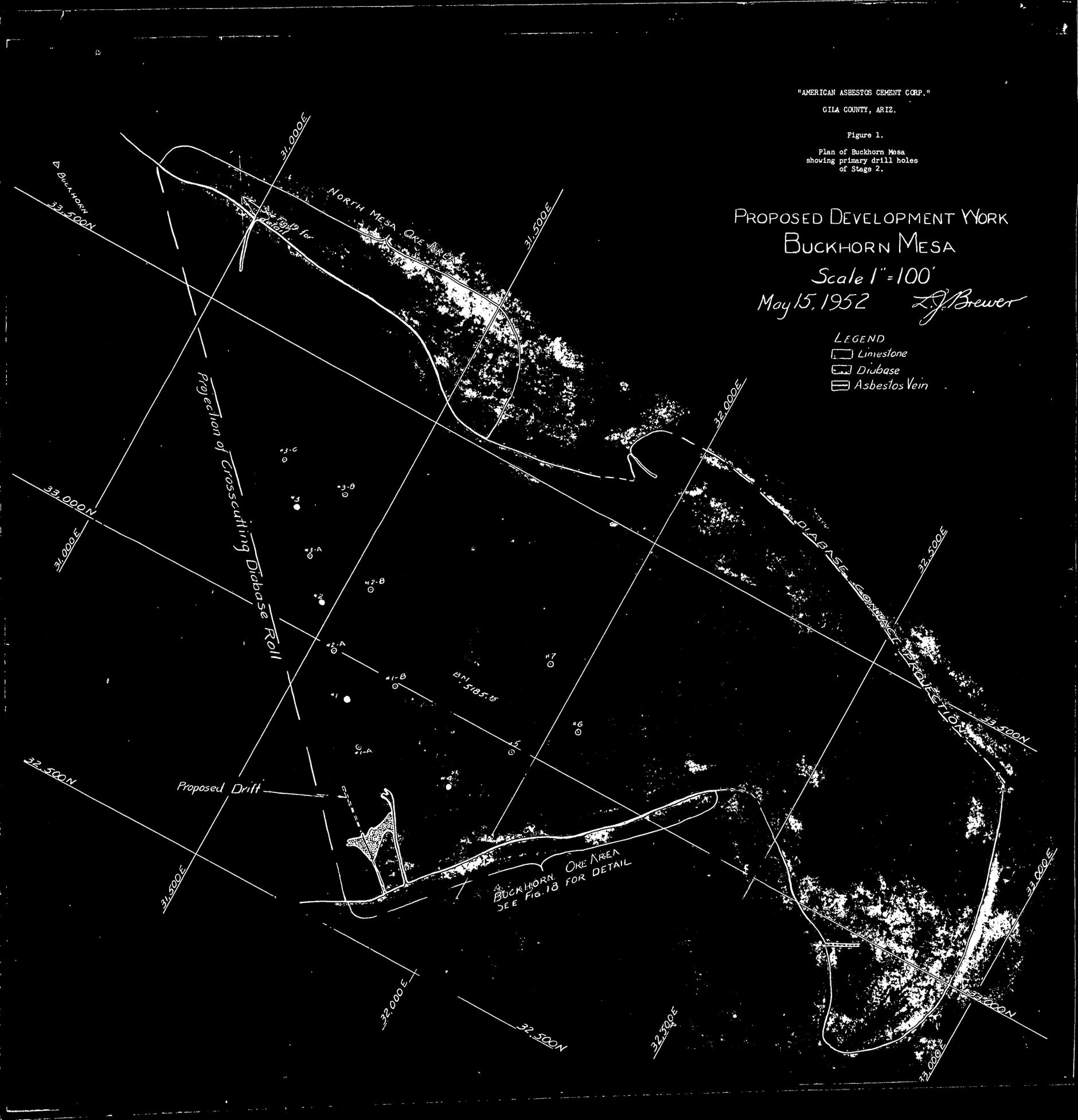
Plan of Buckhorn Mesa showing primary drill holes of Stage 2.

"AMERICAN ASBESTOS CEMENT CORP."

GILA COUNTY, ARIZ.

Figure 1.

Plan of Buckhorn Mesa showing primary drill holes of Stage 2.

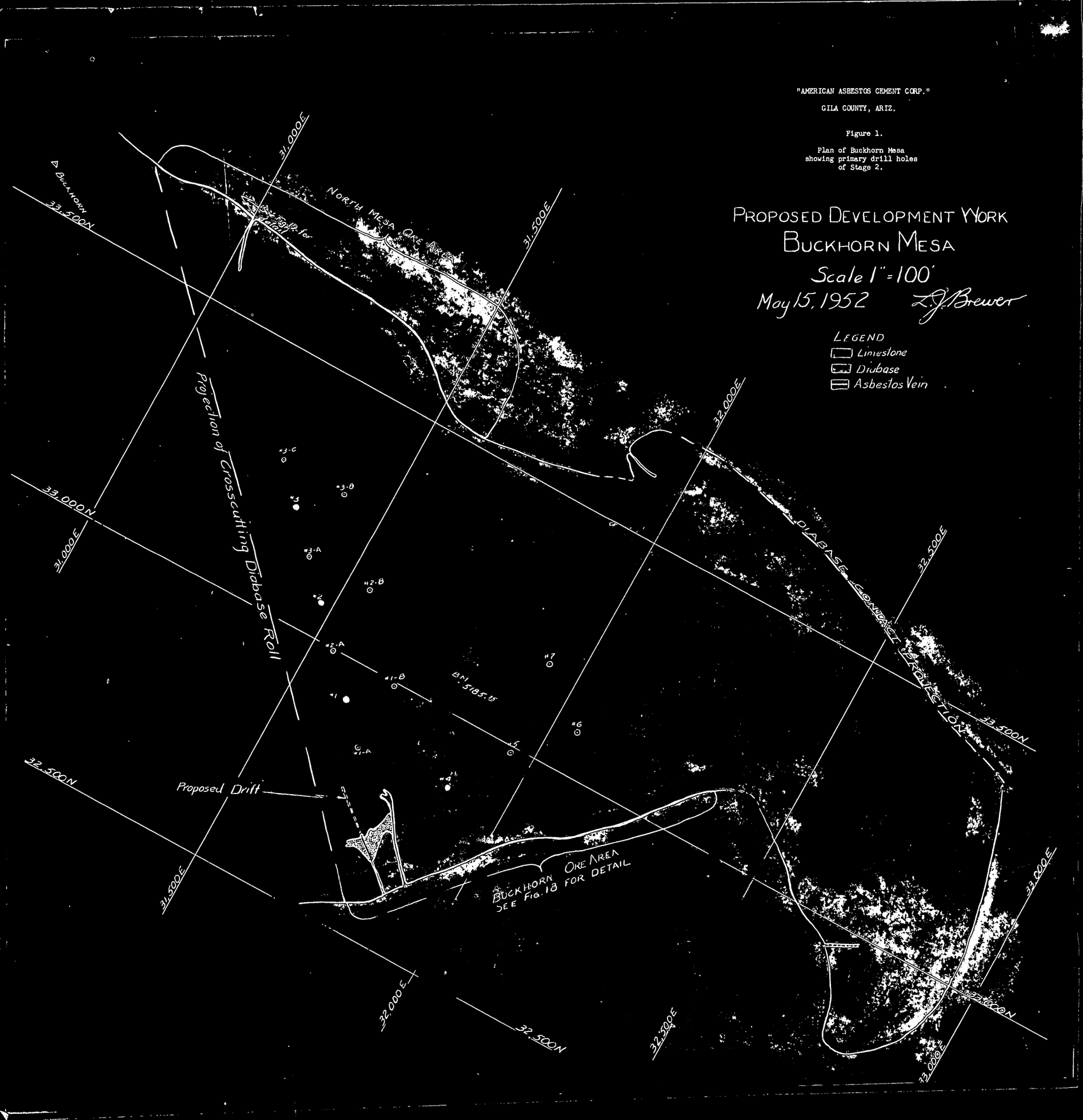


"AMERICAN ASBESTOS CEMENT CORP."

GILA COUNTY, ARIZ.

Figure 1.

Plan of Buckhorn Mesa showing primary drill holes of Stage 2.



"AMERICAN ASBESTOS CEMENT CORP."

GILA COUNTY, ARIZ.

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Plan of Buckhorn Mesa showing primary drill holes of Stage 2.

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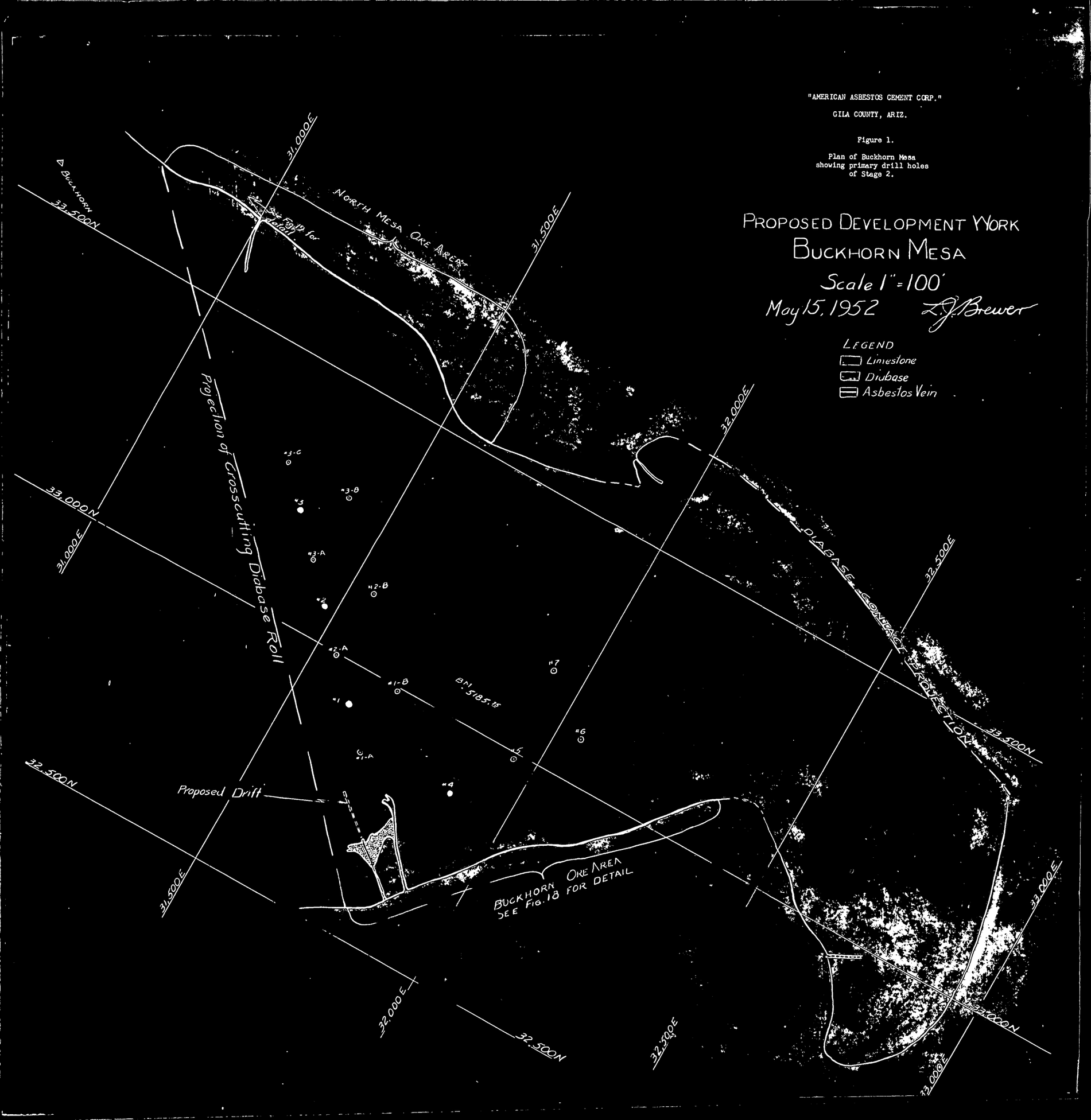
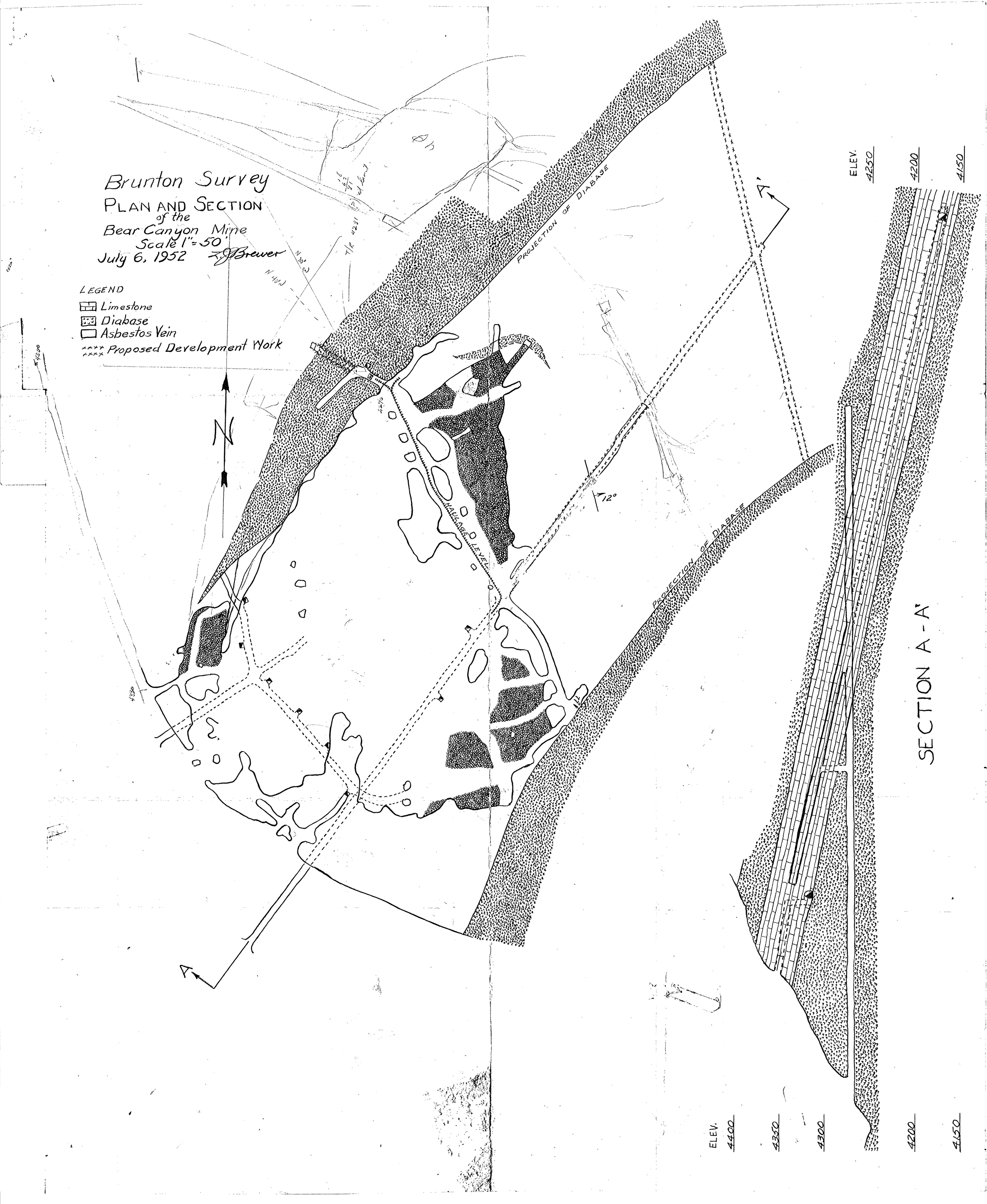
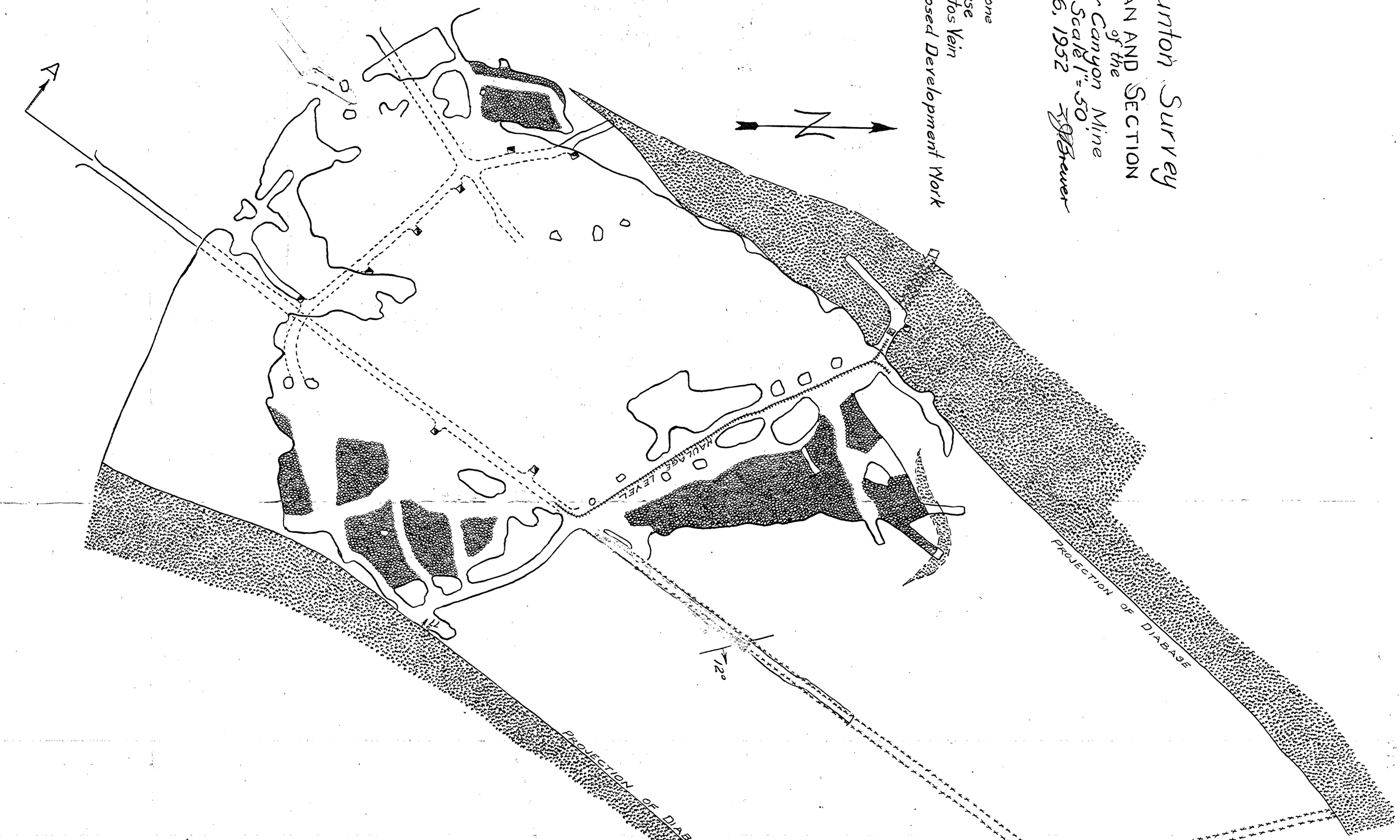
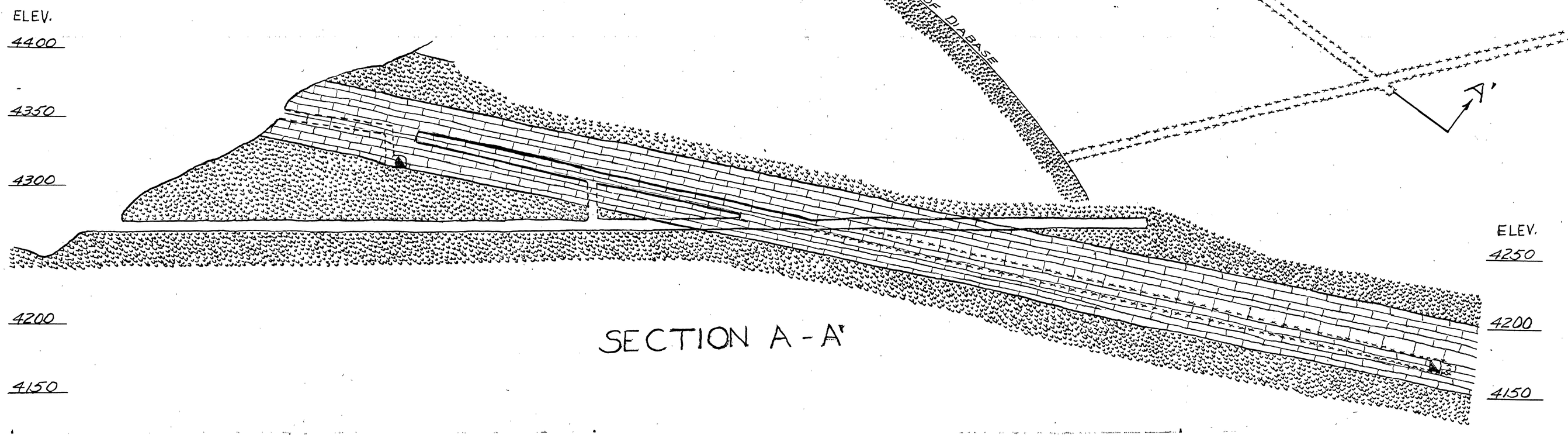



Brunton Survey
PLAN AND SECTION
of the
Bear Canyon Mine
Scale 1" = 50'
July 6, 1952
LEGEND
Limestone
Diabase
Asbestos Vein
Proposed Development Work
N
PROJECTION OF DIABASE
HAULAGE LEVEL
12°
A
A'
ELEV.
4250
4200
4150
SECTION A-A'
ELEV.
4400
4350
4300
4200
4150

Brunton Survey
Plan and Section of the Bear Canyon Mine
Scale 1" = 50'
July 6, 1952

LEGEND
- Limestone
- Diabase
- Asbestos Vein
- Proposed Development Work





SECTION A - A'

"AMERICAN ASBESTOS CEMENT CORP."
GILA COUNTY, ARIZ.
Figure 1.
Plan of Buckhorn Mesa showing primary drill holes of Stage 2.
PROPOSED DEVELOPMENT WORK
BUCKHORN MESA
Scale 1" = 100'
May 15, 1952
L. J. Brewer
LEGEND
Limestone
Diabase
Asbestos Vein
BUCKHORN
33,500N
31,000E
31,500E
32,000E
32,500E
33,000N
33,500N
32,500N
NORTH MESA ORE AREA
See Fig. 19 for detail
Projection of Crosscutting Diabase Roll
DIABASE CONTACT PROJECTION
#3-C
#3-B
#3
#3-A
#2-B
#2
#2-A
#1-B
#1
#1-A
#7
#6
#5
#4
B.M. 5185.15
Proposed Drift
BUCKHORN ORE AREA
SEE FIG. 18 FOR DETAIL

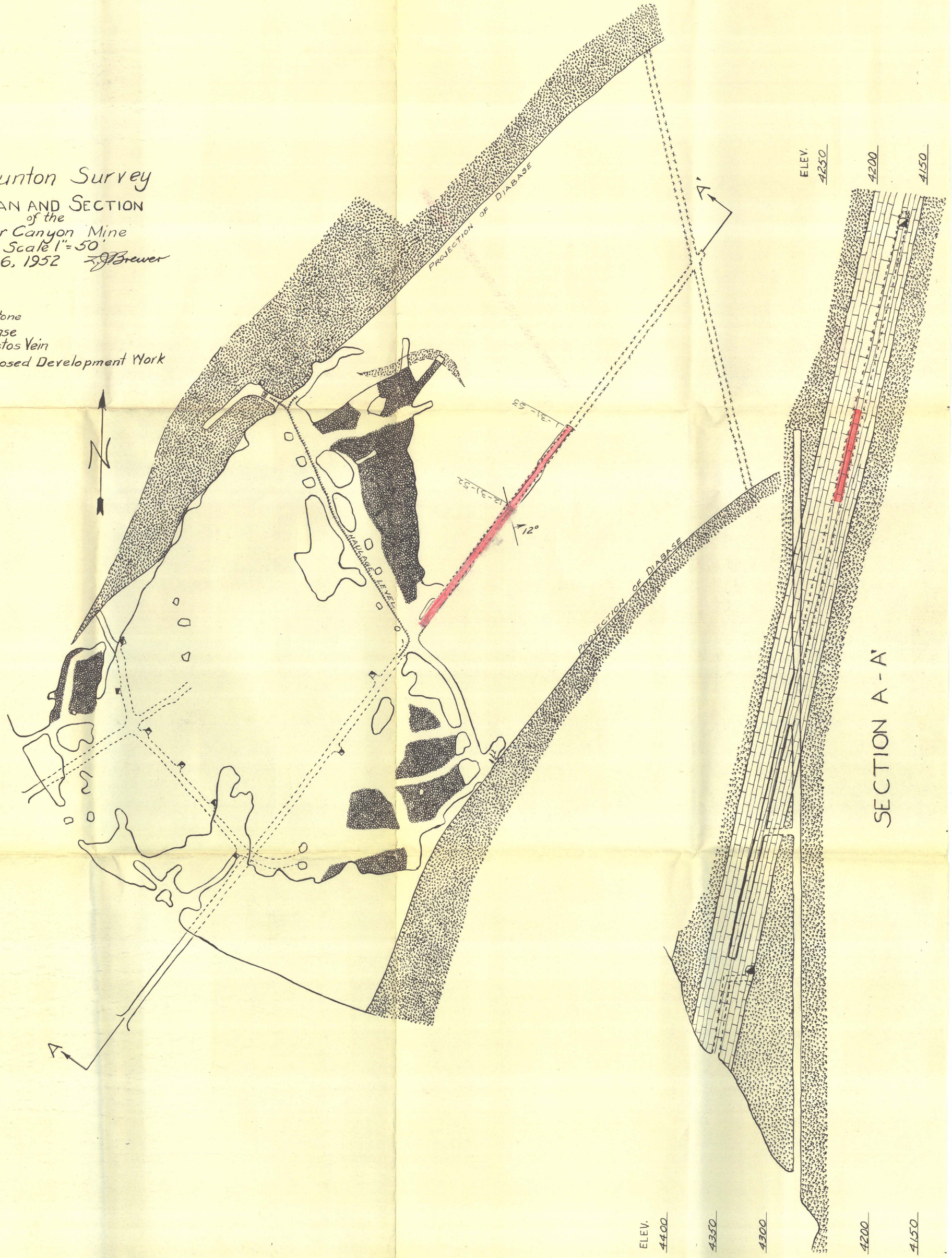
Brunton Survey
PLAN AND SECTION of the Bear Canyon Mine

Scale 1" = 50'

July 6, 1952 T. J. Brewer

LEGEND

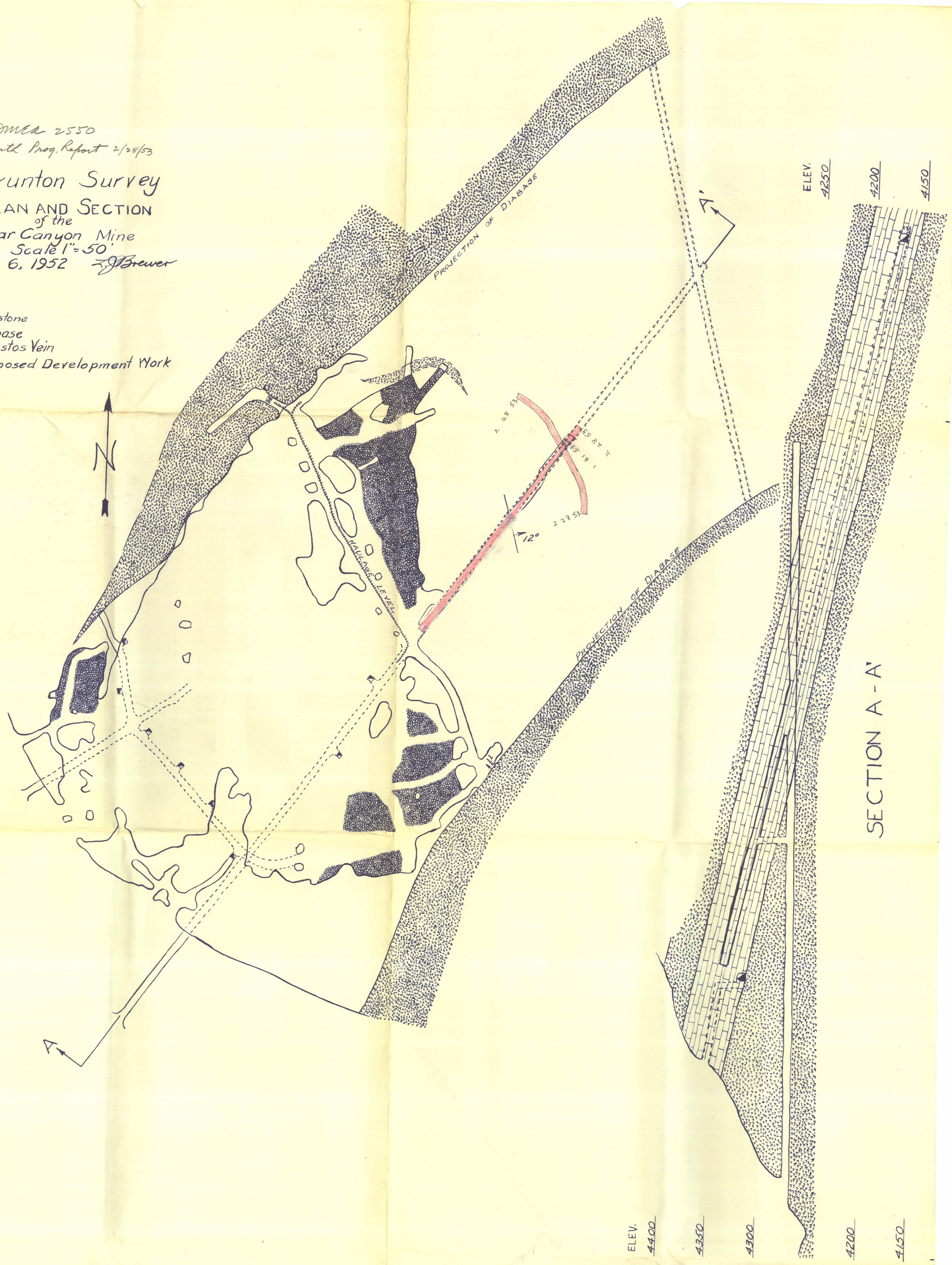
- Limestone
- Diabase
- Asbestos Vein
- Proposed Development Work



DMEA 2550
Rec'd with Prog. Report 2/28/53

Brunton Survey
PLAN AND SECTION of the Bear Canyon Mine
Scale 1" = 50'
July 6, 1952 J. J. Brewer

LEGEND
- Limestone
- Diabase
- Asbestos Vein
- Proposed Development Work



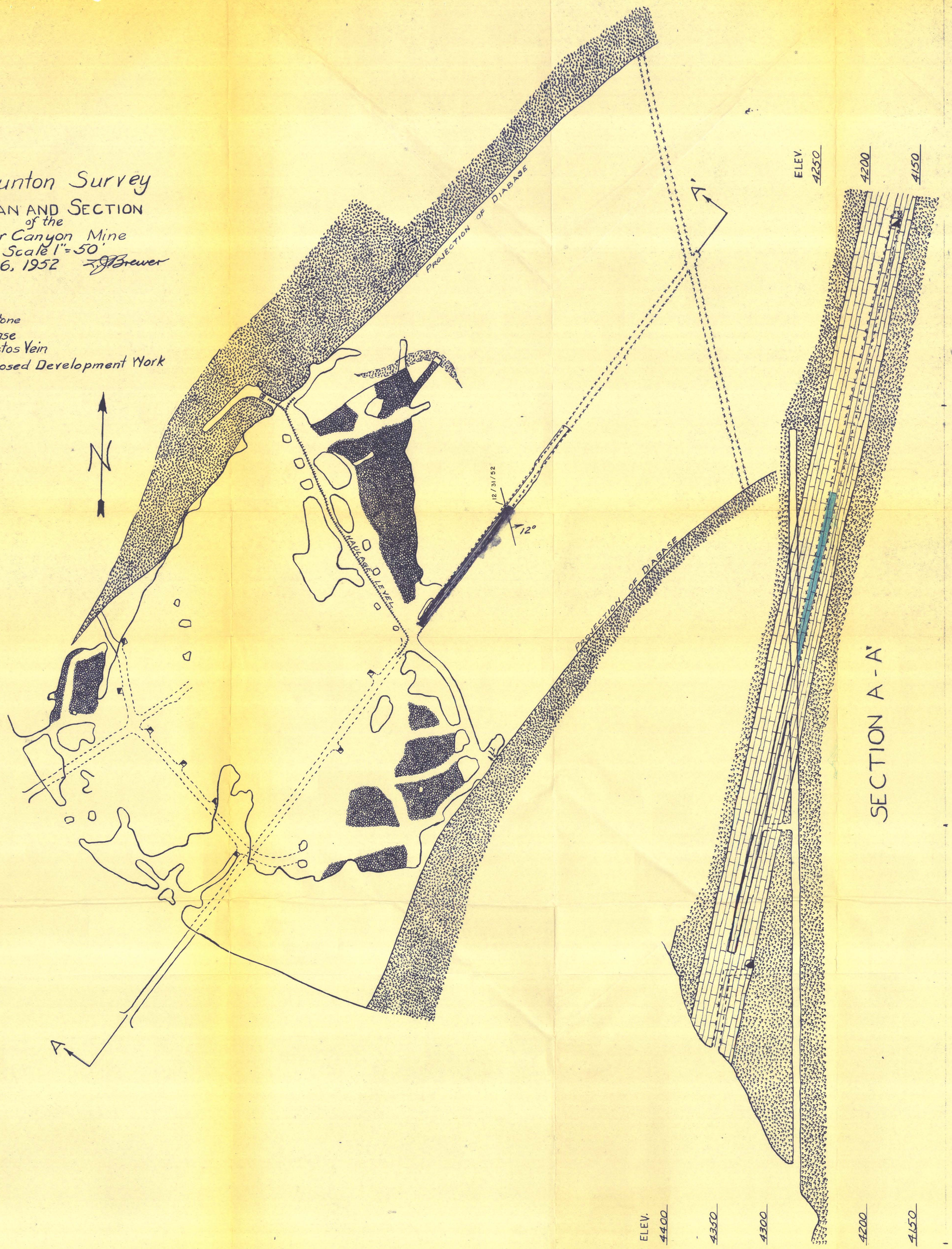
Brunton Survey
PLAN AND SECTION of the Bear Canyon Mine

Scale 1" = 50'

July 6, 1952 J. J. Brewer

LEGEND

- Limestone
- Diabase
- Asbestos Vein
- Proposed Development Work



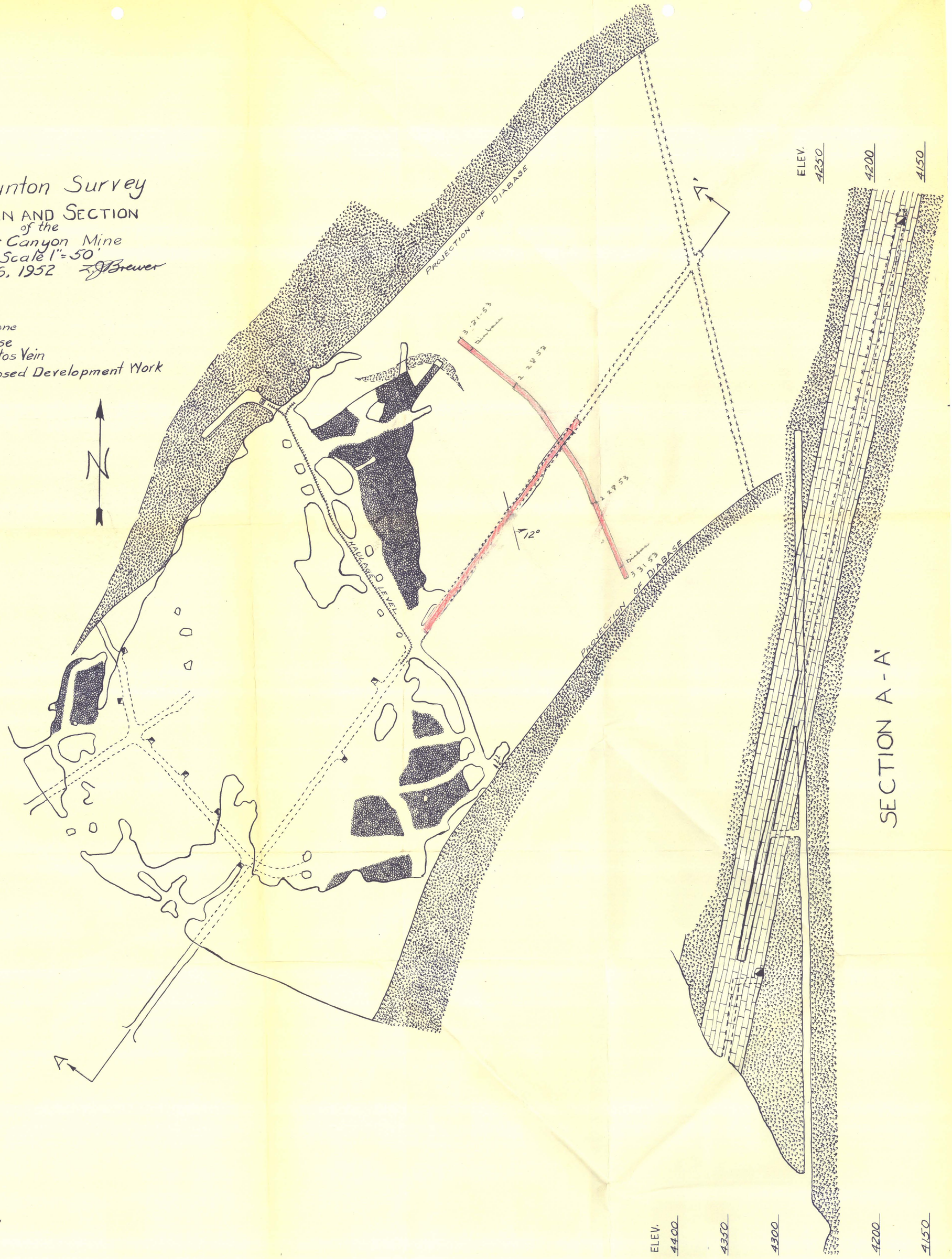
Brunton Survey
PLAN AND SECTION of the Bear Canyon Mine

Scale 1" = 50'

July 6, 1952 J. J. Brewer

LEGEND

- Limestone
- Diabase
- Asbestos Vein
- Proposed Development Work



Brunton Survey

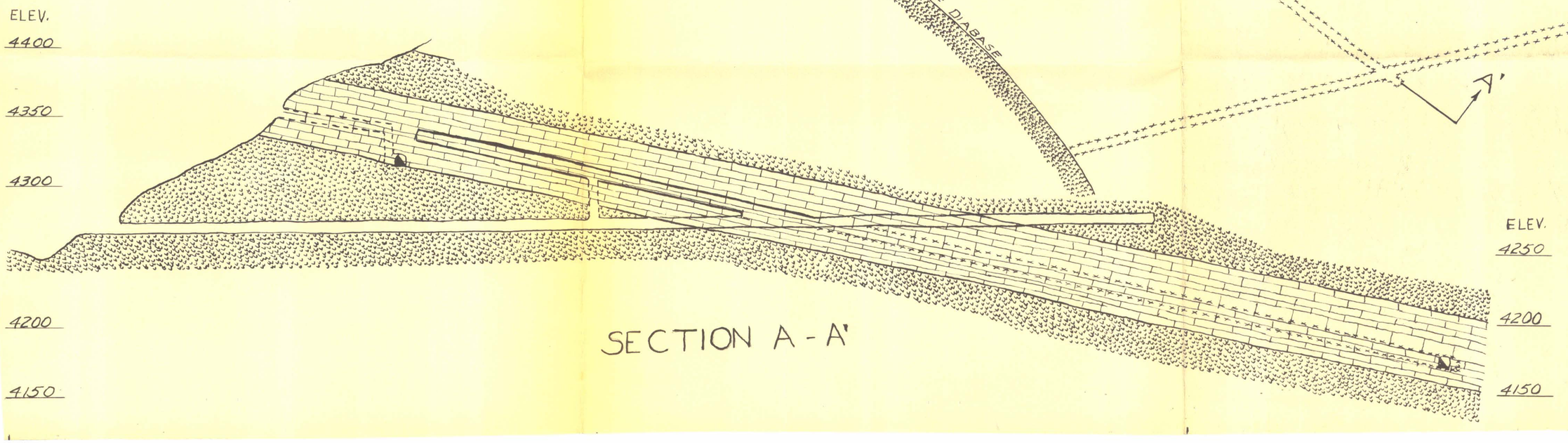
PLAN AND SECTION of the Bear Canyon Mine

Scale 1" = 50'

July 6, 1952

LEGEND

- Limestone
- Diabase
- Asbestos Vein
- Proposed Development Work



SECTION A - A'

Brunton Survey
Plan and Section of the Bear Canyon Mine
Scale 1" = 50'
July 6, 1952

LEGEND
- Limestone
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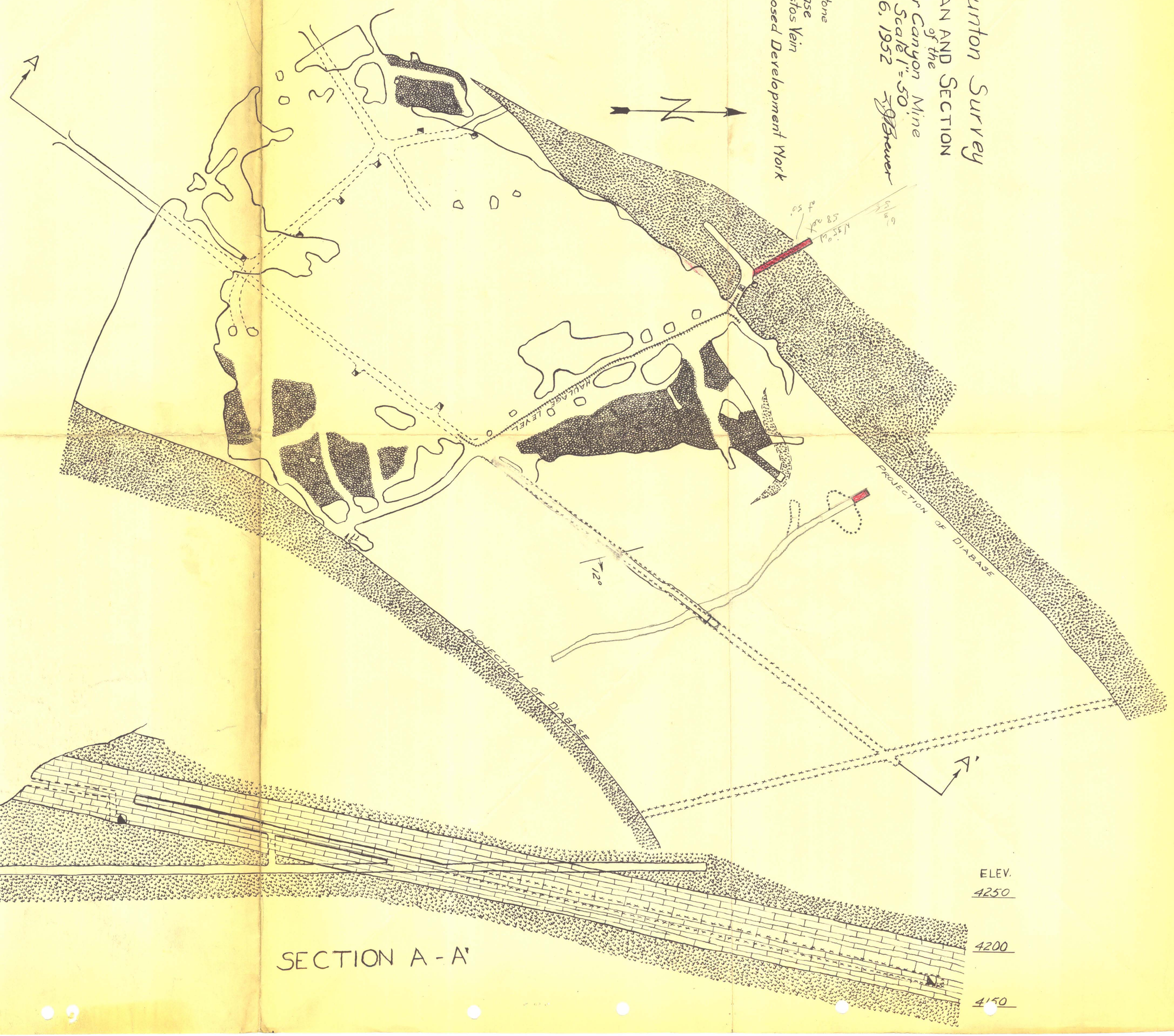

Brunton Survey
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Scale 1" = 50'

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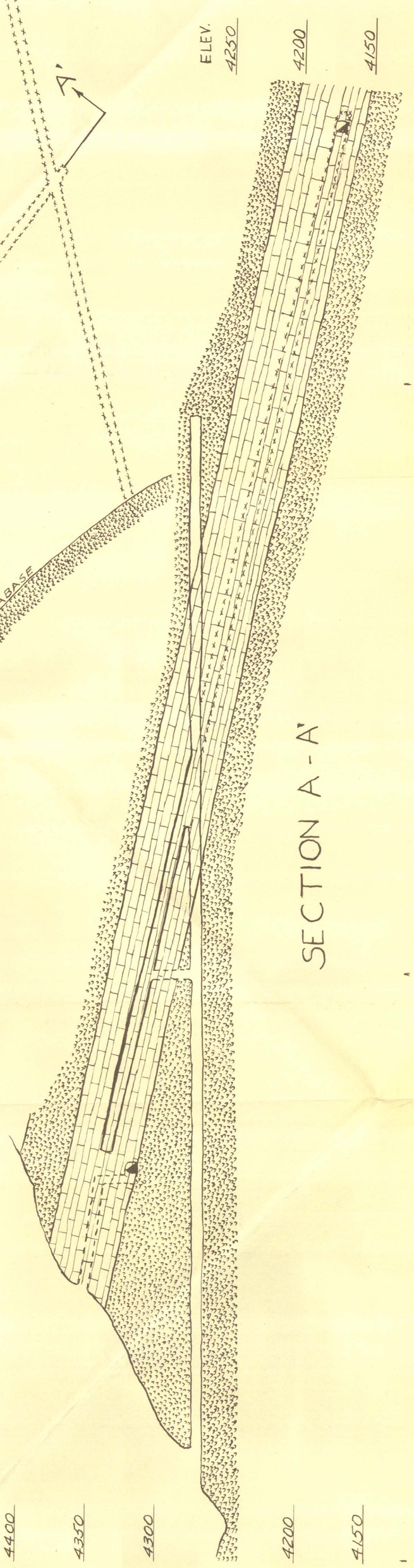
- Limestone
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