DMEA Form 14

Contract No. Idm-E 973

Docket No. 4372

DEPARTMENT OF THE INTERIOR

Cancelled contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
July 23, 1956	II	California	Tungsten

Name and Address of Operator: J. S. Wisdom & Helen Wisdom
Dyer
Nevada

	Reserve	Obligation
Prior Amount	0	$5,550.00
Increase	0	0
Decrease	~~0~~	~~$5550.00~~
Revised Amount	0	0

Remarks:

ALLEN S. DAKAN
(Name)

Allen S. Dakan, Chief
Operations Control and
~~Statistics Division~~
(Title)

Date Delivered to Bureau of Mines, Washington 5/10/57

16416

Audit copy

RESCISSION OF EXPLORATION PROJECT CONTRACT

It is agreed this 10th day of April, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and J. S. Wisdom and Helen Wisdom of Ryan, Nevada, parties to that certain Exploration Project Contract No. Idm-8973 (Docket No. DMEA-4371), dated July 23, 1954, hereinafter called the "Contract," that the Contract is hereby revoked, cancelled, and rescinded as of July 23, 1954, before any work has been performed or any costs have been incurred thereunder, without any obligation whatever one party to the other, the same as if the Contract had never been entered into.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. M. Mathewson
Administrator, Defense Minerals
Exploration Administration

J. S. Wisdom
J. S. Wisdom

Helen Wisdom
Helen Wisdom

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 1 1957

DATE	INITIALS	CODE
		800

EXTRA COPY DMEA RECEIVED APR 23 1957		
DATE	INITIALS	CODE
		800

1605 Evans Avenue
Reno, Nevada

April 17, 1957

Mr. J. S. Wisdom
Dyer
Nevada

Re: Docket No. DMEA-4371 (Tungsten)
J. S. Wisdom and Helen Wisdom
Bright Star Group of Claims
Inyo County, California
Contract No. Idm-E 973

Dear Mr. Wisdom:

In accordance with your recent request, I am enclosing the original and five copies of a "Rescession of Exploration Project Contract" for the above referenced contract signed by the Administrator for the Government.

If the terms and conditions of the proposed rescission are satisfactory, all six copies should be signed by you and Mrs. Wisdom. The copy marked "Operator's copy" should be retained by you and the original and other four copies should be returned to this office.

If any part of the rescission does not meet with your approval, the original and all copies should be returned with your suggested changes.

The rescession is made without any prejudice whatever to your property and we wish to thank you for your cooperation.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:ft
cc: Opr.Com., Wash., D.C.
Finance Office
GeoMavor
RMSmith
Encls.

File Chron

BUREAU OF MINES
WASHINGTON, D. C.

APR 23 9 30 AM '57

Contract No. Idm-E 973

Docket No. 4371

DEPARTMENT OF THE INTERIOR **Executed contract**

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
July 23, 1956	**II**	**California**	**Tungsten**

Name and Address of Operator: **J. S. Wisdon & Helen Wisdom**
Dyer, Nevada

	Reserve	Obligation
Prior Amount	$5,550.00	0
Increase	0	$5,550.00
Decrease	$5,550.00	0
Revised Amount	0	$5,550.00

Remarks:

for W. N. Chamberlain
(Name)
Robert E. Adams, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 8/8/56

98963

Government's Copy

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AUG - 6 1956

MF-200A
(Rev. April 1956)

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT
(Short Form)

DMEA No.	*Commodity*	*Contract No.*	*County*	*State*
4371	Tungsten	Idm-E 973	Inyo	California

It is agreed JUL 23 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and J. S. Wisdom and Helen Wisdom

whose mailing address is Dyer, Nevada

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF–200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before September 15-1956, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 12 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $7,400.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $5,550.00, in accordance with the provisions of Articles 4 and 5.

(c) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: None

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows:

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after certification of discovery or development, to inspect production operations and underground workings. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches; drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling, assaying, or transportation performed or paid by the Operator or by anyone other than the buyer are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent) after the lapse of six months from the date the ore was extracted from the ground remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this Article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—

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Executed in sextuplicate the day and year first above written.

J. S. Wisdom

J. S. Wisdom

By Helen Wisdom

Helen Wisdom

THE UNITED STATES OF AMERICA

By Frank E. Johnson

ACTING Administrator, Defense Minerals Exploration Administration

---

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

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EXPLORATION PROJECT CONTRACT
J. S. AND HELEN WISDOM
DOCKET NO. DMEA-4371

ANNEX I

The land referred to in Article 2 of the Contract is owned by J. S. Wisdom and Helen Wisdom and consists of 3 unpatented lode mining claims (Figure 3), located in unsurveyed section 25 (projected), T. 6 S., R. 38 E., M. D. B. and M., Inyo County, California. The location notices of the claims are recorded in official records in the Hall of Records of Inyo County, California, at Independence, California, as follows:

Claim Name	Book No.	Page No.
Bright Star No. 1	-	495
Bright Star No. 2	-	497
Bright Star No. 3	-	499

EXPLORATION PROJECT CONTRACT
J. S. AND HELEN WISDOM
DOCKET NO. DMEA-4371

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EXHIBIT "A"

Description of the Work

The maps attached to and made part of the Contract are as follows:

Figure 1 - Location Map, California

Figure 2 - Bright Star Tungsten Mine, Inyo County, California

Figure 3 - Claim Map, Bright Star Group of Claims, Inyo County, California

The proposed work shall consist of drilling 6 diamond drill holes and assaying not more than 50 samples for tungsten trioxide (WO_3). The direction of each hole shall be approximately S. 82° E. Each hole shall be approximately 200 feet long. Two holes shall be drilled from each of three sites spaced about 50 feet apart along the hill approximately 150 feet west of the outcrop of the tactite body (Figure 2). One hole of each pair shall be drilled horizontally and the other hole of each pair shall be drilled at an approximate inclination of minus 30 degrees. The aggregate length of all holes shall not exceed 1200 feet.

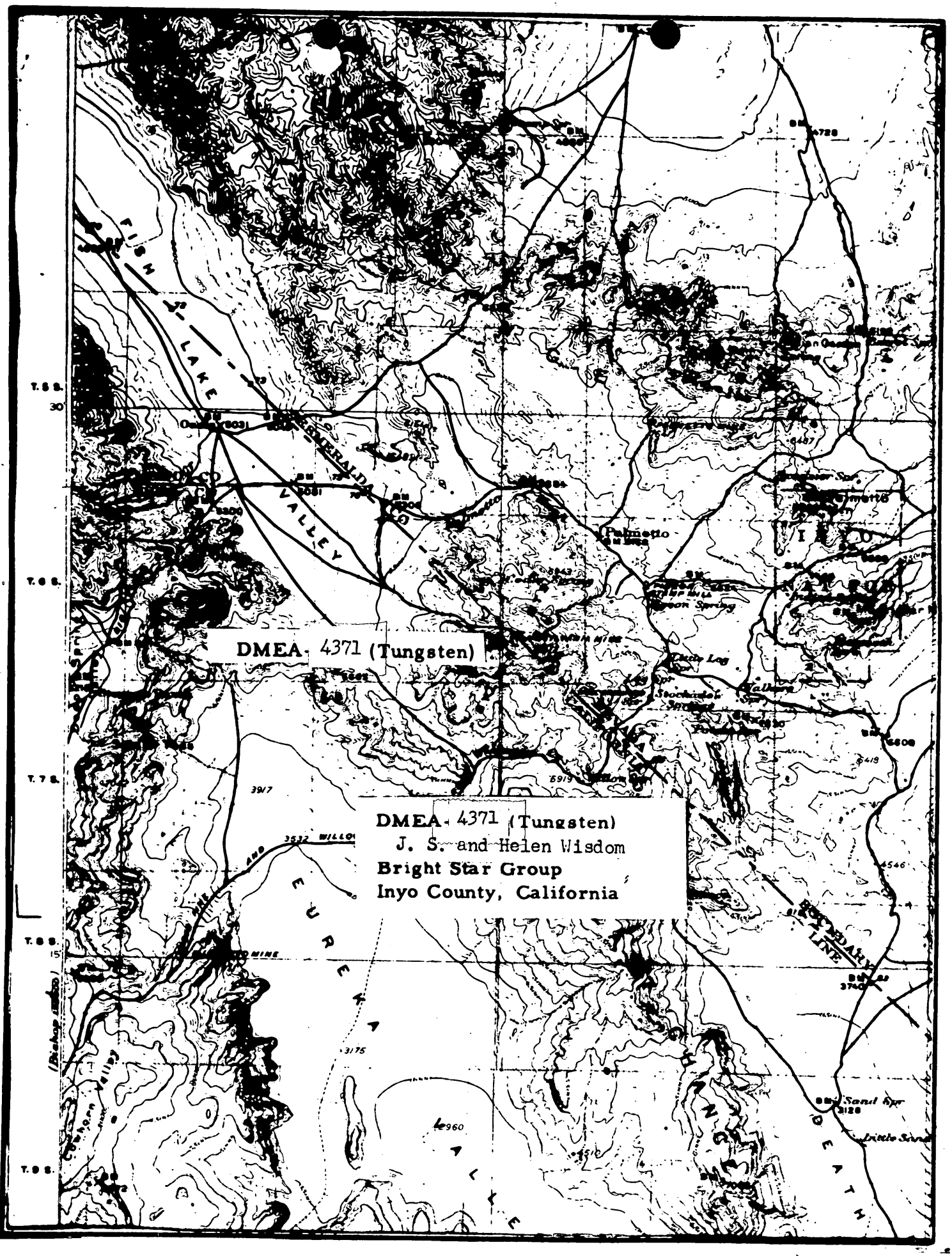
Diamond drill holes shall not be less than AX in size and shall be reamed and cased, or cemented and re-drilled as necessary. Diamond drill cores shall be split and one portion furnished to the Government. All cores shall be sampled in mineralized zones.

Estimated Costs of the Project

Fixed Unit Costs

Diamond drill 1200 feet @ $6.00/ft. 1/	$7,200.00	
Assay 50 samples for WO_3 @ $4.00/sample	200.00	
Estimated Total Cost of Project		$7,400.00
Government Participation @ 75%		$5,550.00

1/ The unit cost includes any necessary cementing, reaming, and casing.



LOCATION MAP CALIFORNIA Figure 1

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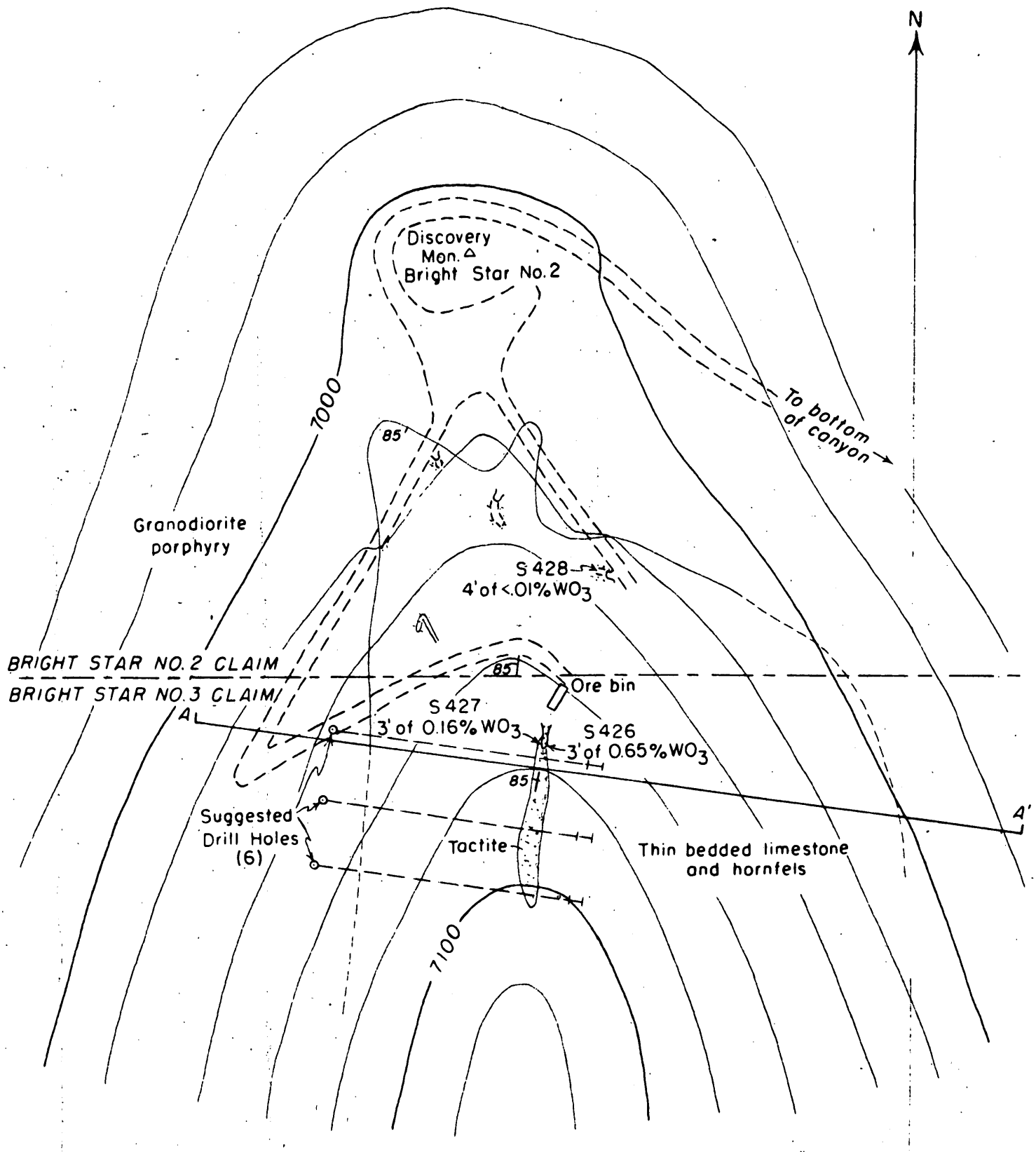
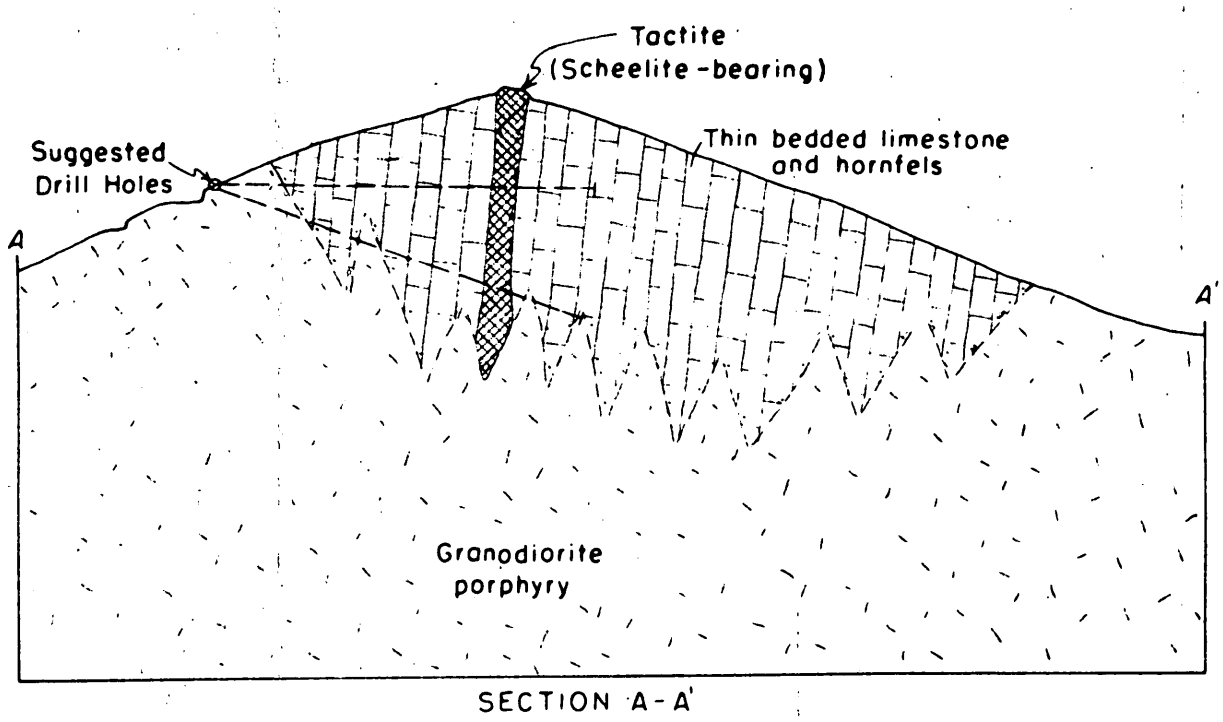
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 4371
(TUNGSTEN)

BRIGHT STAR NO. 1 CLAIM
BRIGHT STAR NO. 2 CLAIM



GEOLOGIC SKETCH MAP



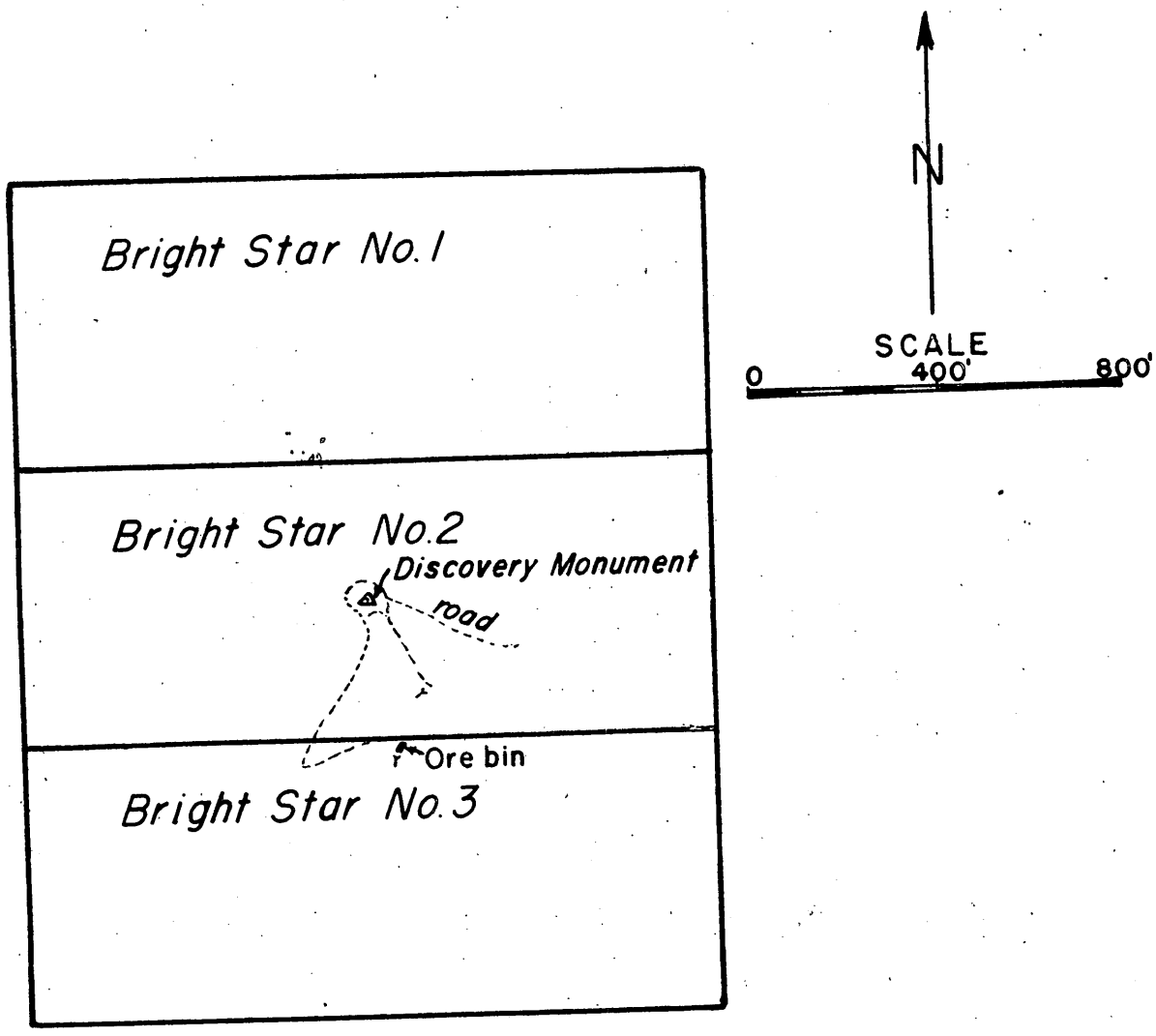
SECTION A-A'

BRIGHT STAR TUNGSTEN MINE
INYO COUNTY, CALIFORNIA

100 0 100 200 Feet

Contour interval 20 feet
Datum approximate

Figure 2



CLAIM MAP
Bright Star Group of Claims
Inyo County, California
DMEA ~~4088~~ 4371 (tungsten)
B.H.S. June 26, 1956

Figure 3

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Contract No. Idm-E 973

Docket No. 4371

DEPARTMENT OF THE INTERIOR

Approved contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
July 23, 1956	**II**	**California**	**Tungsten**

Name and Address of Operator: **J. S. Wisdom & Helen Wisdom**
Dyer, Nevada

	Reserve	Obligation
Prior Amount	0	0
Increase	$5,550.00	0
Decrease	0	0
Revised Amount	$5,550.00	0

Remarks:

(Name)
Robert E. Adams, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 7/23/56

98963