GOVERNMENT COPY

NOTICE OF RESCISSION OF EXPLORATION PROJECT CONTRACT, UNDER THE TERMS OF THE CONTRACT, BEFORE WORK IS BEGUN

Mr. W. F. Meeks
1416 Denning Street
Denver, Colorado

Operator under Exploration Project Contract Idm-[illegible],
Docket No. DMEA 64, dated July 5, 1952.

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, under the terms of the above mentioned contract, hereby rescinds the contract on the following grounds:

In the opinion of the Government, you have failed to prosecute operations pursuant to the terms of the contract in that you have failed to commence work under the terms of the contract or Amendment No. 2 dated July 10, 1954.

Dated this 1st day of October, 1953.

UNITED STATES OF AMERICA

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

No. 2

AMENDMENT OF CONTRACT: No. Idm-E368

Contract Docket No. DMEA 64, dated July 3, 1953, between the United States of America and W. F. Moenke is hereby amended as follows, effective June 19, 1953:

> Referring to "Article 3. Exploration Project" of Exploration Project Contract Form MF-200 as amended, to the words "one year" add "and two months".

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated July 10, 1953.

UNITED STATES OF AMERICA

W. F. Moenke

W. F. Moenke

By W. H. King

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

Denver 18, Colorado
1416 Downing st.
June 14, 1953

Mr. W. H. King, Executive Officer
Field Team, Region IV
224 New Custom House
Dehver 2, Colorado

Re: Docket DMEA 64
Contract Idm-E368

Dear Mr. King:

Your letter of June 10th., 1953 mentions that I must start operations under the above contract by July 3, 1953 or ask for an amendment for extension of starting date. I will not be able to start operations by July 3, 1953 and therefore request an extension of time to start work not later than Sept. 1st., 1953. The reason is that by that time I will be properly financed to complete the contract.

Very truly yours,

W. F. Moenke

W. F. Moenke

Gov. Copy

No. 1

AMENDMENT OF CONTRACT: No. Idm-E368

Contract Docket No. DMEA 64, dated July 3, 1952, between the United States of America and W.F. Moenke is hereby amended as follows, effective as of the date of said contract:

> Referring to "Article 3. Exploration Project" of Exploration Project Contract Form MF-200, delete "ninety (90) days" and in lieu thereof insert "one year"; delete "six (6) months" and in lieu thereof insert "eighteen (18) months".

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated January 15 1953.

UNITED STATES OF AMERICA

W. F. Moenke

W. F. Moenke

By W. H. King

Executive Officer, DMEA
Field Team, Region IV

Denver 18, Colorado
1416 Downing St.
Dec. 18, 1952

Mr. L.H. King, Executive Officer
Field Team, Region IV
U.S. Dept. of Interior
Defense Minerals Exploration Administration
824 New Customhouse
Denver 2, Colorado

Dear Sir:-

Your letter, dated Dec. 9, 1952 with reference to DMEA Docket 64, contract Idm-2 368 in which you advise that above contract will expire Jan. 2, 1953 unless it is amended to extend the expiration date.

This letter is my request for extension of the expiration date to not later than Sept. 1, 1953. The reason being the Carbonate mine is at high altitude where work cannot be started before June 1st. 1953, and work as described in the contract was not known until I received the contract about Sept. 6th. 1952. About this time I had completed all the work I contemplated for 1952, but you advised me that work done did not conform to the contract, therefore I request the extension of the expiration date as above.

Very truly yours,

W.F. Moenke

W.F. Moenke

Docke[illegible]o. DMEA 64

Commodity Lead-Zinc

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.

CANCELLED

Contract No. Idm-E 368

Date of Contract ~~[illegible]~~: July 3, 1952

Name and Address of Operator:
W. F. Hoenke
1416 Downing Street,
Denver 3, Colorado

Amount of Government participation $1,500.00

Percent of Government participation 50 %

Region: IV State: Colorado

Note: Please release $1,500. contract cancelled;

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

(Title)
10/5/53

Date Delivered to Bureau of Mines, Washington.

13808

Docket No. 61

Commodity ~~Lead-Zinc~~

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 368

Date of Contract ~~or Amendment~~: July 3, 1952

Name and Address of Operator:

W. F. Moenke
1416 Downing Street
Denver 3, Colorado

Amount of Government participation $ 1,500.00

Percent of Government participation 50 %

Region: IV State: Colorado

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

(Title)

Date Delivered to Bureau of Mines, Washington. 9/10/52 13908

Government Copy

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 8 1952

DOCKET NO. D[redacted]A 64

COMMODITY Lead-Zinc

Idm-E368

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

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this 3rd day of July, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2]

W. F. Moenke, an individual
1416 Downing Street
Denver 3, Colorado

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 Colorado, County of Summit, described as follows: [3]

See Appendix I, attached to and made a part hereof

the Operator represents and undertakes: [4]

~~(a) That the Operator is in possession and entitled to possession, and that the property is subject only to the following liens, encumbrances, or other rights which the exploration agreement hereinafter is attached~~

under agreement to purchase Landlord's Subordination Agreement

(*b*) That the Operator is ~~a lessee~~, in possession and entitled to possession, and the ~~owner's consent thereto~~ 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 ninety (90) days from the date of this contract shall commence work on a project of exploration for [5] Lead-Zinc

in or upon the described land; and shall bring the project to completion within a period of six (6) 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.

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.

(*b*) The Government's payments in all cases will be based on actual, necessary costs (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 fifty (50) percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $1,500.00, which is 50 percent of $3,000.00, 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

APPENDIX I

The Carbonate group of unpatented mining claims, Minnesota and Breckenridge Mining Districts, in sec. 3, T. 7 S., R. 77 W., Summit County, Colorado.

Name of lode mining claim	Summit County Records	
	Book	Page
Carbonate, also called Carbonate #1	15	296
Carbonate #2	17	106
Carbonate #3	16	363
Carbonate #4	16	364
Carbonate #5	20	444
Carbonate #6	20	445
Little Tommie #1	10	450
Little Tommie #2	10	450
Little Tommie #3	10	451
Little Tommie #4	10	451
Doubtful	16	228
Highland Mary	10	449
Gold King	10	448
Gold Nugget	10	543
New Era	16	210
New Era #1	16	211

EXPLORATION PROJECT CONTRACT
W. F. Moenke
DOCKET NO. DMEA-64

EXHIBIT "A"

Description of the Work

The vein slump areas, identified as B, C and D on the attached map (Fig. 2) shall be stripped by bulldozer to expose the vein structure for examination and sampling. Sampling and assaying shall be done in connection with this work.

Shallow winzing and test pitting shall be done in the most favorable areas exposed by stripping. Sampling and assaying shall be done in connection with this work.

The location, direction and extent of all work, including the sampling and assaying, shall be subject to prior approval of the Government.

Estimated Costs of the Project

(Items followed by an asterisk are allowable maximums)

Independent Contracts

Bulldozer, complete with operator, and all maintenance and operating costs - 125 hours @ $12.00 per hour	$ 1,500.00

Labor, Supervision, Consultants

Labor for cleaning trenches, test pitting and sampling (Wage rates are to be paid at rates prevailing in district, including overtime. One miner may be paid leadman rate)	600.00
Supervision	100.00*
Consultants - None	

Operating Materials and Supplies

Any supplies and materials necessary to complete this project	250.00

Operating Equipment

To be purchased:

None

To be rented:

Portable compressor, jackhammer, hoses and necessary attachments for drilling	300.00

To be furnished by operator:

None

Rehabilitation and Repairs

None

New Buildings, Improvements, Installations

None

Miscellaneous

None

Contingencies

Total Contingencies	$ 250.00
Total estimated cost of project	$3,000.00
Government's participation at 50%	$1,500.00

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Summit, State of Colorado, described in a certain Exploration Project Contract dated July 3, 1952, between W.F.Moenke,

the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated Aug.1,1947 ~~June 9, 1948~~ May 16,1948, 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 22nd day of September, 1951

Clarence E. Moon
Earl A. Stephenson
Vern S. Pike
Albert E. Stephenson

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 9 1952

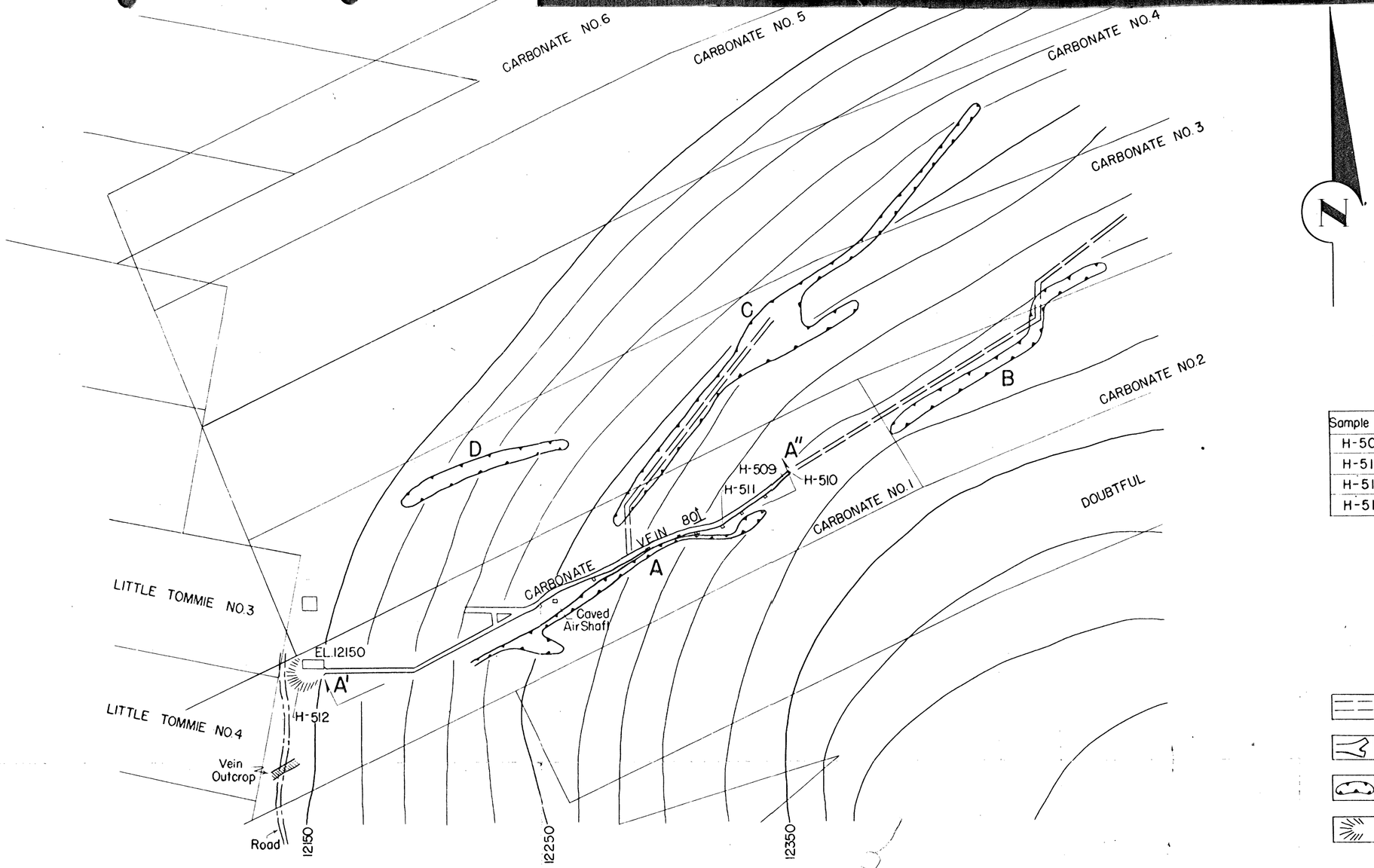
MAP

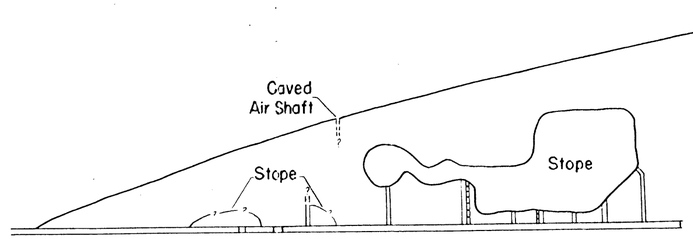
BELONGS

HERE

#15

1map.





SECTION A'-A'' ALONG PLANE OF VEIN

Sample No	Width	Au Oz	Ag Oz	Pb %	Zn %	Oxide Pb %	Oxide Zn %
H-509	0.8'	<.005	0.4	0.25	0.95	< .1	0.05
H-510	0.6'	<.005	0.4	0.4	0.25	< .1	< .05
H-511	0.7'	0.18	0.6	1.0	0.6	< .1	< .05
H-512	Grab	0.03	1.3	1.85	0.45	0.4	< .05

< Less Than

LEGEND

- Proposed Exploration
- Underground Workings
- Slump Area Over Inferred Ore Zones
- Dump

0 100 200 300
SCALE OF FEET

Fig.2-MAP OF CARBONATE MINE, SUMMIT COUNTY, COLORADO (DMA-64)