DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Ace Building and Roofing Supplies
A Partnership composed of
G. T. Godfrey and Raymond Godfrey
620 Third Street
Safford, Arizona

pertaining to Exploration Project Contract No. Idm-2424, Docket No. 2613, and including amendments No. 1 to 2, covering a project for exploration of manganese, located in Greenlee County, Arizona, commonly known as the Denton Mine, for the months of April, 1953 to November, 1953.

My review included an examination of the Monthly Reports (Form MF-104), 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 reasons:

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

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

Total cost as billed by Contractor	$8,122.00
Exceptions:	
By DMEA Finance Officer (See attached)	
Herewith (schedule attached) - -	
Total Accepted Cost	$8,122.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Six-Thousand Ninety-One and 50/100 Dollars

- $6,091.50 -

is considered valid and proper.

Date: January 11, 1954

T. H. Brading, Auditor

Ace Building and Roofing Supplies
A Partnership composed of
G. T. Godfrey and Raymond Godfrey
620 Third Street
Safford, Arizona

Contract No. Idm-E494, Docket No. 2613

Finance Officer withheld $300.00 from payment of final (November MF-104) pending receipt of Operator's Final Report. This report has been received and approved, and $300.00 is accordingly reinstated.

T. H. Brading, Auditor

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

224 New Customhouse
Denver 2, Colorado

January 12, 1954.

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

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, ~~Region~~ IV

Subject: DMEA Docket No. 2613 (Manganese), Contract No. Idm-E494, Ace Building and Roofing Supplies, Denton Manganese Prospect, Greenlee County, Arizona. FINAL PAYMENT

Reference is made to our memorandum of December 14, 1953 whereby we transmitted the final Form MF-104, Operator's Monthly Progress Report and Voucher for the period October - November 1953, and instructed you to withhold the amount of $300.00 from reimbursement to the Operator pending receipt of the Operator's final report and a release of the Report of Review by the Contract Administration and Audit Division.

We now recommend that final payment to the Operator be made in conformance with the Report of Review by the Contract Administration and Audit Division, dated January 11, 1954.

Basis for Final Payment

Total accepted cost by Report of Review	$8,122.00
Government participation at 75%	6,091.50
Total prior payments	5,791.50
Balance due the Operator	$ 300.00

W H King
W. H. King

300.00
OK
1/20/54 DMA 54-72

JWT:cwm

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

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

224 New Customhouse
Denver 2, Colorado

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

January 28, 1954.

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket No. 2613 (Manganese), Contract No. Idm-E494, Ace Building and Roofing Supplies, Denton Manganese Prospect, Greenlee County, Arizona.

Enclosed are two copies of a memorandum to Mr. T. A. Christensen, dated January 12, 1954, relative to final payment under the terms of the subject contract.

Final payment to the Operator in the amount of $300.00 has now been made in conformance with the Report of Review by the Contract Administration and Audit Division, dated January 11, 1954.

W. H. King

Enclosures

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
DEC 28 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October - Nov., 1953 Docket No. DMEA 2613 Contract No. IDM E494
Operator's Name Ace Building & Roofing Supplies Minerals Mn.
Address 620 Third St. Safford Arizona
Contract Amount, $ 23840.00 Government Participation: 75 % Amount, $ 17880.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	1295.00	805.00	2100.00			
Drifting						
Shaft	None	4500.00	4500.00			
(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.	None	1500.00	1500.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Assay	22.00	None	22.00			
(8) Contingencies (specify):						
TOTALS	1317.00	6805.00	8122.00	1317.00	6805.00	8122.00

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

Date Dec. 2-53 *Payee Ace Building & Roofing Supplies

Per Raymond Godfrey Title Partner

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

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

(Instructions on reverse)

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

$ 687.75

Signature [illegible]
(Authorized Certifying Officer)

Date 12/16/53 Vou. No. 54-59

(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. dmpE 494 in accordance with the terms of the contract. WRH

Signature William R. Hardwick Title Mining Engineer Date 12/8/53

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

Signature W H King Title Executive Officer Date DEC 14 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October-Nov. 195 53 Docket No. DMEA 2613 Contract No. IDM-1494 B494

Operator's Name Ace Building & Roofing Supplies Minerals Mn.

Address 620 Third St. Safford 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	1295.00	37	2100.00	60	35.00	60	35.00
Raising								
Shafts	Feet	None	None	4500.00	60	75.00	60	75.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Assay	1	22.00	11	22.00	11	2.00	11	2.00
TOTAL DISTRIBUTED COSTS		1317.00		6622.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		None	None	1500.00				
TOTAL COSTS				8122.00				25840.00

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 Dec. 2-53 Operator Ace Building & Roofing Supplies

Per Raymond Godfrey Title Partner
Raymond Godfrey

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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1953

224 New Customhouse
Denver 2, Colorado

December 14, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2613 (Manganese), Contract Idm-E494, Ace Building and Roofing Supplies, Denton Manganese Prospect, Greenlee County, Arizona. Operator's Monthly Progress Report for the period October-November 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 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

An amount of $300.00 is to be withheld from payment from the total amount due the Operator pending receipt of the Operator's final report and release of the final Audit Report by the Contract Administration and Audit Division.

It is requested also that an explanation be furnished the Operator regarding the reason this amount was withheld.

Remarks:

Date of Report	December 2, 1953.
Date Received in Field Office	December 7, 1953.
Date Received in Region Office	December 10, 1953.

W H King
W. H. King

Enclosures

RDB: cwm

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

DEPARTMENT OF THE INTERIOR
Defense Materials Administration
RECEIVED
DEC 8 1953

MINING DIVISION
REGION IV

December 8, 1953

Memorandum

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

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

Subject : October-November 1953 Progress Report, Ace Building & Roofing Supplies, Benton Manganese Prospect, Greenlee County, Ariz., Contract Idm-E494, Docket DMEA-2613.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report;

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

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

All work is in accordance with the terms of the contract and its amendments. As all contract work has been completed, I recommend that the operator be paid the Government's share of the costs with the usual amount being withheld until receipt of the operator's final report.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2613
DF

WRStorms:frj

DEC 26 1953

MINING DIVISION
REGION IV

December 8, 1953

Memorandum

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

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

Subject : Progress Report for October and November 1953, Ace Building and Roofing Supplies, Denton Manganese Prospect, Greenlee County, Arizona, Contract Idm-E494, Docket DMEA-2613.

The Denton Manganese Prospect was visited on November 3, 1953 and at that time only 4 feet of drifting remained to be done in order to complete the contract. The operator did complete this work and included it in his Form MF-104 voucher for October. The prospect was again visited on November 25 and the final advance on the contract was measured.

On November 25, the advance in the crosscut was found to be 37 feet for October and November. This crosscut is in accordance with the terms of the contract and is approved. In addition the operator has taken 11 samples which were authorized by the contract and are approved.

No ore was discovered.

No further work is contemplated at this particular location. The operator has submitted a final report which is considered adequate.

The total expenditures on the contract are as follows:

New buildings and improvements - - - -	$1,500.00
Shaft - - - - - - - - - - - - - - - - -	4,500.00
Crosscut - - - - - - - - - - - - - - -	2,100.00
Assays - - - - - - - - - - - - - - - -	22.00
Total - - - - - - - - - - - - - - - - -	$8,122.00

CC W. H. King (orig. & 6)
DMEA-2613
DF

WRHardwick:frj

Of the total cost, the Government's agreed part is 75 percent, or $6,091.50. All of the Government's part has been paid with the exception of that for the following work:

37 feet of crosscut @ 35.00 per ft. - - - -	$1,295.00
11 assays @ $2.00 each - - - - - - - - - - - -	22.00
Total cost - - - - - - - - - - - - - - - - - -	$1,317.00

Government's part yet unpaid - - - - - - - - $987.75

The operator has presented form MF-104 for this work. This is a short form contract and no improvement or equipment remains in which the Government has an interest. A final report is in process. It is recommended that the operator be paid after the final report has been received and approved.

William R. Hardwick

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1953

December 2-53
Docket DMEA-2613
Contract No. IDM-E494
Raymond Godfrey
Ace Building & Roofing Supplies

Walter R. Storms-Chief
Bureau of Mines
Box 4097
Tucson
Arizona

Narrative report:
October Nov. 1953

Dear Mr. Storms,

We have completed the sixty foot of drift(37 ft.) according to the ammendment in our contract, and all indications show that it would be unadviseable to drift further at this particular location.

The six samples cut in the drift assayed as follows:

#1 from start of drift at shaft 8ft. east wall--Mn. 1.37
#2 10 foot sample west wall of drift----------Mn. 2.69
#3 10 foot sample east wall of drift----------Mn. 1.35
#4 10 foot sample west wall of drift----------Mn. .51
#5 10 foot sample east wall of drift----------Mn. No
#6 10 foot sample in back end of drift----------Mn. .14

Production shipped in the month of October: 11.66 long dry tons in the form of jig concentrates. (45%Mn.) These concentrates were from ore mined during exploration work on claims #1-2 and # 3.

The total long dry tons shipped from the first day of January to the third day of November 1953 is 87.67 at an average of about 43% Mn.

Sincerely yours,

Raymond Godfrey

Raymond Godfrey
Partner

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
OCT 30 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Sept., 1953 Docket No. DMEA 2613 Contract No. Idm-E494
Operator's Name Ace Building & Roofing Supplies Minerals Manganese
Address 620 - 3rd St., Safford, Ariz.
Contract Amount, $23,840.00 Government Participation: 75 % Amount, $17,880.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	805.00	None	805.00			
Drifting						
Shaft	None	4,500.00	4,500.00			
(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.	None	1,500.00	1,500.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	805.00	6,000.00	6,805.00	805.00	6,000.00	6,805.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Oct. 17 1953 *Payee Ace Building & Roofing Supplies
Per Raymond Hadley Title Partner

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

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

(Instructions on reverse)

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

$ 603.75

Signature
(Authorized Certifying Officer)

Date 10/26/53 Voucher No. DMA 54-42
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DmE 194 in accordance with the terms of the contract.

Signature William R. Hardwick WRH Title Mining Engineer Date Oct 19, 1953

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

Signature John F. Shaw for W. H. King Title Executive Officer Date OCT 22 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 30 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Sept. 1953 Docket No. DMEA 2613 Contract No. Idm-E494
Operator's Name Ace Building & Roofing Supplies Minerals Manganese
Address 620 - 3rd St., Safford, Ariz.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	Feet	805.00	23	805.00	23	35.00	60	35.00
Raising								
Shafts	Feet	-	-	4,500.00	60	75.00	60	75.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		805.00		5,305.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		-		1,500.00				
New Buildings, Improvements, etc.								
TOTAL COSTS		805.00		6,805.00				23,840.00

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 Oct. 17 1953 Operator Ace Building & Roofing Supplies

Per Raymond Godley Title Partner

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

October 22, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2613, Contract Idm-2494 (Manganese), Ace Building and Roofing Supplies, Greenlee County, Arizona. Operator's Monthly Progress Report for the period 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 75 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	October 17, 1953.
Date Received in Field Office	October 19, 1953.
Date Received in Region Office	October 21, 1953.

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

Enclosures

RDB:cwm

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

MINING DIVISION
REGION IV

October 19, 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, Ace Building & Roofing Supplies, Denton Manganese Mine, Greenlee County, Ariz., Contract Idm-E494, Docket DMEA-2613.

Enclosed in quintuplicate are:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report;

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

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

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

The operator's narrative report and Forms MF-104 and MF-104A were received on October 14, but because of several errors on the forms, they were sent back to the operator for correction. The corrected Forms MF-104 and MF-104A were received in Tucson October 19.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2613
DF

WRStorms:frj

MINING DIVISION
REGION IV

October 14, 1953

Memorandum

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

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

Subject : Progress Report for September 1953, Docket DMEA-2613, Contract Idm-E494, Ace Building and Roofing Supplies, Denton Manganese Prospect, Greenlee County, Ariz.

The Denton Manganese prospect was visited on October 7, 1953. Raymond Godfrey was present and with three experienced miners was driving the crosscut authorized by Amendment No. 1 to the contract.

The crosscut had been advanced a distance of 27 feet from the north side of the shaft. Mr. Godfrey stated that of this amount, 23 feet had been completed in September.

The crosscut passed through approximately one foot of manganese-stained breccia, then fifteen feet of barren volcanic rock. From this point to the face of the crosscut, there were several seams of white calcite with some manganese. The manganese mineral is psilomelane in botryoidal crusts of the calcite. No assays have been made but the indications are encouraging.

The operator has produced and milled ore from the surface near the shaft and reports that to date he has shipped 46.19 tons of manganese concentrate which averaged more than 40 percent MnO_2. This concentrate would have a gross value of slightly more than $4,000.00; the Government's royalty would be approximately $200.00

The 23 feet of crosscut which were completed in September are in accordance with the provisions of the contract and are approved. The total estimated cost of 23 feet at $35.00 per foot is $805.00. The Government's agreed part is 75 percent, or $603.75. It is recommended that the operater be paid this amount in accordance with the terms of the contract.

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

CC W. H. King (Orig. & 6)
DMEA-2613
DF

WRStorms:frj

PROPERTY OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 30 1953

ACE BUILDING & ROOFING SUPPLIES
Safford, Ariz.
Oct. 9, 1953

Docket DMEA-2613
Contract No. IDM-E494
Raymond Godfrey
Ace Building & Roofing Supplies
Period for-

Walter R. Storms, Chief
Bureau of Mines
Box 4097
Tucson Ariz.

Dear Mr. Storms:

25 foot of drifting.

Ore found was manganese.

Since the signing of the above Contract. The production shipped to Deming purchasing depot was 46.19 long dry tons.

Sincerely yours,

Raymond Godfrey

Raymond Godfrey

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

Defense Minerals Administration
RECEIVED
OCT - 8 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1953 Docket No. DMEA 2613 Contract No. IDM-E494
Operator's Name Raymond Godfrey Minerals Mn.
Address 620 3rd Street Safford, Ariz.
Contract Amount, $23,840 Government Participation: 75 % Amount, $ 17,880

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
12 ft. of Shaft	$900.00	$3,600.00	$4,500.00			
(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.		$1,500.00	1,500.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$900.00	$5,100.00	$6,000.00	900.00	5,100.00	6,000.00

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

Date Aug. 11-53 *Payee G. T. Godfrey

Per Ace Bldg. & Rfg. Supplies Title Partner

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

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

(Instructions on reverse)

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

$675.00

Signature [illegible]
(Authorized Certifying Officer)

Date 9/30/53 Vou. No. Sma 54-34

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMEA 494 in accordance with the terms of the contract.

Signature William R. Hardwick, WRH Title Mining Engineer Date 7/14/53

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

Signature W. H. King Title Executive Officer Date SEP 28 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT - 8 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 195 3 Docket No. DMEA 2613 Contract No. IDM-E494

Operator's Name Raymond Godfrey Minerals Mn.

Address 620 3rd. Street Safford, Ariz.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising							Stage I	
Shafts 12 ft.	ft.	$900.00	12	$4,500.00	60	75.00	60	75.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		$900	12	$4,500.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				$1,500.00				
Total Costs		$900.00		$6,000.00				$23,840.00

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

Date Aug. 11 53 Operator G. T. Godfrey

Per Ace Bldg & Rfg. Supplies 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.

Defense Minerals Administration
RECEIVED
OCT - 8 1953

224 New Customhouse
Denver 2, Colorado

September 28, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2613, Contract Idm-E494 (Manganese), Ace Building and Roofing Supplies, Denton Manganese Prospect, Greenlee County, Arizona. Operator's Monthly Progress Report for the period July 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 75 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	August 11, 1953.
Date Received in Field Office	August 13, 1953.
Date Received in Region Office	August 17, 1953.

Held up pending formulation of Amendment Nos. 1 and 2 and resumption of work as allowed by same.

W. H. King
W. H. King

Enclosures
RDB:cwm

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

Defense Materials Administration
RECEIVED
OCT 6 1953

MINING DIVISION
REGION IV

August 14, 1953

Memorandum

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

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

Subject : July 1953 Progress Report, Contract I6m-2494 Docket DMM-2613, Ace Building & Roofing Supplies, Denton Manganese Prospect, Greenlee County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report;

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

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

The 12 feet of shaft sunk during July are in accordance with terms of the contract. This completes Stage I of the contract. Operator has asked for an amendment to the contract so it can drive a crosscut from near the bottom of the shaft. Until the operator submits his final report or until the proposed amendment is approved, I recommend that 10 percent of the Government's share of the July costs ($900.00) be withheld and the remainder paid to the company.

Walter R. Storms

Walter R. Storms

CC W. M. King (6)
DMM-2613
MP

WRStorms:frj

The operator has presented a voucher for 12 feet of shaft, which were sunk in July. The 12 feet of shaft are in accordance with the provisions of the contract and are approved. The contract provides for payment to the contractor of 75 percent of an estimated cost of $75.00 per feet. The total cost of the 12 feet was $900.00 and the Government's part is $675.00. No further work on the contract is now authorized so it is recommended that at least 10 percent of the Government's share of the above amount be withheld until a final engineering report is presented by the operator.

William R. Hardwick

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

G. T. GODFREY

RAYMOND GODFREY

ACE BUILDING & ROOFING SUPPLIES

Concrete Blocks, Paints and Hardware

620 Third Street :: Phone 289

SAFFORD, ARIZONA

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT - 8 1953

August 11, 1953

Docket DMA-2013
Contract No. IDM-2404
Raymond Godfrey
Ace Building & Roofing Supplies
Period for-July 1 to July 31

Walter R. Storms, Chief
Bureau of Mines
Box 4007
Tucson, Ariz.

Dear Mr. Storms:

12 ft. of shaft.

Ore found was manganese.

Production shipped to Boeing Depot in July, 34,000 wet weight in form of jig concentrates.

Sincerely yours,

G.T. Godfrey-Partner
Raymond Godfrey

Form M-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
AUG 20 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1953 Docket No. DMEA 2613 Contract No. IDM-E494
Operator's Name Raymond Godfrey Minerals Manganese
Address 620 3rd street Safford, Arizona
Contract Amount, $ 23,840.00 Government Participation: 75 % Amount, $ 17,880.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
34 feet of shaft	$2,550.00	$1,050.00	$3,600.00			
(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.		$1,500.00	$1,500.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$2,550.00	$2,550.00	$5,100.00	2,550.00	2,550.00	5,100.00

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

Date July 9, 1953 *Payee Raymond Godfrey

Per Ace Bldg & Loan Co Title Partner

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

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

(Instructions on reverse)

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

$ 1912.50

Signature [illegible]
(Authorized Certifying Officer)

Date 8/5/53 Vou. No. DMA 54-12

(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. IdmE494 in accordance with the terms of the contract. WRH

Signature William R. Hardwick Title Mining Engineer Date July 15, 1953

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

Signature W. H. King Title Executive Officer Date JUL 22 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
AUG 20 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1953 Docket No. DMEA 2613 Contract No. IDM-E494
Operator's Name Raymond Godfrey Minerals Manganese
Address 620 3rd Street Safford, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	$2,550.00	34	$3,600.00	48	75.00	60	4,500.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				$1,500.00				
TOTAL COSTS		$2,550.00		$5,100.00				$23,840.00

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 July 9, 1953 Operator Raymond Godfrey
Per Raymond Godfrey Title Partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

DEPARTMENT OF THE INTERIOR
Colorado Minerals Administration
RECEIVED
AUG 20 1953

224 New Customhouse
Denver 2, Colorado

July 22, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2612, Contract Idm-E494 (Manganese), Ace Building and Roofing Supplies, Denton Manganese Prospect, Greenlee County, Arizona. Operator's Monthly Progress Report for the period June 1953.

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

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

Remarks:

Date of Report	July 9, 1953.
Date Received in Field Office	July 14, 1953.
Date Received in Region Office	July 20, 1953.
Date Processed for Payment	July 21, 1953.

W. H. King
W. H. King

Enclosures

RDB:cwm

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 20 1953

MINING DIVISION
REGION IV

July 15, 1953

Memorandum

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

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

Subject : June 1953 Progress Report, Contract Idm-E494, Docket DMEA-2613, Ace Building & Roofing Supplies, Denton Manganese Prospect, Greenlee County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's Narrative Report;

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

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

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

As only 12 feet of shaft under Stage I remained to be sunk on July 1, W. R. Hardwick of the Bureau of Mines and R. F. Robinson of the Geological Survey visited the property yesterday to see if work under Stage II seemed justified. They probably will recommend termination of the contract after completion of Stage I.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2613
DF

WRStorms:frj

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 20 1953

MINING DIVISION
REGION IV

July 15, 1953

Memorandum

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

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

Subject : Progress Report for June 1953, Docket DMEA-2613, Contract Idm-E494, Ace Building and Roofing Supplies, Denton Manganese Project, Greenlee County, Ariz.

The Denton manganese prospect was visited on July 7, 1953. Raymond Godfrey was present and assisted in measuring the progress for June. The shaft had been sunk to a depth of 48 feet. This represents an advance of 34 feet for the period.

A power line has been constructed to the mill location and some changes have been made in the flow-sheet. Mr. Godfrey stated that 8 tons of concentrates had been recovered from ore mined from various small surface pockets on the property. These concentrates were marketed at Deming, New Mexico to the General Services Administration Depot. No ore removed from the shaft was suitable for concentration.

When the property was visited on June 4, the fractured zone containing manganese ore which was full width of the shaft, or approximately six feet thick at the collar, had decreased to approximately 2 feet width at a depth of 12.5 ft. At this depth a sample ran 1.9 percent manganese. When the operation was visited on July 7, the fractured zone had decreased to a thin but definite crack, bounded on both walls by slickensides. From a depth of 18 feet to the bottom of the shaft at that time (48 feet) there was only an occasional indication of manganese mineralization. None of the material mined from the shaft, with the exception of that from the first 10 feet, has contained enough manganese to be classified as ore.

Raymond Godfrey stated that he intends to start mining the better surface ore indicated by the trenches which were bulldozed by W. Allison. This ore will be selectively mined by open cut.

CC W. H. King (Orig. & 6)
DMEA-2613
RF

WRHardwick:frj

The 34 feet which were completed in June are authorized by the contract and are approved. The contract provides for payment by the Government at the rate of 75 percent of an estimated cost of $75.00 per foot for the shaft. The total cost of the 34 feet that were completed in June is $2,550.00 of which the Government's part is 75 percent or $1,912.50. It is recommended that the contractor be paid this amount.

There remains 12 feet of shaft to complete Stage I of the contract. No significant amount of ore has been discovered by work on the first part of the contract to date and it is probable that Stage II will not be recommended. If the contract is terminated the Government's part of the cost of the remaining 12 feet will be $675.00.

William R Hardwick

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

G. T. GODFREY

RAYMOND GODFREY

ACE BUILDING & ROOFING SUPPLIES

Concrete Blocks, Paints and Hardware

620 Third Street :: Phone 289

SAFFORD, ARIZONA

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 20 1953

July 11, 1953

Docket DMSA-2613
Contract No. Idm-E494
Raymond Godfrey
Ace Building & Roofing Supplies

Walter R. Storms, Chief
Bureau of Mines
Box 4097
Tucson, Ariz.

Dear Mr. Storms:

Shaft has been sunk 48 feet below stake level.

Ore found was Manganese.

Manganese ore shipped to Deming Depot. Month of June was 16739# Dry Basis.

Sincerely yours,

Raymond Godfrey

Raymond Godfrey

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

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

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

Month of May, 1953 Docket No. DMEA 2613 Contract No. IDM-E494
Operator's Name Raymond Godfrey Minerals MN
Address 620 3rd Street, Safford, Arizona
Contract Amount, $ 23,840.00 Government Participation: 75% Amount, $ 17,880.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
14ft. Shaft Sinking	$1,050.00		$1,050.00			
(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.	$800.00	$700.00	$1,500.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1,850.00	$700.00	$2,550.00	1850.00	700.00	2,550.00

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

Date May 31/53 *Payee Raymond Godfrey

Per Ace Bldg. & Roofing Co. Title Partner

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

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

(Instructions on reverse)

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

$1387.50

Signature [illegible]
(Authorized Certifying Officer)

Date 6/30/53 Vou. DMA 54-1

(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-494 in accordance with the terms of the contract.

Signature William R Hardwick Title Mining Engineer Date June 9, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: W.H.K. P.D.B.

Signature W. H. King Title Executive Officer Date JUN 23 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1953 Docket No. DMEA 6123 Contract No. IDM-E494
Operator's Name Raymond Godfrey Minerals MN
Address 620 3d Street, Safford, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	$1,050.00	14	$1,050.00	14	75	60	75
Winzes							Stage 1	
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		$800.00		$1,500.00				$1,500.00
		$1,850.00		$2,550.00				$23,840.00
TOTAL COSTS								

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

Date May 31/53 Operator Raymond Godfrey
Per Lee Blair & Rafiq Co. Title Partner

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

REMARKS: ~~1-20 foot head frame~~ Timber and lagging to ground level. Air and water tanks set and pipe in place and 14 foot of shaft sunk.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

June 23, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2613 Contract Idm-E494 (Manganese), Ace Building and Roofing Supplies, Denton Manganese Prospect, Greenlee 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 75 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 8, 1953
Date Received in Region Office	June 11, 1953
Date Processed for Payment	June 23, 1953

W. H. King
W. H. King

Enclosure

RDB:fwo
cc See Oper Comm (2)
WRStorms
Contract
Chron

MINING DIVISION
REGION IV

June 9, 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-1494, Docket DMLA-2613, Ace Building & Roofing Supplies, Denton Manganese Claims, Greenlee County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report;

(3) Forms MF-104 and MF-104A. Also enclosed are 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)
DMLA-2613
DF

WRStorms:frj

MINING DIVISION
REGION IV

June 9, 1953

Memorandum

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

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

Subject : Progress Report for May 1953, Docket DMEA-2613, Contract Idm-2494, Ace Building and Roofing Supplies, Denton Manganese Prospect, Greenlee County, Ariz.

The Denton Manganese prospect was visited on June 4, 1953. Both G. T. Godfrey and Raymond Godfrey were on the property. A headframe was completed, a compressor and hoistwere installed. Water and air lines were installed and two experienced miners were working in the shaft.

The shaft had reached a depth of 14 feet. At this point the fractured zone was approximately 2 feet wide. Manganese minerals were evident. Raymond Godfrey reported that from the material removed from the 14 feet of shaft, approximately 5 tons of concentrates were recovered and shipped to Deming. The concentrates were reported to average better that 40 percent manganese.

The 20-foot headframe, water tank, hoist, sheave wheel, and air and water lines were in accordance with the provisions of the contract which allows a cost of $800.00 for this work. The 14 feet of shaft work were in accordance with the provisions of the contract which provides for a cost of $75.00 per foot, or a total of $1,050.00. This makes a total cost of $1,850.00 for the month of which the Government's agreed part is 75 percent or $1,387.50. This cost appears reasonable and is approved. It is recommended that the contracter be paid in accordance with the provisions of the contract for the work completed in May.

William R. Hardwick

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

G. T. GODFREY

RAYMOND GODFREY

ACE BUILDING & ROOFING SUPPLIES

Concrete Blocks, Paints and Hardware

620 Third Street :: Phone 289

SAFFORD, ARIZONA

May 31, 1950

Docket DMM-3010
Contract No. IDr-1200
Raymond Godfrey
Ace Building & Roofing supplies
Period for May 1 to May 31.

Walter L. Jones, Chief
Bureau of Mines
Box 4037
Tucson, Ariz.

Dear Mr. Stewart

Sunk 30 feet hand drove, air and water lines installed, including pressure water tank and storage tank. Shaft timbered to ground level. Shaft sunk 14 feet.

Ore found was manganese

Production shipped to Dealing Depot in May 30,300# net weight in the form of concentrate. (Jig)

Sincerely yours,

Raymond Godfrey

Raymond Godfrey

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 2613 Contract No. Idm-E494
Operator's Name Raymond Godfrey (Ace Building & Roofing Supplies) Minerals Mn
Address 620 - 3rd Street, Safford, Arizona
Contract Amount, $ 23,840 Government Participation: 75 % Amount, $ 17,880

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	700	0	700			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$700	0	$700	700.00	0	700.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date April 30/53 *Payee Raymond Godfrey
Per _____ Title Partner

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

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

(Instructions on reverse)

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

$ 525.00

Signature _____
(Authorized Certifying Officer)

Date 6/1/53 Vouc. No. DMA 53-140
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 1dm EA94 in accordance with the terms of the contract.

Signature William R. Hardwick Title Mining Engineer Date May 18, 1953

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

Signature W. H. Kerr Title Executive Officer Date MAY 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 April/30 1953 Docket No. DMEA 2613 Contract No. Idm-E494
Operator's Name Raymond Godfrey (Ace Building & Roofing Supplies) Minerals Mn
Address 620 - 3rd Street, Safford, Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
								TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS								
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		700	Jobs	700				1,500
TOTAL COSTS		$700		$700				23,840

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 30/53 Operator Raymond Godfrey

Per _____ Title Partner

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

REMARKS: Buildings include 1 - 8x10 ft. hoist house at $200 and 1 - 16x18 ft. shop building at $500.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

May 27, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2613, Contract Idm-E494 (Manganese), Ace Building and Roofing Supplies, Denton Manganese Prospect, Greenlee 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 75 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 18, 1953.
Date Received in Region Office	May 21, 1953.
Date Processed for Payment	May 27, 1953.

W. H. King
W. H. King

Enclosures

RDB:cwm

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

MINING DIVISION
REGION IV

May 18, 1953

Memorandum

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

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

Subject : April 1953 Progress Report, Contract Idm-E494, Docket DMEA-2613, Ace Building & Roofing Supplies, Denton Manganese Prospect, Greenlee County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's Narrative report;

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

Also enclosed are 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.

Forms MF-104 and 104A originally were received in this office on May 8 but were returned to the operator for correction.

Walter R. Storms

Walter R. Storms

CC W. H. King (G)
DMEA-2613
DF

WRStorms:frj

MINING DIVISION
REGION IV

May 18, 1953

Memorandum

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

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

Subject : Progress Report for April 1953, DMEA Docket 2613, Contract Idm-E494, Ace Building & Roofing Supplies, Denton Manganese Prospect, Greenlee County, Arizona.

The Denton Manganese claims were visited on May 5, 1953. Both B. T. Godfrey and Raymond Godfrey were on the property and with three employees were working on the contract. Raymond Godfrey stated that work on the contract had been actively started on April 22, 1953. On May 5 the work in progress consisted of leveling the ground preparatory to erecting a headframe over the location of the proposed shaft. A 16-foot by 18-foot shop building and an 8-foot by 10-foot hoist house were completed, and the operator stated that these two buildings were completed in April.

Some rumor had been prevalent that the Godfrey borthers had sold the Denton Manganese claims. They were questioned about this. Raymond Godfrey stated that they had given a 30-day option to W. Allison who had trenched the mineralized area with a bulldozer and taken samples. Allison had been interested only in a deposit that would support a 300-ton per day operation. The option has now been dropped. Raymond Godfrey stated that he expected to get the results of the Allison sampling and would include them with his narrative report.

The 16-by 18-foot shop building and the 8- by 10-foot hoist house that were completed in April were in accordance with the contract and are approved. The contract provides for payment at the rate of $500.00 for the shop building and $200.00 for the hoist house. The Government's part of this would be 75 percent or $466.67. It is recommended that the operator be paid this amount in accordance with the terms of the contract.

700 x .75 = $525.00 Berk.

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

CC W. H. King (Orig. & 6)
DMEA-2613
DF

WRHardwick:frj

G. T. GODFREY

RAYMOND GODFREY

ACE BUILDING & ROOFING SUPPLIES

Concrete Blocks, Paints and Hardware

620 Third Street :: Phone 289

SAFFORD, ARIZONA

May 7, 1953

Contract Idm-E484
Docket DMEA-2613

W. G. Storms
University Station
U. S. Bureau of Mines
Tucson, Arizona

Dear Sir

We have completed 1- 16 x 18 shop bldg. and 1- 8 x 10 Hoist house at The Denton Mine.

The ground has been leveled and work will start on head frame and shaft at once.

Yours very truly

Raymond Godfrey

Raymond Godfrey

Mr. Raymond Godfrey and Mr. Turner Godfrey
Ace Building and Roofing Supplies
Safford, Arizona

Re: Docket No. DMEA-2613 (Manganese)
Denton Manganese Claims
Greenlee County, Arizona

Contract No. Idm-E494

Gentlemen:

We are pleased to advise you that your performance of exploration work under the subject contract has been satisfactory to the Government and the account relating thereto has been closed. The final audited and settled account shows:

Total claimed for units of work performed	$8,122.00
Total Government contribution of 75 percent	6,091.50

Your attention is called to the provisions 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 lien against the property or any production therefrom.

The Government is grateful for your participation in the exploration program of the Defense Minerals Exploration Administration.

Sincerely yours,

C. O. Mittendorf

Administrator

cc to: Docket
Code 400
Admr. Reading File
Operating Comm.
FT. Reg. IV
Gilbert DeRuff, USBM
Louis Pavlides, USGS
Audits Div.

NO. 2

AMENDMENT OF CONTRACT: No. Idm-E494

Contract Docket No. DMEA 2613, dated February 27, 1953, between the United States of America and Ace Building and Roofing Supplies, a partnership composed of G. T. Godfrey and Raymond Godfrey, effective August 12, 1953:

> Referring to Amendment No. 1, dated August 27, 1953, which amended EXHIBIT "A" attached to Exploration Project Contract Form MF-200(A), further referring to said Amendment No. 1, item "1.", second line, change the word, "southern" to read "northern."

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 7 1953

ACE BUILDING AND ROOFING SUPPLIES

By G. T. Godfrey
G.T. Godfrey, Partner

By Raymond Godfrey
Raymond Godfrey, Partner

UNITED STATES OF AMERICA

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

RECEIVED

MINING DIVISION
REGION IV

September 1, 1953

Memorandum

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

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

Subject : Amendment No. 1, Docket No. DMEA-2613 (Manganese), Contract Idm-E494, Ace Building and Roofing Supplies, Greenlee County, Arizona.

Enclosed find original and 5 copies of a memo by William R. Hardwick regarding an error in typing the direction of amended work in item 1 under Stage III.

Lincoln A. Stewart

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

CC W. H. King (5)
DMEA-2613
DF

LAStewart:frj

Received

MINING DIVISION
REGION IV

August 31, 1953

Memorandum

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

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

Subject : Amendment No. 1, Docket No. DMEA-2613 (Manganese), Contract Idm-E494, Ace Building and Roofing Supplies, Greenlee County, Arizona.

Amendment No. 1 states, "Crosscut from the bottom of the shaft completed under Stage I, to the southern limits of the mineralized zone - - -". This should be, "- - - to the northern limits of the mineralized zone - - -".

The shaft bottoms in what is approximately the southern limits of the mineralized zone and it was the intention of the operator to crosscut to the footwall or northern limits of the mineralized or fractured zone. This should be corrected.

William R. Hardwick

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

CC W. H. King (Orig. & 5)
DMEA-2613
DF

WRHardwick:frj

No. 1

AMENDMENT OF CONTRACT: No. IDM-E494

Contract Docket No. DMEA-2613, dated February 27, 1953, between the United States of America and Ace Building and Roofing Supplies, a partnership composed of G. T. Godfrey and Raymond Godfrey, is hereby amended as follows, effective August 12, 1953:

Referring to EXHIBIT "A" attached to Exploration Project Contract Form MF-200(A), captions "Description of the Work" and "Estimated Costs of the Project", subheading "Stage III", under both captions.

Whereas work under Stage I has been completed and whereas the performance of the work cited under Stage II is not approved by the Government, now therefore the work cited under Stage III is hereby modified as follows in accordance with stipulations cited in the description thereof.

Work under Stage III is limited to the following:

1. Crosscut from the bottom of the shaft completed under Stage I, to the southern limits of the mineralized zone, not to exceed 60 feet at $35.00 per foot.... $2100.00

2. 6 Manganese assays @ $2.00 per assay..... 12.00

$2112.00

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated AUG 27 1953

ACE BUILDING AND ROOFING SUPPLIES

By G. T. Godfrey
G. T. Godfrey, Partner

By Raymond Godfrey
Raymond Godfrey, Partner

UNITED STATES OF AMERICA

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

MINING DIVISION
REGION IV

August 5, 1953

Memorandum

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

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

Subject : Request for Amendment, Contract Idm-E494, Docket DMEA-2613, Ace Building & Roofing Supplies, Denton Manganese Mine, Greenlee County, Ariz.

Enclosed in sextuplicate are the following:

(1) Operator's request for an amendment to do 60 feet of crosscutting from the 60-foot level in the shaft;

(2) Bureau of Mines engineer's report and recommendation, with map.

The shaft was sunk for 60 feet under Stage 1 of this contract, but as the possibility of finding any significant amount of ore by sinking an additional 50 feet under Stage 2 seemed remote, it was recommended that no further shaft sinking be done.

Under Stage 3 of the contract, it provides: " ----- If, however, the results of Stage II so indicate, or if Stage II is not performed, Stage III at the option of the Government may be modified to include only a limited amount of drifting on or below the 50-foot level. Etc."

As we can see no good reason for performing Stage II, we have recommended that that part of the project be eliminated. However, we do believe that a small amount of crosscutting from the 60-foot level might discover minable ore, so we recommend that Stage III of the contract be amended to read:

"Stage III will be undertaken after the completion of Stage II only if in the opinion of the Government, the results thereof warrant it. If, however, the results of Stage II so indicate, or if Stage II is not

CC W. H. King (5)
DMEA-2613
DF

WRStorms:frj

performed, Stage II at the option of the Government may be modified to include only a limited amount of crosscutting on or below the 50-foot level. In the event of such modification, all raising shall be eliminated.

"1. Drive 60 feet of crosscut on or below the 50-feet level. The crosscut will be 5 x 7 feet in cross section and timbered where necessary."

"2" under this stage would be eliminated.

Under "Estimated Costs of the Project", Stage III would be amended to provide only 60 feet of crosscutting at $35 per foot at a total cost of $2,100; and 6 manganese assays at $2 per assay or a total of $12. Stage III then would total $2,112.00.

Walter R. Storms

Walter R. Storms

MINING DIVISION
REGION IV

Memorandum

August 5, 1953

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

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

Subject : Request for Amendment to Contract Idm-8494, Docket DMEA-2613 Ace Building and Roofing Supplies' Denton Manganese Prospect, Greenlee County, Ariz.

The Denton manganese prospect was visited on July 14 by R. F. Robinson, U. S. Geological Survey, and the undersigned engineer for the purpose of examining the results of stage I of the contract and determining whether additional work was warranted. The depth of the shaft at that time was 58 feet. The total depth allowed by Stage I is 60 feet.

The shaft was collared in a lens of manganese ore. This lens is reported to have contained 12 to 16 percent manganese at the surface. Before the shaft was started, an open cut had been made along the lens and the elevation of the collar was approximately 14 feet below the original surface. At this elevation the lens measured 7 feet thick and contained 6.7 percent manganese. The lens thinned rapidly, and at a 12-foot depth in the shaft it was 2 feet thick and contained only 1.9 percent manganese. At a 14-foot depth the lens had completely disappeared and only a thin seam of clay gouge between slickenside walls remained. This condition persisted to the bottom of the shaft at 58 feet. The hanging wall of the shaft follows a similar seam.

About 25 feet north of the shaft on the surface there is a lens of ore exposed by the excavation for the hoist building. About 40 feet north of the shaft is another parallel seam which contains some manganese minerals. Some surface trenching and sampling was done by W. Allison after the original examination but before work was started on this contract. The work consisted of trenches cut across the fractured zone at intervals of 50 feet along the strike. In these trenches the ore zone appears to consist of a number of parallel fractures. The zone may be as much as 60 feet wide.

CC W. H. King (Orig. & 5)
DMEA-2613
BW

WRStorms:frj

The shaft has been sunk on one of these parallel fractures close to the hanging wall of the zone. It is possible that a fracture parallel to the one on which the shaft was sunk might contain better manganese mineralization. It also is possible that the footwall side of the fractured zone might be better than the hanging wall side.

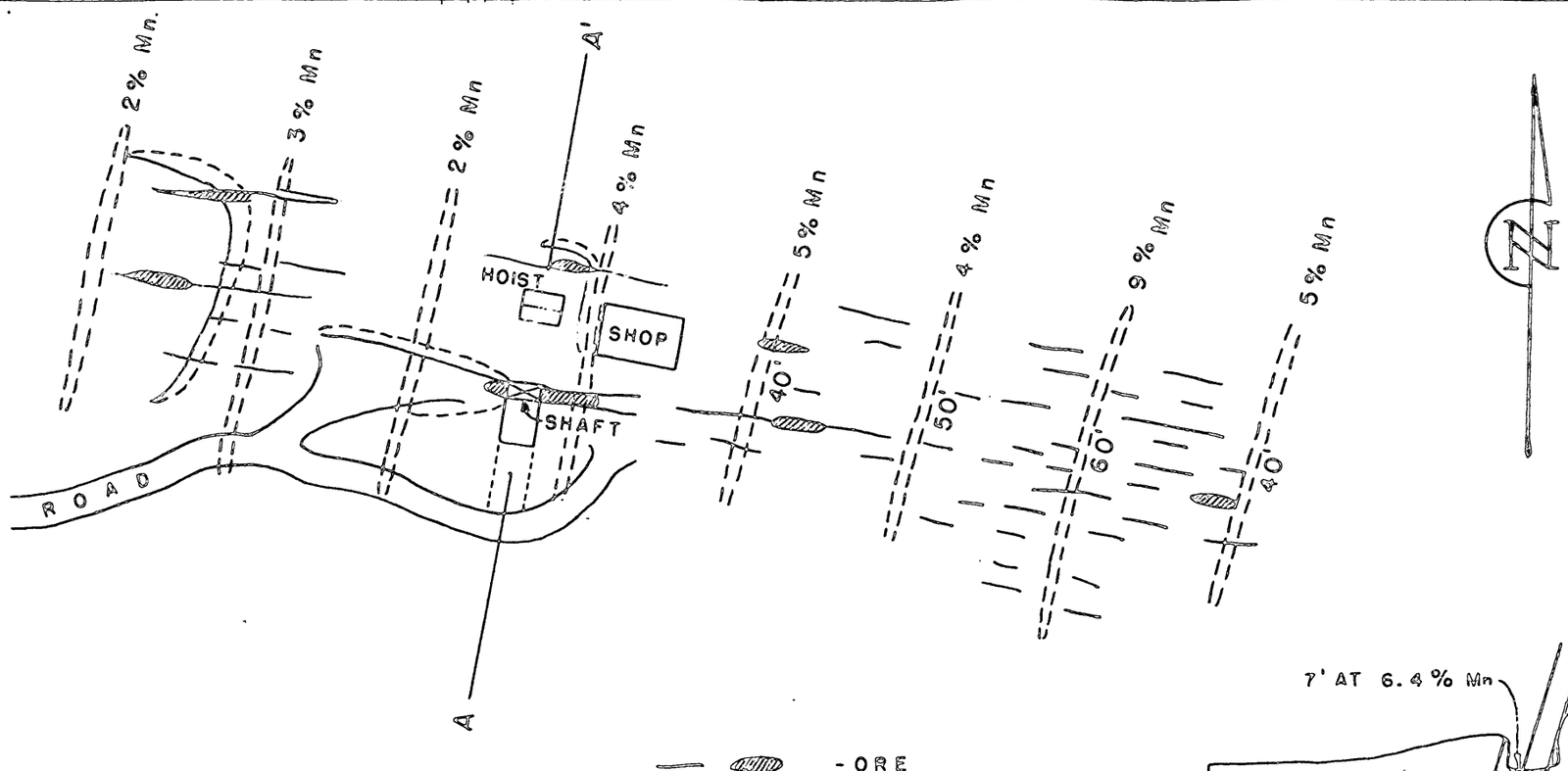
The trenching and sampling by W. Allison is shown on figure 1. Assuming that these assays are correct and that the recoverable manganese persists to a depth of 15 feet, there is an area east of the shaft approximately 200 feet long by 40 to 60 feet wide which will contain 11,400 tons of indicated ore with a grade of 5.7 percent manganese. While the manganese content of this ore is very low it could be mined very cheaply. Indicated metallurgical results are good. A profit could be expected from ore of this type when it contained 5 percent or more of recoverable manganese. Assuming a recovery of 75 percent and a final concentrate of 40 percent manganese, 1,220 tons of concentrate are indicated.

The unfavorable showing in the shaft was discussed with the operator on July 14, and he suggested that a crosscut be driven to cut the fractured zone at right angles to the strike. The operator has been informed by letter that the contract does not provide for a crosscut and that it will be necessary for him to request an amendment to the contract to authorize this work. The operator has written a letter requesting an amendment to authorize a crosscut. His request is not presented in proper form. It is suggested that essential information is contained in this report and it is recommended that the operator's request be processed.

It is recommended that an amendment be approved that will authorize the substitution of 50 feet of crosscut at a depth of 60 feet in lieu of drifting as specified by the contract. Costs and all other factors are to remain as specified in the contract.

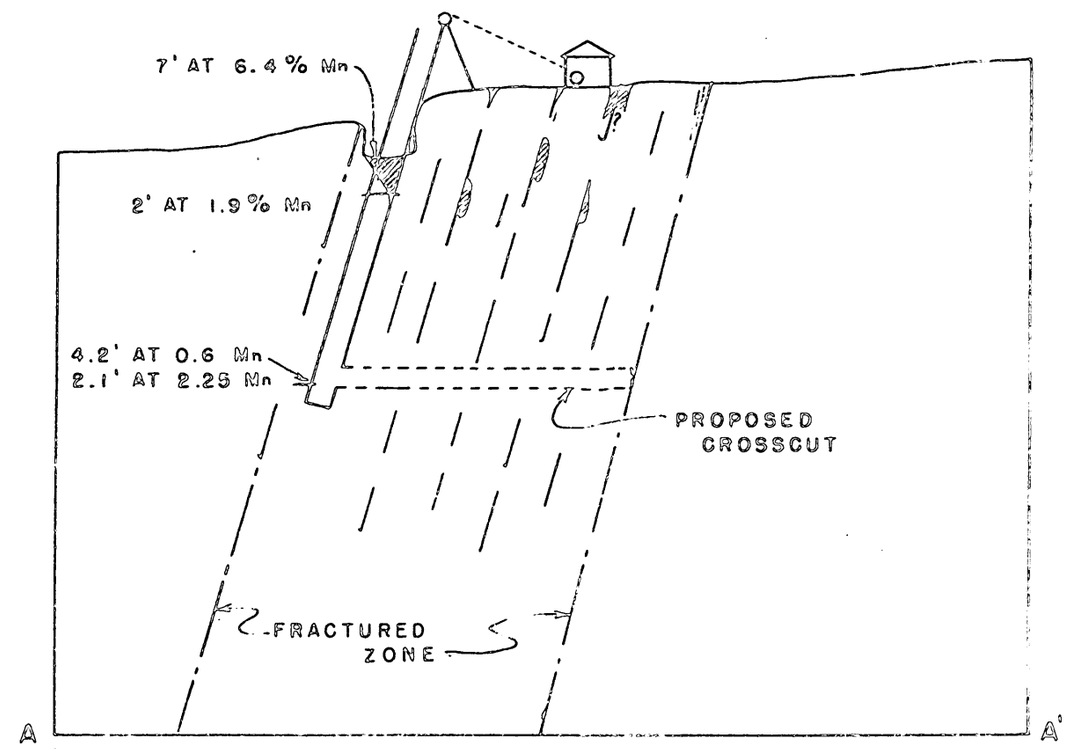
William R. Hardwick

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



PLAN OF FRACTURED ZONE

SCALE 1" = 40'



CROSS SECTION

DMEA 2613 FIGURE 1. - ACE BUILDING & ROOFING SUPPLIES JULY 1953

G. T. GODFREY

RAYMOND GODFREY

ACE BUILDING & ROOFING SUPPLIES

Concrete Blocks, Paints and Hardware

620 Third Street :: Phone 289

SAFFORD, ARIZONA

July 30, 1953

Re: Contract Idm-E494
Docket DMEA-2613

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

Dear Sir:

Consider this correspondence our request for amendment of above contract. It is our desire to cross cut from the bottom of our shaft to cut some of the parallel fractures which are mineralized on the surface. We believe that a 60 foot cross cut would be adequate to determine if these fractures reach to the present depth of our shaft.

Thanking you in advance for any consideration shown us in this matter,

We remain,

G. T. Godfrey

G. T. Godfrey (Partner)
Ace Bldg. and Roofing Supplies
620 3rd Street
Safford, Arizona

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
200 New Customhouse
Denver 2, Colorado

August 3, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2613, Ace Building and Roofing Supplies, Greenlee County, Arizona

Enclosed are 9 copies of a memorandum report by R. F. Robinson of the U. S. Geological Survey and William Hardwick of the U. S. Bureau of Mines covering an inspection trip to the Denton manganese mine.

It has been recommended, if an amendment is not sought by the operators, that the contract be terminated at this point on the grounds that no significant amount of ore exists below the 60 foot level.

A. H. Koschmann

A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (9)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P.O. Box 4128, University Station
Tucson 5, Arizona

Jul. 29, 1953

Memorandum

To: A. H. Koschmann, Denver, Colorado

From: R. F. Robinson, Tucson, Arizona

Subject: DMEA Docket 2613 (Manganese) Ace Building and Roofing Supplies, Greenlee Co., Arizona

On July 14, 1953, the writer and Mr. William Hardwick of the U. S. Bureau of Mines made an inspection trip to the Denton manganese mine. Shaft sinking here on the DMEA exploration loan had reached the depth of 50 feet. According to the terms of the contract, when the shaft had reached the depth of sixty feet, an inspection by the examining team was necessary to ascertain if the findings therein warranted going into the second stage of the contract in which sinking was to be resumed to the 110 foot level.

The surface ore on which the shaft had been started pinched out along the footwall fault in the shaft at about 15 20 feet. There was little or no manganese mineralization from that point to the bottom, according to the operators. None was seen by the examiners. The operators did think that the mineralization had picked up in the last round but the bottom of the shaft appeared to be very low grade to the examining team. Nevertheless two samples were taken which assayed as follows:

4.2 0.60% Mn on north side of west end

2.4 2.25% Mn on south side of west end

The material at the bottom of the shaft was a poor grade of manganese mineralization. It consisted of coarse grained black manganiferous calcite and thin coatings of pyrolusite which were probably derived from it by weathering. Some white calcite and a light tan or cream colored chalcedony were conspicuous. The black and reddish brown shattered vesicular basalt (according to Wilson and Butler) in which the calcite occurred had thin pyrolusite coatings on some of the fracture planes.

It is evident that the chemical action which was responsible for the formation of the manganese ore above did not penetrate deeply in the fracture on which the shaft was sunk and no further sinking is warranted. No drifting is recommended on the 60 foot horizon because the operator can mine ore deeply by open pit methods. He could not profitably mine the ore by underground methods that he is mining on the surface.

There is a possibility that the wide zone of mineralization south of the shaft might contain one or more deeply permeable fractures on which the ore may go deeper than it did on the one on which the shaft was sunk. The examiners suggested that the operators ask for an amendment to the contract which would permit them to drive a crosscut south from the shaft on the 60 level about 60 feet to the southern limits of the mineralized zone. If the crosscut showed that ore in places were below the 60 level, further sinking of the shaft might be warranted. If nothing of significance was found in the crosscut the contract could be terminated.

If an amendment is not possible by the operators, it is recommended that the contract be terminated at this point on the grounds that no significant amount of ore exists below the 500' level.

R. F. Robinson

R. F. Robinson
Acting District Supervisor
Arizona-New Mexico

MINING DIVISION
REGION IV

July 29, 1953

Memorandum

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

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

Subject : Interim Report, Contract Idm-E494, Docket DMEA-2613, Ace Building & Roofing Supplies, Denton Manganese Prospect, Greenlee County, Ariz.

Enclosed are original and 6 copies of an interim report on Stage 1 of Contract Idm-E494, where the examiner recommends that Stage 2 of the contract should not be done. I believe R. F. Robinson of the Geological Survey will submit a report with a similar recommendation. I concur with this recommendation that the shaft should be stopped at 60 feet (it was 58 feet deep on July 14), and that the contract should be terminated.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2613
DF

WRStormswfrj

MINING DIVISION
REGION IV

July 29, 1953

Memorandum

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

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

Subject : Interim Report, Docket DMEA-2613, Contract Idm-5494, Ace Building and Roofing Supplies, Denton Manganese Prospect, Greenlee County, Ariz.

The Denton Manganese prospect was visited on July 14 by R. F. Robinson, U. S. Geological Survey, and the undersigned engineer for the purpose of examining the results of stage I of the contract and determining whether additional work was warranted. The depth of the shaft at that time was 58 feet. The total depth allowed by Stage I is 60 feet.

The shaft was collared in a lens of manganese ore. This lens is reported to have contained 12 to 16 percent manganese at the surface. Before the shaft was started, an open cut had been made along the lens and the elevation of the collar was approximately 14 feet below the original surface. At this elevation the lens measured 7 feet thick and contained 6.7 percent manganese. The lens thinned rapidly, and at a 12-foot depth in the shaft it was 3 feet thick and contained only 1.9 percent manganese. At a 14-foot depth the lens had completely disappeared and only a thin seam of clay gouge between slickensides walls remained. This condition persisted to the bottom of the shaft at 58 feet. The hanging wall of the shaft follows a similar seam.

Two samples were taken in the shaft at a depth of 54 feet, one in the northwest corner of the shaft which ran 0.6 percent manganese for a width of 4.2 feet, and one in the southwest corner of the shaft which ran 2.25 percent manganese for a width of 2.4 feet.

Some surface trenching and sampling was done by W. Allison after the original examination but before work was started on this contract. The work consisted of trenches cut across the

CC W. M. King (orig. & 6)
DMEA-2613
DF

WRHardwick:frj

fractured zone at intervals of 50 feet. The approximate location of these trenches and the assay value as reported by the operator is shown on figure 1. From the occurrences of manganese exposed by these trenches there seems to be an increase in the size of manganese ore pockets from east to west. At the eastern end of the fractured zone where the first and second trenches were cut by Allison, the manganese occurs in many closely spaced veinlets or seams, while at the western end the lenses are larger and more widely spaced.

Near the surface the voids in the brecciated volcanics are filled with psilomelane. West of the shaft the operator has started an open cut and has mined several of these lenses. In most cases the high-grade ore does not persist for more than several feet in depth. At a distance of 700 or 800 feet west of the shaft, an outcrop occurs which, when first uncovered, appeared to be solid psilomelane for a width of 18 inches. Five or six feet below the surface this particular lens consisted almost entirely of a black manganiferous calcite in which the manganese occurs as minute specks of pyrolusite. A selected clean piece of this calcite assayed 6.3 percent manganese. Ore of this nature is of questionable value since it probably could not be concentrated. Generally the recoverable mineral psilomelane persists to a depth of approximately 15 feet.

Assuming that the manganese ore persists to an average depth of 15 feet and accepting the Allison assays as correct, there is an area east of the shaft, approximately 200 feet long and from 40 to 60 feet wide, which will contain 11,400 tons of indicated ore at a grade of 5.7 percent manganese. While the manganese content of this ore is very low it could be mined very cheaply. Indicated metallurgical results are good. A profit could be expected from ore of this type when it contained 5 percent or more recoverable manganese. Assuming a recovery of 75 percent and a final concentrate containing 40 percent manganese, 1,220 tons of concentrate are indicated.

The larger lenses of ore are probably so widely scattered, and the average grade indicated so low, that much of the area west of the shaft will not produce ore by a cheap mining method. It is probable that some of these lenses can be selectively mined at a high cost per ton and 280 tons of concentrates are inferred from this area. This makes a total reserve of approximately 1,500 tons of concentrate containing 40 percent manganese.

Summarizing the above facts the following conclusions are reached:

1. The recoverable manganese content of the area cut by the shaft shows a marked decrease with depth;

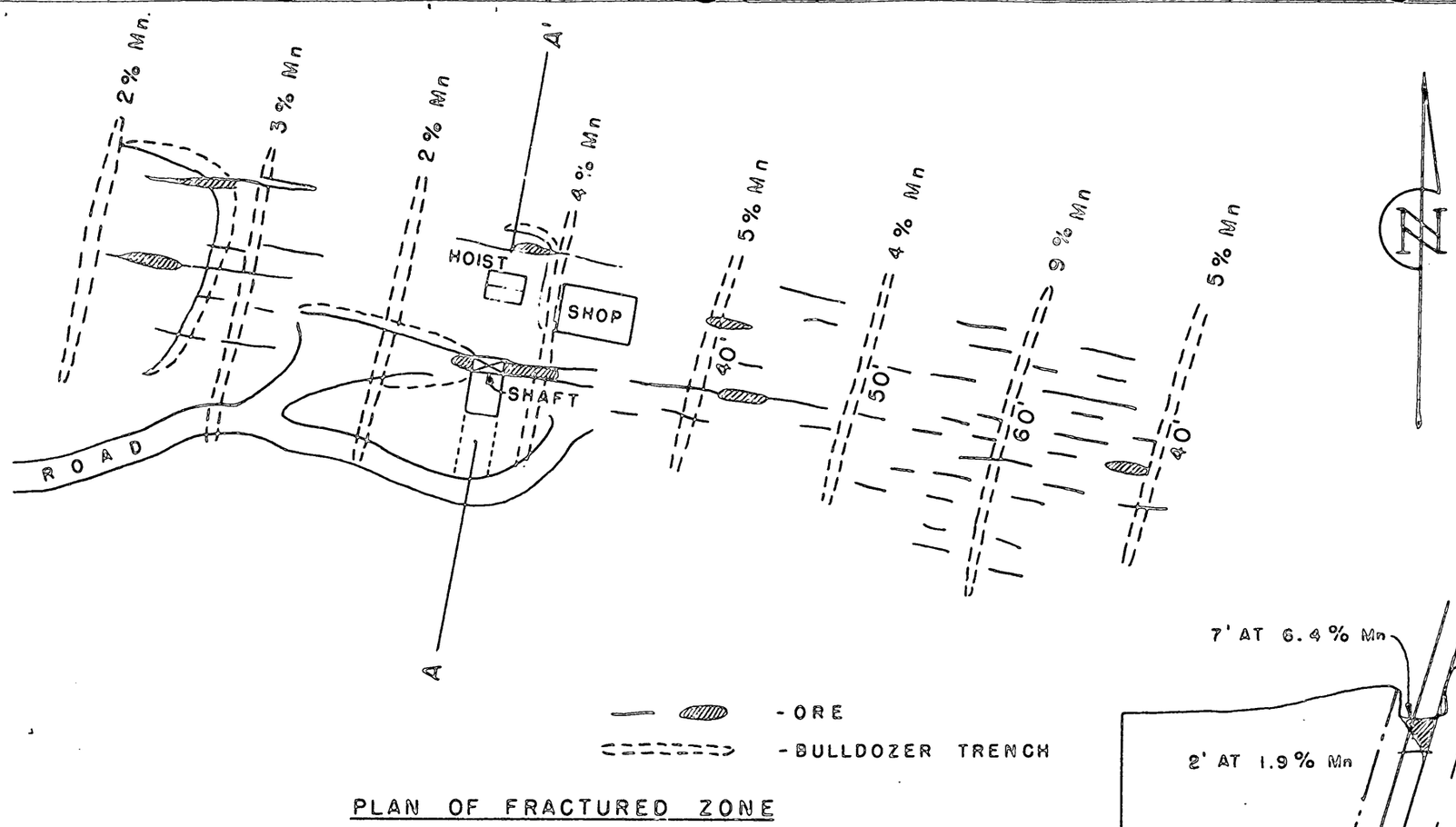
2. The trenching and sampling of the surface indicates a reserve of approximately 1,500 tons of recoverable concentrate containing 40 percent manganese.

The unfavorable showing in the shaft was discussed with the operator on July 14 and he pointed out that the shaft is on the hanging wall side of the fractured zone. He suggested that a crosscut be driven to cut the fractured zone at right angles to the strike. This crosscut, he suggested, should be driven from the 60-foot level of the shaft. The operator has been informed by letter that the contract does not provide for a crosscut and that it will be necessary for him to request an amendment to the contract to authorize this work. It is possible that, in some of the fractures parallel to the one which forms the footwall of the shaft, the ore may extend to a greater depth.

It is recommended that the contract be terminated when the shaft reaches 60 feet, the depth authorized by stage 1. If the operator requests an amendment to authorize a crosscut in lieu of a drift at a depth of 60 feet, it is recommended that a crosscut toward the footwall of the fractured zone not to exceed 50 feet in length be authorized.

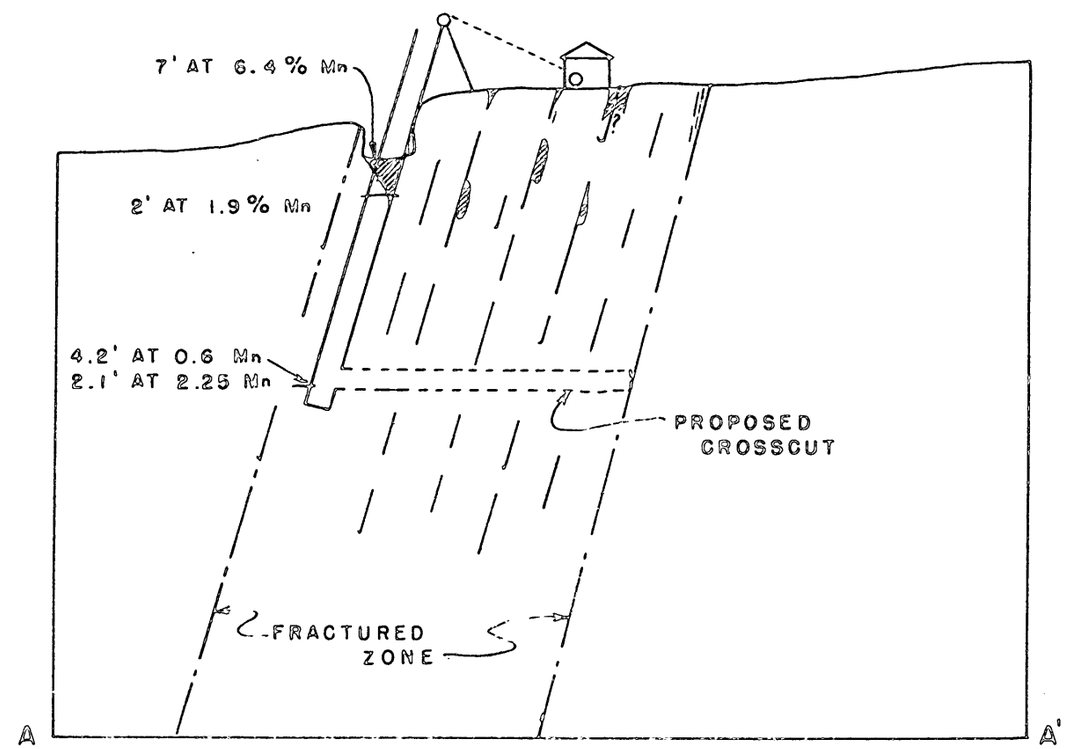
William R Hardwick

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



PLAN OF FRACTURED ZONE

SCALE 1" = 40'



CROSS SECTION

D M E A 2613 FIGURE 1. - ACE BUILDING & ROOFING SUPPLIES JULY 1953

MINING DIVISION
REGION IV

Memorandum

August 5, 1953

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

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

Subject : Request for Amendment, Contract Idm-5494, Docket DMEA-2613, Ace Building & Roofing Supplies, Denton Manganese Mine, Greenlee County, Ariz.

Enclosed in sextuplicate are the following:

(1) Operator's request for an amendment to do 60 feet of crosscutting from the 60-foot level in the shaft;

(2) Bureau of Mines engineer's report and recommendation, with map.

The shaft was sunk for 60 feet under Stage 1 of this contract, but as the possibility of finding any significant amount of ore by sinking an additional 30 feet under Stage 2 seemed remote, it was recommended that no further shaft sinking be done.

Under Stage 3 of the contract, it provides: " ------ If, however, the results of Stage II so indicate, or if Stage II is not performed, Stage III at the option of the Government may be modified to include only a limited amount of drifting on or below the 50-foot level. Etc."

As we can see no good reason for performing Stage II, we have recommended that that part of the project be eliminated. However, we do believe that a small amount of crosscutting from the 60-foot level might discover minable ore, so we recommend that Stage III of the contract be amended to read:

"Stage III will be undertaken after the completion of Stage II only if in the opinion of the Government, the results thereof warrant it. If, however, the results of Stage II so indicate, or if Stage II is not

cc W. H. King (5)
DMEA-2613
DF

WHStorms:frj

performed, Stage III at the option of the Government may be modified to include only a limited amount of crosscutting on or below the 50-foot level. In the event of such modification, all raising shall be eliminated.

"1. Drive 60 feet of crosscut on or below the 50-foot level. The crosscut will be 5 x 7 feet in cross section and timbered where necessary."

"2" under this stage would be eliminated.

Under "Estimated Costs of the Project", Stage III would be amended to provide only 60 feet of crosscutting at $35 per foot at a total cost of $2,100; and 6 manganese assays at $2 per assay or a total of $12. Stage III then would total $2,112.00.

Walter R. Storms

Walter R. Storms

MINING DIVISION
REGION IV

August 5, 1953

Memorandum

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

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

Subject : Request for amendment to Contract Idm-6494, Docket DME-2613 Ace Building and Roofing Supplies' Denton Manganese Prospect, Greenlee County, Ariz.

The Denton manganese prospect was visited on July 14 by R. F. Robinson, U. S. Geological Survey, and the undersigned engineer for the purpose of examining the results of stage I of the contract and determining whether additional work was warranted. The depth of the shaft at that time was 38 feet. The total depth allowed by Stage I is 60 feet.

The shaft was collared in a lens of manganese ore. This lens is reported to have contained 12 to 16 percent manganese at the surface. Before the shaft was started, an open cut had been made along the lens and the elevation of the collar was approximately 14 feet below the original surface. At this elevation the lens measured 7 feet thick and contained 6.7 percent manganese. The lens thinned rapidly, and at a 12-foot depth in the shaft it was 2 feet thick and contained only 1.9 percent manganese. At a 14-foot depth the lens had completely disappeared and only a thin seam of clay gouge between slickenside walls remained. This condition persisted to the bottom of the shaft at 38 feet. The hanging wall of the shaft follows a similar seam.

About 25 feet north of the shaft on the surface there is a lens of ore exposed by the excavation for the hoist building. About 40 feet north of the shaft is another parallel seam which contains some manganese minerals. Some surface trenching and sampling was done by W. Allison after the original examination but before work was started on this contract. The work consisted of trenches cut across the fractured zone at intervals of 50 feet along the strike. In these trenches the ore zone appears to consist of a number of parallel fractures. The zone may be as much as 60 feet wide.

CC W. H. King (Orig. & 5)
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WRStorms:frj

The shaft has been sunk on one of these parallel fractures close to the hanging wall of the zone. It is possible that a fracture parallel to the one on which the shaft was sunk might contain better manganese mineralization. It also is possible that the footwall side of the fractured zone might be better than the hanging wall side.

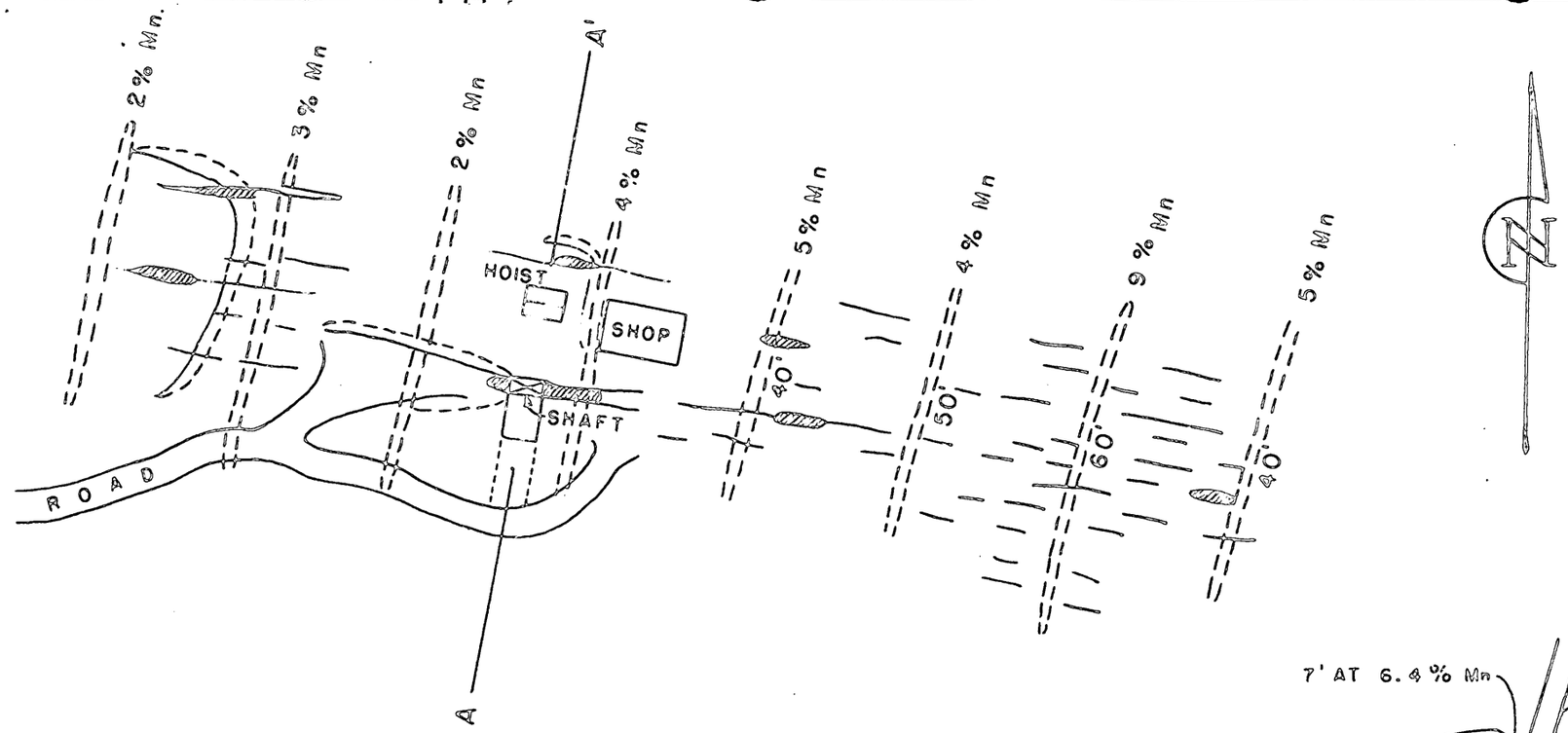
The trenching and sampling by W. Allison is shown on figure 1. Assuming that these assays are correct and that the recoverable manganese persists to a depth of 15 feet, there is an area east of the shaft approximately 200 feet long by 40 to 60 feet wide which will contain 11,400 tons of indicated ore with a grade of 5.7 percent manganese. While the manganese content of this ore is very low it could be mined very cheaply. Indicated metallurgical results are good. A profit could be expected from ore of this type when it contained 5 percent or more of recoverable manganese. Assuming a recovery of 75 percent and a final concentrate of 40 percent manganese, 1,220 tons of concentrate are indicated.

The unfavorable showing in the shaft was discussed with the operator on July 14, and he suggested that a crosscut be driven to cut the fractured zone at right angles to the strike. The operator has been informed by letter that the contract does not provide for a crosscut and that it will be necessary for him to request an amendment to the contract to authorize this work. The operator has written a letter requesting an amendment to authorize a crosscut. His request is not presented in proper form. It is suggested that essential information is contained in this report and it is recommended that the operator's request be processed.

It is recommended that an amendment be approved that will authorize the substitution of 50 feet of crosscut at a depth of 60 feet in lieu of drifting as specified by the contract. Costs and all other factors are to remain as specified in the contract.

William R. Hardwick

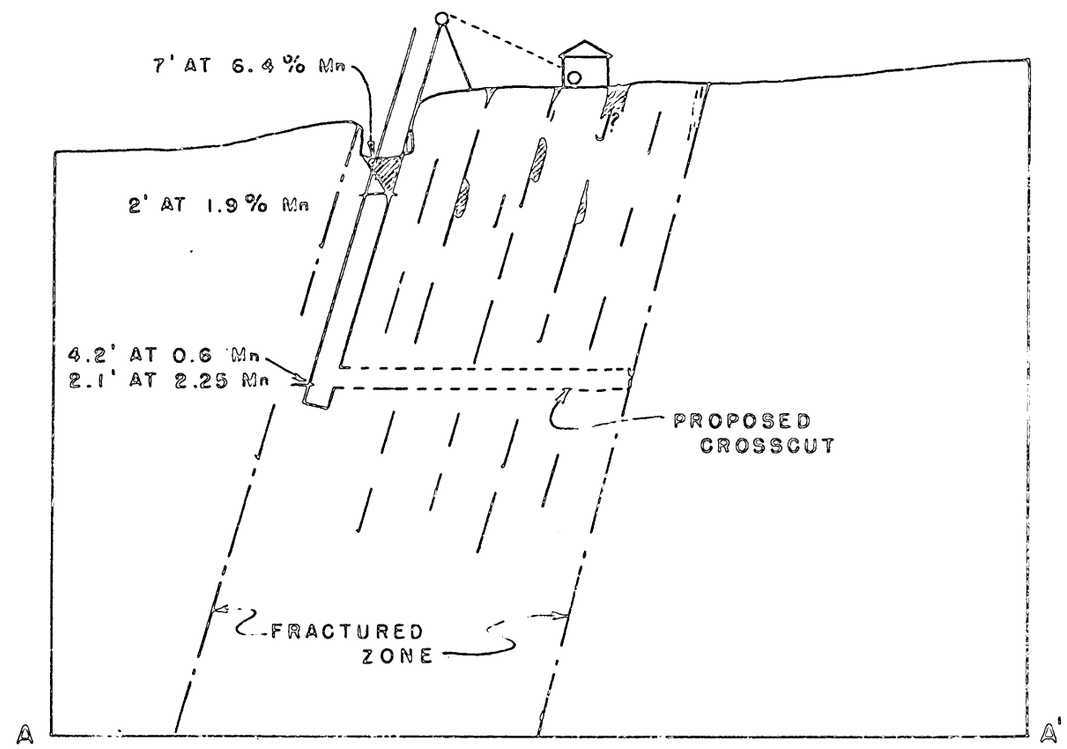
William R. Hardwick, Mining Engineer
Mining Methods Branch
Mining Division, Region IV



- ORE
- BULLDOZER TRENCH

PLAN OF FRACTURED ZONE

SCALE 1" = 40'



CROSS SECTION

D M E A 2613 FIGURE 1. - ACE BUILDING & ROOFING SUPPLIES JULY 1953

G. T. GODFREY

RAYMOND GODFREY

ACE BUILDING & ROOFING SUPPLIES

Concrete Blocks, Paints and Hardware

620 Third Street :: Phone 289

SAFFORD, ARIZONA

Received

July 30, 1955

Re: Contract 10n-5090
Docket DSBA-2015

Mr. V. E. King,
Executive Officer,
DSBA Field Team,
Region IV, 324 New Customhouse,
Denver 2, Colorado.

Dear Sir:

Consider this correspondence our request for amendment of above contract. It is our desire to cross cut from the bottom of our shaft to cut one of the parallel fractures which are mineralized on the surface. We believe that a 60 foot cross cut would be adequate to determine if those fractures reach to the present depth of our shaft.

Thanking you in advance for any consideration shown us in this matter.

Very truly,

G. T. Godfrey

G. T. Godfrey (Partner)
Ace Bldg. and Roofing Supplies
620 3rd Street
Safford, Arizona

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

200 New Customhouse
Denver 2, Colorado

August 3, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2613, Ace Building and Roofing Supplies, Greenlee County, Arizona

Enclosed are 9 copies of a memorandum report by R. F. Robinson of the U. S. Geological Survey and William Hardwick of the U. S. Bureau of Mines covering an inspection trip to the Denton manganese mine.

It has been recommended, if an amendment is not sought by the operators, that the contract be terminated at this point on the grounds that no significant amount of ore exists below the 60 foot level.

A. H. Koschmann

A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (9)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P.O. Box [illegible], University Station
Tucson 1, Arizona

J[illegible] 2[illegible], 1953

Memorandum

To: [illegible] H. Koschmann, Denver, Colorado

From: R. F. Robinson, Tucson, Arizona

Subject: DMEA Docket 2613 (Manganese) Ace Building and Roofing Supplies, Greenlee Co., Arizona

On July 14, 1953, the writer and Mr. William Hardwick of the U. S. Bureau of Mines made an inspection trip to the Denton manganese mine. Shaft sinking here on the DMEA exploration loan had reached the depth of 50 feet. According to the terms of the contract, when the shaft had reached the depth of sixty feet, an inspection by the examining team was necessary to ascertain if the findings therein warranted going into the second stage of the contract in which sinking was to be resumed to the 110 foot level.

The surface ore on which the shaft had been started pinched out along the footwall fault in the shaft at about 15 20 feet. There was little or no manganese mineralization from that point to the bottom, according to the operators. None was seen by the examiners. The operators did think that the mineralization had picked up in the last round but the bottom of the shaft appeared to be very low grade to the examining team. Nevertheless two samples were taken which assayed as follows:

4.2	0.00% Mn on north side of west end
2.4	2.25% Mn on south side of west end

The material at the bottom of the shaft was a poor grade of manganese mineralization. It consisted of coarse grained black manganiferous calcite and thin coatings of pyrolusite which were probably derived from it by weathering. Some white calcite and a light tan or cream colored chalcedony were conspicuous. The black and reddish brown shattered vesicular basalt (according to Allison and Butler) in which the calcite occurred had thin pyrolusite coatings on some of the fracture planes.

It is evident that the chemical action which was responsible for the formation of the manganese ore above did not penetrate deeply in the fracture on which the shaft was sunk and no further sinking was warranted. No drifting is contemplated on the 60 foot horizon because the operator can mine this deposit by open pit methods. He could not profitably mine the ore by underground methods than he is making on the surface.

There is a possibility that the wide zone of mineralization north of the shaft might contain one or more deeply permeable fractures on which the ore may go deeper than it did on the one on which the shaft was sunk. The examiners suggested that the operators ask for an amendment to the contract which would permit them to drive a crosscut south from the shaft on the 60 level about 50 feet to the southern limits of the mineralized zone. If the crosscut showed that ore in places went below the 60 level, further sinking of the shaft might be warranted. If nothing of significance was found in the crosscut the contract could be terminated.

If an amendment is not sought by the operators, it is recommended that the contract be terminated at this point on the grounds that no significant amount of ore exists below the 50 level.

R. F. Robinson

R. F. Robinson
Acting District Supervisor
Arizona New Mexico

MINING DIVISION
REGION IV

July 29, 1953

Memorandum

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

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

Subject : Interim Report, Contract Idm-5494, Docket DMEA-2613, Ace Building & Roofing Supplies, Denton Manganese Prospect, Greenlee County, Ariz.

Enclosed are original and 6 copies of an interim report on Stage 1 of Contract Idm-5494, where the examiner recommends that Stage 2 of the contract should not be done. I believe R. F. Robinson of the Geological Survey will submit a report with a similar recommendation. I concur with this recommendation that the shaft should be stopped at 60 feet (it was 58 feet deep on July 14), and that the contract should be terminated.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2613
DF

WRStormswfrj

MINING DIVISION
REGION IV

July 29, 1953

Memorandum

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

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

Subject : Interim Report, Docket DMEA-2613, Contract Idm-8494, Ace Building and Roofing Supplies, Denton Manganese Prospect, Greenlee County, Ariz.

The Denton Manganese prospect was visited on July 14 by R. F. Robinson, U. S. Geological Survey, and the undersigned engineer for the purpose of examining the results of stage I of the contract and determining whether additional work was warranted. The depth of the shaft at that time was 58 feet. The total depth allowed by Stage I is 60 feet.

The shaft was collared in a lens of manganese ore. This lens is reported to have contained 12 to 16 percent manganese at the surface. Before the shaft was started, an open cut had been made along the lens and the elevation of the collar was approximately 14 feet below the original surface. At this elevation the lens measured 7 feet thick and contained 6.7 percent manganese. The lens thinned rapidly, and at a 12-foot depth in the shaft it was 2 feet thick and contained only 1.9 percent manganese. At a 14-foot depth the lens had completely disappeared and only a thin seam of clay gouge between slickenside walls remained. This condition persisted to the bottom of the shaft at 58 feet. The hanging wall of the shaft follows a similar seam.

Two samples were taken in the shaft at a depth of 54 feet, one in the northwest corner of the shaft which ran 0.6 percent manganese for a width of 4.2 feet, and one in the southwest corner of the shaft which ran 2.25 percent manganese for a width of 2.4 feet.

Some surface trenching and sampling was done by W. Allison after the original examination but before work was started on this contract. The work consisted of trenches cut across the

CC W. R. King (orig. & 6)
DMEA-2613
DF

WRHardwick:frj

fractured zone at intervals of 50 feet. The approximate location of these trenches and the assay value as reported by the operator is shown on figure 1. From the occurrences of manganese exposed by these trenches there seems to be an increase in the size of manganese ore pockets from east to west. At the eastern end of the fractured zone where the first and second trenches were cut by Allison, the manganese occurs in many closely spaced veinlets or seams, while at the western end the lenses are larger and more widely spaced.

Near the surface the voids in the brecciated volcanics are filled with psilomelane. West of the shaft the operator has started an open cut and has mined several of these lenses. In most cases the high-grade ore does not persist for more than several feet in depth. At a distance of 700 or 800 feet west of the shaft, an outcrop occurs which, when first uncovered, appeared to be solid psilomelane for a width of 18 inches. Five or six feet below the surface this particular lens consisted almost entirely of a black manganiferous calcite in which the manganese occurs as minute specks of pyrolusite. A selected clean piece of this calcite assayed 6.3 percent manganese. Ore of this nature is of questionable value since it probably could not be concentrated. Generally the recoverable mineral psilomelane persists to a depth of approximately 15 feet.

Assuming that the manganese ore persists to an average depth of 15 feet and accepting the Allison assays as correct, there is an area east of the shaft, approximately 200 feet long and from 40 to 60 feet wide, which will contain 11,400 tons of indicated ore at a grade of 5.7 percent manganese. While the manganese content of this ore is very low it could be mined very cheaply. Indicated metallurgical results are good. A profit could be expected from ore of this type when it contained 5 percent or more recoverable manganese. Assuming a recovery of 75 percent and a final concentrate containing 40 percent manganese, 1,220 tons of concentrate are indicated.

The larger lenses of ore are probably so widely scattered, and the average grade indicated so low, that much of the area west of the shaft will not produce ore by a cheap mining method. It is probable that some of these lenses can be selectively mined at a high cost per ton and 280 tons of concentrates are inferred from this area. This makes a total reserve of approximately 1,500 tons of concentrate containing 40 percent manganese.

Summarizing the above facts the following conclusions are reached:

1. The recoverable manganese content of the area cut by the shaft shows a marked decrease with depth;

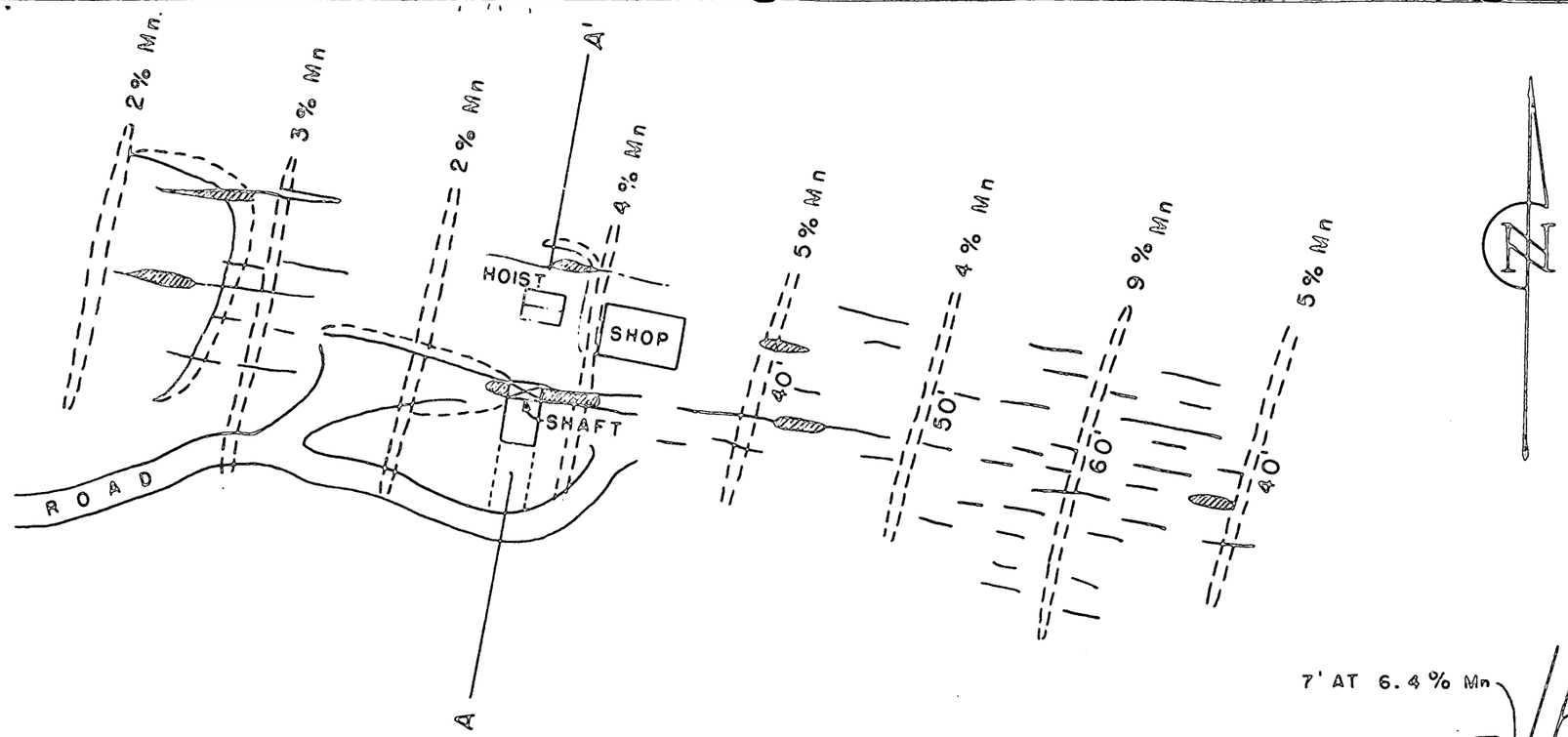
2. The trenching and sampling of the surface indicates a reserve of approximately 1,500 tons of recoverable concentrate containing 40 percent manganese.

The unfavorable showing in the shaft was discussed with the operator on July 14 and he pointed out that the shaft is on the hanging wall side of the fractured zone. He suggested that a crosscut be driven to cut the fractured zone at right angles to the strike. This crosscut, he suggested, should be driven from the 60-foot level of the shaft. The operator has been informed by letter that the contract does not provide for a crosscut and that it will be necessary for him to request an amendment to the contract to authorize this work. It is possible that, in some of the fractures parallel to the one which forms the footwall of the shaft, the ore may extend to a greater depth.

It is recommended that the contract be terminated when the shaft reaches 60 feet, the depth authorized by stage 1. If the operator requests an amendment to authorize a crosscut in lieu of a drift at a depth of 60 feet, it is recommended that a crosscut toward the footwall of the fractured zone not to exceed 50 feet in length be authorized.

William R Hardwick

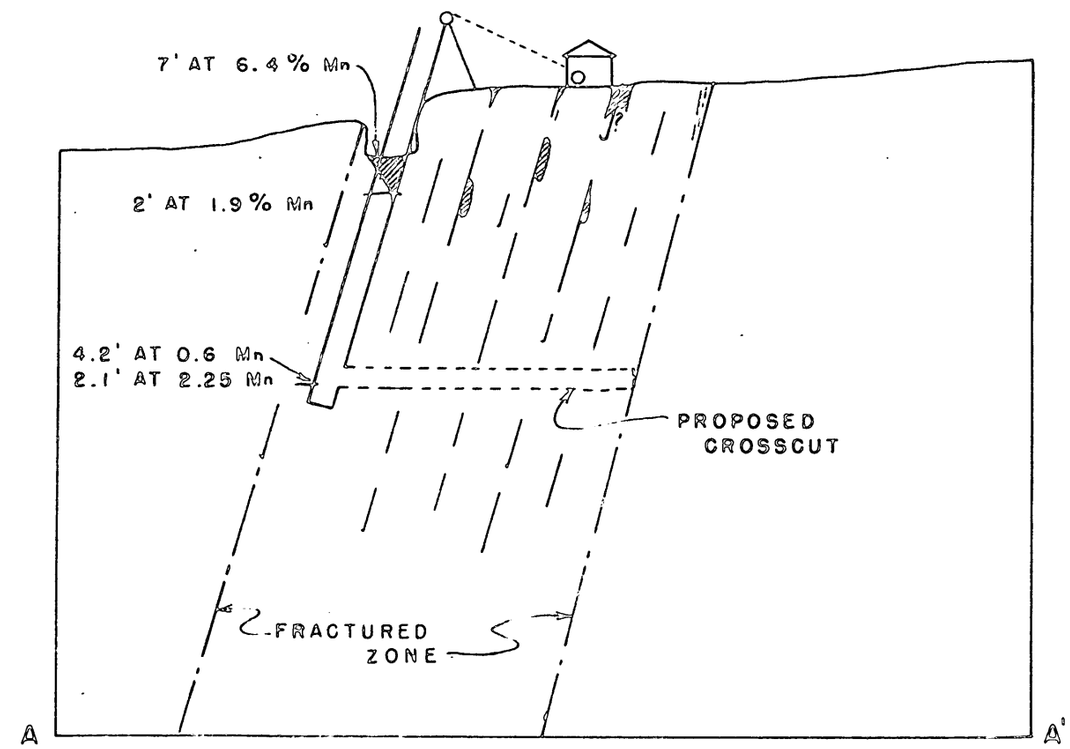
William R. Hardwick, Mining Engineer
Mining Methods Branch
Mining Division, Region IV



- ORE
- BULLDOZER TRENCH

PLAN OF FRACTURED ZONE

SCALE 1" = 40'



CROSS SECTION

D M E A 2613 FIGURE 1. - ACE BUILDING & ROOFING SUPPLIES JULY 1953

Docket [redacted] DMA 2613

Commodity Manganese

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 494

Date of Contract or Amendment:

Name and Address of Operator:
Ace Building and Roofing Supplies,
partnership; C.P. Godfrey and Raymond Godfrey,
620 Third St.,
Safford, Arizona

Amount of Government
participation $ 17,880.00

Percent of Government
participation 75 %

Region: IV State: Arizona

Note: Please release $ 11,783.50; Advice Contract Administration and Audit Division

J.V. Chambers,
(Name)
Chief Contract Administration and Audit Division
(Title)

January 21, 1954

Date Delivered to Bureau of Mines, Washington.

13908

D[illegible]t No. DMA 2613

Commodity Manganese

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 494

Date of Contract ~~or Amendment~~: February 27, 1953

Name and Address of Operator:

Ace Building and Roofing Supplies,
partnership; C. T. Godfrey and Raymond Godfrey,
620 Third Street,
Safford, Arizona

Amount of Government
participation ____ $ 17,800.00

Percent of Government
participation 75 %

Region: IV State: Arizona

(Name)

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

(Title)

Date Delivered to Bureau of Mines, Washington. ~~Feb. 27,~~ 1953 13908
Mar 2,

MF-200 (A)
(February 1952)

U. S. BUREAU OF MINES
MINING DIVISION
MAR 17 1953
TUCSON, ARIZONA

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 23 1953

DOCKET NO. DME 2613

COMMODITY Manganese

Government's Copy

IDM-E 494

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 27th day of February, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Ace Building and Roofing Supplies, a partnership composed of G. T. Godfrey and Raymond Godfrey, 620 Third Street, Safford, 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 Greenlee, described as follows:[3] Two unpatented lode claims in Secs. 27, 34, and 35; T. 7 S.; R. 30 E.; Gila-Salt River Meridian. These claims, Denton #5 and #6, are recorded in book 6 of the Location Notices, page 311, Greenlee County Court House, Clifton, Arizona

the Operator represents and undertakes:[4]

~~(a) That the Operator is the owner in possession and entitled to possession and that the property is subject only to the following claims, liens or encumbrances as to each of which the subordination agreement of the holder is attached:~~

(b) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

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 60 days from the date of this contract shall commence work on a project of exploration for[5] Manganese

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

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 75 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 $17,880.00 which is 75 percent of $23,840.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

Ace Building and Roofing Supplies
(Operator)

By G. T. Godfrey
Partner

By Raymond Godfrey
Partner

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

ACE BUILDING AND ROOFING SUPPLIES
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2613

EXHIBIT "A"

Description of the Work

The exploration work on this project is to be done in three stages as is indicated on the map attached hereto and made a part hereof entitled "Figure 1- Proposed exploration of Denton Number 5 Claim, Greenlee County, Arizona".

Stage I

Time Schedule: 0 - 3 months

1. Construct a 16 by 18 foot, frame-construction compressor and shop building.

2. Construct a 8 by 10 foot, frame-construction hoist house.

3. Construct a 20 foot headframe and install shaft timbers to ground level, water tank, hoist, sheave wheel, and air and water lines.

4. Sink a two-compartment inclined shaft in the ore zone 60 feet. The shaft will be timbered to 4 by 7 feet in the clear and lagged where necessary.

Stage II

Time Schedule: 4 - 5 months

Stage II is to be undertaken only after the completion of Stage I, if in the opinion of the Government, the results of Stage I warrant it.

1. Sink the above shaft an additional 50 feet to 10 feet below the 100-foot level to provide for a sump, the shaft to be two-compartment and timbered to 4 by 7 feet in the clear. Lagging will be used where necessary.

Stage III

Time Schedule: 6 - 9 months

Stage III will be undertaken after the completion of Stage II only if in the opinion of the Government, the results thereof warrant it. If, however, the results of Stage II so indicate, or if Stage II is not performed, Stage III at the option of the Government may be modified to include only a limited amount of drifting on or below the 50-foot level. In the event of such modification, all raising shall be eliminated.

1. Drive 300 feet of drift on the 100-foot level. The drift will be 5 x 7 feet in cross section and timbered where necessary.

2. Drive 100 feet of raises at locations to be approved by the Field Team. None of the raises are to exceed 50 feet in length. The raises are to be 5 x 7 feet in cross section and timbered where necessary.

Estimated Costs of the Project

Agreed Unit Costs

Stage I

1 16 by 18 foot compressor and shop/building	$ 500.00	
1 8 by 10 foot hoist house	200.00	
1 20 foot headframe, including installation of shaft timbers to ground level, water tank, hoist, sheave wheel, and air and water lines	800.00	
60 feet of shaft @ $75.00 per foot	4,500.00	
5 Manganese assays @ $2.00 per assay	10.00	
Total Estimated Agreed Unit Cost of Stage I		$6,010.00

Stage II		
50 feet of shaft @ $75.00 per foot	$3,750.00	
5 Manganese assays @ $2.00 per assay	10.00	
Total Estimated Agreed Unit Cost of Stage II		$3,760.00
Stage III		
300 feet of drift @ $35.00 per foot	$10,500.00	
100 feet of raises @ $35.00 per foot	3,500.00	
35 Manganese assays @ $2.00 per assay	70.00	
Total Estimated Agreed Unit Cost of Stage III		$14,070.00
Total Estimated Agreed Unit Cost of Project		$23,840.00
Government Participation @ 75%		$17,880.00

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Arizona, County of Greenlee, described as follows:1/

Denton MineNo. one and Two Recorded Sept. 11,1951

Denton Mining claims No's 1-2-3-4-5 and 6 Located

Approximately 12 miles west of Duncan Arizona, in the

Ash Peak mining district. Recorded in book 6 Location

Notices, page 311. Greenlee County Court House Clifton Ariz.

~~See Attached Annex.~~

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Ace Building & Roofing Supplies (A Partnership)

G. T. Godfrey & Raymond Godfrey

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 33,720.45, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this _____ day of _____, 195 2.

[Seal]

[Seal]

[Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____ and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RECEIVED JUL 28 1952

RELEVANT CONTRACT PROVISIONS

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 six 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) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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) per cent 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) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(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, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

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

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

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

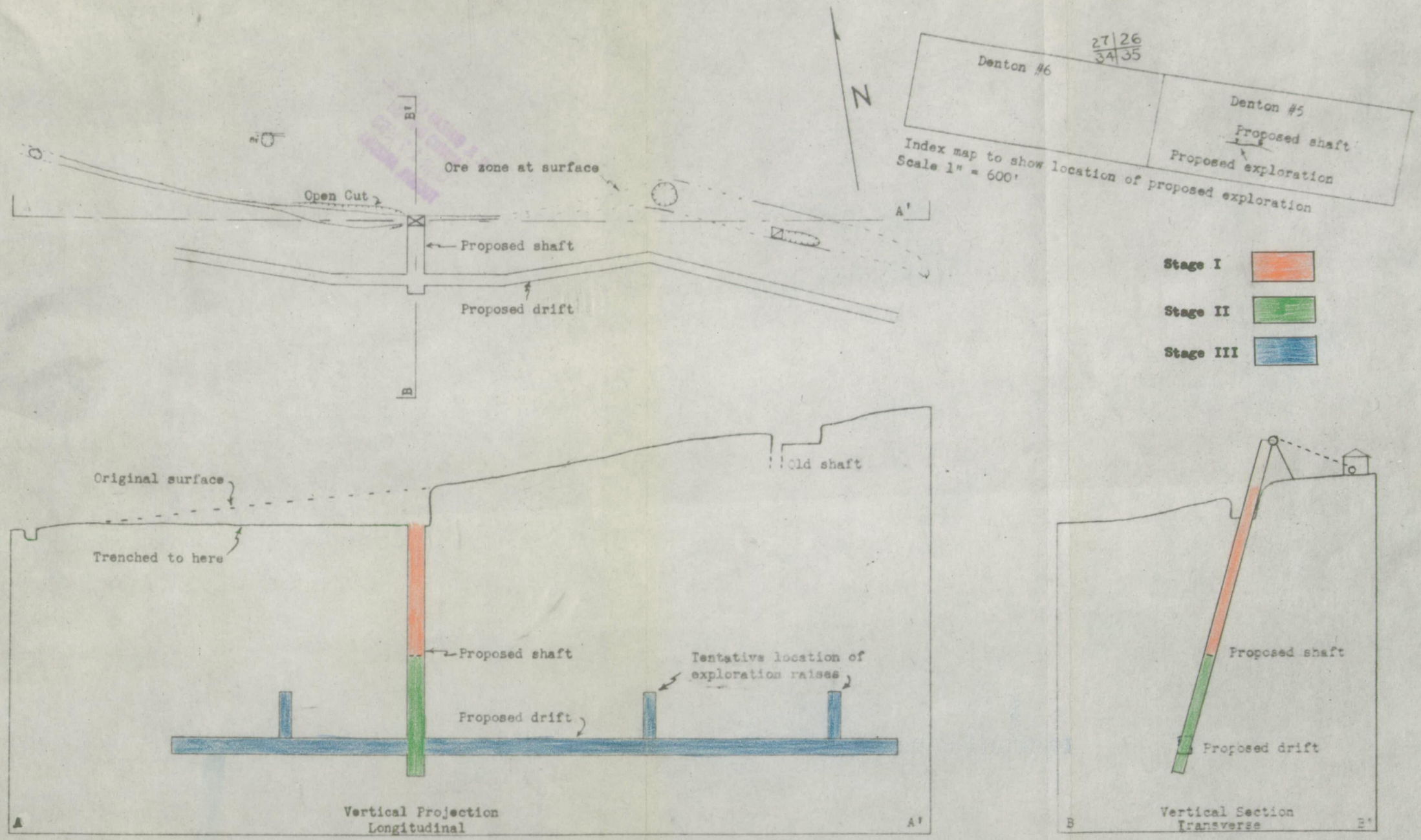


Figure 1 - Proposed Exploration of Denton Number 5 Claim, Greenlee County, Arizona

ACE BUILDING AND ROOFING SUPPLIES
DMEA 2613

Scale 1" = 40'

U. S. BUREAU OF MINES
MINING DIVISION
MAR 17 1953
TUCSON, ARIZONA