DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
NOV 18 1953

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Jack L. Neal & Dennis E. Green
a partnership
P.O. Box 1730
Globe, Arizona

pertaining to Exploration Project Contract No. Idm-E527, Docket No. 2760, and termination agreement, covering a project for exploration of asbestos, located in Gila County, Arizona, commonly known as the Mystery Mine Group, for the months of June and July, 1953.

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

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

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		$8315.00
Exceptions:		
By DMEA Finance Officer	None (see)	
Herewith	None (attach-)	None
	(ed note)	
Total Accepted Cost		$8315.00

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Seven Thousand Four Hundred Eighty-Three and 50/100 Dollars

-$7,483.50-

is considered valid and proper.

Dated: November 13, 1953

T. H. Brading, Auditor

JACK L. NEAL & DENNIS E. GREEN
Contract Idm-E527

An amount of $100.00 was withheld pending final report. As no differences were noted, the amount of $100.00 is accordingly reinstated.

T. H. Brading

T. H. Brading, Auditor

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

224 New Customhouse
Denver 2, Colorado

December 17, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket No. 2760 (Asbestos), Contract No. Idm-E527, Jack L. Neal and Dennis E. Green, Mystery Asbestos Prospect, Gila County, Arizona - FINAL PAYMENT

Reference is made to our memorandum of October 29, 1953 whereby we transmitted the final Form MF-104, Operator's Monthly Progress Report and Voucher for the month of July 1953, and instructed you to withhold the amount of $100.00 from reimbursement to the Operator pending release of the Report of Review of contract expenditures by the Contract Administration and Audit Division.

We now recommend that final payment to the Operator be made in conformance with the Report of Review by the Contract Administration and Audit Division, dated November 13, 1953, which was released to this office December 15, 1953.

Basis for Final Payment

Total accepted cost	$8,315.00
Government participation at 90%	7,483.50
Total prior payments	7,383.50
Balance due the Operator	$ 100.00

$100.00

W. H. King

12/18/53 DMA 54-62

JWT:cwm

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

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 10 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July 31st, 195 3 Docket No. DMEA 2760 Contract No. IDM-E 527
Operator's Name Jack L. Neal and Dennis E. Green Minerals Asbestos
Address P. O. Box 1730, Globe, Arizona
Contract Amount, $ 26,935.00 Government Participation: 90 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing Road	.00	2,507.00	2,507.00			
Crosscutting						
Drifting	5,400.00	.00	5,400.00			
Strpping outcrop	.00	408.00	408.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	5,400.00	2,915.00	8,315.00	5,400.00	2,915.00	8,315.00

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

Date July 31, 1953 *Payee Jack L. Neal & Dennis E. Green

Per Dennis E. Green Title Operator

*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:

$ 4760 00

Signature
(Authorized Certifying Officer)

Date 10/30/53 Vou. No. DMA SH-44

(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. dm-E527 in accordance with the terms of the contract.

Signature John H. Agnew WRH Title Mining Engineer Date 8/19/53

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

Signature W. H. King Title Executive Officer Date OCT 29 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 1953

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

Month of July 31, 1953 Docket No. DMEA 2760 Contract No. IIM-E 527
Operator's Name Jack L. Neal and Dennis E. Green Minerals Asbestos
Address P. O. Box 1730, Globe Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	feet	5,400.00	150	5,400.00	150	36.00	150	36.00 Stage One.
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping	Job	.00	.00	408.00	One Job	408.00	Job	408.00
Trenching								
Test Pits								
Roads [redacted]	Job	.00	.00	2,507.00	One Job	2,507.00	Job	2,507.00
TOTAL DISTRIBUTED COSTS		5,400.00	150	8,315.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								26,935.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
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 July 31, 1953 Operator Jack L. Neal & Dennis E. Green

Per Dennis E. Green Title Operator

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 2 0 1953

Administrative Audit Difference Statement

Date: October 20, 1953
Payee's
Reference: Progress
Report - July, 1953

Jack L. Leal & Dennis L. Green
P. O. Box 3730
Globe, Arizona
[illegible]-27

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

Amount Claimed	$[illegible]
95% equals	[illegible]
Difference less	$ [illegible]
Amount Approved	$[illegible]

The reason for the difference was due to:

[illegible] Retained pending final report

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 30 1953

224 New Customhouse
Denver 2, Colorado

October 29, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2760, Contract Idm-E527 (Asbestos), Jack L. Neal and Dennis E. Green, Mystery Asbestos Prospect, Gila County, Arizona. Operator's Monthly Progress Report for the period July 1953.

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

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

An amount of $100.00 is to be withheld from the total due the Operator pending release of the final Report of Review and receipt of the Operator's final report. This project is to be terminated by mutual agreement as it is considered that no worth-while discovery of asbestos will be made.

Remarks:

Date of Report	July 31, 1953.
Date Received in Field Office	August 27, 1953.
Date Received in Region Office	August 31, 1953.

Delay in Region Office due to resolving of matters pertaining to termination of contract and final payment.

W. H. King
W. H. King

Enclosures

RDB:cwm

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

MINING DIVISION
REGION IV

August 27, 1953

Memorandum

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

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

Subject : July 1953 Progress Report, Contract Idm-E527, Docket DMEA-2760, Neal & Green, Mystery Asbestos Prospect, Gila County, Ariz.

Enclosed in quintuplicate are the following:

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

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

This completes work under Stage I of the contract.

Work at this project consisted of 40 feet of incline and 110 feet of horizontal drift. However, as both parties recommend that the contract be terminated, I recommend that at least 10 percent of the Government's share of the costs be withheld until a satisfactory final report has been submitted by the operators, and the remainder be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2760
DF

WRStorms:frj

MINING DIVISION
REGION IV

August 27, 1953

Memorandum

To : Walter H. Storms, Chief, Mining Methods Br., Mining Div., Region IV, Tucson, Arizona

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

Subject : July 1953 Progress Report, Contract Idm-E527, Docket DMEA-2760, Neal & Green, Mystery Asbestos Mine, Gila County, Ariz.

In accordance with your request, the subject property was visited on August 6, 1953. The property was revisited on August 18, 1953, the writer accompanying A. F. Shride, geologist, U. S. Geological Survey. During the month of July the operator completed 150 feet of combined sinking and drifting, thus fulfilling the units of work authorized for Stage I of the contract.

The project was cautiously recommended for exploration based upon limited exposures of strategic quality asbestos in a serpentine zone immediately below the base of the Algal member of the Mescal formation. The plan map of the workings (figure 1) indicates the fiber zone as delimited by the project work.

At the right wall of the portal a 16-inch serpentine zone, containing several discontinuous bands of short fiber, is exposed. The most persistent band of fiber is 1/4-inch in length. The serpentine zone as exposed at the left wall of the portal is 28-inches thick with no apparent fiber. However, fiber was noted in a bedding plane fault that is especially well exposed along the left wall near the portal.

The serpentine zone exposed at the portal did not persist down dip and lasted but a few feet. Nevertheless the operator continued sinking down dip for a total of 40 feet, but without intersecting better serpentine zones. The beds down dip were relatively thin, only slightly serpentinized, and contained a discontinuous stringer of very short fiber.

CC W. H. King (Orig. & 6)
DMEA-2760
DF

RWAgeton:frj

The operator at this point was not certain what to do but felt that by drifting northerly along the strike of the beds he would intersect the better serpentine zone as exposed by the surface cut. The strike drift exposes the thin beds below the Algal formation but nowhere along the drift or at the face is there a good exposure of serpentine or fiber. The serpentine that is exposed continues to be slightly weathered. A very thin (less than 1/8-inch in thickness) discontinuous band of amber or golden fiber is exposed at the face in a poor serpentine that is slightly weathered. After completing the units of combined sinking and drifting allowed under Stage I of the contract the operator awaited the arrival of the field examiners in order that they determine the feasibility of further work.

As the 150 feet of combined sinking and drifting are according to the terms of the contract, it is recommended that the Government's share of the cost be paid.

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

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

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

Dear Mr. Storm:

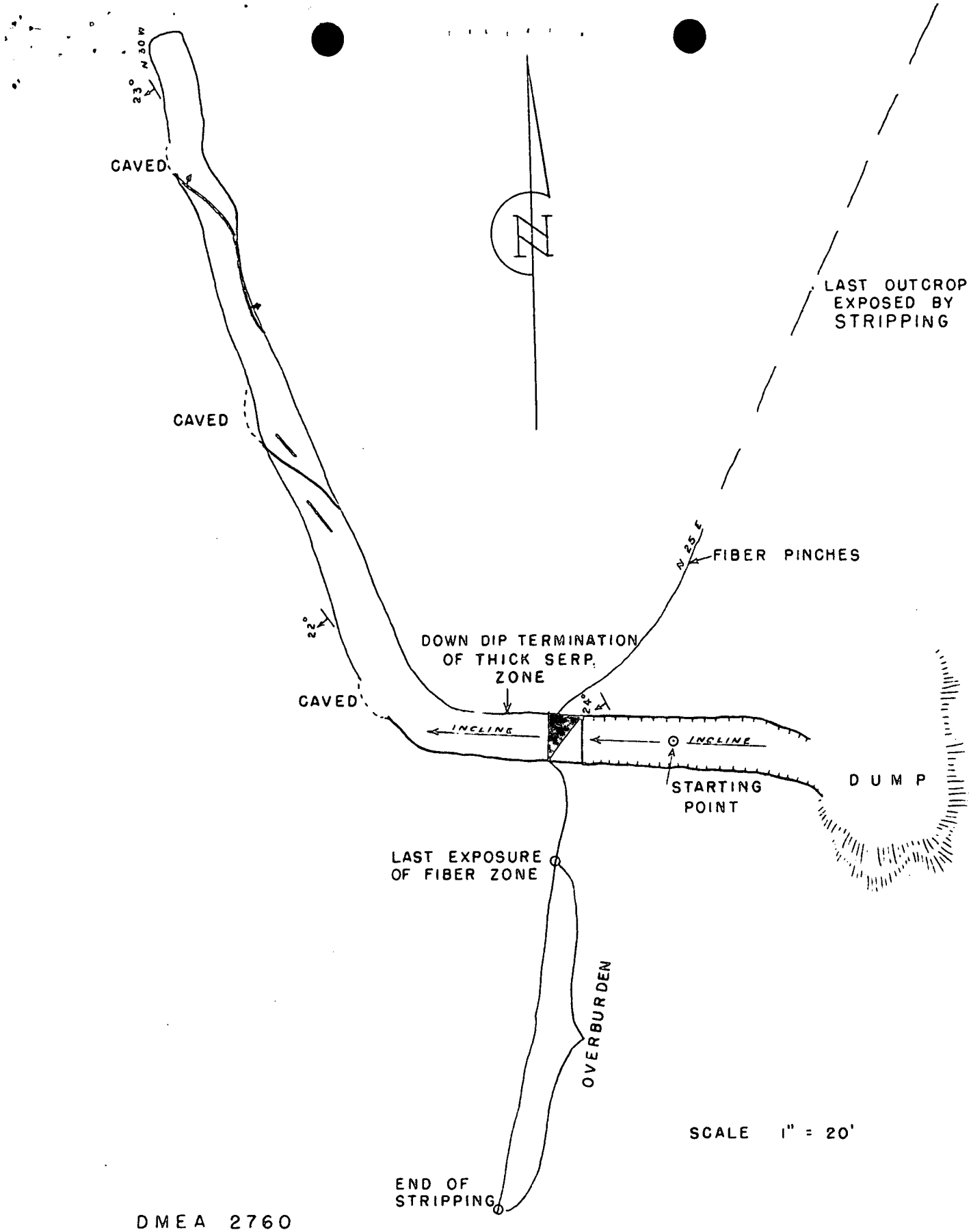
Reporting work progressed during the month of July 1953 on Jack L. Neal and Dennis L. Green exploration project Docket Number MEA 2760, Commodity Asbestos, Contract Number IM-S 527.

Under State Inc we have completed 150 feet of drift. The field team has made an inspection of this work and it has been mutually agreed that the indications for a commercial ore body in this particular area is not promising.

Yours very truly,

Dennis L. Green

DLGra



DMEA 2760

FIGURE 1. - PLAN OF MINE WORKINGS

MYSTERY MINE GILA COUNTY, ARIZONA

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

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

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

Month of June 30, 195 3 Docket No. DMEA 2760 Contract No. IDM-E 527
Operator's Name Jack L. Neal and Dennis E. Green Minerals Asbestos
Address P. O. Box 1730 Globe, Arizona
Contract Amount, $26,935.00 Government Participation: 90 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing Road	2,507.00	.00	2,507.00			
Crosscutting						
Drifting						
Stripping Outcrop	408.00	.00	408.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2,915.00		2,915.00	2915.00		2915.00

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

Date June 30, 1953 *Payee Jack L. Neal & Dennis E. Green

Per Dennis E. Green Title Operator

*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:

$2623.50

Signature (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. DMEA 527 in accordance with the terms of the contract.

Signature John H. Ogston WRH Title Mining Engineer Date 7/16/53

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 30, 1953 Docket No. DMEA2760 Contract No. IDM-E 527
Operator's Name Jack L. Neal and Dennis E. Green Minerals Asbestos
Address P. O. Box 1730 Globe Arizona

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Feet						150	36.00 Stage 1.
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping	Job	408.00	Job	408.00	1 Job		Job	408.00
Trenching								
Test Pits								
Roads and Trails	Job	2,507.00	Job	2,507.00	1 Job		Job	2,507.00
TOTAL DISTRIBUTED COSTS		2,915.00		2,915.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,915.00		2,915.00				26,935.00

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 June 30, 1953 Operator Jack L. Neal & Dennis E. Green

Per Dennis E. Green Title Operator

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

July 22, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2760, Contract Idm-E527 (Asbestos), Neal and Green, Mystery Asbestos Mine, Gila County, Arizona. Operator's Monthly Progress Report for the period June 1953.

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

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

Remarks:

Date of Report	June 30, 1953.
Date Received in Field Office	July 6, 1953.
Date Received in Region Office	July 20, 1953.
Date Processed for Payment	July 22, 1953.

W. H. King
W. H. King

Enclosures

RDB:cwm

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

MINING DIVISION
REGION IV

July 16, 1953

Memorandum

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

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

Subject : June 1953 Progress Report, Contract Idm-1527, Docket DMEA-2760, Neal & Green, Mystery Asbestos Mine, Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report;

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

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

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

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMEA-2760
MF

WRStorms:frj

MINING DIVISION
REGION IV

July 16, 1953

Memorandum

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

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

Subject : Monthly progress report, June 1953, Mystery asbestos mine (Neal and Green) DMRA-2760, Contract Idm-2527, Gila County, Arizona.

In company with L. A. Stewart, I visited the subject project on June 29, 1953. The access road construction of Stage I of the above contract was started June 1, 1953. From paved U. S. Highway 70, about 3 miles of old Indian Service road is utilized, the latter half of which was dozed lightly to reach the start of new construction. New road built was 3.2 miles, mostly side hill cuts, with estimated grades of up to 20 percent. This grade, combined with the lack of compactness of the new work, requires use of a 4-wheel drive or compound geared vehicles.

The outcrop has been dozed and stripped by drilling and blasting. This work was completed on June 20, 1953. A camp has been established and equipment assembled to start the drifting phase of Stage 1.

The cost of work to date is at a unit cost of $2,507.00 for road construction and $408.00 for outcrop stripping for a total of $2,915.00.

As this work has been satisfactorily completed according to the contract, I recommend that the Government's share of these costs be paid.

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

CC W. H. King (orig. & 6)
DMRA-2760
MF

LAStewart:frj

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

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

Dear Mr. Storm:

Reporting work progressed during the month of June 1953 on Jack L. Neal and Dennis E. Green exploration project Docket Number DMEA 2760, Commodity Asbestos, Contract Number IDM-E 527.

Under stage One we have completed the construction of our road. We have also completed the stripping and benching of the outcrop. Lincoln has made an inspection of this work and has designated the starting point for drifting under stage One. This drift work will be commenced during the month of July 1953.

Yours very truly,
Jack L. Neal and Dennis E. Green

Dennis E. Green
Operator

DEG:a

C
O
P
Y

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

January 6, 1954

Mr. Dennis E. Green
Jack L. Neal and D. E. Green
Mining Company
P. O. Box 1730
Globe, Arizona

Subject: Docket No. DMEA-2760 - Asbestos
Jack L. Neal and D. E. Green
Mining Company
Mystery Mine
Gila County, Arizona
Contract No. Idm-E527

Dear Mr. Green:

This is with reference to the subject Exploration Contract between Jack L. Neal and Dennis E. Green, a partnership, and the Government.

The final audit of the contract expenditures have been received and accepted by this Administration. Of the total amount of $26,935.00 approved under the contract, the sum of $8,315.00 was expended, 90 percent of which, or $7,483.50, represented the Government's share. There were no unused materials, supplies or equipment to be disposed of for the joint account of the Operator and the Government.

Because the results of the exploration were unfavorable, it is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to Article 5 (d) of the Contract which requires the Operator to "keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract".

Your interest in the Exploration Program of the Defense Minerals Exploration Administration and your willingness to participate therein are appreciated.

Sincerely yours,

/s/ C. O. Mittendorf

Administrator

JTRobertson:ag 12/29/53
Copy to: Admr. R. File
Docket File
Field Team, Region IV
Dr. Bowles, 3516
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

GOVERNMENT COPY

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

It is agreed this 31st day of July, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and a partnership consisting of Jack L. Neal and Dennis E. Green, hereinafter called the "Operator", parties to that certain Exploration Project Contract Idm-E527, Docket No. DMEA-2760, dated May 22, 1953, that the said contract shall be and is hereby terminated at the completion of Stage I on or about July 31, 1953.

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

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

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

UNITED STATES OF AMERICA

By Jack L. Neal
Jack L. Neal, Partner

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

By Dennis E. Green
Dennis E. Green, Partner

Dock[redacted] No. [redacted]

Commodity [redacted]

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

[redacted]

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 [redacted]

Date of Contract or Amendment: [redacted] May 22, 1959

Name and Address of Operator:

[redacted]

Amount of Government participation ____ $ 24,242.50

Percent of Government participation 90 %

Region: IV State: Arizona

[redacted]

(Name)

[redacted]

(Title)

Date Delivered to Bureau of Mines, Washington. 2/26/59

13908

Docket No. DMEA 2760

Commodity Asbestos

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 527

Date of Contract ~~or Amendment~~: May 22, 1953

Name and Address of Operator:

Jack L. Neal and Dennis E. Green,
P. O. Box 1730
Globe, Arizona

Amount of Government participation $ 24,241.50

Percent of Government participation 90 %

Region: IV State: Arizona

(Name)

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

(Title)

May 26, 1953

Date Delivered to Bureau of Mines, Washington.

13808

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2760

COMMODITY Asbestos

Idm-E527

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 26 1953

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 22nd day of May, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] a partnership consisting of Jack L. Neal and Dennis E. Green
P. O. Box 1730
Globe, Arizona

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Arizona, County of Gila, described as follows:[3] Six unpatented lode mining claims known as the Mystery Mines Nos. 1, 2, 3, 4, 5, 6, and described in a lease dated October 17, 1952, between the San Carlos Apache Tribal Council, lessor, and D.E. Green and Jack L. Neal, lessees.

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 sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] asbestos

in or upon the described land; and shall bring the project to completion within a period of 17 months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay ninety (90) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $24,241.50, which is 90 percent of $26,935.00, 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 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

Dennis L. Green
(Operator)
Jack L. Neal

By Dennis L. Green

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

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

[CORPORATE SEAL]

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

EXHIBIT "A"

Description of the Work

Stage I.

This work consists of bulldozing a truck trail from Coyote Hole tank to the property approximately 2½ miles so as to be passable by 4-wheel drive vehicles. The outcrop is to be stripped and benched with a bulldozer to the serpentine zone immediately below the base of the Algal member. The direction and inclination of 150 feet of exploration drift will be determined after the stripping and benching has been completed. The direction and inclination of the drifts must be acceptable to the DMEA representatives. If at the completion of Stage I the Government believes the deposit justifies additional work, Stage II will be authorized. Prior written approval must be obtained from the DMEA representatives before work is commenced on Stage II. The location of the proposed exploration is shown on Figure 2 which is attached and made a part of Exhibit "A".

Stage II.

This work consists of improving the access road to permit the passage of passenger cars and trucks and 420 feet of drifting and crosscutting at locations acceptable to the DMEA representatives.

Estimated Costs of the Work

Stage I.

1/	Construct a truck trail from Coyote Hole tank to the property passable by 4-wheel drive vehicles.....	$ 2,507.00
1/	Strip and bench the outcrop to the serpentine zone immediately below the base of the Algal member.....	408.00
	Drifting 150 feet @ $36.00 per foot.....	5,400.00
	Total Stage I.....	$ 8,315.00
	Government participation Stage I, 90%....	$ 7,483.50

Stage II.

1/	Improvement of access road to permit passage of conventionally geared cars and trucks.....	$ 3,500.00
	420 feet of drifting and/or crosscutting @ $36.00 per foot.....	15,120.00
	Total Stage II.....	$18,620.00
	Government participation Stage II, 90%	$16,758.00
	Total Stage I and Stage II.....	$26,935.00
	Government participation Stage I and Stage II, 90%.....	$24,241.50

The above estimated costs include any and all costs accrued in the completion of the work.

1/ The entire work constitutes the unit of work.

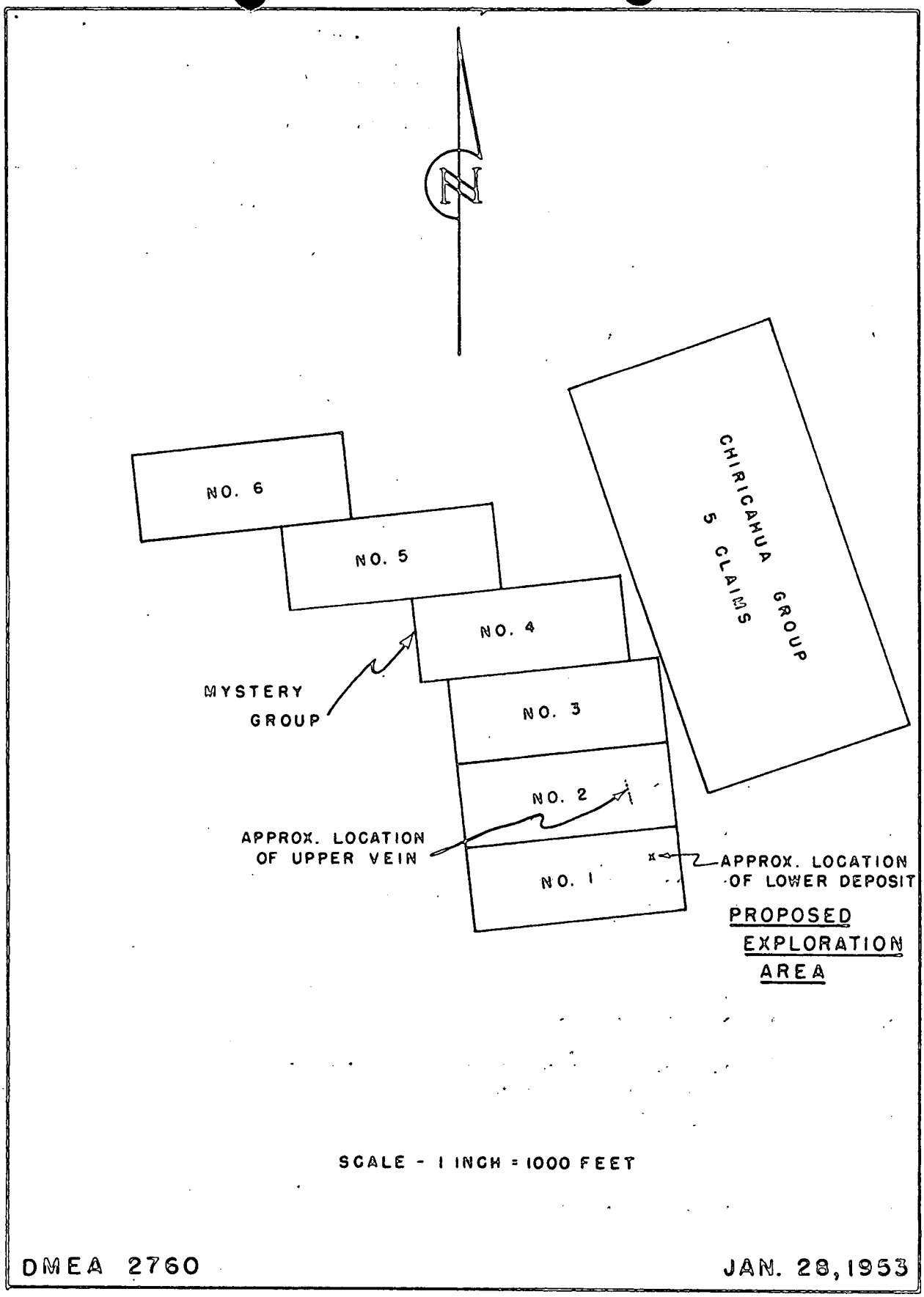

FIGURE 2 - CLAIM MAP, MYSTERY ASBESTOS GROUP, GILA COUNTY, ARIZ.

Jack L Neal

STATE OF ARIZONA } ss.
COUNTY OF [illegible] }

[illegible] instrument, [illegible]

G. A. Austin

[illegible]: March 14 - 1957