DMEA-2760
Ism-E527
Asbestos
Region IV

NEAL AND GREEN MINING COMPANY, GLOBE, ARIZONA. Mystery Mine, Gila County, Arizona. 6/29/53

Letter to the Field regarding the contract and asking that suggested changes in the program of work be discussed with the Operator with a view to amending the contract.

DMEA-2760
Asbestos
Region IV

NEAL AND GREEN MINING COMPANY, GLOBE, ARIZONA. Mystery Mine, Gila County, Arizona. 9-19-53

Field Report recommending approval. The report was referred to the Commodity Group. Contract Ism-E527 was executed in Region IV and is in effect.

[illegible]

NEAL AND GREEN MINING COMPANY, GLOBE, ARIZONA. Mystery Mine, Gila County, Arizona. 6-1-53 No. 223

Letter to the Field requesting the Field Report in connection with the application.

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

224 New Customhouse
Denver 2, Colorado

January 5, 1954.

Memorandum

To: Secretary to the Operating Committee

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.

Enclosed are two copies of a memorandum to Mr. T. A. Christensen dated December 17, 1953, relative to final payment under the terms of the subject contract.

Final payment to the Operator in the amount of $100.00 has now been made in conformance with the Report of Review by the Contract Administration and Audit Division dated November 13, 1953.

W. H. King

W. H. King

Enclosures

Mr. Robertson

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 1/12/54

REFERRED TO:
1. Code 600
2. Code 220
3.
4.

FOR:

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

REMARKS: .....

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

GPO 16—63815-1

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

224 New Customhouse
Denver 2, Colorado

January 5, 1954.

Memorandum

To: Secretary to the Operating Committee

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.

Enclosed are two copies of a memorandum to Mr. T. A. Christensen dated December 17, 1953, relative to final payment under the terms of the subject contract.

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W. H. King

W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

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

W. H. King

W H King $100.00
12/18/53 DMA 54-62

JWT:cwm

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

IN REPLY REFER TO:

G-MD-CNM

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

January 5, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2760 (asbestos)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Jack L. Neal and D. E. Green
Name of property: Mystery Asbestos Prospect.
Location of property: Gila County, Arizona.
Date of field team report: October 7, 1953.
Authorship of field team report: A. F. Shride.
Field team's recommendation: Termination of contract without certification.
Comments: No further work justified.
ACTION RECOMMENDED: Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
1/5/54
cc: Director's reading file 4212
Branch " " "
DMEA 3 ✓
Larrabee G-230

Mr. Roberton

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 1/12/54

REFERRED TO: Code 600

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3.
4.

FOR:

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

REMARKS:

~~ORIGINAL TO DOCKET~~

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

GPO 16—63815-1

IN REPLY REFER TO:

G-MD-CNM

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

January 5, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2760 (asbestos)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Jack L. Neal and D. E. Green
Name of property: Mystery Asbestos Prospect.
Location of property: Gila County, Arizona.
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Comments: No further work justified.
ACTION RECOMMENDED: Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
1/5/54
cc: Director's reading file 4212
Branch " " "
DMEA 3
Larrabee G-230

IN REPLY REFER TO:

G-ML-CNR

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

January 5, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2760 (asbestos)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Jack L. Neal and D. E. Green
Name of property: Mystery Asbestos Prospect.
Location of property: Gila County, Arizona.
Date of field team report: October 7, 1953.
Authorship of field team report: A. F. Shride.
Field team's recommendation: Termination of contract without certification.
Comments: No further work justified.
ACTION RECOMMENDED: Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
1/5/54
cc: Director's reading file 4212
Branch " " "
DMEA 3
Larrabee G-230

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 17, 1953

Memorandum

To: Secretary, Operating Committee, DMEA

From: DMEA Field Team, Region IV

Subject: Docket No. DMEA 2760 (Asbestos), Contract Idm-2527, Jack L. Neal and Dennis E. Green, Mystery Asbestos Prospect, Gila County, Arizona

Enclosed are the following final reports pertaining to the work under subject contract:

1. Original and one copy of the Operator's final report

2. Original and three copies of the final geologic report by the U. S. Geological Survey

3. Original and three copies of the final engineering report by the Bureau of Mines.

Final payment to the operator was processed by this office December 17, 1953 in conformance with the final Report of Review by the Contract Administration and Audit Division dated November 13, 1953, which was released to this office December 15, 1953.

The exploration work consisted of road repair and construction, rim stripping, and 150 feet of drifting at a total accepted cost of $8,315.00 in which the Government participated to an extent of 90 percent or the amount of $7,483.50.

The project was terminated at the completion of Stage 1 by mutual agreement effective July 31, 1953.

The exploration work did not result in a significant discovery of asbestos ore; therefore no certification of discovery or development is recommended.

W. H. King
W. H. King

Reviewed by
DMEA OPERATING COMMITTEE
1-6-54
(date)

for E. N. Harshman
A. H. Koschmann

Enclosures

MF-500

Mr. Robertson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

REFERRED TO: DATE 1/12/54

1. Code 600
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FOR:

- ---------- Action
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- ---------- Initials
- ---------- Mailing
- ---------- Previous correspondence
- ---------- Recommendation
- ---------- Record of ----------
- ---------- Referring to ----------
- ---------- Reply for signature of ----------
- ---------- Rewriting
- ---------- Signature
- ---------- Suggestions
- ---------- Your information

REMARKS:

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

GPO 16—638

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

Defense Minerals Administration
RECEIVED
DEC 28 1953

October 13, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: Final geologic report, DMEA Docket 2760, Contract Idm-E527, Mystery Prospect (Asbestos), J. L. Neal and D. E. Green, Gila County, Arizona

Enclosed are 9 copies of the final geologic report by A. F. Shride of the U. S. Geological Survey covering the above docket.

Since no asbestos ore was found during this exploration program, it has been recommended that no certification should be made.

A. H. Koschmann

A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (9)

Reviewed by
DMEA OPERATING COMMITTEE
1-6-54
(date)

IN REPLY REFER TO:

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

October 7, 1953

Memorandum

TO: A. H. Koschmann

From: A. F. Shride

Subject: Completion geologic report, Contract Idm-E527 (DMEA-2760), Mystery prospect (Asbestos), J. L. Neal and D. E. Green, Gila County, Arizona

Enclosed are the original and 8 copies of the above report by A. F. Shride of the Geological Survey.

No asbestos ore was found during this exploration program and no certification should be made.

A. F. Shride

A. F. Shride
Acting District Supervisor
Arizona - New Mexico

Reviewed by
DMEA OPERATING COMMITTEE
1-6-54
(date)

FINAL GEOLOGIC REPORT

Contract Idm-E527
(DMEA-2760)

MYSTERY PROSPECT
(Asbestos)

J. L. Neal and D. E. Green
Gila County, Arizona

by
A. F. Shride, Geologist
U. S. Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE

1-6-54
(date)

Final Geologic Report, Contract Idm-E527 (DMEA-2760), Mystery Prospect (Asbestos), J. L. Neal and D. E. Green, Gila County, Arizona

Under DMEA contract Idm-E527 a small exposure of chrysotile asbestos was further exposed by bulldozer stripping and was penetrated by a 135-foot adit (fig. 1). No ore was found and no certification of discovery should be made.

GEOLOGY AND EXPLORATION

The asbestos-bearing serpentine zone of the Mystery prospect parallels the bedding of the pre-Cambrian Mescal limestone, which strikes N. 25°-30° W. and dips 22°-24° SW. The asbestos-serpentine zone is in the limestone of the lower member, immediately below the contact of this member and the overlying algal member of the Mescal limestone. A thick concordant diabase sill is approximately 15 feet stratigraphically below the deposit.

At the time of the original examination a serpentine zone 24-30 inches thick that included asbestos veins totaling $3\frac{1}{2}$ to 4 inches was exposed for an outcrop length of 20 feet. Late in June 1953, when an inspection of the DMEA project was made, stripping of the outcrop had been completed and exposed asbestos for an outcrop length of 50 feet. The asbestos in this stripped exposure was obviously in lesser amounts (a maximum $1\frac{1}{2}$ -$2\frac{1}{2}$ inches for a part of the exposure) than in the original outcrop. The asbestos pinched out 30 feet

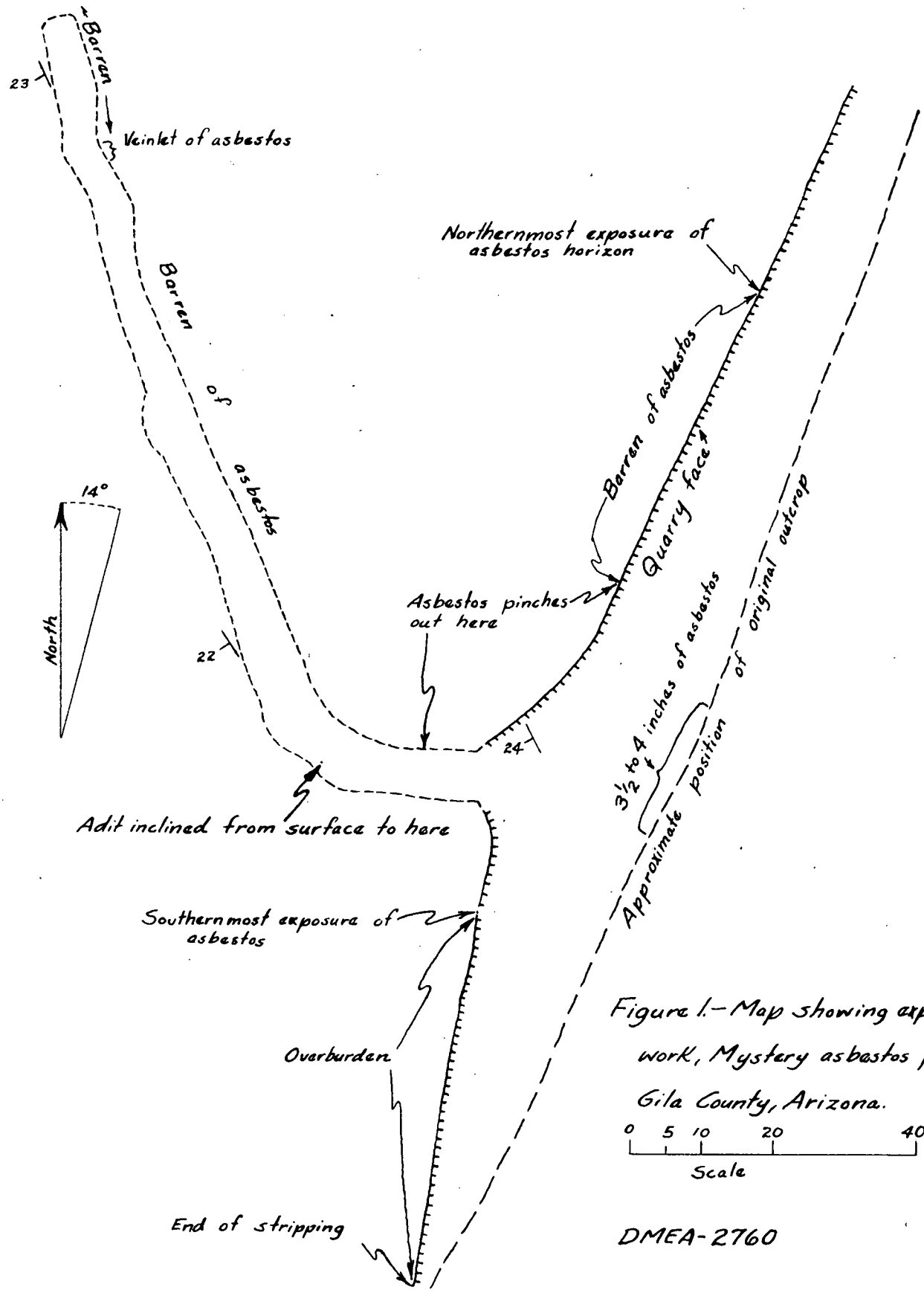


Figure 1.—Map showing exploration work, Mystery asbestos prospect, Gila County, Arizona.

DMEA-2760

north of the present portal site, but was continuous for 20 feet to the south of the portal site where the zone is covered by thick debris. Stripping of the horizon further to the south was not feasible because of the thick overburden. Although the stripping suggested that the asbestos was decreasing in amount to the west, further cautious exploration seemed justified to determine whether the deposit thinned out completely or whether the stripped exposure represented a local thinning of the deposit. On this basis the operator drove an adit as stipulated in the contract under Stage I.

During July, between monthly inspections, the operator completed the drifting allowed under Stage I. This work consisted of inclined and horizontal drifting as shown on figure 1. Approximately 20 feet from the stripped outcrop observed by the examiners in June, the deposit pinched out completely. Approximately at the point where the fiber pinched out (fig. 1) bedding-plane and thrust faulting, which is important in localizing the Arizona asbestos deposits and was very apparent in the original outcrop, becomes insignificant. The limestones of the remainder of the adit were little prepared structurally for mineralization and very little metamorphism of the limestones is observed. Twenty feet from the face of the adit a minute veinlet of asbestos was exposed intermittently for 3 feet along the north wall of the adit.

The adit was inclined for 32 feet from the portal, then turned abruptly to the northwest along the strike of the limestone beds. There was positively no justification for drifting beyond the end of the incline. The operator, at the minimum, should have informed the Tucson office that drifting had progressed beyond the mineralized zone. Preferably the operator should have requested termination of the contract. All unnecessary drifting was done between monthly inspections, and there was no reason to suspect that unwarranted work was being done. Previous work had progressed at such a slow rate that it was not expected that the drifting that has been done would be completed between monthly inspections. The excess work by the operator is not explainable.

CONCLUSIONS

As presently exposed a maximum of $1\frac{1}{2}$ inches of asbestos vein is exposed along the quarry face prepared under this exploration contract. To the northeast along the quarry face and to the west into the adit the fiber-bearing serpentine zone pinches out; south of the adit portal the zone is covered by thick overburden (fig. 1). The operator has done considerably more work than was warranted. No asbestos ore was exposed; therefore a certification should not be made.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1953

SOUTHWEST EXPERIMENT STATION
Box 4097
UNIVERSITY STATION

MINING DIVISION
REGION IV

TUCSON, ARIZONA

October 27, 1953

Memorandum

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

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

Subject : Completion Engineering Report, Contract Idm-E527, Docket DMEA-2760, Neal & Green, Mystery Asbestos Prospect, San Carlos Indian Reservation, Gila County, Ariz.

Enclosed are original and 8 copies of a final engineering report on Contract Idm-E527 by R. W. Ageton of the Bureau of Mines. This report has my approval.

Walter R. Storms

Walter R. Storms

CC W. H. King (8)
DMEA-2760
DF

WRStorms:frj

FOR VICTORY
BUY
UNITED STATES SAVINGS BONDS AND STAMPS

Reviewed by
DMEA OPERATING COMMITTEE
1-6-54
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA-2760, Contract Idm-E527, Neal & Green

Mystery Asbestos Prospect

Gila County, Arizona

Completion Report

Robert W. Ageton, Mining Engineer
U. S. Bureau of Mines

October 1953

Reviewed by
DMEA OPERATING COMMITTEE
1-6-54
(date)

DMEA-2760, Contract Idm-E527, Neal & Green
Mystery Asbestos Prospect
Gila County, Arizona

CONTENTS

Final engineering report	Page
Summary, conclusions, and recommendations	1
Introduction	2
Description of work completed	2
Description of geology	3
Expenditures	4
Efficiency of operations	5
Equipment and supplies	5

ILLUSTRATIONS

Figure		Following page
1	Location map	2
2	Plan of mine workings	4

SUMMARY, RECOMMENDATIONS, AND CONCLUSIONS

The Mystery Asbestos Prospect, a partnership, applied for Government assistance to explore for asbestos on claims near the crest of the Hayes Mountains, 15 miles southeast of Globe, Gila County, Ariz. The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, entered into Exploration Project Contract No. Idm-E419, Docket DMEA-2760, dated May 22, 1953, with the partnership, consisting of Jack L. Neal and Dennis E. Green.

Exploration for asbestos at the Mystery Asbestos Prospect was recommended as a 2-stage program. Work performed under Stage I of the contract consisted of bulldozing a 3.2-mile access road, stripping the overburden (drilling and blasting where necessary), sinking an inclined shaft 20 feet, and drifting 110 feet along the strike of the limestone beds. The strike drift was driven along weakly serpentinized, thin limestone beds that contained only one discontinuous band of fiber less than 1/8-inch thick.

The exploration disclosed that the spectacular surface showing did not persist down the dip of the limestone beds. Based upon this information, the project was terminated by mutual agreement with the operator on July 31, 1953, and Stage II was not started. No asbestos deposit could be expected in the exploration area and no additional work is justified in this zone.

INTRODUCTION

The property is known as the Mystery Asbestos Prospect and is located near the crest of the Hayes Mountains at an altitude of approximately 4,500 feet above sea level (figure 1). The claims are in unsurveyed secs. 9 and 16, T. 2 S., R. 17 E., on the San Carlos Indian Reservation. As a result of the exploration work the property is now accessible from paved U. S. Highway 70 by a dirt road 6 miles long, 3.2 miles of which are passable only by 4-wheel drive or compound geared vehicles.

The exploration application was docketed as DMEA-2760 (Asbestos) and the work was performed under contract Idm-E527 dated May 22, 1953. The operators of the property were Jack L. Neal and Dennis E. Green, P. O. Box 1730, Globe, Ariz. The project was recommended for exploration by Lincoln A. Stewart, mining engineer, Bureau of Mines, and A. F. Shride, geologist, Geological Survey.

DESCRIPTION OF WORK COMPLETED

The exploration project was contracted as a 2-stage program. Work under Stage I was started on June 1, 1953, the operator bulldozing a 3.2-mile access road and stripping the outcrop (drilling and blasting where necessary). These 2 job units of work were completed on June 20, 1953. Sinking an inclined shaft 20 feet and drifting 110 feet northerly along the strike of the limestone beds (also work under Stage I) was completed on July 31, 1953 (figure 2). The information disclosed by the exploration under Stage I indicated that further work was not justified. Therefore, Stage II was not started, and Contract Idm-E527 was terminated by mutual agreement before completion.

DESCRIPTION OF GEOLOGY

The Mystery deposit occurs in pre-Cambrian Mescal limestone which is a part of a succession of strata known as the Apache group. In the general area of this prospect, these sediments have been intruded by diabase, block-faulted, tilted, and eroded into an intricate pattern. Block-faulting has produced a unique condition with the relationship between the 2 outcrop exposures of fiber. The upper outcrop of fiber is stratigraphically approximately 60 feet lower than the outcrop of the lower deposit.

The serpentine zones of the upper deposit lie about 60 feet below the base of the Algal member of the Mescal limestone. The upper serpentine zone is 2- to 4-inches thick and contains discontinuous fiber veinlets of short semi-harsh fiber. Approximately 1 foot below the upper zone, narrow serpentine bands contain only traces of semi-harsh fiber. The upper deposit was not recommended for exploration work.

Prospect work on the lower deposit exposed a 2-foot thick serpentine zone immediately below the Algal formation that contained a total of more than 4 inches of soft, high-strength fiber. Some of the fiber was No. 1 grade, and a considerable amount was No. 2 grade. The deposit parallels the bedding of the Mescal formation, which strikes N. 30° W. and dips approximately 24° southwest. Based upon this exposure, the lower deposit was cautiously recommended for exploration by a 2-stage program.

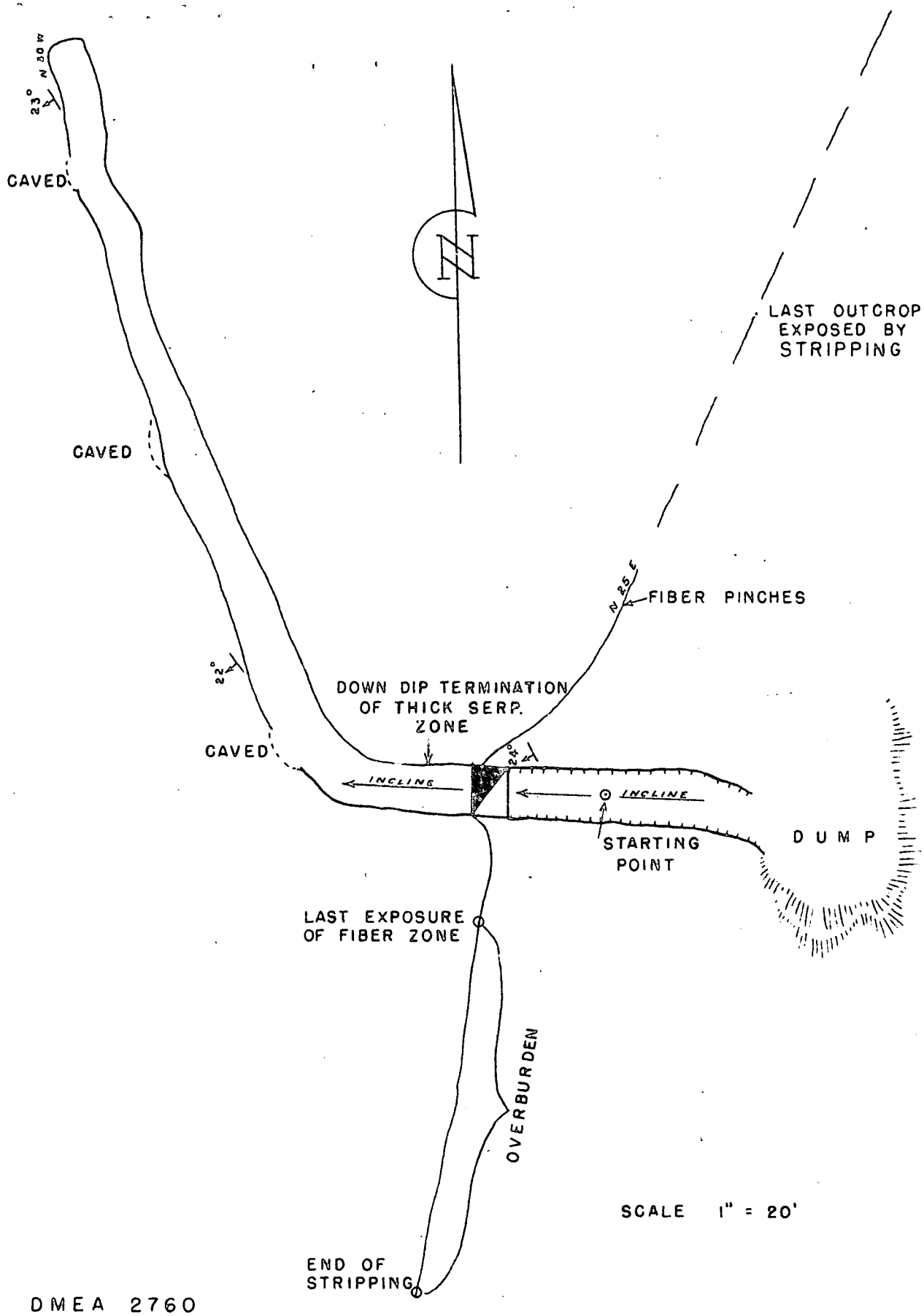
The project work consisted of sinking an inclined shaft and driving a drift along the strike of the beds. At the right wall of the collar of the shaft, a 16-inch serpentine zone, containing several

discontinuous bands of short fiber, was exposed. The serpentine zone as exposed at the left wall was 28-inches thick with no apparent fiber. However, fiber was noted in a bedding plane fault that was especially well exposed along the left wall near the shaft collar.

The spectacular serpentine zone, exposed at the surface cut near the collar of the shaft, did not persist down-dip for more than about 5 feet (figure 2). The beds down-dip were relatively thin (the thickest being about 9 inches in width), only slightly serpentinized, and contained a discontinuous stringer of very short fiber, 1/16 inch (more-or-less) in thickness. The strike drift (110 feet long) exposed the thin beds below the Algal formation, but nowhere along the drift or at the face was there a good exposure of serpentine or fiber. The serpentine that was exposed continued to be slightly weathered. A very thin (less than 1/8 inch in thickness) discontinuous band of amber or golden fiber was exposed at the face in a poor serpentine that was slightly weathered. The deposit, as exposed by the project exploration work, has a length of about 100 feet, a width of about 6 feet, and a depth of approximately 20 feet.

EXPENDITURES

Total approved	$26,935.00
Total cost of project	8,315.00
Government's share of cost	7,483.50
Government's share, unexpended	16,758.00



DMEA 2760

FIGURE 2. - PLAN OF MINE WORKINGS

MYSTERY MINE GILA COUNTY, ARIZONA

EFFICIENCY OF OPERATIONS

The exploration was conducted in a workman-like manner and according to contract specifications.

EQUIPMENT AND SUPPLIES

This contract was on a unit cost basis, consequently there was no Government participation in cost of equipment or supplies.

Rough Draft

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

Subject: Docket No. DMEA-2760
Jack Neal and Dennis Greene
Mystery Mine

Dear Mr. King:

Reference is made to your memorandum of June 23, 1953, on the cost of drifting and crosscutting on the subject contract and memoranda dated June 18 from Mr. Storms and Mr. Stewart.

Please note that the contract was received in this office May 27, while it was not until June 15 that the field team report was received. We are unable to evaluate these contracts without the field team report.

DMEA-4

Monthly Report of DMEA
Field Team

Region_____

Month_____

Exploration Applications

On hand first of month	_____
Received from applicants	_____
Received from Washington office	_____
Transmitted to Washington office	_____
On hand at end of month	_____

Exploration Contracts

		Total Amount	
	No.	Government	Private
In force first of month			
Projects inspected			
Signed during month			
Terminated			
In force at end of month			

Man Days

	Mines		Survey	
	Prof.	Nonprof.	Prof.	Nonprof.
Applications				
Administration of contracts				
Other				
Totals				

Total Professional _____

Total Nonprofessional _____

Attach list of cases on hand at end of month, indicating status of each. Any other remarks considered appropriate may be made on an attached sheet.

Submit four copies to the Operating Committee by the 5th of the month.

Interior—Duplicating Section, Washington, D. C. 10425

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

March 12, 1953.

Memorandum

To: DMA Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Final Report, DMEA Docket 2760 (Asbestos), Jack Neal and Dennis Green, Mystery Mine, Gila County, Arizona.

Enclosed are nine copies of the final engineering report on the subject docket.

The examining engineer believes that the exposed mineralized zone warrants exploration and he recommends this be done in two stages at a total cost of $26,935.00, Government participation - $24,241.50.

We concur in this recommendation.

John F. Shaw
John F. Shaw
For W. M. King

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
6-19-53
(date)

MINING DIVISION
REGION IV

January 30, 1953

Memorandum

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

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

Subject : Report on Docket DMEA-2760, Jack L. Neal and Dennis E. Green, Mystery Asbestos Prospect, San Carlos Indian Reservation, Gila County, Ariz.

Enclosed are original and 8 copies of a report on the above property by L. A. Stewart of the Bureau of Mines. This report has my approval.

As A. F. Shride of the Geological Survey may not be able to submit his geological report for sometime because of other work, we are submitting the Bureau of Mines report for your information.

Brochure will be submitted at a later date by Shride.

Walter R. Storms

Walter R. Storms

CC: W.H.King (8)
A.F.Shride
DMEA-2760
DF

WRStorms:als

Reviewed by
DMEA OPERATING COMMITTEE

6-19-53
(date)

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

March 9, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2760, Mystery Claims, Gila County, Arizona. Jack L. Neal and D. E. Green Mining Company. Asbestos.

Enclosed are the original and 8 copies of the geologic report by A. F. Shride of the U. S. Geological Survey covering the above docket.

It has been recommended that the loan be approved, although reservations are stated as to the potential of the deposit and the program of exploration.

The brochure is enclosed.

A. H. Koschmann
A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (10)

Reviewed by
DMEA OPERATING COMMITTEE
6-19-53
(date)

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

March 4, 1953

Memorandum

To: A. H. Koschmann, Denver, Colorado

From: A. F. Shride, Tucson, Arizona

Subject: Geologic Report, DMEA 2760, Mystery Claims, Jack L.Neal and D. E. Green Mining Company, Gila County, Arizona (Asbestos)

Enclosed are the original and 8 copies of the above report by A. F. Shride of the Geological Survey.

Although the applicants' revised exploration program is recommended for a DMEA contract, it should be noted that reservations are stated as to the potential of the deposit and the program of exploration.

The brochure is enclosed.

A. F. Shride
Acting District Supervisor
Arizona-New Mexico

Enclosures 9

Reviewed by
DMEA OPERATING COMMITTEE
6-19-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA-2760, Mystery Asbestos Prospect,

Jack L. Neal and Dennis A. Green

San Carlos Indian Reservation

Gila County, Arizona

Lincoln A. Stewart, Mining Engineer
U. S. Bureau of Mines

January 1953

Reviewed by
DMEA OPERATING COMMITTEE
6-19-53
(date)

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

By Lincoln A. Stewart[1]

An application was made to the Defense Minerals Exploration Administration by Jack L. Neal and Dennis E. Green for a $26,975 loan to explore an asbestos zone that outcrops on one of the claims of the Mystery group. This application, docketed as DMEA-2760, proposed 775 feet of drifting, plus construction of one-half mile of access road from the adjacent Chiricahua group. This road was predicated upon the assumption that project work would be approved for the latter group (DMEA-2763).

The Mystery group of 6 unpatented claims, held under a lease from the San Carlos Indian Reservation, is 16 air miles southeast of Globe, Gila County, Ariz.

An investigation was made by the DMEA examining team[2] on Dec. 2, 1952. The upper deposit was found to contain only small amounts of semi-harsh asbestos and was considered structurally and geologically unfeasible for exploration. The lower deposit, only 20 feet of which is exposed, shows a 2-foot serpentine zone that contains a total of more than 4 inches of soft, high-strength fiber, some of which is No. 1, and much is No. 2 grade. The limestone segment in which the vein occurs is a down-faulted or slumped block, the bedding of which dips 30° westward into the hill.

The exposure of asbestos is so limited that only a stage project is justified. As this project had to stand on its own merits,

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1/ Mining Engineer, U. S. Bureau of Mines
2/ A. F. Shride, Geologist, U. S. Geological Survey and L. A. Stewart, Bureau of Mines.

the applicants submitted a revised proposal on January 19 that included a much longer access road, and exploration by stages. Stage I is to consist of dozing a very low standard, 2½ mile truck trail to the property, stripping the outcrop, and drifting 150 feet into the deposit. If this work indicates sufficient potential, Stage II is to consist of improvement of the access road and an additional 420 feet of drifting and crosscutting. Stage I is estimated at $8,315, and Stage II at $18,620, or a total project cost of $26,935.

The exposed, limited extent of the mineralized zone shows asbestos of strategic quality and grade. There is insufficient evidence available to even speculate on the extent of the deposit. It may be relatively small, but there is a possibility that a fair sized asbestos body may be developed. The showing is too good not to justify some exploratory work.

It is recommended that an exploratory loan be granted to Neal and Green for the proposed work of Stage I in the amount of $8,315, and that Stage II, in the amount of $18,620, be dependent upon the findings of Stage I.

MYSTERY CLAIMS
JACK L. NEAL AND D. E. GREEN MINING COMPANY
GILA COUNTY, ARIZONA
(ASBESTOS)

DMRA 2760

Geology

By
A. F. Shride
Geologist, U. S. Geological Survey

MYSTERY CLAIMS
JACK L. NEAL AND D. E. GREEN MINING COMPANY
GILA COUNTY, ARIZONA
(ASBESTOS)

DMEA 2760

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INTRODUCTION

The Mystery asbestos prospect is near the crest of the Hayes Mountains, on the unsurveyed San Carlos Indian Reservation, and approximately 12½ miles southeast of Globe, Arizona. The deposits are near the foot of a northeast-facing escarpment in an area of rugged, and in places precipitous, topography at an altitude of approximately 5,000 feet. At present 4-wheel-drive vehicles must stop approximately 2½ miles from the claims.

UPPER ASBESTOS DEPOSIT

The most obvious asbestos-serpentine zones on the Mystery property crop out almost continuously for 300-350 feet in a direction mainly along the strike of the enclosing Mescal limestone. The zones parallel the bedding of the enclosing limestones. In this area the limestone beds strike N. 10° - 20° W. and dip 25° - 30° SW. Two and in some places, three, asbestos-serpentine zones are very well exposed in this outcrop. The topography is such that the deposit is well exposed in the strike dimension and fairly well exposed in the dip dimension. Therefore the observed exposures are probably typical of the deposit.

The uppermost, and most persistent of the three mineralized zones is approximately 60 feet below the top of the lower member of the Mescal limestone. This uppermost serpentine zone, which is 3 to 6 inches thick (estimated average 4 inches), includes asbestos veins ranging from ¼ to 1 3/4 inches in cumulative thickness. The average total thickness of the veins in this zone is estimated, from several careful measurements, to be slightly less than 1 inch. The fiber is semi-harsh and lacking in tensile strength.

The veins of the second zone, which is one foot below the top zone, total ½ inch in thickness (as an average) in the best mineralized

portions of the area. In places this zone contains no asbestos; in other places the veins total as much as 3/4 of an inch. The fiber, which is semi-harsh, occurs in a 4-5 inch thick bed of incompletely serpentinized limestone.

Minute veinlets of asbestos, rarely totaling 3/4 of an inch in thickness occur sporadically along a 6 inch thick bottom zone of poorly serpentinized limestone that is 12 to 18 inches below the second zone. Throughout much of the length of this zone only traces of asbestos can be observed. The widest observed veinlet was 1/16 inch in thickness.

At the northern end of the outcrop the diabase sill is 3 inches below the top zone. Thirty feet south of the northernmost exposure of asbestos the diabase sill locally cuts down through the limestone and beneath most of the exposed asbestos is 6 to 8 feet below the top asbestos zone. Even at the point of discordancy no folding of the limestones was caused by diabase intrusion.

Bedding-plane faulting caused little shattering of the limestones and therefore serpentine and asbestos were not localized in significant quantities. No folds, that might aid in localization of asbestos, were observed. Elsewhere in the district asbestos was deposited in quantity only in competent limestone beds. In this stratigraphic section none of the observed purer, more brittle limestone beds exceeded 8 inches in thickness and most beds range from 1 to 3 inches in thickness, and calcareous shales are interbedded with the limestones. Had competent limestones existed in this section the mineralization might have been significant.

LOWER ASBESTOS DEPOSIT

Approximately 250 feet northeast of the southernmost outcrop of the deposit described above, and 150 feet lower in altitude another asbestos deposit is exposed in the bottom of a narrow, steep-sided, southeast-trending

gully. This lower asbestos-serpentine zone is on the contact between the massive upper member and the lower member of the Mescal limestone (i.e. at a horizon stratigraphically approximately 60 feet higher than the upper asbestos deposit). The deposit parallels the bedding of the formation, which strikes N. 10° W. and dips 25° - 30° SW. A thick concordant diabase sill underlies the exposed part of the asbestos deposit at a stratigraphic distance of approximately 15 feet.

The horizon of the lower asbestos deposit crops out for a distance of only 20 feet along a dip slope. Up dip from this exposure a thin veneer (possibly 3-5 feet thick) of soil covers the horizon; down-dip, into the hill, a thick talus which will be difficult to remove covers the favorable horizon. The 20-foot long outcrop exposes a serpentine-asbestos zone 24-30 inches thick that includes veins of asbestos totaling 3½ to 4 inches in thickness. This fiber is soft and of good tensile strength.

Much pre-fiber fracturing of the limestone is apparent in the asbestos-serpentine outcrop. Such fracturing is most common near a discordant diabase intrusion. Because of the stratigraphic position of this ore zone and the geometric relation of this zone to that of the upper deposit the limestone "block" which contains the asbestos is certainly terminated against diabase in a down-dip direction from the one asbestos exposure. How far down the dip of the beds this termination occurs cannot be predicted; however, the type and degree of fracturing apparent in the asbestos-serpentine outcrop strongly suggest that diabase may cut across the limestone within a few feet of the observed outcrop. No structural trend that might suggest the bearing of a discordant diabase limestone contact was observed. Outcrops of the limestone beds adjacent to the ore horizon are adequate in an up-dip direction to show that diabase does not cut off the horizon in that direction.

These adjacent limestone beds are exposed in an up-dip direction (to the northeast) for approximately 30 feet beyond the asbestos outcrop, then are exposed in strike direction (to the north-northwest) for approximately 150 feet, where the limestone is terminated against a cross-cutting diabase sill. Approximately 60 feet downstream (to the southeast) from the asbestos-bearing outcrop a gully exposes a diabase sill in such a way as to show that the asbestos-bearing beds also are truncated in that direction. Therefore the block of limestone available for exploration is outlined by a minimum area approximately 200 feet long and 50-60 feet wide. The extent of the limestone down-dip (southwest) cannot be predicted. Though the extent of the limestone down-dip cannot be predicted, it must be recognized that (1) if this discordant contact is close, and (2) if the discordant contact has a northwesterly bearing the maximum area available for exploration may be also on the order of 50 by 200 feet. The exploration proposed below is predicated on the hope that the discordant contact is of westerly or south-westerly strike.

POSSIBLE EXPLORATION PROGRAM

The upper asbestos deposit was to have been the main subject of the applicant's exploration program. In view of the lack of geological features favorable to asbestos localization and the lack of significant amounts of asbestos in the well exposed zones of this deposit exploration is not warranted for the upper deposit.

The one small outcrop of the lower deposit allows insufficient basis for exact planning of an exploration program. Any plan of exploration for this deposit must be approached with reservations because this asbestos-serpentine outcrop may represent a small "pocket" containing a few tens of tons of ore at

most and/or the area for exploration may be small. Such occurrences are common in the Arizona asbestos district; therefore any contemplated exploration of the lower deposit must be started with the understanding that such work may be unsuccessful. Nevertheless, the favorable stratigraphic position, degree of mineralization and fault structures apparent in the one outcrop suggest that at least a small amount of work is worthwhile to determine whether this is a small pod of ore or, alternatively, may be the only outcrop of a deposit of significant size.

The logical first step in exposing the lower deposit would be (1) to expose the up-dip part of the favorable horizon by 4 to 6 small hand-dug pits and (2) to expose the asbestos horizon as far down-dip as possible by hand methods. Such work would not require an access road and could be done for a few hundred dollars at most. Hand work, if favorable indications were uncovered, could show definitely whether or not an access road to bring in equipment is justified. If the up-dip pits resulted in unfavorable exposure further exploration might still be worthwhile if the down-dip exposure were favorable. However, because of the difficulty of moving large amounts of the coarse covering talus, hand methods of exposure down-dip very likely would not satisfactorily uncover very many linear feet of additional asbestos zone; therefore, such work might not be conclusive. Therefor, the applicant in revising his program does not wish to consider the above preliminary work, but after building a minimum access road wishes: (1) To cut by bulldozer a portal site that would be out of the stream bottom in which the asbestos outcrop exists. (2) After a portal site is opened the applicant would drift for 150 feet on, as best he could judge, the best showing of asbestos. Perhaps as much as 50 feet of this drifting would be used to

determine whether or not the deposit is as much as 50 feet wide along a line at right angles to the initial adit. The above work, plus construction of a rude truck trail, would comprise Stage 1 of the applicants' program. Stage 1 is technically satisfactory except that the writer doubts, on the basis of having watched the separate mining operations of these partners for the past 2 years, the applicant's ability to know how to locate and cut a portal site and determine a direction to be followed by the adit. The applicant believes that the drifting may be on a steep incline. This is not likely unless the deposit plunges almost due west.

The applicants' Stage 2, dependent on satisfactory indications of an ore body by Stage 1, would consist of improvement of the access road and 420 feet of additional drifting to determine the extent of the ore body. It is somewhat hazardous to guess the possible maximum dimensions of the asbestos-bearing limestone block from the available information. The possibilities are several and need not be discussed here, but the writer feels safe in stating that only if the limestone block extends approximately 250 feet down-dip, to a line roughly beneath the outcrop of the upper ore zone, will the 570 feet (1st Stage: 150 feet; 2d Stage: 420 feet) of drifting requested by the applicant be necessary. From the available data this is an unlikely possibility. More likely, in view of the probable limited extent of the host limestone, 150 to 200 feet of drifting will be the maximum footage required for exploration. Therefore, the writer can see little reason for setting up the drifting program in two stages. If circumstances warrant, the drifting can be stopped at any time without reference to the amount of drifting allowable by stages. If much more drifting than 150-200 feet is to be done, thus making a long period of supply necessary, a second stage for road improvement might be warranted.

The writer wishes to point out that, though the applicants claim to have cost estimates from an experienced contractor for the Stage 1 road building, the 14 days allowed for bulldozing may be underestimated. Not less than ½ mile and possibly as much as a mile of the proposed road is over steep slopes on which are exposed quartzite, basalt and diabase that will be difficult to blast and bulldoze. In order to insure completion of Stage 1 it might be well to allow liberally for road construction, at the expense of the 570 feet of drifting which probably is excessive.

CONCLUSIONS

No exploration should be done on the upper asbestos deposit.

The one exposure of the lower deposit suggests a narrow, small deposit localized against a discordant contact between limestone and diabase. Furthermore, the area available for exploration may be small. However, the exposures available are inadequate to prove these possibilities and in view of the good asbestos zone and fracturing and lithology favorable to asbestos localization as observed in the one small outcrop of the asbestos zone a minimum exploration program is worthwhile.

The project is not to be regarded with optimism. The contract should be so prepared that the exploration can be readily terminated at the Government's discretion.

DMEA-2760, MYSTERY ASBESTOS PROSPECT, JACK L. NEAL AND DENNIS E. GREEN SAN CARLOS INDIAN RESERVATION GILA COUNTY, ARIZ.

Engineering Report

By L. A. Stewart
Mining Engineer
U. S. Bureau of Mines

January 1953

DMEA-2760, MYSTERY ASBESTOS PROSPECT
JACK L. NEAL AND DENNIS E. GREEN
SAN CARLOS INDIAN RESERVATION
GILA COUNTY, ARIZONA

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INTRODUCTION

Early in November 1952, an application was submitted to the Defense Minerals Exploration Administration for a $26,975 exploratory loan by Jack L. Neal and Dennis E. Green for their Mystery property. This application, docketed as DMEA-2760, was received by the Tucson office of the Defense Minerals Exploration Administration on November 8, 1952. The purpose of the exploration was to build an access road and prospect an outcropping zone of asbestos well up on the mountain slope of the next valley south of the Chiricahua prospect (DMEA-2763).

As the Mystery and Chiricahua applications were so closely related to the same access road, it was necessary to await receipt of the letter docket which contained the application for the primary access road. The proposed work on the Mystery group consisted of an access road from the end of the proposed Chiricahua road to the exploration area of the Mystery, $2,500; benching and facing the outcrop, $450; and 775 feet of drifting and crosscutting, $24,025. 1/

The field investigation was made by the DMEA examining team on December 2, in company with the applicants. On this trip, the Chiricahua deposit also was investigated. As it was evident that the Chiricahua application was to be denied, any consideration of the Mystery involved a new proposal on account of the longer access road. The applicants did not offer a concrete proposal until they came to the Tucson office on January 19, 1953.

1/ Lincoln A. Stewart, Mining Engineer, U. S. Bureau of Mines and A. F. Shride, Geologist, U. S. Geological Survey.

LOCATION AND ACCESSIBILITY

The Mystery group of claims is located in the Hayes Mountains, about 16 air miles southeast of Globe, Gila County, Ariz., at an altitude of approximately 4,500 feet. The claims are in unsurveyed secs. 9 and 16, T. 2 S., R. 17 E., on the San Carlos Indian Reservation (figure 1).

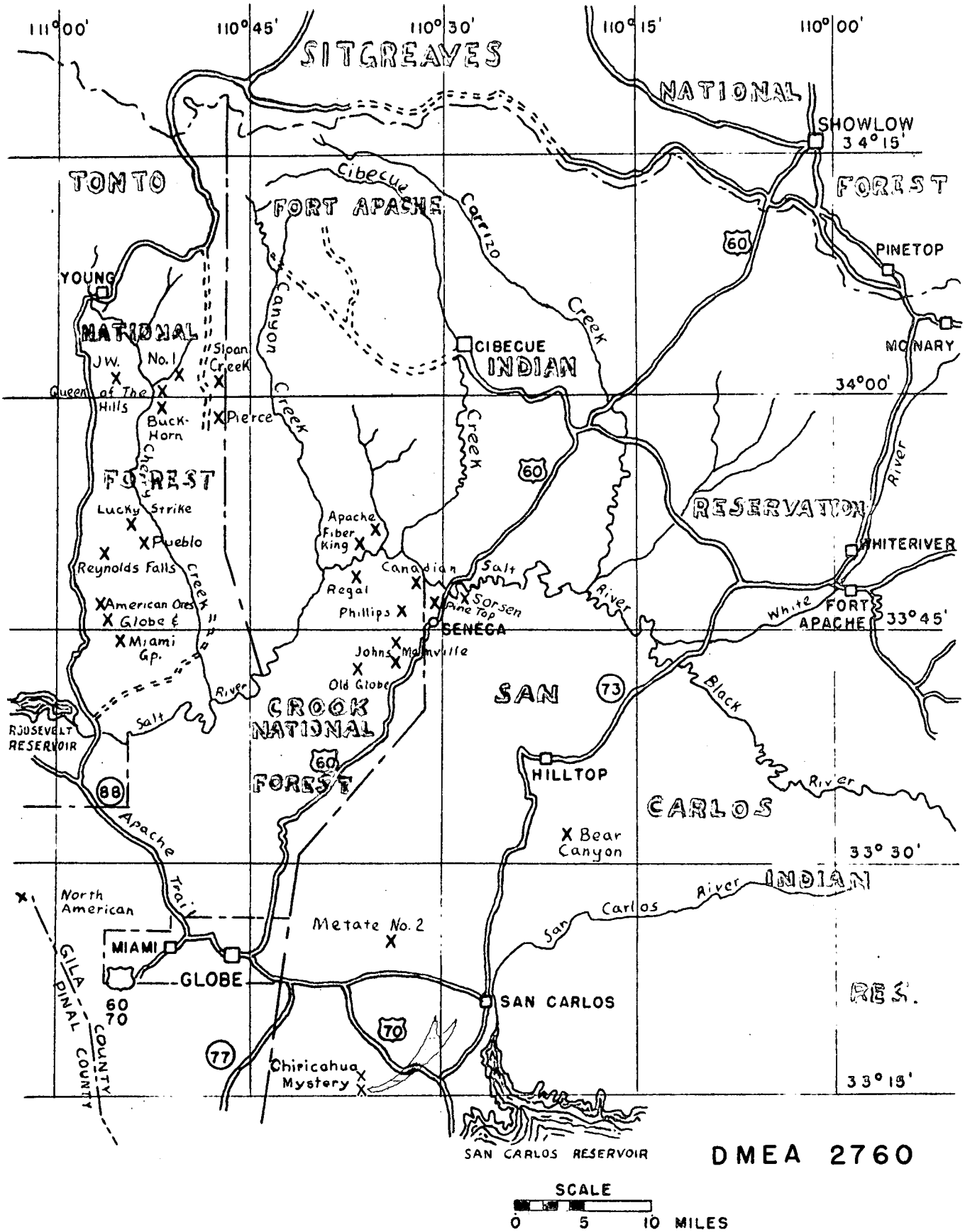
The property is reached by following paved U. S. Highway 70 eastward from Globe for 13 miles, then turning right on a dim truck trail for 2.7 miles to Coyote Hole tank at the end of the road. From this point there is a 2½ mile hike over rough terrain to the outcrops. There is no well defined trail.

None of the operators or prospectors of recent times was aware of the existance of asbestos in this rugged region, consequently no prospecting has been done. It seems to be public knowledge that the Reservation will not favor prospecting by others until Neal and Green have established the right to all the property they wish.

OWNERSHIP AND EXTENT

Jack L. Neal and Dennis E. Green have a 5-year lease on the Mystery group of 6 unpatented claims that was approved by the San Carlos Indian Reservation Tribal Council October 17, 1952 (figure 2). The lease papers are in process of final approval by the Department of Interior.

According to the Legal Staff (memo Frank Johnson to W. H. King, Dec. 19, 1952) it is not necessary to record mining claims on Indian lands at the County Courthouse.



Location Map, Asbestos Deposits, Gila County, Arizona

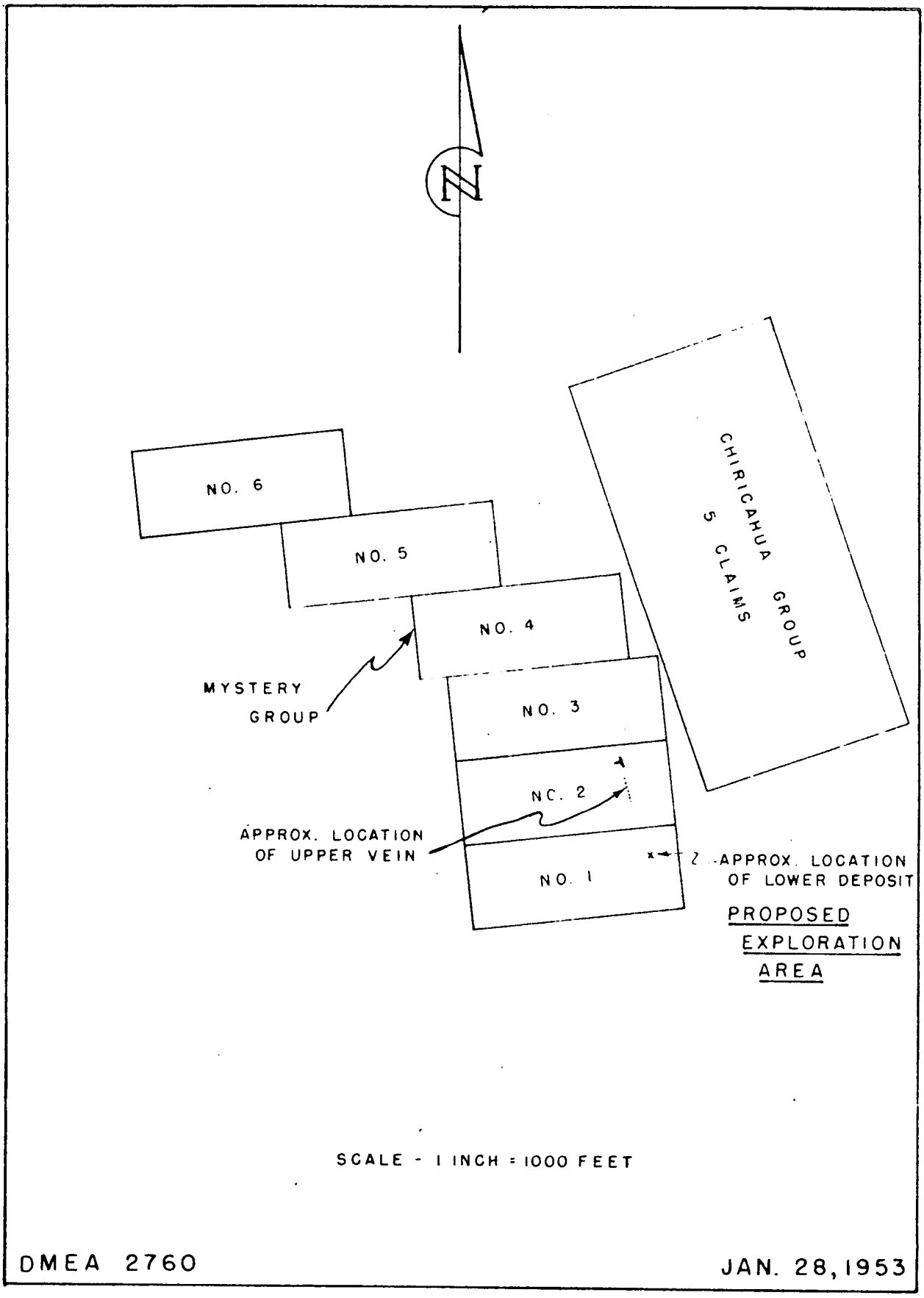


FIGURE 2 - CLAIM MAP, MYSTERY ASBESTOS GROUP, GILA COUNTY, ARIZ.

DESCRIPTION OF THE DEPOSIT

In this general area, the members of the Apache group, intruded by diabase, have been block-faulted, tilted, and eroded into an intricate pattern.

The applicants have done no trenching, pitting, or other work on the property to expose continuations of either of the veins, consequently the descriptions that follow are based on the features that have been exposed by erosion only.

The upper outcrop is well up on the hillside slope. The asbestos zones are well exposed over a distance of approximately 300 feet, and lie about 60 feet below the base of the algal member of the Mescal limestone formation. The upper serpentine zone is 2 to 4 inches thick and contains fiber veinlets containing up to 2 inches of total fiber that is mostly short. The occurrence of fiber is erratic in this vein and probably averages less than 1 inch of total fiber. At 1 foot and 2 feet below the upper zone, narrow serpentine bands contain only traces of fiber. The diabase sill, for 200 feet of the exposure, is 4 feet below the lowest zone. To the northward the diabase steps us to within 3 inches of the upper zone, thus cutting out the 2 lower zones. The upper zone continues for about 100 feet north of this discordancy, showing about 1 inch total fiber. This crosscutting feature did not warp the limestone. Northward the vein is covered with overburden. At the south end of the 300-foot exposure the veins likewise pass under overburden. The fiber in each of the veins is semi-harsh.

The general strike of the formations is N. 10° to 15° W. and the dip is 25° westerly into the hill.

The lower outcrop is of more interest, in fact the 20 feet of visible outcrop is spectacular. A serpentine zone immediately below the base of the algal member is 2 feet in thickness and contains more than 4 inches of total fiber, some of which is No. 1, and much of it No. 2 grade of soft high-strength fiber. The portion of the vein that can be seen has been cleared of overburden by a little gully. Here the strike of the vein is North with a dip of 30° westward into the hill. There is diabase about 20 feet below the ore zone and also at some distance above on the top of the knoll. The block of limestone in which this exposure occurs is not more than 200 feet long, as diabase appears in washes to the north and south. This block is about 200 feet lower than its original position with respect to the formations exposed on the cliff faces above. It could have been either faulted down, or represent a slump block detached from the cliffs above. In either case the dimension into the hill must necessarily be limited, at most to a few hundred feet.

PROPOSED EXPLORATION

The location of the proposed exploration was not specified in the original application. It is the opinion of the examiners that exploration is not justified on the upper zone. However, by mutual consent of the applicants and the examiners, any exploration that is done will be located on the lower exposure.

So little is known of the size of this deposit that only a stage proposal is considered justifiable. In the original Mystery

proposal, the access road was to connect with the proposed Chiricahua road (DMEA-2763). As it became apparent that the Mystery project had to stand on its own merits, the applicants submitted the following revised proposal to the Tucson office:

Stage I

Construct a low standard truck trail passable by 4-wheel-drive vehicles, and strip and bench the outcrop	$2,915
Drift 150 feet into the deposit, @ $36/ft	5,400
Total Stage I	$8,315

If at the completion of Stage I, the potential of the deposit appears sufficient to justify completion of the project;

Stage II

Access road to be improved to permit passage of conventionally geared cars and trucks	$ 3,500
420 feet additional drifting and cross-cutting	15,120
Total Stage II	$18,620
Total Project cost	$26,935

In the docket, the statement was made "claims Nos. 4, 5, and 6 excluded from the project". When the applicants were asked why they excluded half of the property from the production lien, they stated it was simply because they had not seen the claims and did not know what was on them. However, they agreed that all 6 claims could be subject to the usual Government lien on production.

DISCUSSION OF ESTIMATED COSTS

The applicants presented justification of the estimated cost of road work and outcrop stripping by the following breakdown:

Construction of truck trail

Rental of D-8 bulldozer and ripper at $17 per hour, fully operated and maintained.
Estimated 14 days, 8 hours per day .....$ 1,904

Stripping and benching of outcrop

Dozer rental, 3 days 408

Rock drilling and blasting, road and outcrop benching.

Jackhammer operator, plus rental of drilling equipment.
Estimated, 8 days at $16 per day 128
Helper, 8 days at $10 per day 80

Compressor rental, 110 cfm.

10 days at $7 per day 70

Supplies

Dynamite	$ 200	
Caps, fuse, drill bits, etc...	75	
Gas and oil	50	325
Total		$2,915

The applicants secured prices from two contractors for the operation of a D-8 dozer and ripper. One asked $18.75 per hour plus moving time in and out. The second made a bid of $17.00 per hour with no moving in or out time.

The road to be built is over rough terrain in which some rock work will be necessary. This road for the first stage will be merely a trail that can be negotiated by 4-wheel-drive equipment. It is likely that grades up to 30 percent will be necessary.

The outcrop of the deposit is in a gully, one side of which will require considerable drilling and blasting. The writer is of the opinion that the estimated cost of $2,915 for the road work and outcrop benching is reasonable, and is to be considered as a lump sum bid for the work.

The cost of drifting and crosscutting was discussed with the applicants. The surface exposure of the vein to be explored indicates a dip of 30°. As only 20 feet of this vein is exposed, stripping of the formation is necessary to determine where it will be most advantageous to place the exploratory drift. Until this is done the attitude of the proposed drift cannot be determined. A strike drift may not be feasible for the reason that it might not sufficiently explore the depth of the deposit.

Green stated that, in the current exploratory work at Bear Canyon (DMEA-2550), 200 feet of 8-degree inclined drifting has cost more than $30 per foot. The cost of the inclined drifting necessarily increases as the gradient becomes greater. At the inclination of the proposed work is not known at present, the applicant has suggested a flat $36 per foot. This is based on the average of $31 per foot for an incline of 15° or less, and $41 per foot for inclination greater than 15°. The applicants stated that the above sliding scale could be used if the Government preferred to consider these costs rather than an average cost of $36 per foot.

If Stage II is justified, improvement of the access road is to be considered. The excessive grades of the Stage I road are to be reduced by switch-backs, and the general course of the road improved so that conventionally geared cars and trucks can operate. The dozer contractor has estimated that a maximum of 20 days work will be required.

Basing costs on the dozing and rock work of Stage I, it is estimated that the additional road work will cost $171.50 per day. Thus 20 days of road work will cost approximately $3,500.

The remainder of the project cost will be devoted to drifting and crosscutting, total length of which will depend upon the unit price that is accepted.

CONCLUSIONS

In the estimation of the examiners, exploration of the upper ore zone is not justified. At no place is there sufficient concentration of fiber to be considered commercial, nor is it thought there is any structural or geologic reason to expect more abundant fiber at depth. There are no visible diabase structures that could distort the limestone beds and make a target for an exploratory drift.

The lower outcrop could have a possibility of considerable production. The 20 feet of exposed outcrop shows a 2-foot zone of serpentine that contains more than 4 inches of total fiber, some of which is of No. 1 length, and much of it is No. 2. The fiber is soft and of high-tensile strength. A vein having 4 inches of fiber theoretically will produce 26 tons of asbestos of all grades per 1,000 square feet. However, because of the small visible extent, this deposit can be considered only as a prospect. The extent of the vein may be limited to relatively small dimensions, but there is a long chance that a fair-sized asbestos body may be present.

The showing is too good not to justify some exploratory work. A stage project is the logical approach; if the deposit proves large enough, the proposed second stage is sufficient to thoroughly explore it.

This is a new and unprospected region and the proposed exexploration undoubtedly will stimulate further prospecting. The road will make parts of this area more accessible.

The direction and inclination of the exploratory drift will have to be established after the outcrop is benched. It is probable that a greater part of the work will be on a relatively steep dip. For this reason the writer believes that the average price of $36 per foot is a fair, overall figure and if used, will certainly simplify the contract.

If at the completion of Stage I, the potential of the deposit appears to justify Stage II, then certainly the road should be improved to permit access of ordinary cars and trucks.

RECOMMENDATIONS

It is recommended that the Defense Minerals Exploration Administration enter into a stage contract with Neal and Green for the exploration of the lower deposit of their Mystery group.

It is suggested that the following items be considered if a contract is prepared:

(1) Stage I to consist of a lump sum price of $2,915 for road and outcrop benching, and 150 feet of drifting @ $36 per foot, the unit bid of $36 per foot for drifting (and crosscutting) to be accepted for work on any gradient to reach the objective.

(2) Stage II to be dependent upon findings of Stage I. That the work of Stage II may be stopped at any time by the field team, when in their judgement the geologic target has been reached. Stage II to consist of improvement of the access road to a maximum of 20 days work @ $171.50 per day, and 420 feet of drifting and crosscutting @ $36 per foot.

The following pertinent data were furnished by the applicants: the contract dan be made to Jack L. Neal and Dennis E. Green, a partnership; work can start within 30 days after notification to proceed; allow 5 months for completion of Stage I and 10 months additional for Stage II.

☑ Audited

☐ Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 12-8-1956
Incl. Voucher for July 1953

☐ Actual Cost

☑ Agreed Unit Costs

Name Jack L. Neal
Dennis C. Green

Docket No. 2718

State Arizona

Commodity Asbestos

Idm-E No. 527

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	570	20,520.00	10.5	5400.00	5400.00
Raising					
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation		408.00		408.00	408.00
Underground Excavation					
Roads and Trails		6007.00		2507.00	2507.00
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		26,935.00		8315.00	8315.00

Prepared by James Hoyt

No Contract in file!

71626

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

Defense Minerals Administration
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

DIVISION 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-3527, 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

600

JAN - 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-3527

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,

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

Project Summary Report

By: Jasper T. Robertson December 29, 1953

1. DMEA Docket No. 2760 - Asbestos
Contract No. Idm-E527
Mystery Mine
Gila County, Arizona

Operators: Jack L. Neal and Dennis E. Green (a partnership)
P. O. Box 1730
Globe, Arizona

Operator's Property Rights:
Held by mining lease dated October 17, 1952. San Carlos Apache Tribal Council, Lessor, D. E. Green and Jack L. Neal, Lessee. Property consists of 6 unpatented lode claims, Mystery Mines No. 1, No. 2, No. 3, No. 4, No. 5, and No. 6. Claims lie about 16 air miles southeast from Globe, Arizona.

Subordination Agreement - None

2. Contract - dated 5/22/53 - Terminated 7/31/53
Work authorized - two stages

Stage I	
Truck trail (2½ miles)	$2,507.00
Strip and bench outcrop to serpentine	403.00
Drifting - 150 feet @ $36/ft.	5,400.00
Total Stage I	$8,315.00
Government's participation @ 90%	$7,483.50
Stage II	
Improve access road	$3,500.00
420 feet of drifting and/or crosscutting @ $36/ft.	15,120.00
Total Stage II	$18,620.00
Government's participation @ 90%	$16,758.00
Total authorized cost Stage I & II	$26,935.00
Total authorized Government's participation @ 90%	$24,241.50

Only work on Stage I was completed. Contract terminated July 31, 1953.

Completed work:	
Truck trail	$2,507.00
Stripping and benching	408.00
150 feet of drifting @ $36/ft	5,400.00
Total cost	$8,315.00
Government's share 90%	$7,483.50

3. Audit - Certified November 13, 1953 (no exceptions)

4. Certification of Discovery - None
No worthwhile discovery of asbestos was made.

5. Comments:
After the completion of the work the mine was examined by R. W. Ageton, Mining Engineer, USBM, and A. F. Shride, Geologist, USGS. In a short report dated August 27, 1953, Mr. Ageton reported as follows:

"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.

"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."

JTRobertson:gad 1/4/54
Copy to: Admr. R. File
Docket File
Mr. Houk

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

224 New Customhouse
Denver 2, Colorado

November 6, 1953.

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104 - DMEA Docket 2760, Contract Idm-E527 (Asbestos), Jack L. Neal and Dennis E. Green, Mystery Asbestos Prospect, Gila County, Arizona.

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of July 1953, pertaining to DMEA Docket 2760, Contract Idm-E527 (Asbestos), Jack L. Neal and Dennis E. Green, Mystery Asbestos Prospect, Gila County, Arizona.

W. H. King

Enclosures

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

Administrative Audit Difference Statement

Date: October 30, 1953
Payee's
Reference: Progress
Report - July, 1953

Jack L. Leal & Dennis L. Green
P. O. Box 1739
Globe, Arizona
I-DMA-C-527

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

Amount Claimed	$5,400.00
90% equals	4,860.00
~~DIFFERENCE~~ Less	$ 100.00
Amount Approved	$4,760.00

The reason for the difference was due to:

$100.00 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.

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 20, 1953

Memorandum

To : Walter R. 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.

40' incline
110' drift
150' total

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

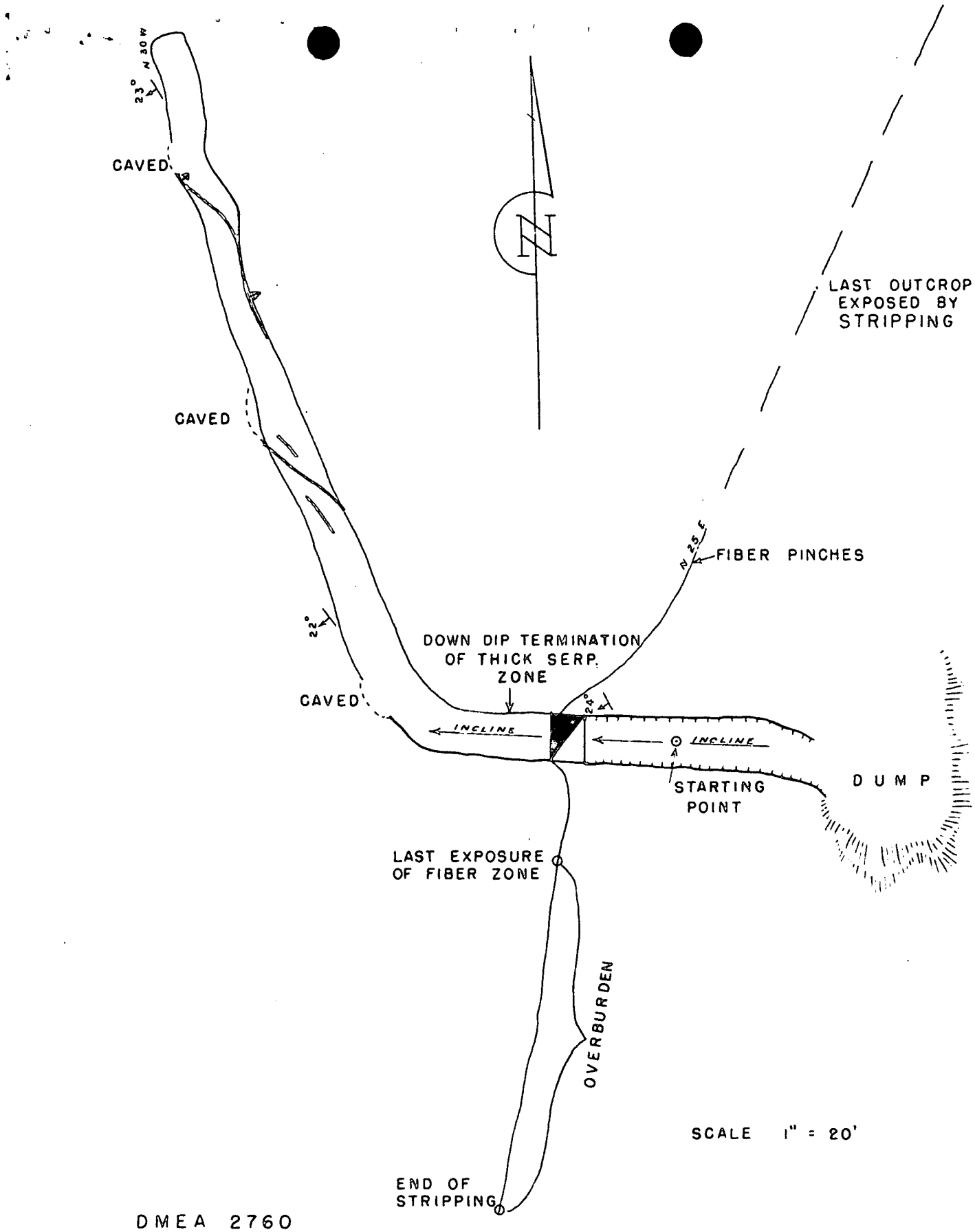
RWAgeton:frj

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.

Robert W. Ageton

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



DMEA 2760

FIGURE 1. - PLAN OF MINE WORKINGS

MYSTERY MINE GILA COUNTY, ARIZONA

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

Narrative Report.

Mr. W. R. Storm
United States Bureau of Mines
P. O. Box 4007, University Station
Tucson, Arizona

Dear Mr. Storm:

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

Under Stage One 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 E. Green

DEG:a

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1086.3.
Approval Expires 6-30-53.

Defense Minerals Administration
RECEIVED
NOV 2 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July 31st., 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
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			
Stripping 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. 54-44

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

Signature Robert H. Ogilvie WRG 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.

U. S. BUREAU OF MINES
MINING DIVISION
AUG 14 1953
TUCSON, ARIZONA

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. IIN-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	AUTHORIZED BY CONTRACT 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 and Trails	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

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

224 New Customhouse
Denver 2, Colorado

October 7, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

Enclosed are the original and two copies of "Termination of Exploration Project Contract by Agreement After Commencement but Before Completion of the Work" relative to the subject contract which we have had executed in accordance with authority contained in your teletype of August 25, 1953. Also enclosed are three sets of data relevant to the termination.

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

W. H. King
W. H. King

Enclosures

DMEA

2971 4637

14X3923.970 Working Fund, Interior, Defense Minerals Exploration Administration
September 15, 1953
12:00 M.

Mr. W. H. King, Executive Officer, DMEA, Bureau of Mines, 224 New Customhouse Bldg., Denver 2, Colorado
Docket No. DMEA-2760 - Asbestos, Jack L. Neal and D. E. Green Mining Company, Mystery Mine, Gila County, Arizona, Contract No. Idm-8527.

Authorization was granted to terminate Contract Idm-8527 DMEA-2760, by mutual agreement by a teletype of August 29, 1953.

FRANK E. JOHNSON

Frank E. Johnson, Acting Administrator
Defense Minerals Exploration Administration

LQHouk:gad 9/15/53

Copy to: Admr. R. File
Docket File
Field Team, Region IV
Dr. Bowles, 3520
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

SENT
SEP 15 1953
Clerical Service Section

C
O
P
Y

DN 235 BUREAU OF MINES 9/14/53 3:31 PM

C O MITTENDORF

REFERENCE DOCKET 2760, CONTRACT IDM-#527, NEAL AND GREEN. STAGE I HAS BEEN COMPLETED WITH UNFAVORABLE RESULTS. PLEASE TELETYPE AUTHORITY TO TERMINATE CONTRACT BY MUTUAL AGREEMENT.

W. H. KING

2915

DMEA

2971 4639

14X3X3.770 Working Fund, Interior, Defense Minerals Exploration Administration
August 25, 1953
1:50 p.m.

Mr. W. E. King, Executive Officer, DMEA, Bureau of Mines, 224 New Customhouse Bldg., Denver 2, Colorado
Docket No. DMEA-2760 - Asbestos, Jack L. Neal and L. L. Green Mining Company Mystery Mine, Gila County, Arizona, Contract No. Dm-8527.

Authorization is granted to terminate Contract Dm-8527, DMEA-2760, by mutual agreement.

C. O. Mittendorf

C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration

LGHouk:gad 8/25/53
Copy to: Admr. R. File
Docket File
Field Team, Region IV
Dr. Bowles, 3520
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

SENT
AUG 25 1953
Clerical Service Section

C
O
P
Y

BUR MINES DN 235 8/24/53 12:37

C O MITTENDORF

REFERENCE DMEA 2760, CONTRACT IDM-E537, JACK L. NEAL AND DENNIS E. GREEN. STAGE I OF THE CONTRACT HAS BEEN COMPLETED. OPERATOR AND INSPECTING ENGINEER MUTUALLY AGREE THAT EXPOSURES DO NOT WARRANT THE PERFORMANCE OF W RK UNDER STAGE II AND AGREE THAT THE CONTRACT SHOULD BE TERMINATED. PLEASE TELETYPE YOUR APPROVAL X

W. H. KING

SPECIAL

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

224 New Customhouse
Denver 2, Colorado

August 18, 1953

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMEA Docket 2760, Contract Idm-E527 (Asbestos), Neal and Green, Mystery Asbestos Mine, Gila County, Arizona.

Enclosed are two copies of the Operator's Monthly Progress Report Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the period of June, 1953, pertaining to DMEA Docket 2760, Contract Idm-E527, Neal and Green, Mystery Asbestos Mine, Gila County, Arizona.

W. H. King

W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

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 Ida-E527, Docket BMEA-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)
BMEA-2760
DF

WRStorms:frj

MINING DIVISION
REGION IV

July 16, 1953

Memorandum

To : Walter A. 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) DMEA-2760, Contract Idm-8527, 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 I.

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)
DMEA-2760
DF

LAStewart:frj

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

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

Dear Mr. Storrs:

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 DMS-S 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

DEGin

[redacted]04A
[redacted]62)

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 [redacted]	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.

REMARKS:

Date June 30, 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.

(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

Rev.)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of 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):						
	2,915.00		2,915.00			
TOTALS				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 Operator

Per Dennis E. Green Title

*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. 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. dmE527 in accordance with the terms of the contract.

Signature [illegible] WAH Title Mining Engineer Date 7/16/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: [illegible]

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1953

MINING DIVISION
REGION IV

August 20, 1953

Memorandum

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

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

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

Enclosed are original and 4 copies of a report which the operators submitted with their July progress report. Whether or not it was intended as a final report, I do not know, although it does seem to be one.

Until I hear otherwise from the operators, I will consider this their final report and so am submitting it to you as one.

Walter R. Storms

Walter R. Storms

CC W. H. King (4)
DMEA-2760
DF

WRStorms:frj

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

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

Dear Mr. Storm:

Reporting work completed on Stage One of Jack L. Neal and Dennis E. Green, exploration project Docket Number DMEA 2760, Commodity Asbestos, Contract Number IDM-E 527.

On June 1st, 1953 we began the construction of a truck trail to the property covered in the above mentioned contract. This work was pushed through to completion during the month of June and the stripping work called for in this contract was begun immediately. The ore zone was faced out from the outcrop of the original discovery, it's entire width to the surface. We then did considerable bulldozer work on beyond the originally discovered outcrop in an effort to determine whether or not the lime beds extended on beyond the point of discovery. When this work was completed the field team was called in for an inspection and it was mutually agreed that the starting point of the drift work would be commenced at a point where the most ore was exposed and continued in, in the direction that seemed to be most favorable for the continuation of the ore zone. It was mutually agreed that this drift work would be commenced down the strike and the direction of said drift would be alternated in an attempt to follow the indicated ore body.

During the month of July 1953 we completed the 150 feet of drift work set-up on the first stage of this contract. This drift was carried down the strike some 40 feet and the indications were that the serpentine zone, if it continued into the mountain would be to the right of the direction down the strike. We gradually carried out drift in a circular direction to the right in an effort to pick up the continuation of the ore zone until our 150 feet of drift work was completed.

The field team has made an inspection of this work and it has been mutually agreed that the indications of a commercial ore body in this area is not promising. After turning our drift to the right we encountered two faults that indicated considerable movement in the ground, however, this movement was in a horizontal direction and no indication that the vein shifted up or down.

During the process of this work we did some very intensive prospecting on the upper zone indicated on the map in an effort to determine the possibilities of a commercial ore body in that area. This ore zone can be traced for several hundred feet, however, we were unable to discover a point that indicated enough quantity to be worked commercially.

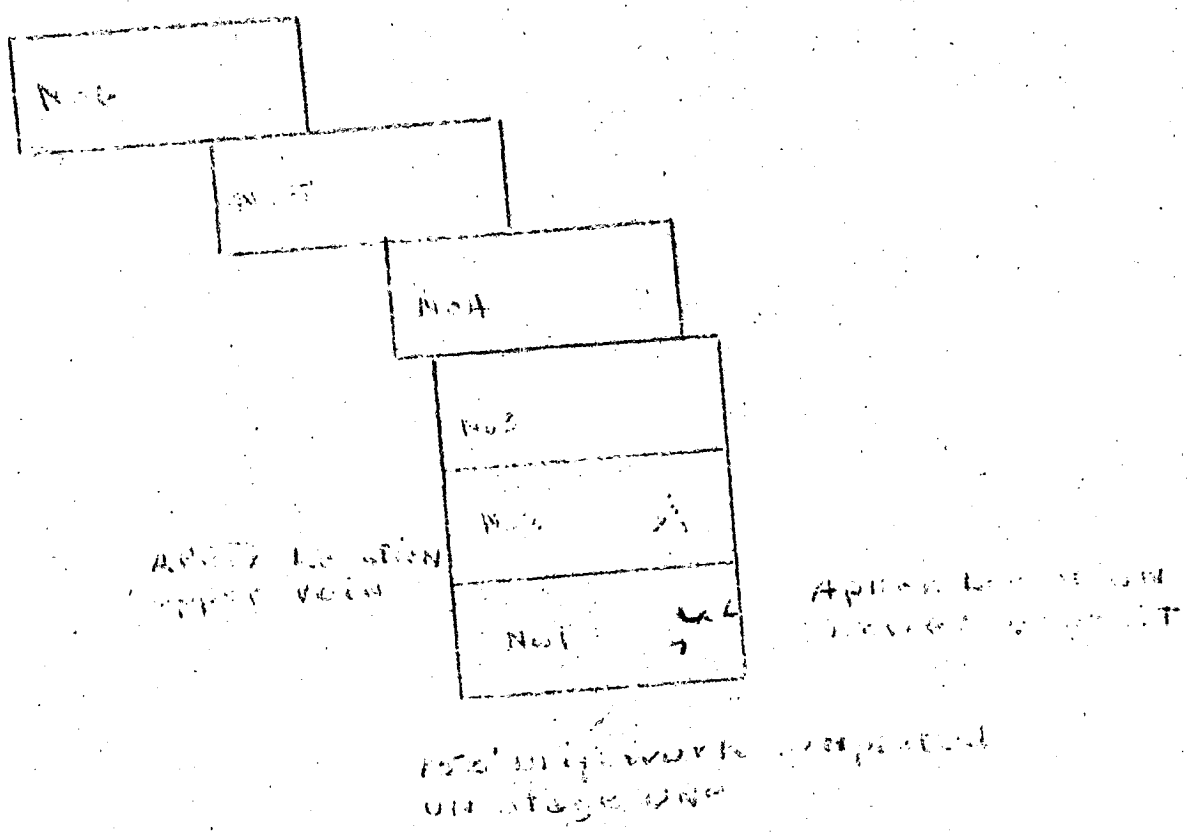
We discussed at length with the field team the possibilities of an ore body being developed in the area explored at the lower deposit and also the possibilities of an ore body on the upper vein. We have mutually agreed that in further work it is very unlikely that an ore body of sufficient quantity to be mined at a profit would be developed.

In consideration of these findings we are agreed that this contract should be terminated.

Yours very truly,

DEG:a

Dennis E. Greene


No4
No3
No1

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

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

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

Dear Mr. King:

Reference is made to your memorandum of July 6, 1953, in reply to our letter of June 30, 1953.

With respect to the last paragraph of your memorandum, there have been no changes made in the criteria for granting exploration aid. We do not object to an exploration project in this instance but believe that the method proposed for exploring the property is unsatisfactory. Your memorandum of July 6, 1953 does not adequately cover the points raised in our letter of June 30, 1953, nor does it justify the method proposed for exploring the property as set forth in the contract. For your information there is enclosed a copy of the comments of the Geological Survey Commodity Specialist relating to this matter which expresses our views.

Sincerely yours,

Chairman, Operating Committee

Approved:

Not sent because of Hedges objection see note attached Return in file

Member, Bureau of Mines

Member, Geological Survey

Enclosure

Joe Hedges — Couldn't go along with this letter. He said we had made our point the press was losing interest so he saw no purpose in sending this additional letter

JEP

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 7/14/53

REFERRED TO:

1. Operating Committee
2. Mr. Johnson
3. Administrator HB
4. Mails and Files

FOR:

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

REMARKS: ----------

Check (X) before the items needing attention.

George C. Selfridge
Initials of sender.

GPO 16—63815-1

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

600

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

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

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Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

Enclosure

FILE COPY
SURNAME:

Houk

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

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

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

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Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

Enclosure

LGHouk:gad 7/16/53
Copy to: Admr. R. File
Docket File
Operating Committee
Dr. Bowles, 3516
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

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

600

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

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

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Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

Enclosure

LGHouk:gad 7/16/53
Copy to: Admr. R. File
Docket File
Operating Committee
Dr. Bowles, 3516
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

Reviewed by
DMEA OPERATING COMMITTEE

(date)

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

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

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Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

Enclosure

LGHouk:gad 7/16/53
Copy to: Admr. R. File
Docket File
Operating Committee
Dr. Bowles, 3516
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

[illegible]

[illegible] King
Executive Officer, [illegible]
[illegible] Four, Region IV
Bureau of Mines
[illegible] New Customhouse Bldg.
Denver 2, Colorado

Subject: Docket No. [illegible]-4760 - Asbestos
Jack L. Hall and D. E. Green
[illegible] Company
Hickory Mine
[illegible] County, Arizona

Dear Mr. King:

[illegible] your memorandum of July 6, 1953, in reply to our letter of June 30, 1953.

With respect to the last paragraph of your memorandum, there have been no changes made in the criteria for granting exploration aid. We do not object to an exploration project in this instance but believe that the method proposed for exploring the property is unsatisfactory. Your memorandum of July 6, 1953 does not adequately cover the points raised in our letter of June 30, 1953, nor does it justify the method proposed for exploring the property as set forth in the contract. For your information there is enclosed a copy of the comments of the Geological Survey Commodity Specialist relating to this matter which expresses our views.

Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

Enclosure

LGHouk:gad 7/16/53
Copy to: Admr. R. File
Docket File
Operating Committee
Dr. Bowles, 3516
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

Mr. [illegible] King
Executive Officer, DMEA
Field Team, Region IV
Bureau of Mines
422 New Customhouse Bldg.
Denver 2, Colorado

Subject: Docket No. DMEA-2760 - Asbestos
Jack L. Neal and J. E. Green
Mining Company
[illegible] Mine
Gila County, Arizona

Dear Mr. King:

Reference is made to your memorandum of July 6, 1953, in reply to our letter of June 30, 1953.

With respect to the last paragraph of your memorandum, there have been no changes made in the criteria for granting exploration aid. We do not object to an exploration project in this instance but believe that the method proposed for exploring the property is unsatisfactory. Your memorandum of July 6, 1953 does not adequately cover the points raised in our letter of June 30, 1953, nor does it justify the method proposed for exploring the property as set forth in the contract. For your information there is enclosed a copy of the comments of the Geological Survey Mineral Specialist relating to this matter which expresses our views.

Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

Enclosure

LCHouk:gad 7/16/53
Copy to: Admr. R. File
Docket File
Operating Committee
Dr. Bowles, 3516
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

Mr. V. [illegible] King
Executive Officer, [illegible]
Field Team, Region [illegible]
Bureau of Mines
224 New Customhouse Bldg.
Denver 2, Colorado

Subject: Project No. [illegible]-2700 - Asbestos
[illegible] Green
[illegible] Company
[illegible] Mine
[illegible], California

Dear Mr. King:

[illegible] note is made to your memorandum of [illegible], 1953, in reply to our letter of June 30, 1953.

[illegible] to the last paragraph of your memorandum, there have been no changes made in the criteria for granting exploration aid. We do not object to an exploration project in this instance but believe that the method proposed for exploring the property is unsatisfactory. Your memorandum of July 6, 1953 does not adequately cover the points raised in our letter of June 30, 1953, nor does it justify the method proposed for exploring the property as set forth in the contract. [illegible] information there is enclosed a copy of the comments of the Geological Survey Domestic Specialist relating to this matter which expresses our views.

Sincerely yours,

Chairman, Operating Committee

Approved:

Director, Bureau of Mines

Member, Geological Survey

Enclosure

LOHouk:gad 7/16/53
Copy to: Admr. R. File
Docket File
Operating Committee
Dr. Bowles, 3516
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

June 19, 1953

Memorandum

REVIEW OF APPLICATION DMEA-2760 (asbestos)

To: L. G. Houk, Defense Minerals Exploration Administration

From: D. M. Larrabee, U. S. Geological Survey

Applicant's name and adress: Jack Neal and Dennis Green

Name of property: Mystery Mine, Gila Co., Arizona

Location of property: San Carlos Indian Reservation

Comments:

The final engineering and geologic reports of March 12 are in hand.

It is noted that the geologic report recommended that several hand-dug holes be used to explore the deposit first, before expensive exploration and access road buildin be attempted. This at a cost of a few hundred dollars.

The engineering report, on the other hand recommended a more elaborate program, including an access road, the total cost, in stages, to be $26,935, without the cheaper, "first" exploration.

The contract was let on the basis of the engineering report figures.

Any successful company operating on its own funds would first try to determine what might be expected of a deposit by the least expensive means, before entering into a more costly exploration plan. Wouldn't it be wise to apply some of the principles of sound mining and exploration, even with Uncle's money?

It would appear that this contract was prepared with no regard for economy in the use of Public funds, and a review is recommended.

D. M. Larrabee

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

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

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

Dear Mr. King:

Reference is made to your memorandum of July 6, 1953 ~~which is a partial~~ reply to our letter of June 30, 1953.

With ~~regard~~ respect to the last paragraph of your memorandum, ~~the rules have not~~ There have been changed on granting exploration assistance. ~~The preliminary program should be re-appraised in line with the suggestions of this office. We shall be pleased to receive a full reply to each of the points raised in our letter of June 30.~~

Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

(No changes made in the criteria for granting exploration aid. We do not object to an exploration project in this instance but believe that the method proposed for exploring the property is unsatisfactory. Your memorandum dated July 6, 1953 does not adequately cover the points raised in our letter of June 30, 1953 nor does it justify the ~~method~~ method proposed for exploring the property as set forth in the contract. For your information there is enclosed a copy of the criteria upon which the 1953 ~~[illegible]~~ operations are based. This regulation is likely to persuade the contractor to change his method of operation.)

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

[illegible] 1953

[illegible] N. W. Cust[illegible]
Denver 2, Colorado

July 6, 1953

Memorandum

To: George C. Selfridge, Chairman, Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2760 (Asbestos), Jack L. Neal and D. B. Green Mining Company, Mystery Mine, Gila County, Arizona

Reference is made to your letter of June 30 regarding the subject docket.

The reports by Geological Survey and Bureau of Mines engineers were in this office and we had knowledge of their recommendations. Therefore, when Mr. Green informed us that he would be in this office with a lease on the property we prepared the contract in accordance with the engineers' recommendations and delivered it to him. This was done in order to accommodate the contractor.

The geologic and engineering reports were assembled, bound and sent to Washington as soon as it was possible thereafter.

In the very early stages of this program we were instructed to assist in the development of any deposit that, in the opinion of the examining engineers had geologic possibilities of making a discovery of asbestos, provided the applicant's proposals were within reason. If the rules have been changed, we should be so informed.

W. H. King
W. H. King

[illegible]

Koschmann
[illegible]
[illegible]

600
JUN 3 0 1953

Mr. H. B. King
Executive Officer, [illegible]
Field Team, Region IV
Bureau of Mines
214 New Customhouse Bldg.
Denver 2, Colorado

Subject: Contract No. [illegible]A-276[illegible] - Asbestos
Jack L. Neal & D. L. Green
Mining Company
Mystery Mine
Pima County, Arizona

Dear Mr. King:

The Final Report pertaining to the subject mine has been received and reviewed, in conjunction with the exploration contract prepared and executed in Region IV. Incidentally, the contract was received more than two weeks before the report.

In para 3 of his report, the geologist states:

> "How far down the dip of the beds this termination occurs cannot be predicted; however, the type and degree of fracturing apparent in the asbestos-serpentine outcrop strongly suggest that disease may end across the limestone within a few feet of the exposed outcrop."

In view of this statement and the small size of the outcrop, it seems to us that, at least, a small amount of hand work should have been done before contracting for the more expensive exploration and access road building recommended by the engineer. Now several thousand dollars will be spent before any knowledge is gained concerning the asbestos occurrence. In this particular case, Defense Minerals Exploration Administration would have been justified to request a limited amount of hand work at the applicant's expense before granting a contract. According to the report the applicant has done no work on the claims, not even the equivalent of the usual location work. We have denied applications in the past which, in part, included work that was primarily location work. As another alternative, possibly the host limestone block could have been diamond drilled for extent by means of a light drill.

If it is not too late, we suggest that the program be discussed with the Operator for a possible shave in the preliminary work, especially if there is a possibility that the road work can be more expensive than estimated.

The value of this report would have been enhanced had a rough sketch of the topography and the asbestos occurrences been included. In reading the description of the "Lower Asbestos Deposit" on page 2 of the report, one becomes confused as it is described 250 feet northeast of the "Upper Asbestos Deposit." The map in the engineering section shows it to the southeast.

Sincerely yours,

George C. Selfridge

Approved:

Chairman, Operating Committee

Noted J. H. Hedges
Member, Bureau of Mines

Noted (S) E. J. McKnight
Member, Geological Survey

GCSelfridge/esf
LCHouk:dec 6/29/53
Copy to: Auth. Ch. File
Docket File
Operating Committee
Mr. Bowles, 3516
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

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: Chairman, Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket 2760 (Asbestos), Contract Idm-E527, Jack L. Neal and Dennis E. Green, Gila County, Arizona

In reply to your letter dated June 2, 1953, regarding the cost of drifting and crosscutting under Contract Idm-E527, we are enclosing two copies of a memorandum from L. A. Stewart, Bureau of Mines engineer.

W. H. King
W. H. King

Enclosures

JFS:ld

cc: Storms
Koschmann
sub
chron

MINING DIVISION
REGION IV

June 18, 1953

Memorandum

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

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

Subject : Contract Idm-8527, Docket DMEA-2760, Mystery Asbestos Prospect, Gila County, Ariz.

In answer to your memorandum of June 8, attaching one from the Operating Committee, dated June2, in which that committee asked about costs under Contract Idm-8527, I am enclosing a memorandum from L. A. Stewart who wrote the original report. It seems to us that this matter was explained in Stewart's original report on page 7 where he said that part of the drifting would be inclined and part on the level and that $36 seemed to be a fair estimate for inclined and level drifting combined.

Walter R. Storms

Walter R. Storms

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

WRStorms:frj

MINING DIVISION
REGION IV

June 18, 1953

Memorandum

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

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

Subject : Docket No. DMRA-2760, Mystery Asbestos Prospect, Jack L. Neal and Dennis K. Green Mining Co., Gila County, Ariz., W. H. King's memo of June 8, 1953.

Attached to Mr. King's memo was a letter from Mr. Salfridge, chairman of the DMRA Operating Committee, which states in part "It is noted that the cost of drifting and crosscutting is $36 per foot. In other contracts in the area the per foot unit costs vary between $20 and $28. Inasmuch as the drifts are all in the Mescal Limestone and the same size, and we wish to maintain impartiality in the treatment of all applicants, we will be pleased to know what special conditions justify the increased cost".

These special conditions were explained in the writer's engineering report on DMRA 2760, page 7 which states:

"The cost of drifting and crosscutting was discussed with the applicants. The surface exposure of the vein to be explored indicates a dip of 30°. As only 20 feet of this vein is exposed, stripping of the formation is necessary to determine where it will be most advantageous to place the exploratory drift. Until this is done, the attitude of the proposed drift cannot be determined. A strike drift may not be feasible for the reason that it might not sufficiently explore the depth of the deposit.

"Green stated that, in the current exploratory work at Bear Canyon, DMRA-2550, 200 feet of 8-degree inclined drifting has cost more than $30 per foot. The cost of the inclined drifting necessarily increases as the gradient becomes greater. As the inclination of the proposed work is not known at present, the applicant has suggested a flat $36 per foot. This is based on the average of $31 per foot for an incline of 15° or less, and $41 per foot for inclination greater than 15°. The applicants stated that the above sliding scale could be used if the Government preferred to consider these costs rather than an average cost of $36 per foot."

cc W. H. King (Orig. & 6)
DMRA-2760
DF

LAStewart:frj

It would be virtually impossible to write a clean-cut short form contract using a sliding-scale cost for various gradients of exploration drifts, the lengths of which are not known and will not be known until the exploration is accomplished. For this reason the writer concurred with the applicant in an average price, and so recommended in the report.

This had been done previously on the Bear Canyon project, recommending $28.50 per foot as an average cost for 8° inclined drifting and level drifting. As mentioned above, Mr. Green stated that it actually has cost him more than $30 per foot for sinking an 8° incline.

At the El Capitan claims, DMEA-2798, inclined shaft sinking at 30° was contracted (short form) at $42.80 per foot, and this is considered a reasonable price.

At the Mystery prospect, the contracted average unit price of $36 per foot also is considered reasonable, as an undetermined amount of inclined shaft sinking is included with drifting and/or crosscutting.

Lincoln A. Stewart

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

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

224 New Customhouse
Denver 2, Colorado

June 9, 1953.

Memorandum

To: Secretary to the Operating Committee

From: Field Team, Region IV

Subject: Final Report - Docket No. DMEA 2760 (Asbestos), Jack Neal and Dennis Green, Mystery Mine, Gila County, Arizona.

Enclosed are the original and three copies of the final report on Docket No. DMEA 2760.

A contract has been prepared and is in force.

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

A. H. Koschmann
A. H. Koschmann

Enclosures

Reviewed by
DMEA-OPERATING COMMITTEE
6-19-53
(date)

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

June 19, 1953

Memorandum

REVIEW OF APPLICATION DMEA-2760 (asbestos)

To: L. G. Houk, Defense Minerals Exploration Administration

From: D. M. Larrabee, U. S. Geological Survey

Applicant's name and adress: Jack Neal and Dennis Green

Name of property: Mystery Mine, Gila Co., Arizona

Location of property: San Carlos Indian Reservation

Comments:

The final engineering and geologic reports of March 12 are in hand.

It is noted that the geologic report recommended that several hand-dug holes be used to explore the deposit first, before expensive exploration and access road buildin be attempted. This at a cost of a few hundred dollars.

The engineering report, on the other hand recommended a more elaborate program, including an access road, the total cost, in stages, to be $26,935, without the cheaper, "first" exploration.

The contract was let on the basis of the engineering report figures.

Any successful company operating on its own funds would first try to determine what might be expected of a deposit by the least expensive means, before entering into a more costly exploration plan. Wouldn't it be wise to apply some of the principles of sound mining and exploration, even with Uncle's money?

It would appear that this contract was prepared with no regard for economy in the use of Public funds, and a review is recommended.

D. M. Larrabee

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

June 19, 1953

Memorandum

REVIEW OF APPLICATION DMEA-2760 (asbestos)

To: L. G. Houk, Defense Minerals Exploration Administration

From: D. M. Larrabee, U. S. Geological Survey

Applicant's name and adress: Jack Neal and Dennis Green

Name of property: Mystery Mine, Gila Co., Arizona

Location of property: San Carlos Indian Reservation

Comments:

The final engineering and geologic reports of March 12 are in hand.

It is noted that the geologic report recommended that several hand-dug holes be used to explore the deposit first, before expensive exploration and access road buildin be attempted. This at a cost of a few hundred dollars.

The engineering report, on the other hand recommended a more elaborate program, including an access road, the total cost, in stages, to be $26,935, without the cheaper, "first" exploration.

The contract was let on the basis of the engineering report figures.

Any successful company operating on its own funds would first try to determine what might be expected of a deposit by the least expensive means, before entering into a more costly exploration plan. Wouldn't it be wise to apply some of the principles of sound mining and exploration, even with Uncle's money?

It would appear that this contract was prepared with no regard for economy in the use of Public funds, and a review is recommended.

D. M. Larrabee

JUN 2 1953

Mr. L. E. King
Executive Officer, DMEA
Field Team, Region IV
Bureau of Mines
224 New Customhouse Bldg.
Denver 2, Colorado

Subject: Docket No. DMA-2760 - Asbestos
Jack L. Neal & D. E. Green
Mining Company
Mystery Mine
Gila County, Arizona

Dear Mr. King:

Reference is made to the subject contract executed in Region IV.

This office will be pleased to receive the Field Team Report on the subject application. It is noted that the cost of drifting and crosscutting is $36 per foot. In other contracts in the area the per foot unit costs vary between $20 and $23. Inasmuch as the drifts are all in the Martin Limestone and the same size, and we wish to maintain impartiality in the treatment of all applicants, we will be pleased to know what special conditions justify the increased cost.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

LGHouk:gad 6/1/53
Copy to: Admr. R. File
Docket File
Operating Committee
Dr. Bowles, 3516
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

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

224 New Customhouse
Denver 2, Colorado

May 28, 1953.

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Power of Attorney - Docket No. DMEA-2760, Contract No. Idm-E527 (Asbestos), Jack L. Neal and D. E. Green Mining Company.

Enclosed are three photostats of Power of Attorney authorizing Dennis E. Green to execute Contract No. Idm-E527 for Jack L. Neal.

W. H. King

W. H. King

Enclosures

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That,

Whereas, the Jack L. Neal and D. E. Green Mining Company is a co-partnership, comprised of Jack L. Neal and D. E. Green, and is engaged in the business of mining and milling asbestos ore, or fibre and

Whereas, a certain Mining Lease of Tribal Indian Lands was made and entered into on the 17th day of October 1952, by and between the San Carlos Apache Tribal Council of San Carlos, State of Arizona, lessors, and the Jack L. Neal and D. E. Green Mining Company of Globe, State of Arizona lessee, covering certain lands in Gila County, State of Arizona, to-wit:

> Mystery mine lease Number I-88-Ind 2285
> San Carlos Apache Indian Reservation, more
> particularly described in said lease,

for a term of (5) years from and after the date of approval thereof by the Secretary of Interior, and

Whereas, the Jack L. Neal and D. E. Green Mining Company has applied for an exploration loan through the Defense Minerals Exploration Administration Agency, of the United States Government, and are desirous of empowering D. E. Green, co-partner of the Jack L. Neal and D. E. Green Mining Company, to execute all papers incident or necessary in connection with the application or agreement for said loan:

Now, Therefore, I the undersigned Jack L. Neal have made, constituted and appointed and by these presents do make, constitute and appoint Dennis E. Green my true and lawful attorney for me and in my name, place and stead, and for the use and benefit of the Jack L. Neal and D. E. Green Mining Company, the full power and authority to execute said loan papers for an exploration loan or agreement and all papers in connection with said exploration loan with the Defense Minerals Exploration Administration Agency, of the United States Government, on my behalf or on behalf of the Jack L. Neal and D. E. Green Mining Company, giving my said attorney full power to do everything whatsoever requisite and necessary to be done in the premises, as fully as I might do if personally present with full powers of substitution and revocation, hereby ratifying and confirming all that my said attorney shall lawfully do or cause to be done therein by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand, this _____ day of May, 1953.

Jack L Neal

Jack L. Neal

STATE OF ARIZONA) ss.
COUNTY OF GILA)

Before me, a Notary Public, in and for said county and State, on this _____ day of May, 1953 personally appeared Jack L. Neal to me known to be the identical person who executed the within and foregoing instrument, and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

G. A. Austin
Notary Public

My commission expires: March 14 - 1957

DMEA - INTERIOR

Mr. L.G.Houk
-974 -037

143923.970 Working Fund, Interior, Defense Minerals Exploration Administration
May 21, 1953

Mr. J. R. KING, EXECUTIVE OFFICER, BUREAU OF MINES, 224 [illegible] BLDG.
DENVER 2, COLORADO

RE DMEA 4760 AUTHORIZATION TO WAIVE OWNER'S CONSENT TO LIEN [illegible] -
[illegible] "AND THE OWNER'S CONSENT TO LIEN IS ATTACHED" IN ARTICLE 2(b).
[illegible] CONTRACT NO. [illegible] 134-1527.

C. O. Mittendorf

CONFIRMATION

C. O. MITTENDORF,
ADMINISTRATOR

LGHouk:lfs 5/21/53

Copy to: Admr. R. File
Docket File
Dr. Bowles, 3526
Mr. Norton, G-232, GSA Bldg.
Mr. Houk

SENT
MAY 22 1953
Clerical Service Section

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

224 New Customhouse
Denver 2, Colorado

March 12, 1953.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAR 26 1953

Memorandum

To: Administrator, Defense Minerals Exploration Administration
Attention: 200

From: Field Team, Region IV

Subject: Final Report, DMEA Docket 2760, (Asbestos) Jack Neal and Dennis Green, Mystery Mine, Gila County, Arizona.

The application for Government assistance in exploration work estimated to cost $26,935.00, has been approved by us and a contract is being prepared.

Government participation will be 90 percent, or $24,241.50.

Four copies of the Final Report will be forwarded when the contract is executed.

The original and one copy of Form 3b is attached.

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

A. H. Koschmann
A. H. Koschmann

Enclosures

600

FEB 6 1953

Mr. Jack L. Neal, Vice President
Metate Asbestos Corporation
P. O. Box 1516
Globe, Arizona

Subject: Docket No. DMEA-2760 - Asbestos
Mystery Asbestos Mine
Gila County, Arizona

Docket No. DMEA-2763 - Asbestos
Chiricahua Mine
Gila County, Arizona

Dear Mr. Neal:

Reference is made to your telephone conversation on February 5, 1953, requesting information on the status of your leases in the Bureau of Indian Affairs, Mystery Mine, DMEA-2760, and Metate Asbestos Corporation, DMEA-2763, Chiricahua Mine.

Mr. Larkin of the Washington Office of the Bureau of Indian Affairs states that he will write a letter this week to the Phoenix Area Office that advertising the applications for leases be made in this case.

I hope you are successful in finding the faulted segments at the Apache, and that the long hole drilling from the crosscut is successful in locating the limestone.

Sincerely yours,

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

LGHouk:gad 2/6/53

Copy to: Admr... File
Docket File (2)
Field Team, Region IV
Dr. Bowles, 3516
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

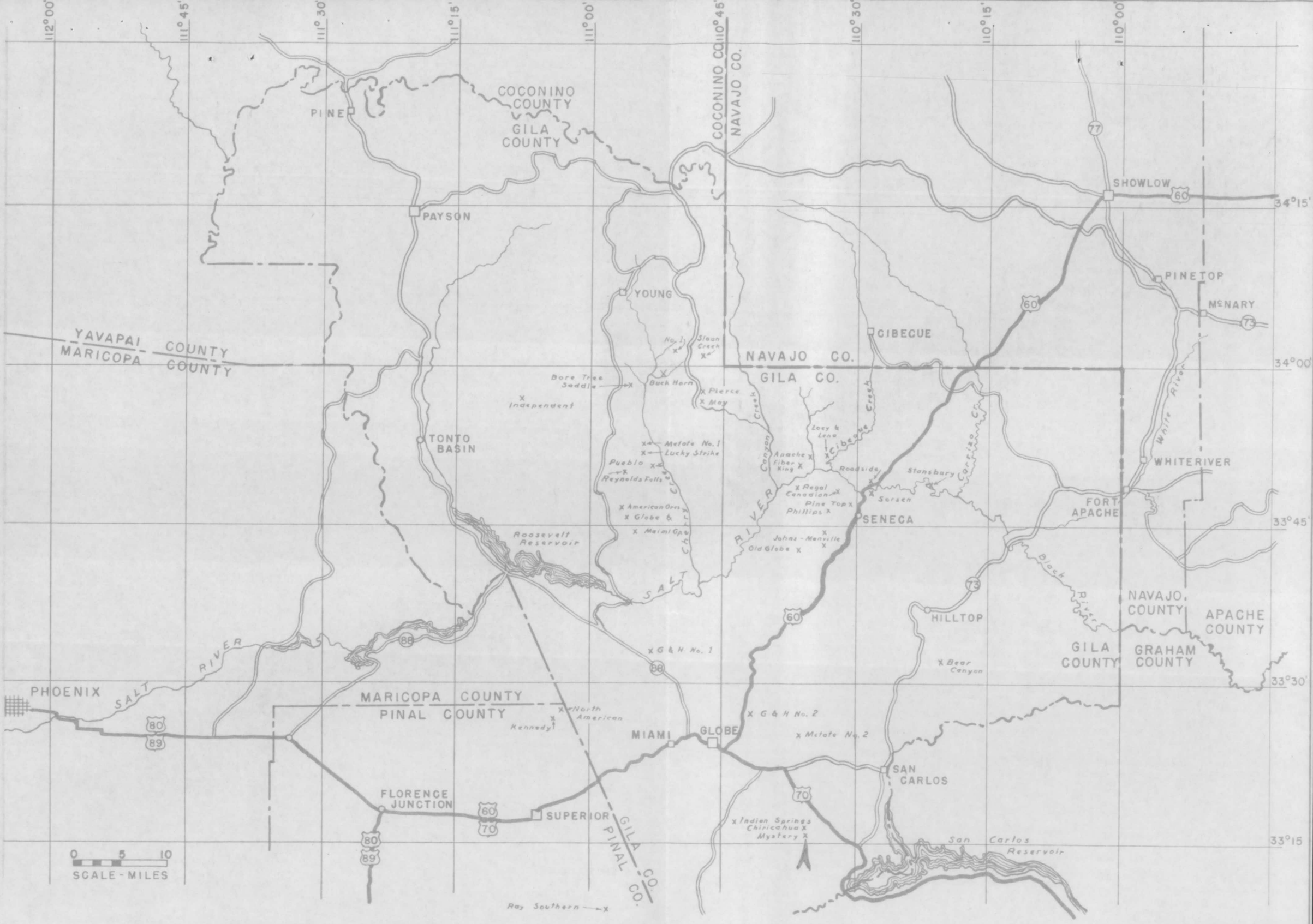

FIGURE I. - LOCATION MAP - ASBESTOS DEPOSITS - CENTRAL ARIZONA