00 436 304

TREASURY

DIVISION OF DISBURSEMENT

SAN FRANCISCO, CALIF.

J-V

21,983,001

12

Treasurer of the United States

THROUGH FEDERAL RESERVE BANK OF SAN FRANCISCO 11-37 / 000

JAN -5 1953

PAY $***743 DOLLARS 26 CTS $***743.26*

TO THE ORDER OF

LAKE VIEW MANGANESE MINES
O H GRIGGS
1903 OUTPOST AVE
HOLLYWOOD 28 CALIF

PAID

30 JUN 53

113191 CONTRACT
E-447 DOCKET DMEA
2393 FEB & MARCH BM

176 REGIONAL DISBURSING OFFICER

DRAWN FOR ABOVE OBJECT

DO NOT FOLD, SPINDLE OR MUTILATE

KNOW YOUR ENDORSER - - REQUIRE IDENTIFICATION

412

IDENTIFICATION PROCEDURE

When cashing this check for the individual payee, you should require full identification and endorsement in your presence, as claims against endorsers may otherwise result.

The payee should endorse below in ink or indelible pencil.

If the endorsement is made by mark (X) it must be witnessed by two persons who can write, giving their places of residence in full.

It is suggested that this check be promptly negotiated.

Lucius Wonderful Wilcox

Cliff Triggs

PAY THROUGH
LOS ANGELES CLEARING HOUSE
11 1-1

ANY BANK OR BANKER
PRIOR ENDORSEMENT

PRIOR ENDORSEMENT

H-O 2
16-11
TELLER

00 436 304

TREASURY

DIVISION OF DISBURSEMENT

SAN FRANCISCO, CALIF. [redacted] J-2

21,983,001

12

Treasurer of the United States

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JUN -5 1953

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LAKE VIEW MANGANESE MINES
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PAID

[redacted] 30 JUN 53

113191 CONTRACT
E-447 DOCKET DMEA
2393 FEB & MARCH BM

176 REGIONAL DISBURSING OFFICER

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It is suggested that this check be promptly negotiated.

Lucius Wolverine Wilcox

Clt Triggs

PAY THROUGH ANY BANK OR BANKER PRIOR TO ENDORSEMENT

LOS ANGELES

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2101 SEP 23 NDP

H-O 2
16-11
TELLER

00 436 304

TREASURY

DIVISION OF DISBURSEMENT

SAN FRANCISCO, CALIF.,

21,983,001

12

Treasurer of the United States

THROUGH FEDERAL RESERVE BANK OF SAN FRANCISCO 11-37 / 000

JAN -5 1953

PAY $***743 DOLLARS 26 CTS $***743.26*

TO THE ORDER OF

LAKE VIEW MANGANESE MINES
O H GRIGGS
1903 OUTPOST AVE
HOLLYWOOD 28 CALIF

PAID

30 JUN 53

113191 CONTRACT
E-447 DOCKET DMEA
2393 FEB & MARCH BM

176 REGIONAL DISBURSING OFFICER

DRAWN FOR ABOVE OBJECT

DO NOT FOLD, SPINDLE OR MUTILATE

KNOW YOUR ENDORSER - - REQUIRE IDENTIFICATION

412

IDENTIFICATION PROCEDURE

When cashing this check for the individual payee, you should require full identification and endorsement in your presence, as claims against endorsers may otherwise result.

The payee should endorse below in ink or indelible pencil.

If the endorsement is made by mark (X) it must be witnessed by two persons who can write, giving their places of residence in full.

It is suggested that this check be promptly negotiated.

Lucille Wonsuck Wick

Ell Triggs

1 EAD

PAY THROUGH LOS ANGELES CLEARING HOUSE

ANY BANK OR BANKER

PRICE

H-O 2
16-11
TELLER
NO.

Extra copies of photostats of

Check No. 21,983,001

and

endorsement of O. N. Grigg

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON 25, D. C.

CLAIMS DIVISION
IN REPLY PLEASE QUOTE
DW-Z-1584685-WBC-2

FEB 5 - 1960

Department of the Interior
Defense Minerals Exporation Administration
Washington 25, D. C.

Gentlemen:

There is returned herewith in accordance with your request contained in letter of June 24, 1957, addressed to this office the original contract and papers on the Lakeview Manganese Mines.

Very truly yours,

For the Comptroller General
of the United States

H Goldberg

Adjudicator-Reviewer

Enclosures

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 9 1960

DATE	INITIALS	CODE
2-9	gad	220
		800

800

DMEA-2393

E-447

Mr. G. Schaffert
Chief, Debt Section
U. S. General Accounting Office
Washington 25, D. C.

Dear Mr. Schaffert:

In response to your request of June 17, 1957, that we return to you the original contract and papers bearing on the Lakeview Manganese Mines, your reference BN-E 1564685-WBC-2, I am sending you the file of our Contract Administration and Audit Division bearing on this case. As this constitutes the sole file of the Division, I trust that you may be able to return it intact when you are finished with it.

Sincerely yours,

C. O. Mittendorf

Administrator

Attachment

JLChambers/wb
June 24, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON 25, D. C.

CLAIMS DIVISION
IN REPLY PLEASE QUOTE
DW-Z 1584685-WBC-2

JUN 17 1957

Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Gentlemen:

It is requested that original contract No. IDM-E 447, with the Lakeview Maganese Mines, which was forwarded by Office letter of September 19, 1956, be returned to this Office for use in further collection action to be taken by this Office.

Very truly yours,

Chief, Debt Section

ra

By: G. Schaffert

EXTRA COPY
D M E A
RECEIVED JUN 1957

DATE	INITIALS	CODE

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

Mr. Lloyd H. Sjolander
Authorized Certifying Officer
Bureau of Mines
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket DMEA-2393 (Manganese)
Lakeview Manganese Mines
Plumas County, California
Contract Idm-E447

Dear Mr. Sjolander:

By letter dated July 5, 1955, in reply to this Division's request of June 21, 1955, you forwarded the following documents applicable to the referenced project:

(1) Voucher and Schedule of Payments Form I-1017 Rev. dated June 1, 1953, Bu. Sch. No. SF-DMEA-43.

(2) Operator's Monthly Report and Voucher Form MF-104 Rev. for February and March 1953.

(3) Operator's Unit Cost and Progress Report Form MF-104A.

(4) Report Signed by Operator.

(5) Interim Inspection Report by John D. Warne, Mining Engineer for February and March 1953.

(6) Map Attached to March 1953 Reports.

These documents, which recently were returned by the General Accounting Office without advice as to disposition of the matter of the claim against the Operator, are enclosed for replacement in your files.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
September 25, 1956

Copy to: Docket
Admr. Reading File
Mr. Chambers
Mr. Mavor

C
O
P
Y

UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON 25

Claims Division
In Reply Please Quote

September 19, 1956

Mr. Jay L. Chambers
Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Dear Mr. Chambers:

In accordance with your request of May 1, 1956, there are returned herewith original contract IDM-E 447, with the Lakeview Maganese Mines, and copy of contract No. IDM-E 126 with Lewis W. Collingwood.

You are advised that a search is being made for the other contracts mentioned in your letter and they will be forwarded immediately upon receipt in this Office.

Very truly yours,

/s/ W. J. McCarthy

W. J. McCarthy

Attachments

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

MAY 1 1956

Claims Division
U. S. General Accounting Office
Washington 25, D. C.

Gentlemen:

In compliance with a telephone conversation with Mr. McCarthy of the Claims Division, I am calling your attention to three claims sent you, one in a letter of November 1, 1954, and one each in two letters of January 27, 1955. These three claims involved the following three companies and contracts: On November 1, 1954, a claim against the Olivine Products Corporation, Contract No. Idm-8202, Docket No. DMEA-1264; on January 27, 1955, a claim against Lakeview Manganese Mines, Contract No. Idm-8447, Docket No. DMEA-2393; and also on January 27, 1955, a claim against the Homestake Mining Company, Inc., Contract No. Idm-8296, Docket No. DMEA-2350.

At your request of June 17, 1955, we also obtained from the Bureau of Mines Finance Office at San Francisco the file copy of the paid voucher No. 133191, on appropriation No. 1424401 Revolving Fund, Defense Production Act, Interior, submitted under contract Idm-8447, DMEA-2393, by the Lakeview Manganese Mines.

All of the above dockets are the original files of the Contract Administration and Audit Division. This Division is now in need of them and therefore requests you to return them immediately. Mr. McCarthy asked me if we had requested their return in the submitting letters. On re-examining those letters I find that the last paragraph of each requested the return of the file.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
May 1, 1956

Copy to: Docket (3)
Admr. Reading File
Mr. Chambers

Mr. Chambers

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

Claims Division
U. S. General Accounting Office
Washington 25, D. C.

Re: Docket DMEA-2393 (Manganese)
Lakeview Manganese Mines, Inc.
Fresno County, California
Contract Idm-2447

Your Ref: DW-2 158,685-UBC-12

Gentlemen:

Your letter of January 20, 1956, on Form C-26 (Rev. 7-28-55) enclosed an undated letter from the referenced debtor and requested information in answer to the allegations contained therein.

The original of the contract (dated November 17, 1952), a copy of notice of termination (dated March 1, 1954), copies of the contractor's claims (for February and March, 1953), a photostatic copy of the Government check (dated June 5, 1953) and copies of all pertinent correspondence were enclosed as exhibits with the Department's letter of January 27, 1955, referring this case to the Comptroller General. The disbursing office voucher and the originals of the contractor's claims, together with other supporting documents, were obtained from the Certifying Officer and forwarded to your Division on July 11, 1955, in accordance with your request under date of June 17, 1955, on Form C-337 (Rev. 12-21-53). It appears, therefore, that your office is in possession of either the originals or copies of all documents pertinent to this case.

Not having available either the contractor's original claims or copies thereof, we are not in a very tenable position for complying with your request for information in reply to the debtor's allegations. We can state, however, that our files contain no indication of the receipt of any claim "for an amount something over $400.00." The only claims received from this contractor were in the amounts of $372.41 and $618.60 for work performed during February and March, 1953, respectively, for which payment in the aggregate amount of $743.26 (for the Government's 75 percent contractual share) was made by check number 21,983,001 dated June 5, 1953. The photostatic copy of this check indicates endorsement by the contractor. Furthermore, except for the discrepancy in amounts ($400.00 as against $743.26) the debtor's allegation as to nonpayment appears to be a repetition of his previous protest. (See Exhibits Nos. 3, 4, 7, 10, and 11 accompanying the Department's letter of January 27, 1955.)

The penultimate paragraph of the debtor's letter apparently refers to transactions with the General Services Administration under the magnesium purchase program of that agency. It is not believed that the debtor's allegations relative thereto have any bearing on the case under consideration.

The debtor's undated letter and a copy of the Department's letter of January 27, 1955, which were enclosed with your letter of January 20, 1956, are returned herewith.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Chief
Contract Administration
and Audit Division

Enclosures-2

EDTalbert/wb
January 25, 1956

Copy to: Docket
Admr. Reading File
Mr. Martin
Mr. Chambers

UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON 25, D. C.

CLAIMS DIVISION

IN REPLY PLEASE QUOTE

DW-Z 1584685-WBC-12

JAN 20 1956

Department of the Interior
Office of the Secretary
Washington 25, D. C.

Attention: Defense Minerals Exploration Administration

Re: Lakeview Manganese Mines,
Crescent Mills, California

Your Ref: Docket DMEA (Manganese)
Lakeview Manganese Mines
Plumas County, California
Contract Idm-E-447

Gentlemen:

Reference is made to the above-captioned indebtedness to the United States which was reported to this Office as uncollectible.

There is enclosed letter received from the debtor in response to demand for payment.

Since the records here are inadequate to prepare a proper reply, it is requested that there be furnished such information as will enable this Office to answer the specific allegations contained in debtor's letter. In the event the status or amount of the debt has changed since it was reported here for collection, this Office should be appropriately advised.

The enclosure should be returned with an original and one copy of your report.

Very truly yours,

J. M. Whelan

For Chief, Debt Section

rs

Enclosure

C-28 (Rev. 7-28-55)

C
O
P
Y

LAKEVIEW MANGANESE MINES
1903 Ortquest Drive,
Hollywood 28, Calif.

Re DW Z 1584685 10

U. S. General Accounting Office,
The Comptroller General,
Washington, 25, D. C.

Gentlemen:- We have your letter of Dec 20th, re a claim of $743.26 asserted against us.

Without going into our old files for more precise data, may we say that shortly after cancelling the DMEA loan allotted in the sum of some $13,000.00, but after expending only some $1,600.00 of that amount, we filed with the designated office a full statement of the expenditures; and at the same time our billing for an amount of something over $400.00 then due us. We never received this latter amount.

Nothing was heard further of this transaction for more than a year when we received a request for a statement, which would have meant a duplication of the statement previously furnished by us. We promptly wrote calling attention to the fact that we had several months before provided the data required; and as we now recall it, we mentioned the office to which our statement had been sent, Nothing further was heard.

We have not pressed our claim for the item of $400.00 above mentioned inasmuch as we have felt the effort would be more than the item is worth.

Ore from our mine was rejected by Government stockpile under the claim of excessive Silica content, although Government assays did not coincide with our own. We found there was nothing we could do about it and suspended operations at the mine which has remained idle ever since. During the War we produced several thousand tons of highgrade Manganese ore from this mine, it being by far the largest producer on the coast with the ore averaging above 47% Manganese-- an excellent ore and probably as good as any ore mined in the U. S. The refusal of U. S. Stockpile has caused us a tremendous loss and while we feel the refusal entirely unjustified we have been helpless to correct the situation.

We sincerely trust this information is sets the matter straight.

Respectfully,

/s/ O. H. Griggs
O. H. Griggs.

U. GENERAL ACCOUNTING OFFICE
WASHINGTON 25, D. C.

Claim No. DW-Z 1584685-WBC-12 June 17, 1955

Department of the Interior
Office of the Secretary
Washington 25, D. C.

Attention: Defense Minerals Exploration Administration

Gentlemen:

In connection with the claim of Lakeview Manganese Mines, Crescent Mills, Calif. now receiving consideration by this Office, it is requested that the following documents be furnished at the earliest practicable date:

Contract No.	Date	Name of Contractor

D/O Vou.No.	Date Paid	Disbursing Officer	Symbol	Payee - Contractor or Carrier and Bill of Lading number
113191	June 5, 1953	A. H. Hoiland	412	Lakeview Manganese Mines

The original of this request should be returned with the documents by 1st indorsement hereon. If the documents cannot be furnished, please give the reason under "Remarks". When the documents have served their purpose they will be returned.

Chief of Section
By: R. J. MEALY

mus

1st Indorsement Date: _____

From: Contract Administration & Audit Division
Defense Minerals Exploration Administration

To: U. S. General Accounting Office, Claims Division, Classified Material and Document Control, 441 G Street, N. W., Washington 25, D. C.

Forwarded as requested [X]
Remarks: Attachments as listed in letter of July 5, 1955 also are enclosed.

Acting Chief, Contract Administration and Audit Division

2nd Indorsement Date: July 11, 1955

From: U. S. General Accounting Office, Claims Division, Classified Material and Document Control, 441 G Street, N. W., Washington 25, D. C.

To:

Above documents returned this date.

C-337 (Rev. 12-11-53)

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

RECEIVED
JUL - 7 1955

July 5, 1955

E. D. Talbert, Acting Chief
Contract Administration
and Audit Division

Re: Docket DMEA (Manganese)
Lakeview Manganese Mines
Plumas County, California
Contract Idm-E-447

Dear Mr. Talbert:

Reference is made to your memorandum dated June 21, 1955, the following documents are submitted as requested.

(1) Voucher and Schedule of Payments Form I-1017 Rev. dated June 1, 1953, Bu. Sch. No. SF-DMEA-43.

(2) Operator's Monthly Report and Voucher Form MF-104 Rev. for February and March 1953.

(3) Operator's Unit Cost and Progress Report Form MF-104A.

(4) Report Signed by Operator.

(5) Interim Inspection Report by John D. Warne, Mining Engineer for February and March 1953.

(6) Map Attached to March 1953 Reports.

Sincerely yours,

L H Sjölander

L. H. Sjölander
Finance Officer
Region II

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

JUN 21 1955

Mr. Lloyd H. Sjelander
Authorized Certifying Officer
Bureau of Mines
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket DMEA-2393 (Manganese)
Lakeview Manganese Mines
Plumas County, California
Contract Idm-E447

Dear Mr. Sjolander:

In connection with their consideration of our claim against the subject Operator the Claims Division of the General Accounting Office has requested that we furnish the following disbursing office voucher, together with all attachments:

D.O. Vou.No.	Date Paid	Disbursing Officer	Symbol
113191	June 5, 1953	A. H. Hoiland	412

It will be appreciated if you will forward this document to this office for referral to the General Accounting Office. It will be returned when it has served its purpose.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Chief
Contract Administration
and Audit Division

EDTalbert/wb
June 21, 1955

Copy to: Docket
Admr. Reading File
Mr. Ricker
Mr. Martin
Mr. Chambers

J. L. CHAMBERS, DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON 25, D. C.

JAN 27 1955

My dear Mr. Campbell:

In accordance with General Regulation No. 120, Revised, there is being referred to your office for advice on disposition an improper payment in the amount of $743.26 made by the Defense Minerals Exploration Administration to the Lakeview Manganese Mines, a limited partnership between H. C. Thomas, L. W. Brindley and Clair Waterbury, limited partners, and O. H. Griggs, general partner. The address of the partnership is Crescent Mills, California. This improper payment occurred under DMEA Exploration Project Contract No. Idm-E447, Docket No. DMEA-2393 (Exhibit No. 1).

The contract was terminated by notice to the Operator (Exhibit No.2) under date of March 1, 1954. Only a small part of the work was performed and the voucher, upon which the improper payment was made, covered the only costs claimed by the Operator for contribution by the Government.

This improper payment was made by Lloyd H. Sjolander, Authorized Certifying Officer, Region III, San Francisco, Calif., on D. O. Voucher No. 113191, paid by Check No. 21,983,001, dated June 5, 1953, issued by A. H. Hoiland, Regional Disbursing Officer, Symbol No. 412. This payment was supported by the contractor's claims on Forms MF-104 (Rev.) for the months of February and March 1953 (Exhibits Nos. 3 and 4).

The certifying officer approved the costs claimed ($991.01) on these Forms MF-104, and certified for payment the Government's contractual 75 percent participation ($743.26), without documentary proof of the incurrence of the costs by the contractor. The penultimate paragraph of the instructions on the reverse of Form MF-104 requires the submission of supporting documentation.

Under arrangements made by the Department and the General Accounting Office, after completion of the project work the Administration performs a site audit of the contractor's accounts or, in instances of adequately documented Forms MF-104, an administrative review of the contractor's claims, and issues an appropriate certificate designating the total amount due the contractor. A

Report of Review (Exhibit No. 5), together with a Schedule of Exceptions attached thereto, as issued by George Mavor, Government Auditor, on May 26, 1954, takes exception to all costs claimed due to lack of documentary evidence in support of the claims. This Report of Review was issued only after Mr. H. C. Miller, Executive Officer, DMEA Field Team, Region III, had written letters to Mr. O. H. Griggs, the sole general partner, and Mr. Mavor had visited Mr. Griggs' home in Hollywood, California, in unsuccessful attempts to obtain the supporting documentation or, in lieu thereof, access to the partnership's accounts.

By letter dated June 18, 1954 (Exhibit No. 6), addressed to Mr. Griggs at 1903 Outpost Drive, Hollywood, California, with a copy to each of the limited partners, the Administrator advised the contractor that the Government considered him in default under the contract and stated that "unless you promptly assure us that you will furnish the reports and accounting required under the contract, we shall be required to take steps to recover all money paid to you under the contract." In a reply dated July 1, 1954 (Exhibit No. 7), Mr. Griggs protests that he has complied with the contract but that "I do not find anywhere in my records that we have been paid the amount due as shown in the reports we have made." Replies also were received from two of the limited partners, H. C. Thomas (Exhibit No. 8) and Clair Waterbury (Exhibit No. 9).

After obtaining from the General Accounting Office a photostatic copy (Exhibit No. 10) of the pertinent Government check, which indicates endorsement by Mr. Griggs, the Acting Administrator addressed a registered letter dated September 20, 1954 (Exhibit No. 11) to Mr. Griggs at the Hollywood address again requesting documentary evidence of the claimed costs to which the Government had contributed. Copies of this letter also were sent to the limited partners. The original letter was returned marked "Unclaimed" by the Post Office Department. However, a reply on the letterhead of Lakeview Manganese Mines, Crescent Mills, California, and dated October 5, 1954 (Exhibit No. 12), signed "O. H. Griggs by C. B." was received by the Administration advising that Mr. Griggs was out of the country but that the matter would be given his immediate attention upon his return in about two weeks.

By registered letter dated October 29, 1954 (Exhibit No. 13) the Administrator again forwarded the letter of September 20 to Mr. Griggs. This letter was returned by the Post Office Department marked "Unclaimed."

Under date of November 24, 1954, in a final effort to elicit a reply from the contractor, the Administrator addressed a registered letter (Exhibit No. 14) to the Lakeview Manganese Mines, Crescent Mills, California. This letter, also, was returned marked "Unclaimed" both at the Crescent Mills and the Hollywood address, to which it was forwarded by the Post Office Department.

In the settlement of this account consideration must be given to the fact that the work, to which costs claimed were applicable, was performed by the Operator and accepted by the Government. However, there is an apparent overpayment, even though the costs claimed should be substantiated by the contractor. The Forms MF-104 include a claim of $241.25 for 48 hours supervision. The contract, however, provides an "allowable maximum" for full time supervision under Stage I of $400.00 for one month. On the basis of 160 hours (i. e. 20 days) to a working month the hourly rate would be $2.50, and the "allowable maximum" for 48 hours would be $120.00. Accordingly, a firm disallowance of $121.25 of the claimed costs, or $90.94 for the Government's 75 percent contribution, is indicated.

Accompanying this letter are a number of exhibits taken from the files of the Defense Minerals Exploration Administration. Upon your determination of the case the return of the exhibits to this Department will be appreciated since they constitute a part of our permanent records.

Sincerely yours,

(sgd) D. Otis Beasley

Administrative Assistant Secretary

Hon. Joseph Campbell
Comptroller General
of the United States
Washington 25, D. C.

Enclosure

EDTalbert/wh
January 10, 1955

Copy to: Secretary's File Copy
Secretary's Reading File
Administrative Assist. Secretary
DMEA Mails & Files
Admin. Reading File, DMEA
Administrator, DMEA
F. E. Johnson, DMEA
J. L. Hofflund, Solicitor
J. L. Chambers, DMEA
W. S. Martin, DMEA
Region III Field Team (2)
K. Bailey, Bu Mines

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

OFFICIAL BUSINESS

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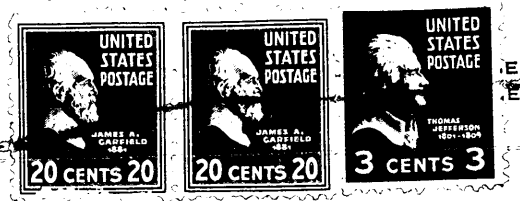

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N. V. O. H. 7-2. 12-13-54
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AIRMAIL

Registered Mail
Return Receipt Requested

Lakeview Manganese Mines

~~Crescent Mills~~, California

1903 Outlet Dr
Hollywood Calif

DEC 28 1954
SECRETARY'S MAIL CENTER

Attention: C. B.

To OH [illegible]

Unclaimed at Hollywood Sta

DEC 18 1954
Second Notice
DEC 15 1954

WASHINGTON, D.C.
NOV 26 1954
REC. DIV.

LOS ANGELES, CALIF.
DEC 11 1954
TERMINAL ANNEX

CRESCENT MILLS CALIF.
NOV 19 1954

WASHINGTON, D.C.
DEC 28 1954
DIV.

HOLLYWOOD CALIF.
DEC 23 1954

WASHINGTON, D.C.
NOV 26 1954
REC. DIV.

HOLLY
DEC 18 1954
CALIF.

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

NOV 24 1954

Registered Mail
Return Receipt Requested

Lakeview Manganese Mines

Crescent Mills, California

Re: Docket DMEA-2393 (Manganese)
Lakeview Manganese Mines
Plumas County, California
Contract No. Idm-E447

Attention: C. B.

Gentlemen:

Under date of October 5, 1954 you kindly advised us that the nondelivery of a registered letter dated September 20, 1954, addressed by this Administration to Mr. O. H. Griggs, 1903 Outpost Drive, Hollywood 28, California, with reference to the settlement of the referenced Exploration Project Contract, was due to the temporary absence from the country of Mr. Griggs. You also advised that his return was expected in about two weeks and, further, that immediately upon his return our letter would be given his attention and the information requested would be forwarded to us.

Failing to hear further from either you or Mr. Griggs, another registered letter dated October 29, 1954 was addressed to him. An informational copy was forwarded to Lakeview Manganese Mines. This second registered letter, like the first, was returned to us marked "Unclaimed". Furthermore, no further advice was received from you.

Under the circumstances it appears that this Administration has no alternative but to refer this matter to the Comptroller General of the United States for appropriate action toward recovery of the amount paid by the Government. In order, however, to avoid any possibility of an injustice to Mr. Griggs or the Lakeview Manganese Mines, we will defer such action until December 15, 1954, to afford a last opportunity for furnishing the documentary proof of costs as requested in our previous letters.

Sincerely yours,

O. Mitteudorf

Administrator

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

NOV 24 1954

Registered Mail
Return Receipt Requested

Lakeview Manganese Mines

Crescent Mills, California

Re: Docket DMEA-2393 (Manganese)
Lakeview Manganese Mines
Plumas County, California
Contract No. Idm-E447

Attention: C. B.

Gentlemen:

Under date of October 5, 1954 you kindly advised us that the nondelivery of a registered letter dated September 20, 1954, addressed by this Administration to Mr. O. H. Griggs, 1903 Outpost Drive, Hollywood 28, California, with reference to the settlement of the referenced Exploration Project Contract, was due to the temporary absence from the country of Mr. Griggs. You also advised that his return was expected in about two weeks and, further, that immediately upon his return our letter would be given his attention and the information requested would be forwarded to us.

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Sincerely yours,

C. O. Mittendorf

Administrator

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

OFFICIAL BUSINESS

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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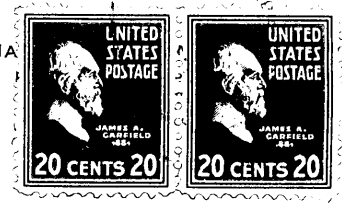

598424

RETURNED TO SENDER

6

REASON CHECKED
Unclaimed ___ Refused ___
Unknown ___
For better address ___
Moved, Left no address ___
No such office in state ___

REGISTERED

Registered Mail
Return Receipt Requested

NOV 4 - 1954
Second Notice
NOV 6 1954

NOV 18 1954
SECRETARY'S MAIL CENTER

Mr. O. H. Griggs
Lakeview Manganese Mines
1903 Outpost Drive
Hollywood 28, California

UNCLAIMED

WASHINGTON, D. C.
OCT 29 1954

HOLLYWOOD
NOV 1 1954

LOS ANGELES, CALIF.
NOV 1 1954
TERMINAL ANNEX

HOLLYWOOD
NOV 15 1954
CALIF.

WASHINGTON, D. C.
OCT 29 1954

WASHINGTON, D. C.
18 NOV 1954
REG. DIV.

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

OCT 2 5 1954

Registered Mail
Return Receipt Requested

Mr. O. H. Griggs
Lakeview Manganese Mines
1903 Outpost Drive
Hollywood 28, California

Re: Docket DMEA-2393 (Manganese)
Lakeview Manganese Mines
Plumas County, California
Contract Idm-E447

Dear Mr. Griggs:

There is attached hereto a letter dated September 20, 1954, addressed to you by this Administration, relative to matters pertaining to the settlement of the referenced Exploration Project Contract.

This letter was forwarded to you by registered mail with return receipt requested. It was returned to us marked "Unclaimed". Subsequently, however, we were advised by a letter, dated October 5, 1954 on the letterhead of Lakeview Manganese Mines, Crescent Mills, California, and initialed by "C. B.", that you were out of the country and not expected back for about two weeks.

Please give the enclosed letter your prompt attention.

Sincerely yours,

O. Mittendorf

Administrator

Attachment

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

OCT 20 1954

Registered Mail
Return Receipt Requested

Mr. O. H. Griggs
Lakeview Manganese Mines
1903 Outpost Drive
Hollywood 28, California

Re: Docket DMEA-2393 (Manganese)
Lakeview Manganese Mines
Plumas County, California
Contract Idm-E447

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This letter was forwarded to you by registered mail with return receipt requested. It was returned to us marked "Unclaimed". Subsequently, however, we were advised by a letter, dated October 5, 1954 on the letterhead of Lakeview Manganese Mines, Crescent Mills, California, and initialed by "C. B.", that you were out of the country and not expected back for about two weeks.

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C. O. Mittendorf

Administrator

Attachment

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

SEP 20 1954

Registered Mail
Return Receipt Requested

Mr. O. H. Griggs
Lakeview Manganese Mines
1903 Outpost Drive
Hollywood 28, California

Re: Docket DMEA-2393 (Manganese)
Lakeview Manganese Mines
Plumas County, California
Contract Idm-E447

Dear Mr. Griggs:

By letter dated June 18, 1954 this Administration advised you that, unless you assure us that you will furnish the reports and accounting required under the subject Exploration Project Contract, we will be required to take steps to recover all money paid to you under the contract. Copies of this letter were sent to each of the limited partners of Lakeview Manganese Mines, i. e., Messrs. H. C. Thomas, Clair M. Waterbury and L. W. Brindley.

Under date of July 1, 1954 you replied with a summary of your understanding of the history of the contract and included a statement that "I do not find anywhere in my records that we have been paid the amount due as shown in the reports we have made." Mr. Thomas replied under date of June 29, 1954 advising that he had conferred with you on the matter and that you were forwarding the required "reports"; however, he also indicated that payment had not been received for the Government's participation in the costs of the project. Mr. Waterbury's reply was in the form of a copy of his letter to you, under date of June 30, 1954, in which he also requests an accounting of your expenditures. No reply was received from Mr. Brindley.

As a result of your statement that the Lakeview Manganese Mines was not paid for the Government's share of the cost claimed under the contract, an investigation has been made. The findings are that you submitted two Forms MF-104 (Operator's Monthly Report and Voucher), one for the month of February, 1953 in the amount of $372.41 and one for the month of March, 1953 in the amount of $618.60, with your certifications thereon being dated March 1, 1953 and April 1, 1953, respectively. The narrative accompanying these two vouchers, however, was dated April 8, 1953. The vouchers were received in the San Francisco office of this Administration on May 13, 1953. Check No. 21,983,001 in the amount of $743.26, covering the Government's

contractual 75 percent contribution to the total claimed project costs of $991.01, was issued by the San Francisco Disbursing Office of the U. S. Treasury Department on June 5, 1953. A photostatic copy of both the obverse and reverse of this check is enclosed. It will be noted that this check bears your signature as an endorsement.

The Exploration Project Contract specifically provides in:

(a) Article 7(d) that "The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at anytime *****. The Operator shall keep and preserve said records and accounts for at least three years after the completion of the project or the termination of this contract. Upon the completion of the project or the termination of the contract the Operator shall render a final account as provided in Article 12";

(b) Article 8 that "The Government will pay 75 percent of the allowable costs incurred, as they accrue *****"; and

(c) Article 12 that upon the completion of the contract or any termination of the contract the Operator "shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money."

Furthermore, the instructions on the reverse of the Form MF-104 (operator's Monthly Report and Voucher) state that the original of said form must be supported by original documentation or by certified copies of purchase orders, invoices, payrolls or transcripts of payrolls.

The original Forms MF-104 for the months of February and March, 1953, as submitted by you, and upon which payment was made to you, were not supported by the required documentation in proof of the actual incurrence of the project costs claimed. The records disclose that Mr. H. C. Miller, Executive Officer, DMEA Field Team Region III, San Francisco, California, addressed letters to you under dates of January 21, 1954 and March 5, 1954 requesting that you submit supporting documentation for:

1. Bulldozing costs aggregating $672.00,
2. Labor costs aggregating $77.76, and
3. Supervision costs aggregating $241.25

Since no reply was received from you, an audit representative of this Administration attempted to contact you at your residence on May 7 and 8, 1954 for the purpose of auditing your accounts covering the project operations. On the evening of May 7, 1954 apparently no

one was at home. On the morning of May 8, 1954 your brother-in-law advised the auditor to return at 1:00 P. M. when you were expected home. However, upon his return at that time the auditor could obtain no answer to his knocks at either the front or back doors.

In view of the foregoing I have no alternative but to advise you that, unless you promptly submit the original documentation to support the costs claimed of $991.01 to which the Government has contributed its contractual 75 percent or $743.26, it will be necessary to turn the matter over to the Comptroller General of the United States for appropriate action toward recovery of the amount paid by the Government. If you so desire, the original documents will be returned to you upon completion of the audit review and a determination that the costs claimed are allowable under the terms of the contract.

Sincerely yours,

Frank E. Johnson
ACTING Administrator

Enclosure

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

SEP 2 0 1954

Registered Mail
Return Receipt Requested

Mr. O. H. Griggs
Lakeview Manganese Mines
1903 Outpost Drive
Hollywood 28, California

Re: Docket DMEA-2393 (Manganese)
Lakeview Manganese Mines
Plumas County, California
Contract Idm-E447

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Sincerely yours,

Frank E. Johnson

ACTING Administrator

Enclosure

00 436 304

TREASURY

DIVISION OF DISBURSEMENT

12

SAN FRANCISCO, CALIF.,

J-V

21,983,001

Treasurer of the United States

THROUGH FEDERAL RESERVE BANK OF SAN FRANCISCO

11-37
000

JUN -5 1953

PAY $***743 DOLLARS 26 CTS $***743.26*

TO THE ORDER OF

LAKE VIEW MANGANESE MINES
O H GRIGGS
1903 OUTPOST AVE
HOLLYWOOD 28 CALIF

PAID A

30 JUN 53

113191 CONTRACT
E-447 DOCKET DMEA
2393 FEB & MARCH BM

176 REGIONAL DISBURSING OFFICER

DRAWN FOR ABOVE OBJECT

DO NOT FOLD, SPINDLE OR MUTILATE

KNOW YOUR ENDORSER - - REQUIRE IDENTIFICATION

412

IDENTIFICATION PROCEDURE

When cashing this check for the individual payee, you should require full identification and endorsement in your presence, as claims against endorsers may otherwise result.

The payee should endorse below in ink or indelible pencil.

If the endorsement is made by mark (X) it must be witnessed by two persons who can write, giving their places of residence in full.

It is suggested that this check be promptly negotiated.

Ichevlein Wlowgwck Wlwck

CM Ruggs

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

OFFICIAL BUSINESS
DEFENSE MINERALS EXPLORATION ADMINISTRATION

SEP 27 1954
Second Invice
SEP 29 1954

6

Unclaimed
Refused
For better address
Moved, left no address
No such office

RETURN RECEIPT
REQUESTED

598392

Registered Mail
Return Receipt Requested

OCT 12 1954
SECRETARY'S MAIL CENTER

Mr. O. H. Griggs
Lakeview Manganese Mines
1903 Outpost Drive
Hollywood 28, California

UNCLAIMED

PENALTY FOR PRIVATE USE TO AVOID

UNITED STATES POSTAGE 20 CENTS 20
UNITED STATES POSTAGE 20 CENTS 20

WASHINGTON, D. C.
20
SEP
1954
REG. DIV.

LOS ANGELES, CALIF.
SEP
28
1954
TERMINAL ANNEX

HOLLYWOOD
SEP
23
1954
CALIF.

WASHINGTON, D. C.
OCT
1954
REG. DIV.

WASHINGTON, D. C.
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REG. DIV.

HOLLYWOOD
OCT
8
1954
CALIF.

00 436 304

TREASURY

DIVISION OF DISBURSEMENT

SAN FRANCISCO, CALIF.

J-V

21,983,001

12

Treasurer of the United States

THROUGH FEDERAL RESERVE BANK OF SAN FRANCISCO 11-37 / 000

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O H GRIGGS
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HOLLYWOOD 28 CALIF

PAID

20 JUN 50

113191 CONTRACT
E-447 DOCKET DMEA
2393 FEB & MARCH BM

176 REGIONAL DISBURSING OFFICER

FRB

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The payee should endorse below in ink or indelible pencil.

If the endorsement is made by mark (X) it must be witnessed by two persons who can write, giving their places of residence in full.

It is suggested that this check be promptly negotiated.

Lucille Wolverton Alice

Ch Griggs

PAY THROUGH LOS ANGELES CLEARING HOUSE

ANY BANK OR BANKER

PRIOR ENDORSEMENT

H-O 2
16-11
TELLER

U. S. GENERAL ACCOUNTING OFFICE
Office of Administrative Services
Records Management and Services Branch
Washington 25

Defense Minerals Administration
RECEIVED
SEP 8 1954

In Reply Please Quote

OAS-RI-JBW

September 7, 1954

Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Gentlemen:

In accordance with your request dated August 6, 1954, copy enclosed, there is transmitted herewith, for administrative purposes, photostatic copy(ies) of the check(s) in question, drawn to the order of Lake View Manganese Mines.

Very truly yours,

L. A. Shields

Acting Unit Head, Records
Information Unit

Enclosures 2

OAS-10 (Rev.1/12/54)

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

AUG 5 1954

Hon. Ivy Baker Priest
The Treasurer of the United States
Department of the Treasury
Washington 25, D. C.

My dear Mrs. Priest:

Would you please furnish this Administration with photostatic copies of the face and reverse of the following described check:

Check No.: 21,983,001
Date: June 5, 1953
D. O. Symbol No.: 412
D. O. Name: A. H. Hoiland
Amount: $743.26
Payee: Lakeview Manganese Mines

These photostats are required by this Administration in settlement of a controversy with the payee.

Sincerely yours,

C. O. Mittenderf

Administrator

EDTalbert/wb
August 4, 1954

Copy to: Docket - DMEA-2393
Admr. Reading File
Mr. Martin
Mr. Chambers

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

420 Custom House
555 Battery Street
San Francisco 11, Calif.

August 3, 1954

Air Mail

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

Re: Docket No. DMEA-2393
(Manganese)
Lakeview Manganese Mines
Contract No. Idm-E447

Dear Mr. Chambers:

The payment data requested in your letter dated July 20, 1954, pertaining to subject contract is as follows:

D. O. Name	Disbursing Symbol No.	Check Date	Check Number	Amount
A. H. Hoiland	412	June 5, 1953	21,983,001	$743.26

There was only one payment made covering total costs of $991.01, in which the Government's participation amounted to 75 percent or $743.26.

The delay in furnishing the above information, was due to being out on audit assignments.

Sincerely yours,

George Mavor

George Mavor
Auditor

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

JUL 2 0 1954

Mr. George Mavor
DMEA Auditor
420 Custom House
555 Batter Street
San Francisco 11, California

AIR MAIL

Re: Idm-1447, DMEA-2393
Lakeview Manganese Mines

Dear Mr. Mavor:

As a result of the Executive Officer's memorandum of June 7, 1954 addressed to the Administrator, relative to his inability to get any response from the subject Operator in regard to the amount suspended by your recent Report of Review, the Administrator wrote letters to the general partner and the two limited partners.

In a reply dated July 1, 1954 from C. H. Griggs, the general partner, and a reply dated June 29, 1954 from H. C. Thomas, one of the limited partners, it was indicated that payments of the Government's share of the costs indicated on the monthly MF-104's have never been received by the partnership. Accordingly, in order to prosecute the case further it will be necessary for this office to obtain photostatic copies of the checks and endorsements thereon.

It is requested that you advise this office by return air mail as to the following information covering the $991.01: Disbursing Officer's name, Disbursing Symbol number, date of checks, numbers of checks and amounts of individual checks.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
July 19, 1954

Copy to: Docket
Admr. Reading File
Mr. Martin
Mr. Chambers

C
O
P
Y

LAKEVIEW MANGANESE MINES

1903 Outpost Dr.
Hollywood 28, Calif.

July 1, 1954.

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

Dear Mr. Mittendorf:- This will acknowledge your letter of June 18th re Docket DMEA-2393 (Manganese) having to do with loan made to this concern.

So that what seems to be a misunderstanding may be set straight, let me relate the entire transaction in this connection:- It had been suggested to me that our Manganese operation could be speeded up by a Government exploration loan-- this suggestion came at a conference hdld with Bureau of Mines personnel in Reno. I was averse to making an application as at that time there was much confusion between various Goverenment departments and applications were reported subject to long delays. I did say however that if the Bureau of Mines would care to make an examination and supply the data for an application, I would sign the application. So, on May 21, 1952, Mr. George Holmes, Engineer with the Bureau, came to the mine and the two of us worked out data necessary for such application which I signed and forwarded to the proper office. In other words, in this instance the examination was made <u>before</u> the application was submitted.

Under date of May 16, 1952, I find in my file a letter signed by you acknowledging receipt of the application and saying it had been referred to Mr. H. C. Miller in San Francisco.

In my file is a copy of the contract for the loan dated Nov. 17, 1952. This contract is also signed by you. A letter from Mr. Miller dated Nov. 19, 1952, forwards to me the contract typed in six copies, five to be returned to Miller and one to be retained.

Owing to winter conditions work contemplated under the contract could not be commenced as expected, but my files contain copy of a letter on Form MF 104 (Rev) dated March 1953 in which I submitted details of work done to that time which totalled $991.01. I find no letter of transmittal with this in my files, and now cannot be certain to whom it was sent; but inasmuch as my files contain a letter dated April 8, 1953, addressed to Mr. A. C. Johnson, Chief of Bureau of Mines at Reno, the same being the required "Narrative", I must assume that the statement of "March, 1953" was sent to Mr. Johnson.

COPY

Dated as "April, 1953" I find a report on Form MF104 (Rev) in which is shown a total expenditure of $1,649.65 and a detail of work done. I find a memo that I had conferred in Reno with Mr. Johnson as to using additional funds alloted under the contract and a later letter dated June 15, 1953 in which I terminated the contract saying we would not desire to use any more of the allowed funds-- this letter having been addressed to Mr. Johnson. Nothing more was done nor heard until late autumn last year when Miller in San Francisco wrote me that I had not made reports. I wrote him giving in brief what I have here given you. The next word is your recent letter of June 18th last. I have no memo of any registered letter.

I still do not understand wherein we have failed to comply with all of the requirements of the contract.

If any registered letter was sent to me, as is of course possible from your own records, it may be that it came during one of my frequent absences and could not be delivered.

Keep in mind, please, the rather confusing processes required of a borrower: As between Washington departments, departments in San Francisco and the requirement to report to the Bureau of Mines at Reno, the changes of address of departments in San Francisco in particular-- it may well be seen how easy it is for confusion to exist. As a matter of fact I spent one whole day in San Francisco trying to run down and locate one department which had removed from more than one place to others.

If you still feel that we have not complied with our contract, I shall be glad to further search my records in an effort to find additional data, but my search up to now is what I have found as recited above. I do not find anywhere in my records that we have been paid the amount due as shown in the reports we have made.

I would also respectfully state that my partners in this partnership are limited partners who under our California law take no part in the business of the partnership other than to receive reports and declared profits. During last January there was held a meeting of partners at which was submitted my records of expenditures and which had been reviewed by an accountant of one of my partners. There was no criticism of my records other than that I had not specifically provided for items like depletion and possible tax deductions allowable to partners. My original records were inspected at this meeting. Since that time inactivity at the mine has precluded necessity of reports to partners.

Respectfully yours,

/s/ O. H. Griggs

O. H. Griggs.

Upon checking the foregoing, I find an error in the date stated on which Mr. Holmes inspected the mine and which I gave as May 21, '52. Another memo places this date about a month earlier.

C
O
P
Y

AVIATION EXPORT COMPANY LTD.
INC.
3108 Valhalla Drive
Burbank, California

June 30, 1954

Mr. G. G. Griggs
Lakeview Manganese Mines
1903 Outpost Drive
Hollywood 28, California

Dear Hal:

I was recently contacted by Hal Thomas, who indicated he had managed to raise sufficient funds to continue operation of the mine. I have heard nothing recently from him as to the progress he is making. I would appreciate your indicating what date I can meet with you and Mr. Thomas to discuss the future of the Lakeview Manganese Mines.

I note in a copy of a letter addressed to you from the United States Department of the Interior, that they too require an accounting of your expenditures. I have repeatedly asked for an accounting as have the other limited partners. Under the terms of our partnership, it is our legal right to expect such an accounting and it is your legal obligation to provide such accounting as a general partner. I should like to advise you that unless a meeting is arranged within the next ten days and satisfactory progress indicated, I shall be forced to turn this case over to my attorney and appropriate Government officials.

Yours sincerely,

/s/ C. M. W.

Clair M. Waterbury

CMW/mg

cc: Mr. David Hunt
Bateman, Eichler & Co.
453 South Spring Street
Los Angeles, Calif.

C. O. Mittendorf, Administrator
U. S. Department of the Interior
Washington 25, D. C.

C
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P
Y

Hal C. Thomas

352 North Avenue 59

Los Angeles 42, Calif.

29 June 1954.

My dear Mr. Mittendorf:

Thank you, very much, for your letter of June 18, re:

Docket No. DMEA-2393 (Manganese) Lakeview Manganese Mines, Plumas County, California, Contract Idm-E447,

with which you also sent me copy of your letter of same date to Mr. O. H. Griggs, of Hollywood, our General Partner. My delay in acknowledging is due to absence from the city.

I have taken this matter up with Mr. Griggs, who is writing you also and sending the reports you request, but neither of us can understand the apparent "mix-up". Griggs has been away from here much of the time, which might account for undelivered mail. On the other hand, it should have been forwarded to him, or have been found awaiting him upon his return.

Nevertheless, he and I both had thought everything had been done, according to regulations, to effect the termination and to secure the indicated refund to us of around $1,100.00 (?) which was due us for work done and paid for by us. We have wondered, for months, why this refund had not come from DMEA.

At the suggestion of Mr. Johnson, head of your Reno office, upon whom Griggs and I called in person, Mr. Griggs made out the termination papers, with report and all complete, and filed them, I believe, with Mr. Harold Miller, of your San Francisco office. The report showed that no manganese ore had been shown as discovered by this exploratory work. Mr. Griggs subsequently checked with Harold Miller who told him he had forwarded the papers, approved by him, with request for check to cover the refund due to Mr. Griggs. That was months ago, and no further word has been received, and no refund check, until your letters of June 18. Apparently, papers presumably forwarded to you suffer the same fate as the letters you st te were mailed to Mr. Griggs.

Sincerely yours,

/s/ Hal C. Thomas

Mr. C. O. Mittendorf
Administrator, DMEA
U. S. Dept. of the Interior
Washington 25, D. C.

C
O
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Y

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

June 18, 1954

Mr. O. H. Griggs
Lakeview Manganese Mines
1903 Outpost Drive
Hollywood 28, California

Re: Docket DMEA-2393 (Manganese)
Lakeview Manganese Mines
Plumas County, California
Contract Idm-E447

Dear Mr. Griggs:

With a letter dated October 12, 1953, a proposed termination agreement was sent to you concerning the subject contract. You did not respond to the Executive Officer's letter of transmittal nor to his follow-up letters of November 23, 1953, and January 13, 1954. With a registered letter, return receipt requested, dated March 5, 1954, the Executive Officer sent to you a Notice of Termination under the provisions of the contract, which letter was returned to him "unclaimed."

Apart from the letters concerning the termination of the contract, in a letter dated January 21, 1954, the Executive Officer informed you that your claims for Government contribution (MF-104 forms) to costs of work under the contract must be supported by documentary evidence. You did not respond to this letter.

We feel that we have made reasonable efforts to contact you concerning the termination of the contract and concerning evidence to support your claims for Government contribution. The contract plainly provides that you were required to keep suitable records and accounts of operations which the Goverenment might inspect and audit an any reasonable time; and it provides further that upon completion of the project or any termination of the contract you were required to render to the Goverenment a full and final report of the work, a full and final accounting of your operations under the contract, and your expenditures of money, As you have failed to fulfill these requirements, the Government considers you in default of the contract.

Accordingly, unless you promptly assure us that you will furnish the reports and accounting required under the contract, we shall be required to take steps to recover all money paid to you under the contract.

Sincerely yours,

s/d C. O. Mittendorf

Administrator

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

420 Custom House
555 Battery Street
San Francisco 11, Calif.

June 15, 1954

Mr. E. D. Talbert, Acting Chief
Contract Administration and
Audit Division
Defense Minerals Exploration
Administration
Washington 25, D. C.

Dear Mr. Talbert:

Reference is made to your letter dated June 10, 1954 in connection with certain questions and problems on the contracts listed below, which were to be discussed with H. C. Miller upon my return from Washington.

The question relating to Cordero Mining Co., Contract Idm E-64, DMA-1165X, was answered by letter dated May 13, 1954 to C. O. Mittendorf, wherein Mr. Miller recommended the inclusion in costs of 1-100 x 25 diamond drillers building $485.91. Mr. Miller states that the answers in this letter does not require any further explanations or recommendations on his part.

The question relating to Lakeview Mine Contract, Idm-E447, DMEA-2393, was answered in letter dated June 7, 1954 from H. C. Miller to C. O. Mittendorf, wherein he requested that legal action be taken, due to lack of documentary proof in support of costs.

The questions pertaining to New Penn Mines Inc., Contract Idm E-529, DMEA-2885, were discussed with H. C. Miller, and in line with my understanding with Mr. Chambers, the material charge of $903.20 and travel expense of drillers $251.40, would be acceptable in costs. Mr. Chambers stated that I should obtain a letter from Mr. Miller, pertaining to travel expense only, stating he agreed to the cost and this has been accomplished. Both of these items are described in the narrative of my audit report, which is presently being typed, and should be forwarded to you in the next day or two.

I might state that I discussed all questions with H. C. Miller, immediately upon my return from Washington and the only negative action on the questions involved was Cordero Mining Co., wherein Mr. Miller felt that no further correspondence was required after having written his letter dated May 13, 1954 referred to above.

George Mavor

George Mavor
Auditor

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

AIR MAIL

JUN 1 0 1954

Mr. George Mayer
DMEA Auditor
420 Custom House
555 Battery Street
San Francisco 11, California

Dear Mr. Mayer:

It is my understanding that, during your recent visit to Washington, you and Mr. Chambers conferred with Mr. Krause of the Rare and Miscellaneous Metals Division relative to certain problems and questions pertaining to Idm-2529, DMEA-2885, New Penn Mines, Inc., and Idm-864, DMA-1165X, Cordero Mining Co., which you were to discuss further with Mr. Miller upon your return to San Francisco.

Also, during your visit, I discussed with you the necessity of preparing a Report of Review covering Idm-F447, DMEA-2393, Lakeview Manganese; however, you were requested to confer with Mr. Miller to determine what steps he wished to take in an endeavor to relieve the suspension involved. The Report of Review was subsequently received by this Division and the release of the regional copies was authorized by my letter to you under date of June 2, 1954.

To date no information has been received from either Mr. Miller or you as to the determinations or recommendations resulting from your discussions on these three contracts. Please furnish this information by return air mail, and also advise as to the approximate date that this Division may expect to receive the audit report for Idm-2529.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Chief
Contract Administration
and Audit Division

EDTalbert/vb
June 10, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers
Mr. Martin
Mr. Ellis

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

JUN 2 1954

Mr. George Mavor
DMEA Auditor
420 Custom House
555 Batter Street
San Francisco 11, California

Subj.: Idm-E10, DMA-420X
Bristol Silver Mines Co.
and
Idm-E447, DMEA-2393
Lakeview Manganese Mines

Dear Mr. Mavor:

Receipt is acknowledged of three copies each of the Reports of Review covering the subject Exploration Project Contracts.

The following minor errors should be corrected on the originals and copies retained by you, after which normal distribution may be effected:

E-10: (1) Insert "further" between the words "possible" and "disallowances" under reason (a); and
(2) Correct date in reason (b) to read "September 22, 1953."

E-447: (1) Insert "further" between the words "possible" and "disallowances" under reason (a); and
(2) Correct contract number to "Idm-E447".

These corrections have been made on the copies submitted to this Division.

In regard to the above corrections indicated as (1) under each contract, please refer to code (K) (a) on page 3 of Mr. Chambers' memorandum of February 2, 1954 on the subject of Reports of Review.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Chief
Contract Administration
and Audit Division

EDTalbert/wb
June 2, 1954

Copy to: Docket (2)
Admr. Reading File
Mr. Chambers

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

Defense Minerals Administration
RECEIVED
MAY 13 1954

~~Office of~~
~~Executive Officer~~
~~DMEA Field Team~~
~~Region III~~

1012 Flood Building
870 Market Street
San Francisco 2, California

May 11, 1954

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket DMEA-2393 (Manganese)
Lakeview Manganese Mines
Plumas County, California
Contract Idm-E447

Dear Mr. Miller:

Under dates of May 7 and 8, 1954, an attempt was made by me to contact O. H. Griggs, 1903 Outpost Drive, Hollywood 28, California, for the purpose of obtaining additional information in order to complete my audit, and also deliver termination notice for subject contract.

I arrived at the home of O. H. Griggs about 5:30 p.m. Friday May 7, 1954, and apparently no one was home. I inquired from a neighbor next door about O. H. Griggs and I was informed that he occupied the house, but they knew very little about him. His name is not in the telephone book, and I called information to see if his name was listed at 1903 Outpost Drive and was informed they had no record of his name at that address.

At 9:00 a.m. Saturday May 8, 1954, I made another attempt to contact O. H. Griggs, and I saw a milkman delivering milk at the back door of the house, and he informed me that another man lived in the house that owned a dog and I might see him in the neighborhood. It developed that this man was a brother-in-law of O. H. Griggs and he told me to return at 1:00 p.m. which I did without avail. Before leaving I went to the back door, which had a bell and I heard it distinctly ringing. I then opened the back door and asked in a loud voice if anyone was home, without results.

The house at 1903 Outpost Drive is on a corner lot, and has a 7 foot wall around the property. The front door entrance is a large oak door built into the wall, and had the appearance of not being used, and possibly the bell was out of order. A smaller oak door for the back

entrance also built into the wall was open and you could gain entrance at this point, which I did without results. The garage at the back of the house, had space for two cars, however, the doors were off and had the appearance of not being in use. The house is in a high class neighborhood, but shows signs of neglect and no doubt an eyesore to the neighbors.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"

George Mavor
Auditor

Copy to: Jay L. Chambers

[illegible] in Bakersfield May 7, [illegible] to final audit of Walter Mavor Co. after which I decided to go to Hollywood and Troy and complete the documents required for Lakeview Management Mavor audit and the results are contained in this letter

GM
5/11/56

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
1012 Flood Building
870 Market Street
San Francisco 2, California

January 23, 1954

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

Re: Idm-E497, DMEA-2393
Lakeview Manganese Mines
Plumas County, California

Dear Mr. Chambers:

Reference is made to your letter dated January 14, 1954, in connection with subject operator's Report of Review.

The operator has been requested to submit invoices for bulldozing and certified payrolls, and also to give full explanation as to the method used in calculating the supervisory salary of $241.25.

Sincerely yours

George Mavor

George Mavor
Auditor

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

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

January 21, 1954

Mr. O. H. Griggs
Lakeview Manganese Mines
1903 Outpost Drive
Hollywood 28, California

Re: Docket No. DMA-2393 - Manganese
Lakeview Manganese Mines
Plumas County, California
Contract No. Idm-5447

Dear Mr. Griggs:

Reference is made to Operator's Monthly Report and Voucher, prepared on Form MF-104 for the month of March 1953, which shows total costs of $991.01, made up of the following items:

Bulldozing	- 48 hrs. at	14.00	672.00
Laborer	- 48 hrs. at	1.62	77.76
Supervision	- 48 hrs.		241.25
Total			$991.01

Vouchers received for the months of February and March 1953 did not have documents attached as evidence of payment, and if you will refer to instructions printed on the reverse side of Form MF-104, you will find Item (8) reads as follows:

"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)'."

In order that this office may close the records on your contract, it will be necessary for you to submit the following documents:

1. For bulldozing costs aggregating $672.00, send original invoices or certified copies of invoices.

2. For labor costs aggregating $77.76, send certified copies of payrolls, showing name of employee, hours worked, rate of pay, and amount paid.

3. For supervision costs aggregating $241.25, include with the above certified copies of payrolls, showing name of supervisor, hours worked, and method of computing proration of salary based on $400.00 per month.

It is called to your attention that the contract provided an "allowable maximum" for full time supervision of $400.00 for 1 month. On a basis of 160 hours (i.e. 20 days) to a working month, the hourly rate would be $2.50 and the "allowable maximum" for 48 hours would be $120.00. Deducting this amount from the supervision cost of $241.25 claimed in your monthly vouchers would indicate an overcharge of $121.25.

Your prompt attention in furnishing the required documents, together with an explanation of the supervisory costs, will be appreciated.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team
Region III

Copy to: DMEA, Washington, D. C.
Roscoe Smith, USGS
A. C. Johnson, Reno
George Mavor
F. Horton

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

JAN 14 1954

Mr. George Mavor
DMEA Auditor
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Idm-2447, DMEA-2393
Lakeview Manganese Mines
Plumas County, California

Dear Mr. Mavor:

Returned herewith for revision are the copies of the Report of Review in lieu of final audit, covering the referenced Exploration Project Contract.

The first reason given by you for the review in lieu of audit is satisfactory but the second reason is not sufficiently applicable. This contract is on an actual cost basis and, under the requirements of DMEA Circular 19 and the instructions on the reverse of form MF-104, the costs claimed must be supported by documentary proof of such costs. Therefore, the proper reason for citation, provided it is true, is:

"the Monthly Reports were supported by documentary proof of the costs incurred under the contract."

In the event that the forms MF-104 were not supported by documentation, it is suggested that the Operator be requested by letter to submit the required evidence for the costs claimed.

It also appears that a disallowance may be required. The final MF-104 shows a charge of $241.25 for Supervision and the final MF-104A indicates a total of 48 hours were actually worked. The contract provides an "allowable maximum" for full time supervision of $400.00 for 1 month. On a basis of 160 hours (i. e. 20 days) to a working month the hourly rate would be $2.50, and the maximum allowable for 48 hours would be $120.00. Accordingly a disallowance of $121.25 is indicated.

In connection with this item of Supervision, it is suggested that you refer to footnote (2) of the Audit Guide sent to you under cover of my letter of June 4, 1953.

EDTalbert/wb 1-12-54

cc: Docket
Admr. Reading File
Mr. Chambers

Enclosure

Sincerely yours,

(Signed) J. L. Chambers
Jay L. Chambers, Chief
Contract Administration
and Audit Division

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DEA 2393

COMMODITY Manganese

Government's Copy
IDM-E 447

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

EXPLORATION PROJECT CONTRACT[1]

Z-1584685

IT IS AGREED this 17th day of November, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Lakeview Manganese Mines, a limited partnership between H. C. Thomas, L. W. Brindley and Clair Waterbury, limited partners and O. H. Griggs, Crescent Mills, California, general partner.

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of California, County of Plumas, described as follows:[3] Three unpatented lode mining claims recorded in the office of the County Recorder, Plumas County, California. See Annex I and Fig. 1 (Lakeview Manganese Mines Crescent Mills, Calif. 5/25/52), both attached hereto and made a part hereof.

the Operator represents and undertakes:[4]

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

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the ~~Owner's Consent to Lease~~ Landlord's Subordination Agreement is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within ~~thirty (30)~~ sixty (60) days from the date of this contract shall commence work on a project of exploration for[5] Manganese

in or upon the described land; and shall bring the project to completion within a period of eight (8) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

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

16-1(2)

(*b*) The Government's payment[illegible]ll cases will be based on actual, necessa[illegible]sts (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

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

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

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 75 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $9,750.00, which is 75 percent of $13,000.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

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

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

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

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

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

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

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

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* The Operator's obligation to bring the project to completion continues only as long as the accumulated allowable costs of the project in which the Government will participate do not exceed the agreed total estimated cost of the project set forth in Article 8.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals Exploration Administration

Lakeview Manganese Mines
(Operator)

By [signature]

I, O.H. GRIGGS, certify that I am the GEN. PARTNER OF ~~secretary~~ [redacted] Operator herein; that I, ~~who~~ signed this contract on behalf of the Operator, ~~was then~~ ~~of said corporation~~; that said contract was duly signed for and in behalf of said ~~corporation~~ by authority of LAW ~~its governing body, and is within the scope of its corporate powers.~~

[signature]
GEN. PARTNER

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

JAN 6 1953
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

[CORPORATE SEAL]

16-1

EXPLORATION PROJECT CONTRACT
LAKEVIEW MANGANESE MINES
DOCKET NO. DMEA-2393

EXHIBIT "A"

Description of the Work

Stage I

Time Schedule: 0 to 1 month

(1) The project consists of bulldozing five trenches, each of which shall be about 100 feet in length and of a depth sufficient to explore the rock outcrops for geological study, and sampling where necessary. The approximate locations of these trenches are shown on Figure 1, attached hereto and made a part hereof.

(2) A study of the results obtained from the above trenching shall be made by a consulting geologist who shall be selected for this project with the approval of the Government's Field Team (referred to hereinafter in this Exhibit as "the Government"). Said consulting geologist shall report as to the feasibility of the following stage of the project.

Stage II

Time Schedule: 1 to 5 months

(1) This work shall be undertaken after the completion of Stage I, only if the Government indicates that results of the work under Stage I warrant undertaking the work under Stage II.

(2) The project consists of approximately 300 feet of drifting and crosscutting, the location of which shall be determined by the consulting geologist, with the approval of the Government, on the basis of results obtained from Stage I.

Estimated Costs of the Project
(*Indicates allowable maximum)

(1) Independent Contracts

Stage I

1 - Bulldozer, 80 hours @ $14/hr. 1/	$ 1,120.00

1/ This work includes Operator, operating supplies, accessories and repairs, and cost of moving bulldozer to and from site.

Exhibit 1

	Stage II		
	1 - Bulldozer, 10 hours @ $14/hr.[2]		$ 140.00
(2)	Labor, Supervision, Consultants		
	Stage I		
	1 - Supervisor,[3] 1 month @ $400/mo.	$ 400.00*	
	1 - Consulting geologist, 4 days @ $65/day (including expenses)	260.00*	
	1 - Laborer, 10 days @ $13/day	130.00	
	Accounting	20.00	810.00
	Stage II		
	1 - Supervisor,[3] 4 months @ $400/mo.	1,600.00*	
	1 - Miner, 105 days @ $15/day (includes overtime)	1,575.00	
	1 - Mucker, 105 days @ $13/day (includes overtime)	1,365.00	
	1 - Consulting geologist, 6 days @ $65/day (including expenses)	390.00*	
	Accounting	80.00	5,010.00
(3)	Operating Materials and Supplies		
	Stage I		
	Fuel, oil and miscellaneous for truck, 1 month		40.00
	Stage II		
	Powder, fuse, caps, fuel, oil, steel, bits, timber and miscellaneous		3,300.00

2/ See Footnote 1.

3/ The supervisor shall direct the operation and shall be responsible to the consulting geologist for securing representative samples, where warranted, and their subsequent handling. He shall keep up to date maps for the progress reports.

(4) Operating Equipment

Stage I

To be purchased

None

To be rented

None

To be furnished by the Operator

1 - Truck, value $1,500.00, depreciation @ $25/mo.,* 1 month		$ 25.00*

Stage II

To be purchased

Tools and miscellaneous small equipment		150.00

To be rented

None

To be furnished by the Operator

1 - Sullivan 360 cfm portable compressor, value	$3,200.00	
1 - Jackhammer, column, arm, saddle, air and water hose, pressure tank and miscellaneous	800.00	
Mine rails, 3 tons	400.00	
1,000 feet 2-inch pipe; 1,000 feet 1-inch pipe	700.00	
2 - Mine cars	300.00	
1 - Jeep truck	1,500.00	
Total value	$6,900.00	
Depreciation, 4 months @ $115/mo.*		460.00*

(5) Rehabilitation and Repairs

Stages I and II

None

(6) New Buildings, Improvements and Installations

Stage I

None

Stage II

1 - Compressor building		$ 600.00*

(7) Miscellaneous

Stage I

Sample sacks	$10.00	
Assaying, 20 samples @ $2.00 each	40.00	
Office and engineering supplies	15.00	
Workmen's Compensation and Employers' Liability Insurance, and payroll taxes	60.00	125.00

Stage II

Sample sacks	20.00	
Assaying, 40 samples @ $2.00 each	80.00	
Office and engineering supplies	60.00	
Workmen's Compensation and Employers' Liability Insurance, and payroll taxes	685.00	845.00

(8) Contingencies

Stage I	80.00
Stage II	295.00

S U M M A R Y

Total Estimated Cost of Stage I	$2,200.00	
Total Estimated Cost of Stage II	10,800.00	
Total Estimated Cost of the Project		$13,000.00*
Government Participation @ 75%		$ 9,750.00*

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner ~~in fee simple~~ by mining location title of that certain parcel of ground in the county of Plumas, State of California, described in a certain Exploration Project Contract dated _____, 195__, between Myles Timmins, Cahrles Herring and Mrs. Frank Bear, lessors and owners, and Lakeview Manganese Mines, assignee of lease, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated _____ Nov. 29, 1950, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

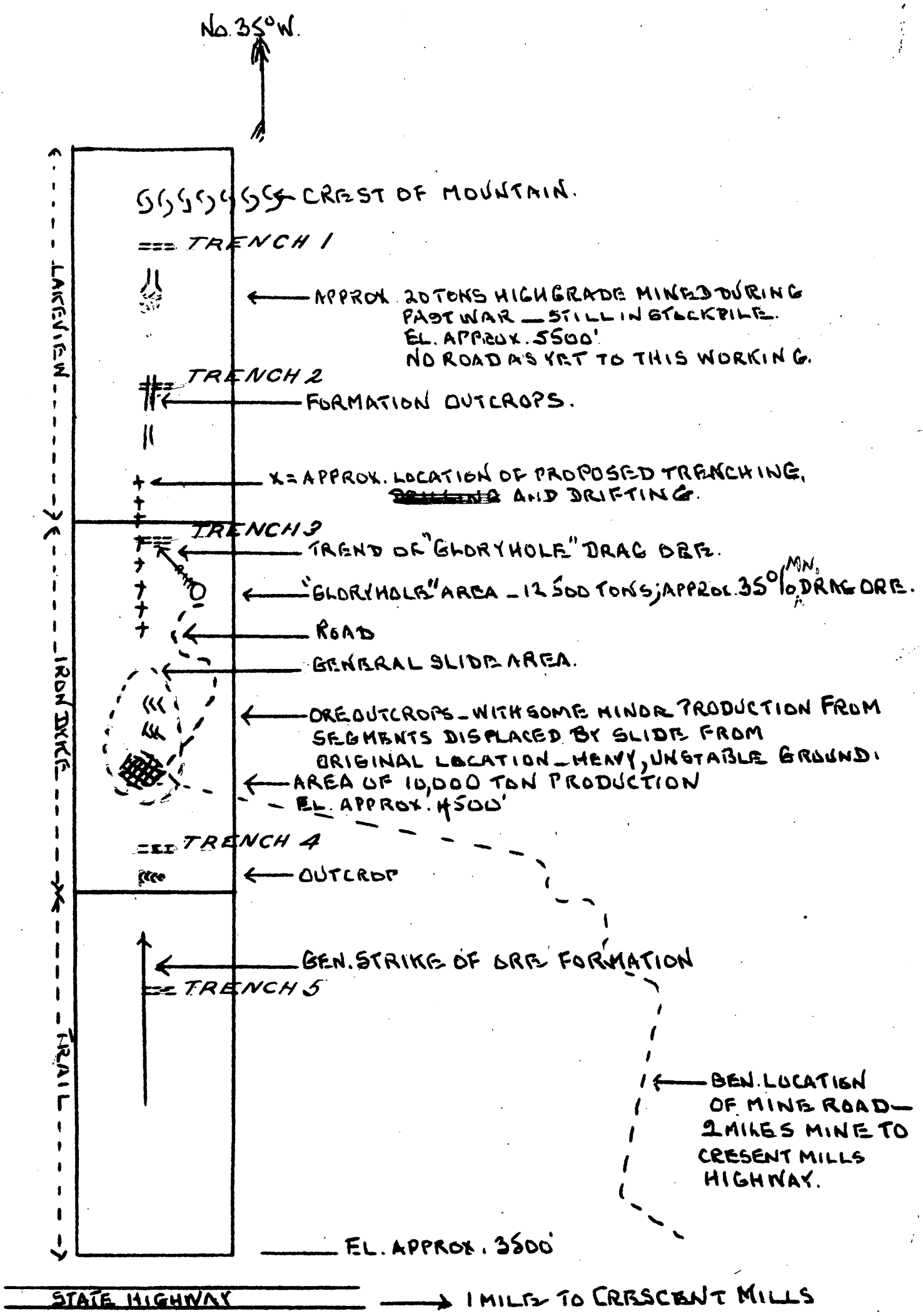
The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 2 day of May, 1952

Chas. Herring
Mrs F. Bear

U. S. GOVERNMENT PRINTING OFFICE 16—64582-1



(LAKEVIEW MANGANESE MINES)
CRESCENT MILLS, CALIF.
5/25/52

FIG. 1

SCALE:-
APPROX 1" = 500'

Defense Minerals Administration Government's copy
RECEIVED

NOTICE OF TERMINATION

To: Lakeview Manganese Mines, a limited partnership

Crescent Mills, California

Operator under Exploration
Project Contract Idm-E447
Docket No. DMEA-2393,
dated November 17, 1952

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereby terminates the subject contract, under the terms thereof (which preserves the Government's rights with respect to a percentage royalty), on the following ground:

> In the opinion of the Government, you have failed to prosecute operations pursuant to the terms of the contract, in that no work has been performed since March 1953, and the time specified in the contract for the completion of the work, July 17, 1953, has passed.

Upon the receipt of this notice you are required, as provided in said contract, to render to the Government a full and final report and final accounting of your operations under the contract and of your expenditures of money on account thereof.

Any work prosecuted or costs incurred by you after the receipt of this notice shall be for your sole account, except for the costs of any reports, accounts, and winding-up and settlement actions provided for in the contract.

All rights of the Government with respect to certification of discovery or development, percentage royalty, and lien for payment, as provided in the contract, are preserved.

Dated this 1st day of March, 1954.

THE UNITED STATES OF AMERICA

By C. Mitchell
Administrator, Defense Minerals
Exploration Administration

Exhibit 2

EXPLORATION PROJECT CONTRACT
LAKEVIEW MANGANESE MINES
DOCKET NO. DMEA-2393

ANNEX I

CLAIMS OF LAKEVIEW MANGANESE COMPANY

Three lode mining claims located in Section 27, T. 26 N., R. 9 E., Mount Diablo Meridian.

Name of Claim	Located	Book No.	Page No.
Iron Dyke	April 19, 1938	21	406
Lakeview	May 2, 1938	21	65
Trail	August 14, 1941	22	459

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

JUN 24 1957

Mr. G. Schaffert
Chief, Debt Section
U. S. General Accounting Office
Washington 25, D. C.

Dear Mr. Schaffert:

In response to your request of June 17, 1957, that we return to you the original contract and papers bearing on the Lakeview Manganese Mines, your reference DW-E 1584685-WBC-2, I am sending you the file of our Contract Administration and Audit Division bearing on this case. As this constitutes the sole file of the Division, I trust that you may be able to return it intact when you are finished with it.

Sincerely yours,

C. O. Mittendorff

Administrator

Attachment

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

Budget Bureau No. 42-R146.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS MAY 14 1953
JUN 8 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February 1953 Docket No. DMEA 2393 Contract No. 1dm-2447
Operator's Name Lakeview Manganese Mines Minerals Manganese
Address Crescent Mills, Calif.
Contract Amount, $13,000.00 Government Participation 75 % Amount, $9,750.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing	252.00	--------	252.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	29.16	--------	29.16			
Supervision	91.25	--------	91.25			
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	372.41	------	372.41			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date March 1, 1953 Payee Lakeview Manganese Mines
Per O.H. Grieser Title Gen. Partner

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$279.31

Lloyd W. Sjolander
Signature Authorized Certifying Officer
(Authorized Certifying Officer)
Date JUN 1 1953 Vou. No. SF-DMEA-43
(See other side)

17-1

Exhibit 3

(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. [illegible] in accordance with the terms of the contract.

Signature R. C. Johnson Title [illegible] Date May 12, 1953.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Region III

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date May 14, 1953

H. C. Miller

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.

DEPARTMENT OF INTERIOR
BUREAU OF MINES
SAN FRANCISCO, CALIFORNIA

U. S. GOVERNMENT PRINTING OFFICE 205675

17-2

Form MF-104A
(April 1952)

Budget Bureau No. 42-R151
Approval expires 6-30-53.

ACCOUNTS MAY 14 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 3 Docket No. DMEA 2393 Contract No. Idn-2447

Operator's Name Lakeview Manganese Mines Minerals Manganese

Address Crescent Mills, Calif.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger							Hours	
Stripping		252.00	18 hrs	252.00	18 hrs		80	@14.00
Trenching Laborer		29.16	" "	29.16	" "		80	@ 1.62
Test Pits								
Roads Supervision		91.25	" "	91.25	" "		80	for 400.00
		372.41		372.41				
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
		--						
Operating Equipment Purchased		--						
Initial Rehabilitation and Repairs		--						
New Buildings, Improvements, etc								
		372.41						
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.

Lakeview Manganese Mines

March 1, 1953

Date ..... Operator .....

O.H.Grisse Gen.Partner

Per ..... Title .....

REMARKS: Winter storms with snow prevented amount of expected work this month.

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)

17-3(b)

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.

U. S. GOVERNMENT PRINTING OFFICE 205676

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED
MAY 23 AM 9:00
SAN FRANCISCO, CALIFORNIA

17-3

REPORT

Work under Contract Ldm-3947--Project DMA Manganese 2993.

During February, 18 hours of bulldozing was done on the northern end of the Iron Dyke claim. A large amount of work was uncompleted due to late snows and saturated ground. The work was to complete Trench 3: above the point marked "Graphite". Some slight exploitation was encountered, but owing to the extremely steep slope of the hillside the bulldozer could attack only a limited depth and the material found did not contain enough minerals to warrant stripping. At this point the surface material: caused by land slide were deeper than had been anticipated.

During March, 30 hours of bulldozing was done on a trench some 300 feet South of Trench 3 on the Iron Dyke claim. Broken Manganese ore was found which it is believed is ore in place. This lines up with the strike of ore in place so far as can be determined, and the formation seems to prove that ore in place has been found. Owing to the steepness of the area, a bulldozer can work down to only a limited depth. Also, when the siliceous cherty zone which should cover with ore in place is encountered, a bulldozer is unable to uncover it. Blasting,which was done, gains only a few feet.

Work was undone on Trenches 1 and 2. Trench 1 at the crest of the mountain has been under snow and on April 1st was still under snow to a three feet of snow. Further examination of the area of Trench 1 done shortly before snow closed it off, indicated strongly that it is an unfavorable area from which to expect any substantial ore showing.

Work was not done either on Trench 2. At this point the slope is extremely steep and the surface sin at entirely such so that the bulldozer operator would not undertake using his machine there.

Reference to the sketch attached to Contract Ldm-3947 will show that this property of three claims (4500 feet) rises about 2,000 feet, which will give an idea of steep slope of the ground. This is particularly so when it is explained that commencing near the northern end of the lower claim (the trail) the degree of incline gradually eff so that the 2,000 foot rise occurs mainly from that point up the crest.

The undersigned and others are convinced that the main objective of the work has been successful up to this date. Further bulldozing is planned if the area described above where ore believed in place occurs. This area is regarded as the most important of the prop erty which cause will proved by production of segments dragged by land slides from original place-- a production of some 10,000 tons which in places was more than 8 feet in width and each segment of which was broken off cleanly with no indication of fumbering or pulsing out.

April 8, 1953.

Labrador Manganese Mines

By O.E.Briggs.

17-4

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

Budget Bureau No. 46-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS MAY 14 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1953 Docket No. DMEA 2303 Contract No. Idm-1447
Operator's Name Lakeview Manganese Mines Minerals Manganese
Address Crescent Mills, Calif
Contract Amount, $13,000.00 Government Participation: 75 % Amount, $9,750.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing	420.00	252.00	672.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	56.60	20.16	77.76			
Supervision	150.00	91.35	241.35			
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	626.60	372.41	991.01			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date April 1, 53 Payee Lakeview Manganese Mines
Per O. [illegible] Title Gen. Partner

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$463.95
Signature Lloyd H. Sjolander
Authorized Certifying Officer
(Authorized Certifying Officer)
Date JUN 1 1953 Vou. No. SF-DMEA-43
(See other side)

18-1

Exhibit 4

(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. [illegible] in accordance with the terms of the contract.

Signature R. C. Johnson Title [illegible] Date [illegible]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date May 14, 1953

H.C. Miller

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.

U. S. GOVERNMENT PRINTING OFFICE 205675

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
SAN FRANCISCO, CALIFORNIA

18-7

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS MAY 11 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1953 Docket No. DMEA2393 Contract No. Ida-1447
Operator's Name Lakeview Manganese Mines Minerals Manganese
Address Crescent Mills, Calif.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping							Hours	
Trenching		420.00	30 hrs	672.00	48 hrs		60	14.00
Test Pits Laborer		42.60	" "	77.76	" "		60	1.62
Roads and Trails								
Supervision		150.00	" "	241.25	" "		60 for	40.00
TOTAL DISTRIBUTED COSTS		618.60		991.01				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		--						
Initial Rehabilitation and Repairs		--						
New Buildings, Improvements, etc.		--						
TOTAL COSTS		618.60		991.01				

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

Date April 1, 1953 Operator Lakeview Manganese Mines

Per O. H. Griggs Title Gen. Partner

REMARKS: Late winter storms continue to prevent work every day.

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)

18-3

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.

U. S. GOVERNMENT PRINTING OFFICE 205676

SAN FRANCISCO, CALIFORNIA
MAY 13 AM 9:00
DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

18-2

DEFE[redacted]ERALS EXPLORATION ADMINISTR[redacted]
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Lakeview Manganese Mines
a limited partnership between
H. C. Thomas, L. W. Brindley
and
Clair Waterbury
limited partners
and
O. H. Griggs
Crescent Mills, California
general partner

pertaining to Exploration Project Contract No. Idm-E447, Docket No. DMEA-2393, for the period February 1, 1953 to March 31, 1953, covering a project of exploration of Manganese, located in Plumas County, California and commonly known as the Lakeview Manganese Mines.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with Executive Officer 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:

(a) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible further disallowances thereunder.

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

Total cost as billed by Contractor	$991.01
Exceptions (schedule attached)	
This audit	991.01
Total Accepted Cost	-0-

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of No and No/100 Dollars,

$-0-

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

George Mavor
George Mavor
Auditor

May 26, 1954

19-1

Exhibit 5

SCHEDULE OF EXCEPTIONS

Lakeview Manganese Mines DMEA-2393 Idm-E447

Suspension of all costs, pending documentary evidence in support of claims.

	Costs Suspended	75% Paid
Bulldozing	$672.00	
Labor	77.76	
Supervision	241.25	
Total	$991.01	$743.26

Efforts made by Executive Officer to obtain signed copies of termination agreement without results.

Letter dated 10/12/53 H. C. Miller to O. H. Griggs
Letter dated 11/23/53 H. C. Miller to O. H. Griggs
Letter dated 1/13/54 H. C. Miller to O. H. Griggs
Registered Letter dated 3/5/54 H. C. Miller to O. H. Griggs

The registered letter dated March 5, 1954 was returned unclaimed and covered termination notice by the Government.

Efforts made by Executive Officer to obtain documentary evidence in support of claims.

Letter dated 1/21/54 H. C. Miller to O. H. Griggs
Registered Letter dated 3/5/54 H. C. Miller to O. H. Griggs

The registered letter dated March 5, 1954 was returned unclaimed.

In letter dated April 28, 1954 from W. S. Martin, Acting Chairman, Operating Committee, a request was made to try and contact O. H. Griggs at his home, and under dates of May 7 and May 8, 1954, George Mavor, DMEA Auditor, called at the home of O. H. Griggs, 1903 Outpost Drive, Hollywood 28, California and was unable to make any contacts.

George Mavor
George Mavor
Auditor

00 436 304

TREASURY

DIVISION OF DISBURSEMENT

SAN FRANCISCO, CALIF.

21,983,001

12

Treasurer of the United States

THROUGH FEDERAL RESERVE BANK OF SAN FRANCISCO

11-37
000

JAN 5 1953

PAY $***743 DOLLARS 26 CTS $***743.26*

TO THE ORDER OF

LAKE VIEW MANGANESE MINES
O H GRIGGS
1903 OUTPOST AVE
HOLLYWOOD 28 CALIF

PAID

113191 CONTRACT
E-447 DOCKET DMEA
2393 FEB & MARCH BM

176 REGIONAL DISBURSING OFFICER

DRAWN FOR ABOVE OBJECT

DO NOT FOLD, SPINDLE OR MUTILATE

KNOW YOUR ENDORSER - - REQUIRE IDENTIFICATION

412

IDENTIFICATION PROCEDURE

When cashing this check for the individual payee, you should require full identification and endorsement in your presence, as claims against endorsers may otherwise result.

The payee should endorse below in ink or indelible pencil.

If the endorsement is made by mark (X) it must be witnessed by two persons who can write, giving their places of residence in full.

It is suggested that this check be promptly negotiated.

Katherine Wolverton Weiss

PAY THROUGH LOS ANGELES CLEARING HOUSE

ANY BANK OR BANKER PRIOR TO ...

H.O 2
16-11
TELLER

JUN 22 1953

PAID

2-0-1

Exhibit 10

C
O
P
Y

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

June 18, 1954

Mr. O. H. Griggs
Lakeview Manganese Mines
1903 Outpost Drive
Hollywood 28, California

Re: Docket DMEA-2393 (Manganese)
Lakeview Manganese Mines
Plumas County, California
Contract Idm-E447

Dear Mr. Griggs:

With a letter dated October 12, 1953, a proposed termination agreement was sent to you concerning the subject contract. You did not respond to the Executive Officer's letter of transmittal nor to his follow-up letters of November 23, 1953, and January 13, 1954. With a registered letter, return receipt requested, dated March 5, 1954, the Executive Officer sent to you a Notice of Termination under the provisions of the contract, which letter was returned to him "unclaimed."

Apart from the letters concerning the termination of the contract, in a letter dated January 21, 1954, the Executive Officer informed you that your claims for Government contribution (MF-104 forms) to costs of work under the contract must be supported by documentary evidence. You did not respond to this letter.

We feel that we have made reasonable efforts to contact you concerning the termination of the contract and concerning evidence to support your claims for Government contribution. The contract plainly provides that you were required to keep suitable records and accounts of operations which the Goverenment might inspect and audit an any reasonable time; and it provides further that upon completion of the project or any termination of the contract you were required to render to the Goverenment a full and final report of the work, a full and final accounting of your operations under the contract, and your expenditures of money, As you have failed to fulfill these requirements, the Government considers you in default of the contract.

Accordingly, unless you promptly assure us that you will furnish the reports and accounting required under the contract, we shall be required to take steps to recover all money paid to you under the contract.

Sincerely yours,

s/d C. O. Mittendorf

Administrator

5-1

Exhibit 6

C
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P
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LAKEVIEW MANGANESE MINES

1903 Outpost Dr.
Hollywood 28, Calif.

July 1, 1954.

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

Dear Mr. Mittendorf:- This will acknowledge your letter of June 18th re Docket DMEA-2393 (Manganese) having to do with loan made to this concern.

So that what seems to be a misunderstanding may be set straight, let me relate the entire transaction in this connection:- It had been suggested to me that our Manganese operation could be speeded up by a Government exploration loan-- this suggestion came at a conference hdld with Bureau of Mines personnel in Reno. I was averse to making an application as at that time there was much confusion between various Goverenment departments and applications were reported subject to long delays. I did say however that if the Bureau of Mines would care to make an examination and supply the data for an application, I would sign the application. So, on May 21, 1952, Mr. George Holmes, Engineer with the Bureau, came to the mine and the two of us worked out data necessary for such application which I signed and forwarded to the proper office. In other words, in this instance the examination was made before the application was submitted.

Under date of May 16, 1952, I find in my file a letter signed by you acknowledging receipt of the application and saying it had been referred to Mr. H. C. Miller in San Francisco.

In my file is a copy of the contract for the loan dated Nov. 17, 1952. This contract is also signed by you. A letter from Mr. Miller dated Nov. 19, 1952, forwards to me the contract typed in six copies, five to be returned to Miller and one to be retained.

Owing to winter conditions work contemplated under the contract could not be commenced as expected, but my files contain copy of a letter on Form MF 104 (Rev) dated March 1953 in which I submitted details of work done to that time which totalled $991.01. I find no letter of transmittal with this in my files, and now cannot be certain to whom it was sent; but inasmuch as my files contain a letter dated April 8, 1953, addressed to Mr. A. C. Johnson, Chief of Bureau of Mines at Reno, the same being the required "Narrative", I must assume that the statement of "March, 1953" was sent to Mr. Johnson.

COPY

Dated as "April, 1953" I find a report on Form MF104 (Rev) in which is shown a total expenditure of $1,649.65 and a detail of work done. I find a memo that I had conferred in Reno with Mr. Johnson as to using additional funds alloted under the contract and a later letter dated June 15, 1953 in which I terminated the contract saying we would not desire to use any more of the allowed funds-- this letter having been addressed to Mr. Johnson. Nothing more was done nor heard until late autumn last year when Miller in San Francisco wrote me that I had not made reports. I wrote him giving in brief what I have here given you. The next word is your recent letter of June 18th last. I have no memo of any registered letter.

I still do not understand wherein we have failed to comply with all of the requirements of the contract.

If any registered letter was sent to me, as is of course possible from your own records, it may be that it came during one of my frequent absences and could not be delivered.

Keep in mind, please, the rather confusing processes required of a borrower: As between Washington departments, departments in San Francisco and the requirement to report to the Bureau of Mines at Reno, the changes of address of departments in San Francisco in particular-- it may well be seen how easy it is for confusion to exist. As a matter of fact I spent one whole day in San Francisco trying to run down and locate one department which had removed from more than one place to others.

If you still feel that we have not complied with our contract, I shall be glad to further search my records in an effort to find additional data, but my search up to now is what I have found as recited above. I do not find anywhere in my records that we have been paid the amount due as shown in the reports we have made.

I would also respectfully state that my partners in this partnership are limited partners who under our California law take no part in the business of the partnership other than to receive reports and declared profits. During last January there was held a meeting of partners at which was submitted my records of expenditures and which had been reviewed by an accountant of one of my partners. There was no criticism of my records other than that I had not specifically provided for items like depletion and possible tax deductions allowable to partners. My original records were inspected at this meeting. Since that time inactivity at the mine has precluded necessity of reports to partners.

Respectfully yours,

/s/ O. H. Griggs

O. H. Griggs.

Upon checking the foregoing, I find an error in the date stated on which Mr. Holmes inspected the mine and which I gave as May 21, '52. Another memo places this date about a month earlier.

6-8

C
O
P
Y

Hal C. Thomas

352 North Avenue 59

Los Angeles 42, Calif.

29 June 1954.

My dear Mr. Mittendorf:

Thank you, very much, for your letter of June 18, re:

Docket No. DMEA-2393 (Manganese) Lakeview Manganese Mines, Plumas County, California, Contract Idm-E447,

with which you also sent me copy of your letter of same date to Mr. O. H. Griggs, of Hollywood, our General Partner. My delay in acknowledging is due to absence from the city.

I have taken this matter up with Mr. Griggs, who is writing you also and sending the reports you request, but neither of us can understand the apparent "mix-up". Griggs has been away from here much of the time, which might account for undelivered mail. On the other hand, it should have been forwarded to him, or have been found awaiting him upon his return.

Nevertheless, he and I both had thought everything had been done, according to regulations, to effect the termination and to secure the indicated refund to us of around $1,100.00 (?) which was due us for work done and paid for by us. We have wondered, for months, why this refund had not come from DMEA.

At the suggestion of Mr. Johnson, head of your Reno office, upon whom Griggs and I called in person, Mr. Griggs made out the termination papers, with report and all complete, and filed them, I believe, with Mr. Harold Miller, of your San Francisco office. The report showed that no manganese ore had been shown as discovered by this exploratory work. Mr. Griggs subsequently checked with Harold Miller who told him he had forwarded the papers, approved by him, with request for check to cover the refund due to Mr. Griggs. That was months ago, and no further word has been received, and no refund check, until your letters of June 18. Apparently, papers presumably forwarded to you suffer the same fate as the letters you st te were mailed to Mr. Griggs.

Sincerely yours,

/s/ Hal C. Thomas

Mr. C. O. Mittendorf
Administrator, DMEA
U. S. Dept. of the Interior
Washington 25, D. C.

7-1

Exhibit 8

C
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P
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AVIATION EXPORT COMPANY LTD.
INC.
3108 Valhalla Drive
Burbank, California

June 30, 1954

Mr. G. G. Griggs
Lakeview Manganese Mines
1903 Outpost Drive
Hollywood 28, California

Dear Hal:

I was recently contacted by Hal Thomas, who indicated he had managed to raise sufficient funds to continue operation of the mine. I have heard nothing recently from him as to the progress he is making. I would appreciate your indicating what date I can meet with you and Mr. Thomas to discuss the future of the Lakeview Manganese Mines.

I note in a copy of a letter addressed to you from the United States Department of the Interior, that they too require an accounting of your expenditures. I have repeatedly asked for an accounting as have the other limited partners. Under the terms of our partnership, it is our legal right to expect such an accounting and it is your legal obligation to provide such accounting as a general partner. I should like to advise you that unless a meeting is arranged within the next ten days and satisfactory progress indicated, I shall be forced to turn this case over to my attorney and appropriate Government officials.

Yours sincerely,

/s/ C. M. W.

Clair M. Waterbury

CMW/mg

cc: Mr. David Hunt
Bateman, Eichler & Co.
453 South Spring Street
Los Angeles, Calif.

C. O. Mittendorf, Administrator
U. S. Department of the Interior
Washington 25, D. C.

8-1

Exhibit 9

MR. CHAMBERS

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

Registered Mail
Return Receipt Requested

Mr. O. H. Griggs
Lakeview Manganese Mines
1903 Outpost Drive
Hollywood 28, California

Re: Docket DMEA-2393 (Manganese)
Lakeview Manganese Mines
Plumas County, California
Contract Idm-E447

Dear Mr. Griggs:

By letter dated June 18, 1954 this Administration advised you that, unless you assure us that you will furnish the reports and accounting required under the subject Exploration Project Contract, we will be required to take steps to recover all money paid to you under the contract. Copies of this letter were sent to each of the limited partners of Lakeview Manganese Mines, i. e., Messrs. H. C. Thomas, Clair M. Waterbury and L. W. Brindley.

Under date of July 1, 1954 you replied with a summary of your understanding of the history of the contract and included a statement that "I do not find anywhere in my records that we have been paid the amount due as shown in the reports we have made." Mr. Thomas replied under date of June 29, 1954 advising that he had conferred with you on the matter and that you were forwarding the required "reports"; however, he also indicated that payment had not been received for the Government's participation in the costs of the project. Mr. Waterbury's reply was in the form of a copy of his letter to you, under date of June 30, 1954, in which he also requests an accounting of your expenditures. No reply was received from Mr. Brindley.

As a result of your statement that the Lakeview Manganese Mines was not paid for the Government's share of the cost claimed under the contract, an investigation has been made. The findings are that you submitted two Forms MF-104 (Operator's Monthly Report and Voucher), one for the month of February, 1953 in the amount of $372.41 and one for the month of March, 1953 in the amount of $618.60, with your certifications thereon being dated March 1, 1953 and April 1, 1953, respectively. The narrative accompanying these two vouchers, however, was dated April 8, 1953. The vouchers were received in the San Francisco office of this Administration on May 13, 1953. Check No. 21,983,001 in the amount of $743.26, covering the Government's

9-1

Exhibit 11

contractual 75 percent contribution to the total claimed project costs of $991.01, was issued by the San Francisco Disbursing Office of the U. S. Treasury Department on June 5, 1953. A photostatic copy of both the obverse and reverse of this check is enclosed. It will be noted that this check bears your signature as an endorsement.

The Exploration Project Contract specifically provides in:

(a) Article 7(d) that "The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at anytime *****. The Operator shall keep and preserve said records and accounts for at least three years after the completion of the project or the termination of this contract. Upon the completion of the project or the termination of the contract the Operator shall render a final account as provided in Article 12";

(b) Article 8 that "The Government will pay 75 percent of the allowable costs incurred, as they accrue *****; and

(c) Article 12 that upon the completion of the contract or any termination of the contract the Operator "shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money."

Furthermore, the instructions on the reverse of the Form MF-104 (operator's Monthly Report and Voucher) state that the original of said form must be supported by original documentation or by certified copies of purchase orders, invoices, payrolls or transcripts of payrolls.

The original Forms MF-104 for the months of February and March, 1953, as submitted by you, and upon which payment was made to you, were not supported by the required documentation in proof of the actual incurrence of the project costs claimed. The records disclose that Mr. H. C. Miller, Executive Officer, DMEA Field Team, Region III, San Francisco, California, addressed letters to you under dates of January 21, 1954 and March 5, 1954 requesting that you submit supporting documentation for:

1. Bulldozing costs aggregating $672.00,
2. Labor costs aggregating $77.76, and
3. Supervision costs aggregating $241.25

Since no reply was received from you, an audit representative of this Administration attempted to contact you at your residence on May 7 and 8, 1954 for the purpose of auditing your accounts covering the project operations. On the evening of May 7, 1954 apparently no

9-2

one was at home. On the morning of May 8, 1954 your brother-in-law advised the auditor to return at 1:00 P. M. when you were expected home. However, upon his return at that time the auditor could obtain no answer to his knocks at either the front or back doors.

In view of the foregoing I have no alternative but to advise you that, unless you promptly submit the original documentation to support the costs claimed of $991.01 to which the Government has contributed its contractual 75 percent or $743.26, it will be necessary to turn the matter over to the Comptroller General of the United States for appropriate action toward recovery of the amount paid by the Government. If you so desire, the original documents will be returned to you upon completion of the audit review and a determination that the costs claimed are allowable under the terms of the contract.

Sincerely yours,

Frank E. Johnson

ACTING Administrator

Enclosure

EDTalbert/wb
September 9, 1954

cc to: Mr. H. C. Thomas
352 North Avenue 59
Los Angeles 42, Calif.

Mr. Clair M. Waterbury
c/o Aviation Export Company Ltd.
3108 Valhalla Drive
Burbank, Calif.

Mr. L. W. Brindley
c/o David Hunt
453 South Spring St.
Los Angeles, Calif.

Mr. Miller, Region III (w/encl.)
Mr. Martin
Mr. Mavor
Mr. Hofflund
Mr. Chambers
Docket
Admr. Reading File

C
O
P
Y

LAKEVIEW MANGANESE MINES
Crescent Mills, California

October 5, 1954

Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Attention: Mr. F. E. Johnson

Gentlemen:

Regarding Docket DMEA-2393 (Manganese), Contract Idm-E447, Mr. Hal C. Thomas, a partner in the Lakeview Manganese Mines, has furnished our office a copy of your letter of September 20th addressed to Mr. O. H. Griggs.

Apparently a Registered letter addressed to Mr. Griggs was not delivered. This no doubt was because Mr. Griggs has been out of the country from some time and is not expected back for about two weeks yet.

Immediately upon his return your letter will be given his attention and information you request can then be forwarded to you.

Mr. Griggs is keeping his office at 1903 Outpost Drive, Hollywood 28, and mail reaches him there. When he is away, registered letters cannot receive his signature and so do not reach him.

Respectfully yours,

O. H. Griggs
by C. B.
(Initialed) C. B.

10-1

Exhibit 12

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

OCT 29 1954

Registered Mail
Return Receipt Requested

Mr. O. H. Griggs
Lakeview Manganese Mines
1903 Outpost Drive
Hollywood 28, California

Re: Docket DMEA-2393 (Manganese)
Lakeview Manganese Mines
Plumas County, California
Contract Idm-E447

Dear Mr. Griggs:

There is attached hereto a letter dated September 20, 1954, addressed to you by this Administration, relative to matters pertaining to the settlement of the referenced Exploration Project Contract.

This letter was forwarded to you by registered mail with return receipt requested. It was returned to us marked "Unclaimed". Subsequently, however, we were advised by a letter, dated October 5, 1954 on the letterhead of Lakeview Manganese Mines, Crescent Mills, California, and initialed by "C. B.", that you were out of the country and not expected back for about two weeks.

Please give the enclosed letter your prompt attention.

Sincerely yours,

C. O. Mittendorf

Administrator

Attachment

EDTalbert/wb 10-27-54

Copy to: Docket
Admr. Reading File
Lakeview Manganese Mines, Crescent Mills, Calif.
Mr. Miller, Region III
Mr. Martin
Mr. Mavor
Mr. Hofflund
Mr. Chambers

10-2

Exhibit 13

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

NOV 24 1954

Registered Mail
Return Receipt Requested

Lakeview Manganese Mines

Crescent Mills, California

Re: Docket DMEA-2393 (Manganese)
Lakeview Manganese Mines
Plumas County, California
Contract No. Idm-E447

Attention: C. B.

Gentlemen:

Under date of October 5, 1954 you kindly advised us that the nondelivery of a registered letter dated September 20, 1954, addressed by this Administration to Mr. O. H. Griggs, 1903 Outpost Drive, Hollywood 28, California, with reference to the settlement of the referenced Exploration Project Contract, was due to the temporary absence from the country of Mr. Griggs. You also advised that his return was expected in about two weeks and, further, that immediately upon his return our letter would be given his attention and the information requested would be forwarded to us.

Failing to hear further from either you or Mr. Griggs, another registered letter dated October 29, 1954 was addressed to him. An informational copy was forwarded to Lakeview Manganese Mines. This second registered letter, like the first, was returned to us marked "Unclaimed". Furthermore, no further advice was received from you.

Under the circumstances it appears that this Administration has no alternative but to refer this matter to the Comptroller General of the United States for appropriate action toward recovery of the amount paid by the Government. In order, however, to avoid any possibility of an injustice to Mr. Griggs or the Lakeview Manganese Mines, we will defer such action until December 15, 1954, to afford a last opportunity for furnishing the documentary proof of costs as requested in our previous letters.

Sincerely yours,

C. G. Mitsendorf

Administrator

EDTalbert/wb 11-22-54

Copy to: Docket
Admr. Reading File
Mr. Ricker, Region III
Mr. Martin
Mr. Mavor
Mr. Hofflund
Mr. Chambers

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Exhibit 14

Docket No. 2393

Commodity Manganese

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 447

Date of Contract ~~amendment~~ November 17, 1952

Name and Address of Operator:

Lakeview Manganese Mines, Limited
Crescent Mills, California

Amount of Government participation ____ $ 9,750.00

Percent of Government participation 75 %

Region: II State: California

Note: Please release $9,006.74. Contract terminated.

(Name)

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

(Title)

Date Delivered to Bureau of Mines, Washington. 1/30/56

54458

Docket No. DMEA 2393

Commodity Manganese

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 447

Date of Contract ~~or Amendment~~: November 17, 1952

Name and Address of Operator:

Lakeview Manganese Mines, Limited partnership
H. C. Thomas, L. W. Brindley and Clair Waterbury
O. H. Griggs,
Crescent Mills, Calif.

Amount of Government participation $ 9,750.00

Percent of Government participation 75 %

Region: III State: California

(Name)

E. D. Talbert,
Acting Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. Nov. 17, 1952 13808