SEP 1959
BUREAU OF MINES
DIVISION OF
MINERAL RESOURCES
REGION II

Audit's copy

EXPLORATION PROJECT CONTRACT
ARCHIBALD TRUCKING
DOCKET NO. DMEA-4878

RESCISSION OF EXPLORATION PROJECT CONTRACT

It is agreed this 28th day of April, 1959, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, and Archibald Trucking, a partnership, parties to that certain Exploration Project Contract No. DMA-X1187 (Docket No. DMEA-4878), dated April 25, 1958, as amended, that said Contract is hereby rescinded, revoked, and cancelled as of the date thereof before any work has been performed or any costs incurred thereunder, without any obligations whatever one party to the other, the same as if the Contract had never been entered into.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Office of
Minerals Exploration

ARCHIBALD TRUCKING

James E. Archibald (Partner)

M R Archibald (Partner)

M. R. Archibald Jr (Partner)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
1605 Evans Avenue
Reno, Nevada

EXTRA COPY
O. M. E.
RECEIVED FEB 9 1959

DATE	INITIALS	CODE
		800

February 6, 1959

Mr. M. R. Archibald
Archibald Trucking
P. O. Box 1085
Arcata, California

Re: Docket No. DMEA-4878 (Copper)
Contract No. Idm-E 1187
Archibald Trucking (Partnership)
Grizzly Group, et al. Claims
Trinity County, California

Dear Mr. Archibald:

Referenced contract was executed April 25, 1958. Amendment No. 1 extended the completion time to 15 months from the date of contract, or July 25, 1959.

As no work item under the contract has been completed, we would appreciate knowing promptly what your future plans are relative to the remaining work. We particularly want to know if you are prepared to resume the work within a reasonable time and complete it under the terms of the contract before July 25, 1959. Otherwise, a mutual termination agreement should be considered.

Very truly yours,

S. RICKER

S. Ricker
Executive Officer
OME Field Team, Region II

Attachments
SRicker:ft
cc: Opr. Com., OME, Wash., D.C.
Finance Office, Reg. II
GeoMavor
RMSmith
File
Chron

Audit's copy

OFFICIAL FILE COPY
ENGINEERING DIV
DATE | INITIALS | CODE

EXPLORATION PROJECT CONTRACT
ARCHIBALD TRUCKING
DOCKET NO. DMEA-4878

AMENDMENT NO. 1

It is agreed this 29th day of August, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Archibald Trucking, a partnership, that Exploration Project Contract No. Idm-E1187 (Docket No. DMEA-4878), dated April 25, 1958, is amended as follows:

1. In Article 1 the date for beginning the work is changed from June 30, 1958 to September 30, 1958, and the date for completing the work is changed from 12 months from the date of the contract to 15 months from the date of the contract.

2. In Article 6 the period for repayment is extended from 10 years to 11 years.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals
Exploration Administration

ARCHIBALD TRUCKING

M. R. Archibald (Partner)

M. R. Archibald (Partner)

James C. Archibald (Partner)

MME Form 14
Sept. 1958

Contract No. Idm-E) 1167
~~14-23~~)

Docket No. DMEA) 4678
~~MME~~)

Date of Action September 4, 1959
Cancelled Contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

To: Chief, Accounts Section, Finance Branch, Bureau of Mines

From: Director, Division of Operations Control and Statistics

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:

Archibalt Trucking
P. O. Box 1085
Arcata, California

Date of Contract	Region	State	Commodity
April 25, 1958	II	California	Copper-Zinc

	Reserve	Obligation
Prior Amount	0	4,930.00
Increase	0	0
Decrease	0	4,930.00
Revised Amount	0	0

Remarks:

cc: 800
210

43244

DMEA Form 14

Contract No. Idm-E 1187

Docket No. 4878

DEPARTMENT OF THE INTERIOR

Executed 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
April 25, 1958	II	California	Copper-Zinc

Name and Address of Operator: Archibald Trucking
P. O. Box 1085
Arcata, California

	Reserve	Obligation
Prior Amount	4,930.00	0
Increase	0	4,930.00
Decrease	4,930.00	0
Revised Amount	0	4,930.00

Remarks:

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

Date delivered to Bureau of Mines, Washington 6/30/58

22845

Audit Copy

MF-200A
(Rev. April 1956)

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

RECEIVED JUL 3 1958

DMEA No.	*Commodity*	*Contract No. Idm-E*	*Counties*	*State*
4678	Copper-Zinc	1187	Trinity and Humboldt	California

It is agreed 25 APR 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Archibald Trucking, a partnership, composed of Wilmer Earth, M. R. Archibald, Sr., M. R. Archibald, Jr., and James Archibald

whose mailing address is P. O. Box 1035
Arcata, California
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 June 30 - 1958, 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 $ 9,860.00. The Government will contribute 50 percent of the fixed unit cost of the work performed, not exceeding $ 4,930.00, 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.

THE UNITED STATES OF AMERICA

ARCHIBALD TRUCKING (Operator)

By _____

By ~~Wilmer Bartt (partner)~~

M. R. Archibald, Sr. (partner)

By M. R. Archibald, Jr.

M. R. Archibald, Jr. (partner)

By _____

Administrator, Defense Minerals Exploration Administration

By James Archibald

James Archibald (partner)

I, M. R. Archibald, Jr. (partner), 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

EXPLORATION PROJECT CONTRACT
ARCHIBALD TRUCKING
DOCKET NO. DMEA-4578

ANNEX I

The land referred to in Article 2 of the Contract consists of nine unpatented lode mining claims, located in sections 6, 7, 17, 18, 20, and 29, T. 7 N., R. 7 E., and in section 31, T. 8 N., R. 7 E., H.B.& M. The location notices are recorded in the official records of Trinity County (Weaverville, California) and Humboldt County (Eureka, California), and the descriptions therein are incorporated herein by reference. The recordings are as follows:

Claim Name	Volume	Page	County
Wheelbarrow No. 1.....	56	150	Trinity
Wheelbarrow No. 2.....	56	151	Trinity
Wheelbarrow No. 3.....	56	152	Trinity
Wheelbarrow No. 4.....	56	153	Trinity
Wheelbarrow No. 5.....	56	154	Trinity
Wheelbarrow No. 6.....	56	155	Trinity
Grizzly No. 1.....	411	111	Humboldt
Grizzly No. 2.....	411	115	Humboldt
Grizzly No. 3.....	411	113	Humboldt

The approximate boundaries of the claims are shown on the attached map entitled, "Figure 2. Geologic Map of Area of Grizzly et al. Group Claims. . ."

The Operator represents and undertakes that it is the owner of the claims.

EXPLORATION PROJECT CONTRACT
ARCHIBALD TRUCKING
DOCKET NO. DMEA-4878

EXHIBIT A

Description of the work

The purpose of the project is to explore for ores of copper and zinc by means of crosscutting and drifting.

The existing bulldozer trail from Grizzly Camp to the Wheelbarrow No. 1 claim (about 2 1/2 miles) shall be repaired for access to the project. The existing crosscut, known as the South Adit, shall be rehabilitated and retimbered, as necessary, for a distance estimated to be 65 feet.

From the face of the South Adit, the crosscut shall be continued to intersect the mineralized zone of shearing exposed in the existing surface trench above the crosscut, a distance estimated to be approximately 65 feet.

From the point of intersection, drifting shall be performed northwesterly and southeasterly, along the mineralized zone, for a total distance not to exceed 150 feet.

All drifts and crosscuts shall be timbered as necessary and shall be a minimum size of approximately 5 feet by 7 feet in the clear of timber.

All significantly mineralized sections shall be sampled at 5-foot intervals as the drifting progresses. All samples shall be split and one-half assayed for copper and zinc. The other half of such samples shall be retained and made available to the Government. Not to exceed 30 samples shall be made.

The work of crosscutting and drifting is indicated on the attached map entitled "Figure 3."

Estimated Costs of the Project

Fixed Unit Costs

Repairing existing bulldozer trail from Grizzly Camp to Wheelbarrow No. 1 claim 1/	$250.00	
Rehabilitation of South Adit, 65 feet @ $10/ft.	650.00	
215 feet of crosscutting and drifting @ $34.00/ft.	7,310.00	
Timbering of new crosscutting and drifting, 215 feet @ $6/ft.	1,290.00	
30 samples for assay @ $2/each sample	60.00	
Tool and change house, approximately 8 feet by 10 feet, rough timber	300.00	
Estimated total cost of the project		$9,860.00
Government's participation, 50%		$4,930.00

1/ The completed work constitutes the unit.

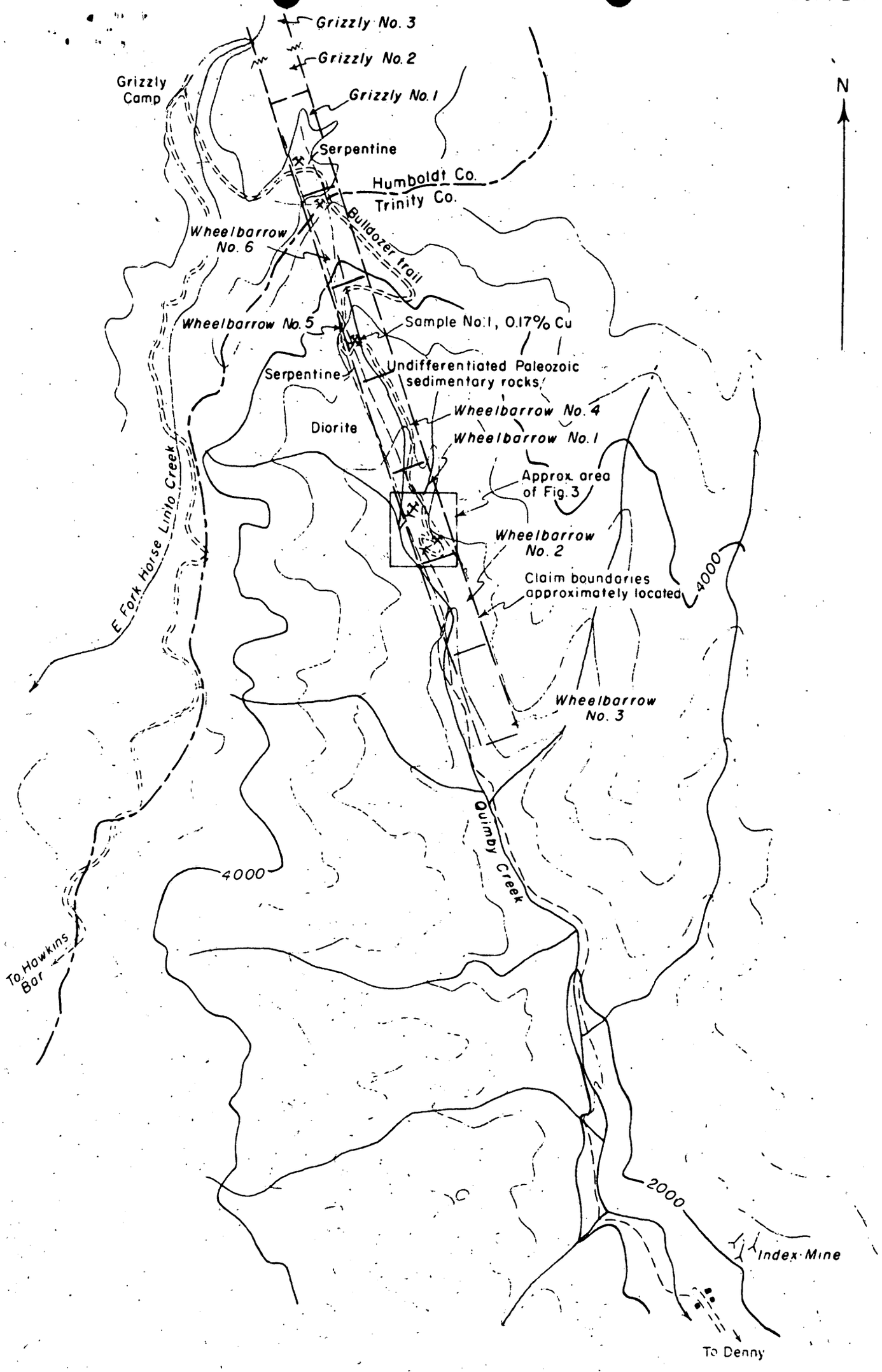

Figure 2. GEOLOGIC MAP OF AREA OF GRIZZLY ET AL GROUP CLAIMS
TRINITY AND HUMBOLDT COUNTIES, CALIFORNIA

0 3000 6000 Feet

DMEA Form 14

Contract No. Idm-E 1187

Docket No. 4878

DEPARTMENT OF THE INTERIOR

Approved 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
April 25, 1958	II	California	Copper-Zinc

Name and Address of Operator:

Archibalt Trucking
P. O. Box 1085
Arcata, California

	Reserve	Obligation
Prior Amount	0	0
Increase	4,930.00	0
Decrease	0	0
Revised Amount	4,930.00	0

Remarks:

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

Date delivered to Bureau of Mines, Washington 4/25/58

22845

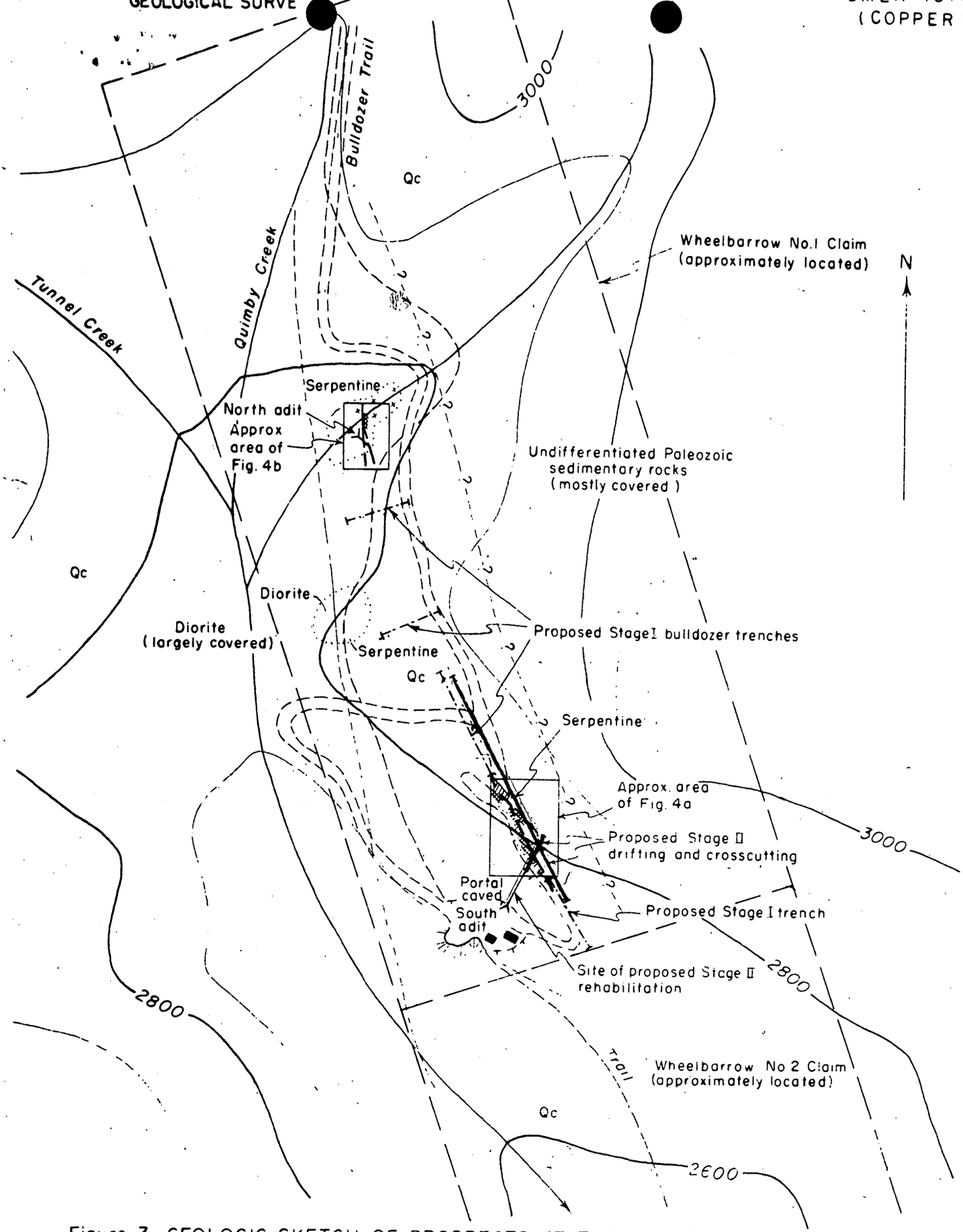

Figure 3. GEOLOGIC SKETCH OF PROSPECTS AT THE WHEELBARROW NO.1 CLAIM
HUMBOLDT COUNTY, CALIFORNIA

0 500 1000 Feet