OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Amended Contract Idm-E2, Docket DMEA-110 (lead-zinc), dated August 12, 1952, with

Callahan Zinc-Lead Company, Inc.
100 Park Avenue
New York 17, New York

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Victor, Akron, and Morning Star Mines located in Gunnison County, Colorado, during the period June 9, 1959, through April 2, 1962.

In accordance with a Termination Agreement and Annex II of the Amended Contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 11 years from the date of the Amended Contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated December 2, 1955, indicated accepted costs under the exploration contract amounting to $148,051.22 with the Government's contribution on a 50 percent basis being $74,025.61.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through June 8, 1959. Accordingly, as of April 2, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

May 2, 1962

E. D. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

The Amended Contract, as further amended by Amendment No. 6 and a May 14, 1955, Termination Agreement, provides that the Operator or its successor in interest shall pay the Government a percentage royalty on all mineral production from 5 patented claims (Deadwood, North Star, Muldoon, Narrow Gauge, and Number Three) owned by it and 5 patented claims (Victor, Morning Star, Good Hope, Lucky Boy, and John C.) leased from the Hayden Mining Company, all located in the Tomichi Mining District. The usual requirement for execution by the lessor of an Owner's Consent to Lien was waived. The contract contains the so-called "abandonment" provision.

Exploration work under the contract was terminated in September 1953. No ore was produced during the exploration period and subsequent examinations of the property and inquiries addressed to the Operator and others have disclosed no further operations on the property, other than some geophysical surveys and annual assessment work.

In a letter dated March 14, 1957, the Operator advised that it was "in the process of transferring all of its right, title and interest in the Akron property to a new corporation - Pinnacle Exploration, Inc." The Washington files contain no evidence that the transfer was consummated other than a Region III interim report dated March 16, 1960, which states that "the assignee" reported no production.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The files indicate that no ores were produced during the period covered by this review; and

(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY
O. M. E
RECEIVED MAY

8.00.

May 9, 1962

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-110 (Lead-Zinc)
Contract Idm-E2
Callahan Zinc-Lead Company, Inc.
(Victor, Akron, and Morning Star Mines)
Gunnison County, Colorado

Attached is the original Report of Royalty Review on the subject property dated May 2, 1962 covering the period June 9, 1959, through April 2, 1962.

Original signed by
TMR
for
Hugh M. Connors

Attachments
HMC/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres Idm-E2
Chron

MAY 8 1962

Memorandum

To: Acting Field Officer, Region III

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-110 (Lead-Zinc)
Callahan Zinc-Lead Company, Inc.
Victor, Akron, and Morning Star Mines
Gunnison County, Colorado
Contract Ids-E2

The original and one copy of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.; and

(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

As evidence of your concurrence, a copy of your memorandum transmitting the original report to the Fiscal Section should be furnished this Division. If for any reason you do not concur, both copies of the report should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 5-2-62

cc:
Docket
Director's Reading File
CA & A Division
Mr. Rothrock

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

JUN 11 1959
O.M.E.

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, OME Field Team, Region III, Denver, Colorado pertaining to Contract Ime-82, Docket No. EMA 110, dated August 12, 1952, with

Callahan Land and Mud Company
100 Park Avenue
New York 7, New York

for the purpose of determining the amount of royalties due the U. S. Government on the sales of Zinc, Lead ores, from property referred to as White Pine Mine, located in Gunnison County, Colorado, during the period August 12, 1952 to June 8, 1959.

Pseudo Certification was effected in Termination Agreement dated May 4, 1955 and accordingly royalty is payable on all production from the land described in Article 2 of the contract for a maximum period of 11 years from the date of the contract. A report of review in lieu of final cost audit dated December 2, 1955, indicated accepted costs under the Exploration Contract amounting to $148,051.22, with the Government's contribution on a 50 percent basis being $74,025.61.

No royalty has been paid to the Government to date in connection with this contract.

This review was made in lieu of an on-site audit of the Operators accounts and records for the following reasons:

(a) According to the Field Team's Annual Report of certified project for the period January 1, to December 31, 1955, operation ceased about September 10, 1953; no ore subject to EMA royalty has been shipped since August 12, 1952, (the date of the exploration contract). Subsequent semi-annual reports of Field Team during period January 1, 1956 thru December 31, 1958 indicate the property is inactive and no operations or ore shipments are anticipated in 1959.

(b) The administrative costs to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

June 8, 1959

Donald T. Finch
Donald T. Finch
OME, Auditor

JUN 11 1959

Memorandum

To: Mr. Donald T. Finch, OME Auditor

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: Docket No. DMEA-110 (Zinc-Lead)
Callahan Zinc-Lead Company
Contract No. Idm-E2

Your Report of Royalty Review on the subject contract is acceptable and distribution of the regional copies is authorized after correction of the Operator's name to "Callahan Zinc-Lead Company". No copy need be sent to the Operator.

EDTalbert/ama
June 11, 1959

Copy to: Docket
Director's Reading File
CA & A Division

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

RECEIVED
DEC - 5 1955

Callahan Lead-Zinc Company
100 Park Avenue
New York, N. Y.

pertaining to Exploration Project Contract No. I-DMA-22, Docket No. 110, including Amendment Nos. 1 to 3 on the original contract, and an amended contract, including Amendments 1 to 7 thereto, for the period May, 1951 to December 2, 1955, including the subsequent disposition of property, covering a project for the exploration of lead and zinc on property known as the Akron Mine located in Gunnison County, Colorado.

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

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

(B) The accepted costs ($117,162.72) of all work on an actual cost basis were covered by an Interim Audit Report and Audit Certificate dated September 9, 1953, issued by T. H. Bradley, DMEA Auditor.

(C) A minor portion ($31,266.50) of the costs incurred were on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor:		$148,451.22
Less: Proceeds from property disposition		400.00
Net cost as claimed by Contractor		$148,051.22
Exceptions: By DMEA Officer	$0.00	
Herewith	0.00	0.00
Total Accepted Cost		$148,051.22

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Seventy-four thousand, twenty-five and 61/100ths Dollars
** $74,025.61 **
is considered valid and proper, provided that 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.

December 2, 1955

T. H. Bradley, AUDITOR.

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

DEC - 6 1955

Mr. Thomas H. Brading
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: Report of Review
Idm-22, Docket 110
Callahan Lead-Zinc Co.

Dear Tom:

Receipt is acknowledged of your Report of Review covering the above-cited Exploration Project Contract.

The Report is acceptable and normal distribution may be effected.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBorovies/wb
December 6, 1955

Copy to: Docket
Admr. ReadingFile
Mr. Chambers

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

224 New Customhouse
Denver 2, Colorado

May 17, 1955

Mr. E. A. Salo, Treasurer
Callahan Zinc-Lead Company, Inc.
100 Park Avenue
New York 17, New York

Re: Docket DMEA-110 (Lead-Zinc)
Contract Idm-E2

Dear Mr. Salo:

By the terms of the exploration project contract under which you are operating, the Government acquires an interest in property purchased for use on the project which is "....paid for or purchased with funds contributed jointly by the operator and the Government...." Such property includes any individual items of equipment and facilities, buildings, or other fixtures costing more than $50.00 each. It also includes materials and supplies considered in groups or categories (such as pipe, explosives, rails, drill steel), if the original cost of the remaining unexpended portion of any such category of materials or supplies exceeded $50.00. As to any facility, building, fixture, or piece of equipment, and as to any such group or category of materials or supplies the original cost of which or the unexpended portion of which did not exceed $50.00, the Government does not assert any claim or interest under the terms of the contract.

The effect of the contract provisions is to make you the agent of the Government for the disposition of its interest in such property. Therefore it is your responsibility to make the best possible disposition of the property for the benefit of the Government. Every reasonable effort must be made to realize its full value. Such reasonable efforts might include: (1) Advertising in newspapers, periodicals, and posting notices in public places; (2) canvassing users of and dealers in such property; and (3) negotiating with the original vendor for the repurchase of the property.

Should you wish to retain the property or, in effect sell it to yourself, you may do this only after first having made every reasonable effort to procure a price higher than you yourself are willing to pay; or you may buy the Government's equity by paying for it either on the basis of the original cost or at a price higher than the highest bid obtainable from two independent bidders. In bidding on the property for yourself you should give consideration to the fact that the property in place is worth considerably more to you than if dismantled and disposed of elsewhere.

The undersigned is authorized to approve of and to join in the sale of such property for the joint account of the operator and the Government. You are requested to advise this office in advance of the proposed disposition of any such property so that we may advise you if the Government will approve thereof and join in the transaction. Please supply this office with the original and five copies of your liquidation proposal and all documents and other material relative to the property disposition.

Records in this office indicate that the following property is subject to liquidation of the Government's interest:

Item	Cost to Project
Pipe -	$3,644.78
Track -	2,797.17
Total - - - - - -	$6,441.95

We are desirous of closing this account at an early date, therefore we will appreciate receiving your proposal relative to the property disposition and your final report in conformance with item "4" of the Termination agreement.

Both your proposal and your final report must be rendered in quintuplicate complete with all supporting data.

Very truly yours,

W. M. TRAVER,

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

JWT:sr

cc Subject
Chron
Chairman Op. Comm. (3)
Brading
Shaw
Harshman
Townsend

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Final Report, 195.... Docket No. DMEA ..... Contract No. Idm-E2
Operator's Name Callahan Zinc-Lead Company Minerals Lead and Zinc
Address Whitepine, Colorado
Contract Amount, $54,917.00 Government Participation: 50 % Amount, $27,458.50

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:						
~~XXXXXX~~ Raising		14,866.50	14,866.50			
Bulldozing						
Crosscutting						
Drifting		11,475.00	11,475.00			
Rep. & Maint.-Akron Level		5,000.00	5,000.00			
(2) Labor and Supervision:						
Labor		69,258.95	69,258.95			
Supervision		4,029.13	4,029.13			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		8,635.93	8,635.93			
Explosives		6,974.81	6,974.81			
Pipe		2,313.61	2,313.61			
Track		1,821.61	1,821.61			
Other		11,211.51	11,211.51			
Power		3,578.44	3,578.44			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		5,363.93	5,363.93			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		2,098.94	2,098.94			
Sampling and Analysis						
Payroll Taxes		3,979.38	3,979.38			
Liability Insurance						
Miscellaneous		382.09	382.09			
(8) Contingencies (specify):						
Audit difference		(2,538.61)	(2,538.61)			
TOTALS		148,451.22	148,451.22			

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I certify that the above bill is correct and just and that payment therefor has not been received.
Date 9/29/54 *Payee Callahan Zinc-Lead Company
Per E.G. Sabo Title Treasurer

*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:

$ 0

Signature .....
(Authorized Certifying Officer)

Date ..... Vou. No. .....
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. ..... in accordance with the terms of the contract.

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Work Completed prior to August 12, 1952

Month of Final Report 195 Docket No. DMEA 110 Contract No. Idm-E2

Operator's Name Callahan Zinc-Lead Company Minerals Lead and Zinc

Address Whitepine, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.			77,940.59	1474			
Crosscutting	ft.			14,412.69	416			
Raising	ft.			7,357.28	151			
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Rehabilitation	ft.			19,937.77				
TOTAL DISTRIBUTED COSTS				119,648.33				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				119,648.33				

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 9/29/54 Operator Callahan Zinc-Lead Company

Per [signature] Title Treasurer

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Final Report 195..... Docket No. DMEA 110 Contract No. Idm-E2
Operator's Name Callahan Zinc-Lead Company Minerals Lead and Zinc
Address Whitepine, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.			11,475.00	229 1/2	50.00	745 *	50.00
Crosscutting								
Raising	ft.			14,866.50	280 1/2	53.00	239 *	53.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Repairs and Maintenance Mo.				5,000.00	8	625	8	625
Akron Level								
TOTAL DISTRIBUTED COSTS				31,341.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				31,341.50				54,917.00

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

Date 9/29/54 Operator Callahan Zinc-Lead Company

Per [signature] Title Treasurer

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

REMARKS: * Adjusted by amendment

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED DEC 2 7 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 195 3 Docket No. DMEA 110 Contract No. Idm-D2

Operator's Name Collahan Zinc-Lead Company Minerals Lead and Zinc

Address Whitepine, Colorado

Contract Amount, $ 54,917.00 Government Participation: 50 % Amount, $ 27,458.50

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:						
Raising	927.50	13,939.00	14,866.50			
Bulldozing						
Crosscutting						
Drifting		11,475.00	11,475.00			
Rep. & Maint.-Akron		5,000.00	5,000.00			
(2) Labor and Supervision: Level						
Labor		69,258.95	69,258.95			
Supervision		4,020.13	4,020.13			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		8,035.03	8,035.03			
Explosives		6,974.81	6,974.81			
Pipe		2,313.61	2,313.61			
Track		1,821.61	1,821.61			
Other		11,211.61	11,211.61			
Power		3,578.44	3,578.44			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		5,363.03	5,363.03			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		2,098.94	2,098.94			
Sampling and Analysis						
Payroll Taxes		3,979.38	3,979.38			
Liability Insurance						
Misc.		382.09	382.09			
(8) Contingencies (specify):						
Audit Differences		(2,638.61)	(2,638.61)			
TOTALS	927.50	147,523.72	148,451.22	927.50	147,523.72	148,451.22

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 10/2/53 *Payee Collahan Zinc-Lead Company

Per [signature] Title Ass't. Sup't.

*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:

$ 263.75

Signature [signature]
(Authorized Certifying Officer)

Date 12-16-55 Vou. No. DMA-56-51

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E2 in accordance with the terms of the contract.

Signature [illegible] Title Mining Engineer Date Oct 12, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Acting Executive Officer Date DEC 12 1955

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1953 Docket No. DMEA 110 Contract No. Idm-12
Operator's Name Callahan Zinc-Lead Company Minerals Lead and Zinc
Address Whitepine, Colorado

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	ft.			11,475.00	229½	50.00	745*	50.00
Crosscutting								
Raising	ft.	927.50	17½	14,860.50	260½	53.00	259*	53.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Rep. & Maint.-Akron Level	no.			5,000.00	8	625.00	8	625.00
TOTAL DISTRIBUTED COSTS		927.50		31,321.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		927.50		31,321.50				54,917.00

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

REMARKS: * Adjusted by amendment

Date 10/2/53 Operator Callahan Zinc-Lead Company

Per [signature] Title Ass't. Sup't.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

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

OPERATOR'S UNIT COST AND PROGRESS REPORT

Work completed prior to August 12, 1952
Month of _____ 195____ Docket No. DMEA 110 Contract No. Idm-12
Operator's Name Callahan Zinc-Lead Company Minerals Lead and Zinc
Address Whitepine, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.			77,940.59	1474			
Crosscutting	ft.			14,412.69	416			
Raising	ft.			7,357.28	151			
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Rehabilitation	ft.			19,957.77				
TOTAL DISTRIBUTED COSTS				119,648.33				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				119,648.33				

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 10/2/53 Operator Callahan Zinc-Lead Company

Per [signature] Title Ass't. Sup't.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

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

RECEIVED
DEC 28 1956

Administrative Audit Difference Statement

Date: Dec. 15, 1956
Payee's
Reference: Final Payment

Callahan Wire-Lead Co.
100 Park Avenue
New York, New York

Gentlemen:

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

Amount Claimed $ 3,671.50

Difference $

Amount Approved $ 3,671.50

The reason for the difference was due to:

- $200.00 deducted to cover equipment settlement.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

for Randell R Cooper
N. E. Stokes
Audit Section

R-IV-B & F Form No. 4
4-15-52 D

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

224 New Customhouse
Denver 2, Colorado

December 12, 1955

Memorandum

To: T. A. Christensen

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-110 (Lead-Zinc), Contract Idm-E2 (Amended), Callahan Zinc-Lead Company, Akron Mine, Gunnison County, Colorado - Operators Monthly Progress Reports and Vouchers for the months of August and September, 1953. FINAL PAYMENT

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above two periods which have been combined to form a single report. Also attached to each set of the combined report are data relative to the liquidation of the Government's interest in property acquired under the contract.

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Final payment is recommended as follows, which is in conformance with the Interum Audit Report and Certificate dated September 3, 1953, released to this office September 14, 1955, and subsequent Report of Review dated December 2, 1955 and released to this office on December 9, 1955.

Basis for Final Payment

Total cost as billed by Operator		$148,451.22
Audit disallowances	0.00	
Proceeds from property disposition	400.00	
Total deductions		400.00
Net cost of project		$148,051.22

Government participation at 50 percent - - - - - - - - - - - -	74,025.61
Total prior payments -	72,489.86
Balance due the Operator -	$1,535.75

Reconciliation with attached MF-104 Reports

Operator's claim for August, 1953, Gross amount - - - - - -	$2,544.00
Operator's claim for September, 1953, Gross amount - - - -	927.50
Gross amount of Operator's "Final" claims - - - - - - - -	3,471.50
Audit disallowances - - - - - - - - - - - None	
Liquidation of Property Settlement - - $400.00	
Total deductions -	400.00
Adjusted gross -	$3,071.50
Government participation at 50 percent - - - - - - - - - - - -	$1,535.75
Mill adjustment -	0.00
Balance due the Operator -	$1,535.75

Note: Payment was deferred pending liquidation of the jointly-owned property.

E. N. Harshman

E. N. Harshman

Enclosures

JDC:jy

cc: MF-104 File E2
Sec. Op. Comm. (2)
Shaw (2)
Townsend w/copy engr's. report
Chron.

Bldg Box Contractors
Denver 6, Colorado

November 6, 1955

Mr. J. E. Ross, General Superintendent
Calumet Zinc-Lead Company, Inc.
100 Park Avenue
New York 17, N. Y.

Re: Project DMRA 110 (Lead-Zinc)
Amendment Contract Ilo-22

Dear Mr. Ross:

Consistent with the authority delegated to this office under Order No. 2655 from the Office of the Secretary, Department of the Interior, the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, does hereby accept your bid, dated July 15, 1955, in the amount of $500.00, for the Government's interest in the unexpended portion of materials and supplies acquired under Contract Ilo-22.

The sum of $400.00, reflecting both yours and the Government's interest in the property liquidation, will be deducted from the grant amount of claims by you held pending in this office for reimbursement under the terms of the contract, thereby automatically making a deduction from monies due you of the amount of $200.00 due the Government in the transaction.

Very truly yours,

E. W. Hazelman

E. W. Hazelman
Acting Executive Officer
DMEA Field Team, Region III

EWH:pd
cc: EP-10A file (3)
Hazelman
Ross
Pending
Contract
Spence, file
Eaton.

DMEA
Date Rec'd.
NOV 30 1955
BUREAU OF MINES
Denver, Colorado

Building 20
Denver Federal Center
Denver 2, Colorado
November 30, 1955

Region III

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: C. M. Harrer

Subject: Liquidation of materials, DMA 110, Contract I-DMA-82, Callahan Zinc-Lead Co., Inc., Gunnison County, Colorado

According to the interim audit report dated September 14, 1953 and a letter to Callahan Zinc-Lead Co., Inc., dated May 17, 1955, pipe and track valued at $6,441.95, when new, is subject to liquidation.

The property was inspected on October 4, 1955. The main haulage level was accessible to within 600 feet of the start of the DMEA contract. At this point, the drift south is blocked by a fall of ground. In consequence, the condition or recoverability of inventoried pipe and track could not be ascertained. Other sections of caved ground undoubtedly exist since very heavy ground was encountered throughout most of the project.

It is believed that the pipe and track could not be recovered profitably and therefore has value only to Callahan Zinc-Lead Company.

It is therefore recommended that their bid of $200.00 be accepted.

C. M. Harrer
Mining Engineer

CMH/mr
cc: 9
E. N. Harshman
I-DMA-82
Chron.

DMEA
Date Rec'd.
JUL 19 1955
BUREAU OF MINES
Denver, Colorado

CALLAHAN ZINC-LEAD COMPANY, INC.
AKRON MINE
WHITEPINE, COLORADO

July 18, 1955

Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Attn: W. M. Traver
Executive Officer, DMEA
Field Team, Region III

Re: Docket DMEA-110
Contract Idm-E2

Gentlemen:

With reference to Idm-E2 Exploration Project on which you have recently received a final engineering report, we note that in accordance with the government's records we have spent $ 6,441.95 for pipe and track which is partly owned by the government.

As noted in my final report, due to caved ground this is now inaccessible and recovery costs are greater than the new value of the supplies. With this fact in mind, we will offer $ 200.00 for the government's interest in the pipe and track.

I trust this will clear up the matter.

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY

J. E. Dunn
General Superintendent

JED:lf

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 13, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 110, Contract Idm-E2 Amended, (Lead-zinc), Callahan Zinc-Lead Company (Akron mine) Gunnison County, Colorado -- Progress report for September 1953

Enclosed are the original and four copies of the above progress report--forms MF-104 and two forms MF-104A with narrative, progress map--and the original and six copies of M. H. Salsbury's memorandum covering inspection of the underground progress and reporting forms. The project is operating under an amendment to the original contract prepared on the unit-cost, short form, MF-200A. Documentation is not required.

The inspecting engineer verifies the 17-1/2 feet raising advance mentioned in the operator's narrative and entered on the MF-104A form. An error of 1 foot in the entries of "Total to Date" on the MF-104A form carried since November 1952 is noted, otherwise the entries and extensions are correct.

Payment is recommended and certified on the MF-104 form of $463.75 or 50 percent of the total claimed by the contractor.

W. M. Trever

W. M. Trever

enclosures

WMT/kp

cc 4
E2
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 12, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: M. H. Salsbury

Subject: DMEA 110, Contract Ida-82 Amended, (Lead-zinc), Callahan Zinc-Lead Company (Akron mine) Gunnison County, Colorado -- Progress report for September 1953

Underground progress under the subject contract was inspected in company with J. E. Dunn, superintendent for the contractor on September 26, 1953. The progress measurement included all work accomplished in September, as work had been suspended temporarily the week after the last progress inspection on August 31, 1953.

The 2-3101 raise was completed and connected to the bottom level of the Morning Star winze. The final advance was made under difficult conditions in caving ground in the wall of the winze sump, and includes a station set on the bottom winze level.

The contractor claims payment for 17-1/2 feet of raising. This footage added to 229-1/2 feet claimed previously in the 2-3101 raise, for which payment has been approved, plus 32-1/2 feet in the 3301 raise, for which payment has been made, makes a total of 279-1/2 feet of raising, or 9-1/2 feet less than the maximum 289 feet of raising allowed under item 1(B), Amendment No. 4 to Amended Contract Ida-82.

The measurement made by the inspecting engineer in the 2-3101 raise, 247.35 feet, is 0.35 foot more than the total claimed by the contractor, including the claim for September, 1953.

Continuation of exploration was still awaiting an inspection by an official of the Callahan Zinc-Lead Company from the New York office. Dunn said he thought they would undoubtedly go ahead after they agree on a contract price for the work.

No mineralization was encountered in the work. The caved condition of the bottom Morning Star level prevented examination of the old workings.

At the time of the inspection, the contractors were removing equipment from the winze below the Akron level which was to be allowed to flood.

Monthly unit totals entered on forms MF-104 and MF-104A for September are correct, except that the total of raising to date on form MF-104A--280-1/2 feet--is 1 foot more than the footage approved. The 1 foot difference is an amount which was disapproved for payment in November 1952. The contractor has continued to carry the total as 1 foot more than the approved total.

All work was done in accordance with the terms of the contract.

Payment of $463.75, or 50 percent of the amount claimed in September 1953, $927.50, is approved.

M. H. Salsbury
M. H. Salsbury
Mining Engineer

MHS/kp

cc /6
E2
Chron

October 2, 1955

Mr. W. M. Traver, Chief
Colorado Branch
Mining Division, Region IV
Room 137, Building 20
Denver Federal Center
Denver 14, Colorado

Dear Mr. Traver:

I am enclosing operator's monthly progress report for September, 1955 on Contract No. Idm-22, Docket No. DMEA 110.

Raise advance totaled 17½ft., which completed the connection through to the lower shaft level in the Morning Star. This level away from the station is almost completely caved and is entirely inaccessible.

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY

J. E. Dunn
Superintendent

JED:lf
Enc.

Form MF-104 (Rev.)
April 1952

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

RECEIVED DEC 27 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August 1953 Docket No. DMEA 110 Contract No. Idm-E2

Operator's Name Callahan Zinc-Lead Company Minerals Lead and Zinc

Address Whitepine, Colorado

Contract Amount, $ 54,917.00 Government Participation: 50 % Amount, $ 27,458.50

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
~~Drilling~~ Raising	2,544.00	11,395.00	13,939.00			
Bulldozing						
Crosscutting						
Drifting		11,475.00	11,475.00			
Rep. & Lt.-Akron Level		5,000.00	5,000.00			
(2) Labor and Supervision:						
Labor		69,258.95	69,258.95			
Supervision		4,029.13	4,029.13			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		8,635.93	8,635.93			
Explosives		6,974.81	6,974.81			
Pipe		2,513.61	2,513.61			
Track		1,821.61	1,821.61			
Other		11,211.51	11,211.51			
Power		3,578.44	3,578.44			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		5,363.93	5,363.93			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		2,098.94	2,098.94			
Sampling and Analysis						
Payroll Taxes		3,979.38	3,979.38			
Liability Insurance						
Misc.		382.09	382.09			
(8) Contingencies (specify):						
Audit Differences		(2,538.61)	(2,538.61)			
TOTALS	2,544.00	144,979.72	147,523.72	2544.00	144979.72	147,523.72

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 9/4/53 *Payee Callahan Zinc-Lead Company

Per [signature] Title Ass't. Sup't.

*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:

$ 1272.00

Signature RCO
(Authorized Certifying Officer)

Date 12-16-53 Vou. No. DMA-56-51

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E2 in accordance with the terms of the contract.

Signature M. H. Salsbury Title Mining Engineer Date Sept 9, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Acting Executive Officer Date DEC 12 1955

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1953 Docket No. DMEA 110 Contract No. Idn-E2

Operator's Name Callahan Zinc-Lead Company Minerals Lead and Zinc

Address Whitepine, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.			11,475.00	229½	50.00	745 *	50.00
Crosscutting								
Raising	ft.	2,544.00	48	13,939.00	263	53.00	239 *	53.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Rep.& Mt.-Akron Level	mo.			5,000.00	8	625.00	8	625.00
TOTAL DISTRIBUTED COSTS		2,544.00		30,414.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,544.00		30,414.00				54,917.00

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

Date 9/4/53 Operator Callahan Zinc-Lead Company

Per James Flynn Title Ass't. Sup't.

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

REMARKS: * Adjusted by amendment

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
September 10, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 110, Contract Idm-E2 Amended, (Lead-zinc), Callahan Zinc-Lead Company (Akron mine), Gunnison County, Colorado -- Progress report for August 1953

Enclosed are the original and four copies of the above progress report--forms MF-104 and two forms MF-104A with narrative, progress map--and the original and six copies of M. H. Salsbury's memorandum covering inspection of the underground progress and reporting forms. The project is operating under an amendment to the original contract prepared on the unit-cost, short form, MF-200A. Documentation is not required.

Salsbury confirms and approves the 48 feet advance of the 2-3101 raise, reported by the operator in his narrative and entered on the reporting forms MF-104A. Entries and extensions on the reporting forms are correct. The inspector also discusses a rumored closing down of operations.

Payment is recommended and certified on the MF-104 form of $1,272.00, or 50 percent of the total $2,544.00 claimed by the contractor.

W. M. Traver

W. M. Traver

WMT/kp

enclosures

cc 4
E2 Amended
DMEA Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
September 9, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: M. H. Salsbury

Subject: DMSA 110, Contract Idm-82 Amended, (Lead-zinc), Callahan Zinc-Lead Company (Akron mine), Gunnison County, Colorado -- Progress report for August 1953

Underground progress on the subject contract was inspected August 31, 1953.

On the date of inspection, the 2-3101 raise was inaccessible for measurement. However, on August 24, the raise had been measured by a Bureau of Mines engineer and was up 68.5 feet above measuring point F in the sill of the 4-3102 crosscut, or 227.35 feet above the starting point of the raise. The contractor reports that one more round was put in the raise after July 24, bringing the total length to 229.5 feet or 2.15 feet more than the measurement of July 24. This figure was accepted by the engineer making the August 1953 inspection. The contractor claims payment for 48 feet of raising which is the difference between 229.5 feet and the 181.5 feet in the raise claimed previously. The 229.5 feet is 11.5 less than the 240 feet maximum of raising allowed under item 3, Exhibit A, Amendment No. 4 of the contract.

The contractor's crew was engaged in opening the connection between the Morning Star winze sump and the raise, working from above, because the pillar between the back of the raise and the winze sump caved leaving the ground in an unsafe condition to timber from below.

No crosscutting or drifting was done during August.

J. E. Dunn, superintendent for the contractor, expressed doubt as to his company's willingness to continue exploration under the contract and was expecting a decision after a visit from an official early in September.

No further repair and maintenance on the Akron level are allowable under the contract or were claimed in August.

No mineralization was encountered in the raise which was driven entirely in soft, wet porphyry.

In the opinion of the Bureau of Mines engineer, the work on the upper (+400 foot) sublevel, at least, should be continued to the position of the possible ore shoot as projected from the Morning Star workings above.

All work was done in accordance with the terms of the contract and amendments effective through June 25, 1953.

Monthly unit totals as entered on forms MF-104 and MF-104A for August 1953 are correct.

Payment of $1,272.00, or 50 percent of the amount claimed in August 1953, $2,544.00, is approved.

M. H. Salsbury
Mining Engineer

MHS/kp

cc
E2 Amended
DMEA Chron

September 5, 1953

Mr. [illegible] Grover, Chief
Colorado Branch
Mining Division, Region IV
Room 137, Building 20
Denver Federal Center
Denver 14, Colorado

Dear Mr. Grover:

I am enclosing operator's Monthly Progress Report for August, 1953 on Contract No. [illegible]-82, Docket No. [illegible] 110.

The [illegible] drill hole was completed into old work during the first week of the month. As a drainage project it was a failure as it proved impossible to keep it open. It was valuable in the sense that it definitely located the old level.

Raising was resumed August 10th and advanced 46 feet for the month. The face was near enough to old work so that it broke through on the night of August 28th, draining all work in the Morning Star shaft. Remaining work on completing the connection should be finished the first week of September.

Very Truly Yours,

CALLAHAN ZINC-LEAD COMPANY

By: J. E. Dunn

J. E. Dunn
Superintendent

JED/[illegible]
Encl.

Form 10 A

United States Department of
the Interior
Defense Minerals Exploration Administration

OPERATOR'S UNIT COST AND PROGRESS REPORT

Work completed prior to August 12, 1952 Docket No. 110 Contract No. Idm-E2

Operator's Name: Callahan Zinc-Lead Company
Whitepine, Colorado

Minerals: Lead & Zinc

Operation	Unit	Costs This Month	Units This Month	Costs to Date	Units To Date
Drifting	ft.			77,940.59	1474
Crosscutting	ft.			14,412.69	416
Raising	ft.			7,557.28	151
Rehabilitation	ft.			19,937.77	715
Total				119,848.33	

Date 9/4/53 Operator Callahan Zinc-Lead Company

Per James Flynn Title Asst. Supt.

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1953 Docket No. DMEA 110 Contract No. Idm-12
Operator's Name Callahen Zinc-Lead Company Minerals Lead & Zinc
Address Whitepine, Colorado
Contract Amount, $ 54,917.00 Government Participation: 50 % Amount, $ 27,458.50

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:						
~~Dump~~ Raising		11,395.00	11,395.00			
Bulldozing						
Crosscutting						
Drifting	4,075.00	6,800.00	11,475.00			
Rep. & Mt. Akron L.	52.08	4,947.92	5,000.00			
(2) Labor and Supervision:						
Labor		69,258.95	69,258.95			
Supervision		4,029.13	4,029.13			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		8,635.93	8,635.93			
Explosives		6,974.81	6,974.81			
Pipe		2,313.61	2,313.61			
Track		1,821.61	1,821.61			
Other		11,211.51	11,211.51			
Power		3,578.44	3,578.44			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		5,365.93	5,365.93			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		2,098.94	2,098.94			
Sampling and Analysis						
Payroll Taxes		3,979.38	3,979.38			
Liability Insurance						
Misc.		382.09	382.09			
(8) Contingencies (specify):						
Audit Differences		(2,538.61)	(2,538.61)			
TOTALS	4,727.08	140,252.64	144,979.72	4,727.08	140,252.64	144,979.72

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 8/10/53 *Payee Callahan Zinc-Lead Company

Per [signature] Title Asst. Supt.

*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:

$ 2363.54

Signature [signature]
(Authorized Certifying Officer)

Date 9/11/53 Vou. No. DMA 54-26

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. JMM-22 in accordance with the terms of the contract.

Signature C. M. Harper $2363.54 Title Mining Engineer Date Aug. 27, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.B.B.

Signature W. H. King Title Executive Officer Date SEP 4 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1953 Docket No. DMEA 110 Contract No. Idm-12

Operator's Name Callahan Zinc-Lead Company Minerals Lead & Zinc

Address Whitepine, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.	4,675.00	93	11,475.00	229	50.00	745*	60.00
Crosscutting								
Raising	ft.			11,395.00	215	53.00	239*	53.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Repair & Mt. Akron L. no		52.08	1/12	5,000.00	8	625.00	0	625.00
TOTAL DISTRIBUTED COSTS		4,727.08		27,870.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4,727.08		27,870.00				54,917.00

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

REMARKS: * adjusted by amendment

Date 8/10/53 Operator Callahan Zinc-Lead Company

Per James Flynn Title Asst. Supt.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

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

OPERATOR'S UNIT COST AND PROGRESS REPORT

Work completed prior to August 12, 1952

Month of ..... 195..... Docket No. DMEA 110 Contract No. Idm-E2

Operator's Name Callahan Zinc-Lead Company Minerals Lead & Zinc

Address Whitepine, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.			77,940.59	1474			
Crosscutting	ft.			14,412.69	416			
Raising	ft.			7,357.28	151			
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Rehabilitation	ft.			19,937.77	715			
TOTAL DISTRIBUTED COSTS				119,648.33				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				119,648.33				

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 8/10/53 Operator Callahan Zinc-Lead Company

Per James Flynn Title Asst. Supt.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

September 4, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 110, Contract Idm-E2 (Lead-Zinc), Callahan Zinc-Lead Company (Akron Mine), Gunnison County, Colorado. Operator's Monthly Progress Report for the period July, 1953.

Enclosed are the original and four copies of Form MF-104, and MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	August 8, 1953.
Date Received in Field Office	August 17, 1953.
Date Received in Region Office	September 3, 1953.

W. H. King
W. H. King

Enclosures

RDB:cwm

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
September 2, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 110, Contract Idm-E2 Amen. (Lead-zinc), (Akron mine), Callahan Zinc-Lead Company, Gunnison County, Colorado - Progress report for July 1953

Transmitted herewith are the original and four copies of the subject progress report--forms MF-104 and MF-104A(2) with narrative and progress map--and the original and six copies of C. M. Harrer's memorandum covering inspection of the underground progress and accounting forms. Operations are being carried on under an amendment to the original contract prepared on a unit cost, short form. Documentation is not required.

The inspecting engineer confirms the progress of 93.5 feet of crosscutting on 4 level reported as drifting in the narrative and on the reporting form by the operator. Repairs and maintenance of the Akron level are charged as $52.08, completing the $5,000.00 allowed by the amendment for this work. No raising was done during the period. The arithmetic on the reporting forms is correct.

Payment is recommended and certified on the MF-104 form of $2,363.54, or 50 percent of the total $4,727.08 claimed by the contractor.

W. M. Traver

W. M. Traver

enclosures

WMT/kp

cc 4
E2 Amen
DMEA Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
August 27, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: C. M. Harrer

Subject: DMEA 110, Contract Idm-E2 Amen. (Lead-zinc), (Akron mine), Callahan Zinc-Lead Company, Gunnison County, Colorado - Progress report for July 1953

Underground progress was inspected on August 24, 1953, at which time the 2-3101 exploration raise was up 68.5 feet above measuring point F in the sill of the 4-3102 crosscut.

Progress during July was limited to the reported advance of 93.5 feet in the 4-3102 crosscut. The advance as reported by the operator in his narrative and form MF-104A was verified as correct. Expenditures for 93.5 feet of crosscut at $50.00 per foot total $4,675.00.

Repairs and maintenance on the Akron level for July amounted to $52.08.

All work was performed in accordance with the terms of the contract and amendments, and is recommended for approval at $4,727.08. Government participation of 50 percent is $2,363.54.

The hanging wall of the porphyry dike was penetrated about 89 feet east of the raise, in the 4-3102 crosscut. Apparently the dike was crossed at a swell, as it was about 85 feet thick at this horizon. Beyond the dike, the crosscut exposed a soft and sheared mixture of porphyry and limestone. No ore was encountered. At present there is no information available on which to base an estimate of ore reserves.

C. M. Harrer

C. M. Harrer,
Mining Engineer

CMH/kp

cc 6
E2 Amen
DMEA Chron

August 12, 1953

Mr. W. M. Traver, Chief
Colorado Branch
Mining Divison, Region IV
Room 137, Building 20
Denver Federal Center
Denver 14, Colorado

Dear Mr. Traver:

I am enclosing operator's monthly progress report for July, 1953 on Contract No. Idm-22, Docket No. DMEA-110.

The hanging wall crosscut on 4 level was advanced 93½ ft. to a total distance of 109½ ft. away from the raise cross section. The hanging wall of the porphyry dike was cut at about 89 ft. and the remainder of the distance driven was in fractured lime stone and granite. This is evidently the Morning Star vein and looks favorable to expected mineralization north along the fracture zone.

Our principal reason for driving this crosscut at the present time was to drain the old work above. The contact was dry, which was unexpected, as it has had water at three different points on the main level.

A diamond drill hole was started the last of July from the raise face to intersect the shaft. This is now completed and the shaft is draining.

I trust that this brings you up to date on progress of work here.

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY

J. E. Dunn

J. E. Dunn
General Superintendent

JED:lf
ENC.

COPY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

INTERIM AUDIT CERTIFICATE (2)

I have examined the records and transactions of:

Callahan Zinc-Lead Company
100 Park Avenue
New York, New York

pertaining to Exploration Contract I-DMA-E2, Docket No. DMA 110, including Amendments 1 to 3 on the original contract and Amendments 1 to 5 on the supplemental contract, covering a project of exploration for Zinc and Lead, for the period May 1951 to June 30, 1953. (Operations were recessed from May 1952 to August 1952).

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to the amount to be paid the Contractor:

Total Cost per MF-104	$140,252.64
Exceptions (per Audit Report)	None
Total Accepted Cost	$140,252.64

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the Contractor by the Government in the amount of Seventy Thousand One Hundred Twenty-Six and 32/100 Dollars

-$70,126.32-

is valid and proper.

This certificate is issued on the provision that 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.

Dated: September 3, 1953

T. H. Brading

T. H. Brading, Auditor

INTERIM AUDIT REPORT (2)

I. INTRODUCTION

A second interim audit (covering the period from May 26, 1951 to June 30, 1953) was made of the records and accounts of operations pertaining to Contract I-DMA-E2, Docket No. DMA 110 and Amendments 1 to 3 on the original contract, and 1 to 5 on the supplemental contract with

Callahan Zinc-Lead Company
100 Park Avenue
New York, New York

covering a project of exploration for Zinc and Lead.

The accounting records under this contract are located in the company's office at its mine and mill site, which is reached by proceeding approximately nine miles from Highway 50 at Sargents, Colorado, on an unnumbered country road.

During the course of the audit, the following employees of the company were consulted as required:

Mr. J. E. Dunn - Superintendent
Mr. R. James Flynn - Assistant Superintendent

Mr. C. M. Harrer, Mining Engineer, Denver, Colorado, collaborated in the audit.

Their cooperation and assistance greatly facilitated the audit.

Considerable time was spent in the office on preliminary work prior to the audit.

II. GENERAL INFORMATION ON RECORDS

The source documents covering the costs of this project are recorded on Monthly Work Sheets which form the basis of preparation of the Monthly MF-104 reports. Therefore, this audit involved in general, a check of the monthly work sheets and reconciliation of the work sheets with the Monthly MF-104 reports. Costs are recorded on a combination cash and accrual basis.

III. SCOPE OF AUDIT AND FINDINGS

The audit was limited to ascertaining the accuracy, propriety and validity of the costs as shown in the "Totals to Date" column of Form MF-104, Operator's Monthly Report and Voucher for the month of June, 1953. In view of the previous audit covering the period from May 26, 1951 to April 30, 1952, except as otherwise indicated, this

audit was limited to the costs claimed since that latter date. The Operator filed a supplementary claim for May, 1952 (in June, 1952), in the amount of $91.64 covering corrections in April report as follows:

Labor	$63.93
Timber	21.23
Payroll Taxes	3.99
Workmen's Compensation Insurance	2.49
Total	$ 91.64

The above items were verified in detail by checking appropriate records and computation of payroll taxes and compensation insurance.

The project was recessed from May 1952 to August 1952, at which time operations were resumed under Supplemental Contract dated August 12, 1952, and Amendments one to five, on a Unit Cost Basis.

Unit Costs as reported by the Operator for the period from August 1952 to June 30, 1953, in the amount of $23,142.92 were verified by checking Operator's records and examining engineer's Narrative Reports. Disallowance of $53.00 made by the Finance Officer was confirmed. This disallowance was accepted by the Operator.

A breakdown of these costs follows:

Raising 215' at $53.00	$11,395.00
Drifting 136' at $50.00	6,800.00
Repairs and Maintenance of Akron Tunnel at $625.00 per month	4,947.92
Total	$23,142.92

Costs are in line with supplemental contract and amendments one to five.

Amounts reported for May, 1952 were on the old form MF-104. Accounting distribution of amounts carried forward to August 1952 MF-104 were examined and verified by comparison with the May MF-104. Considerable analysis was necessary, especially in connection with Other Supplies.

Corrections as follows were made:

	May 1952 MF-104		Correct Distri-bution	*Disallowances	Approved Amounts
Timber	$8,635.93		$11,143.94		$11,143.94
Pipe	2,313.61		3,644.78		3,644.78
Track	1,821.61		2,797.17		2,797.17
Hand Tools		$ 455.26			
Drill Steel & Bits		624.56			
Other	11,211.51	4,240.64	5,320.46	$2300.80	3,019.66
Repairs	2,098.94		3,175.25		3,175.25
Totals	$26,081.60		$26,081.60	$2300.80	$23,780.80

* Disallowances adjusted by Operator.

IV. CONCLUSIONS AND RECOMMENDATIONS

The adjustments between Items of Costs as shown on the June, 1953 MF-104, and approved amounts are summarized as follows:

	June 1953	Distribution Corrected	Allowed by Audit
Raising	$11,395.00	$11,342.00	$11,342.00
Drifting	6,800.00	6,800.00	6,800.00
Rep. & Maint. Akron Level	4,947.92	4,947.92	4,947.92
Labor & Supervision:			
Labor	69,258.95	69,258.95	69,258.95
Supervision	4,029.13	4,029.13	4,029.13
Operating Materials & Supplies:			
Timber	8,635.93	11,143.94	11,143.94
Explosives	6,974.81	6,974.81	6,974.81
Pipe	2,313.61	3,644.78	3,644.78
Track	1,821.61	2,797.17	2,797.17
Other	11,211.51	3,019.66	3,019.66
Power	3,578.44	3,578.44	3,578.44
Operating Equipment - Depreciation	5,363.93	5,355.00	5,355.00
Miscellaneous:			
Repairs to Equipment	2,098.94	3,175.25	3,175.25
Payroll Taxes	2,189.48	2,189.48	2,189.48
Workmen's Compensation	1,789.90	1,789.90	1,789.90
Miscellaneous	382.09	206.21	206.21
Audit Difference	(2,538.61)		
Totals	$140,252.64	$140,252.64	$140,252.64

At the conclusion of the audit, the findings were discussed with Mr. R. James Flynn, Assistant Superintendent, and Mr. C. M. Harrer, Mining Enginer, Denver Office, representative of the Executive Officer, Region IV.

T. H. Breding, Auditor

September 3, 1953

SEP 11 1953

Mr. Thomas H. Brading
DMEA Auditor
224 New Customhouse
Denver 2, Colorado

Dear Mr. Brading:

The Interim Audit Reports issued by you for the Callahan Zinc-Lead Company, Idm-E2, Docket No. DMA-110, and The Silver Bell Mines Company, Idm-E312, Docket No. DMA-2165X, have been accepted and distribution of other copies may be effected.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

AMAlley/ama
September 10, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 8 - 1953

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

224 New Customhouse
Denver 2, Colorado

September 4, 1953

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

Re: Contract I-DMA-E2
Docket No. DMA 110
Callahan Zinc-Lead Co.

Dear Mr. Chambers:

Enclosed are three copies of Audit Certificate and two copies of Audit Report for Callahan Zinc-Lead Company, pertaining to Exploration Contract I-DMA-E2, Docket No. DMA 110.

At the time of the first audit, the Operator was reporting on the old type of MF-104, which did not require a complete breakdown of Pipe and Track as separate accounts.

I felt reasonably certain, because of the pro-ration involved, that some items of Pipe and Track were included in Other Supplies. Inasmuch as I had to make a trip to White Pine to complete the final audit on E235, I discussed the matter of analyzing Other Supplies and verifying the amounts reported under Pipe and Track with Mr. King.

He agrees with me, that in order to protect the Government's equity in Pipe and Track on Contract E2, this analysis would be in order. The wisdom of this, I feel is justified, when the analysis submitted in the report is considered.

The report attached is such a radical departure from any previously submitted, I felt that an explanation was necessary.

When the work under the contract is completed, the authorities here in Region IV, will now be in a position to negotiate a settlement on Pipe-Track and hand tools, based on figures more accurate than those submitted by the Operator. After the settlement is approved, I will be in a position to write a final Report of Review on the subject contract.

Sincerely yours,

T. H. Brading, Auditor

Enclosure

Form MF-1[illegible] (Rev.)
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June 1953 Docket No. DMEA 110 Contract No. Idm-E2
Operator's Name Callahan Zinc-Lead Company Minerals Lead and Zinc
Address Whitepine, Colorado
Contract Amount, $ 54,917.00 Government Participation: 50 % Amount, $ 27,458.50

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:						
~~Dam~~ Raising	3,233.00	8,162.00	11,395.00			
Bulldozing						
Crosscutting						
Drifting	800.00	6,000.00	6,800.00			
	625.00	4,322.92	4,947.92			
(2) Labor and Supervision:						
Labor		69,258.95	69,258.95			
Supervision		4,029.13	4,029.13			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		8,635.93	8,635.93			
Explosives		6,974.81	6,974.81			
Pipe		2,313.61	2,313.61			
Track		1,821.61	1,821.61			
Other		11,211.51	11,211.51			
Power		3,578.44	3,578.44			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		5,363.93	5,363.93			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		2,098.94	2,098.94			
Sampling and Analysis						
Payroll Taxes		3,979.38	3,979.38			
Liability Insurance						
Misc.		382.09	382.09			
(8) Contingencies (specify):						
Audit Differences		(2,538.61)	(2,538.61)			
TOTALS	4,658.00	135,594.64	140,252.64	4,658.00	135,594.64	140,252.64

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 7/8/53 *Payee Callahan Zinc-Lead Company

Per James J. Lynn Title Ass't Sup't.

*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:

$2329.00

Signature [illegible]
(Authorized Certifying Officer)

Date 8/10/53 Vou. No. DMA 54-13

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idn-E2 in accordance with the terms of the contract.

Signature M. K. Salabury $329.00 WMT Title Mining Engineer Date July 23, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.D.B.

Signature W. H. King Title Executive Officer Date AUG 3 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 195 3 Docket No. DMEA 110 Contract No. Idm-E2

Operator's Name Callahan Zinc-Lead Company Minerals Lead and Zinc

Address Whitepine, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.	300.00	16	6,300.00	136	50.00	745	50.00
Crosscutting								
Raising	ft.	3,233.00	61	11,395.00	215	53.00	239	53.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Repair & Maintenance Akron Level	mo.	625.00	1	4,947.92	7-11/12	625.00	8	625.00
TOTAL DISTRIBUTED COSTS		4,658.00		23,142.92				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4,658.00		23,142.92				54,917.00

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

Date 7/8/53 Operator Callahan Zinc-Lead Company

Per [signature] Title Ass't. Sup't.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

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

OPERATOR'S UNIT COST AND PROGRESS REPORT

Work completed prior to August 12, 1952

Month of _____ 195____ Docket No. DMEA 110 Contract No. Idm-52

Operator's Name Callahan Zinc-Lead Company Minerals Lead and Zinc

Address Whitepine, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.			77,340.59	1474			
Crosscutting	ft.			14,412.69	416			
Raising	ft.			7,357.28	151			
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Rehabilitation	ft.			19,337.77	715			
TOTAL DISTRIBUTED COSTS				119,348.33				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
				119,648.33				
TOTAL COSTS								

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

Date 7/8/53 Operator Callahan Zinc-Lead Company

Per [signature] Title Ass't. Sup't.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

August 3, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 110, Contract Idm-E2 (Lead-Zinc), Callahan Zinc-Lead Co., (Akron Mine), Gunnison County, Colorado-Operator's Monthly Progress Report, for the period June, 1953.

Enclosed are the original and four copies of Form MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report----------July 8, 1953
Date Received in Field Office------July 13, 1953
Date Received in Region Office-----July 28, 1953
Date Processed for Payment---------July 31, 1953

W. H. King
W. H. King

Enclosures

RDB:es

cc: Contract
Sec. to the Oper. Comm. (2)
Chron.
Traver

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
July 27, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 110, Contract Idm-E2 (Lead-zinc), Callahan Zinc-Lead Company (Akron mine), Gunnison County, Colorado - Progress report for June

Enclosed please find the original and four copies of the above progress report--forms MF-104 and MF-104A (two), with narrative and sketch map--and the original and six copies of M. H. Salsbury's memorandum covering inspection of the underground progress and reporting form entries. Operations are currently in progress under a supplemental amendment to the original contract providing for the work on a unit cost, and prepared on short form MF-200 (A). Documentation is not required.

Salsbury verifies the Akron level repair and maintenance work, 16 feet of drifting on the new +400-foot sublevel authorized by amendment number 5, and 61 feet raising in the 2-3101 raise, as reported in the narrative and entered on the MF-104A forms. Entries and extensions on the reporting forms were found correct.

Payment is approved and certified on the MF-104 form of $2,329.00, or 50 percent of the total $4,658.00 claimed by the contractor.

W. M. Traver

W. M. Traver

enclosures

WMT/eb

cc: 4
E2
DMEA Chron.

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
July 27, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: H. H. Salsbury

Subject: DMM 110, Contract Idm-22 (Lead-zinc), Callahan Zinc-Lead Company (Akron mine), Gunnison County, Colorado - Progress report for June

The subject underground progress was inspected July 22, 1953.

On the date of inspection the 2-3101 raise was up 181.85 feet above the floor of the 4200-foot sublevel. The contractor claims payment for 61 feet of raising in June, which is 0.35 foot less than the difference between 181.85 feet and the total of 120.5 feet claimed in the raise previously.

The face of the 4-3102 crosscut on the new 4400-foot sublevel was 84 feet from the edge of the 2-3101 raise. The contractor claims payment for 16 feet of crosscutting in June, which is 68 feet less than the measured distance. No footage on this level has been claimed previously.

Repair work on the Akron level was carried on during the month and $623.00 claimed for repair and maintenance in June.

All work was done in accordance with the terms of the contract and amendments effective through June 25, 1953.

The contact of porphyry and limestone, on which the projected ore shoot should occur, was cut in the 4-3102 raise at 84.0 feet from the 2-3101 raise, dipping eastward at the expected 40°. A fault slip just east of the contact brings in another type of rock which suggested granite but was not definitely established as such. No ore was encountered. The known ore shoot in the Morning Star workings above is north of the 4-3102 crosscut.

J. E. Dunn, superintendent for the contractor, made an inspection of the Morning Star winze and found the water level about 200 feet above the top of the 2-3101 raise, which lacks some 50 feet of connecting with the Morning Star winze sump. The raise is making considerable water. The back was bulkheaded and not open for inspection by the Bureau of Mines engineer, but Dunn states that the formation was very soft. He was reluctant to advance the raise any more without draining the water in the winze. He had hoped to encounter a fissure in the 4-3102 crosscut which would drain the winze, but this apparently is not likely. The alternative is to attempt to drain the winze through a diamond drill hole, which he intends to do.

Monthly unit totals, as entered on forms MF-104 and MF-104A for June 1953, are correct.

Payment of $2,329.00, or 50 percent of the amount which is claimed in June 1953, $4,658.00, is approved.

M. H. Salsbury
M. H. Salsbury
Mining Engineer

MHS/cb

cc: 6
E2
DMEA Chron.

July 5, 1953

Mr. W. M. Traver, Chief
Colorado Branch
Mining Division, Region IV
Room 137, Building 20
Denver Federal Center
Denver 14, Colorado

Dear Mr. Traver:

I am enclosing operator's monthly progress report Docket No. DMEA-110, Contract No. Idm-E2, for the month of June, 1953.

Advance in 2-S101 Raise totaled 61 ft. for the month. The raise cut the footwall contact of the Morning Star porphyry at 150 ft. above 2-S201 Drift. This is very soft and highly altered, which complicates the actual hole through to the water filled workings approximately 50 ft. above us.

We were advised that the contract amendment pertaining to drifting about 100 ft. below Morning Star work had been approved as of June 25th. We stopped raising immediately and started crosscutting at that elevation toward the hanging wall contact. This work is following the plan set up to explore the hanging wall contact for ore and we feel quite sure that an opening to this contact will drain the old work above allowing us to complete the connection without danger to personnel. Drifting for June totaled 16 ft.

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY

J. E. Dunn
General Superintendent

JED:lf
KNC.

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May 1953 Docket No. DMEA 110 Contract No. Idm-E2
Operator's Name Callahan Zinc-Lead Company Minerals Lead and Zinc
Address Whitepine, Colorado
Contract Amount, $ 54,917.00 Government Participation: 50% Amount, $ 27,458.50

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:						
~~Drifting~~ Raising	2,279.00	5,883.00	8,162.00			
Bulldozing						
Crosscutting						
Drifting	-	6,000.00	6,000.00			
Rep.& Mt.-Akron Level	416.67	3,906.25	4,322.92			
(2) Labor and Supervision:						
Labor		69,258.95	69,258.95			
Supervision		4,029.15	4,029.15			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		8,635.93	8,635.93			
Explosives		6,974.81	6,974.81			
Pipe		2,313.61	2,313.61			
Track		1,821.61	1,821.61			
Other		11,211.51	11,211.51			
Power		3,578.44	3,578.44			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		5,363.93	5,363.93			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		2,098.94	2,098.94			
Sampling and Analysis						
Payroll Taxes		3,979.38	3,979.38			
Liability Insurance						
Misc.		382.09	382.09			
(8) Contingencies (specify):						
Audit Differences		(2,538.61)	(2,538.61)			
TOTALS	2,695.67	132,898.97	135,594.64	2,695.67	132,898.97	135,594.64

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 6/2/53 *Payee Callahan Zinc-Lead Company

Per James A. Lynn Title Ass't. Sup't.

*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:

$ 1347.84

Signature [illegible]
(Authorized Certifying Officer)

Date 7/1/53 Vou. No. DMA 54-4

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E2 in accordance with the terms of the contract.

Signature M. H. Salsbury 13473 Title Mining Engineer Date June 16, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: RAB.

Signature W. H. King Title Executive Officer Date JUN 29 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952); however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1953 Docket No. DMEA 110 Contract No. Idm-E2

Operator's Name Callahan Zinc-Lead Company Minerals Lead and Zinc

Address Whitepine, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.	-	-	6,000.00	120	50.00	745	50.00
Crosscutting								
Raising	ft.	2,279.00	43	8,162.00	154	53.00	239	53.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Repair & Maintenance Akron Level	Mo.	416.67	2/3	4,322.92	6-11/12	625.00	8	625.00
TOTAL DISTRIBUTED COSTS		2,695.67		18,484.92				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,695.67		18,484.92				54,917.00

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

REMARKS: Work started May 11, 1953.

Date 6/2/53 Operator Callahan Zinc-Lead Company

Per R. James Flynn Title Ass't. Sup't.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

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

OPERATOR'S UNIT COST AND PROGRESS REPORT

Work completed prior to August 12, 1952

Month of _____ 195__ Docket No. DMEA 110 Contract No. Idm-E2

Operator's Name Callahan Zinc-Lead Company Minerals Lead and Zinc

Address Whitepine, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.			77,940.59	1474			
Crosscutting	ft.			14,412.69	416			
Raising	ft.			7,357.28	151			
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Rehabilitation	ft.			19,937.77	715			
TOTAL DISTRIBUTED COSTS				119,648.33				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				119,648.33				

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 6/2/53 Operator Callahan Zinc-Lead Company

By James Flynn Title Ass't. Sup't.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

June 29, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 110, Contract Idm-E2 (Lead-Zinc), Callahan Zinc Lead Company (Akron mine), Gunnison County, Colorado-Operator's Monthly Progress Report, for the period May, 1953.

Enclosed are the original and four copies of Form MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report----------June 2, 1953
Date Received in Field Office----------June 10, 1953
Date Received in Region Office----------June 25, 1953
Date Processed for Payment----------June 29, 1953

W. H. King
W. H. King

Enclosures

RDB:es

cc: Contract
Chron.
Sec. to the Oper. Comm. (2)
Traver

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
June 24, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 110, Contract Idm-E2 (Lead-zinc), Callahan Zinc-Lead Company (Akron mine), Gunnison County, Colorado - Progress report for May 1953

Submitted herewith are the original and four copies of the subject progress report--forms MF-104 and MF-104A, with narrative and sketch map--and the original and six copies of M. H. Salsbury's memorandum covering inspection of the underground progress. The contract is an ~~amendment on~~ amended short form MF-200(A), and one on documentation is not required.

The operator reported work resumed under the contract May 11, 1953. Raise advance started May 18 resulted in the completion of 43 feet, which is correctly reported in the narrative and on the MF-104A form.

Salsbury certifies the recount on the MF-104 form for payment of $1,347.83, or 50 percent of the total $2,695.67 claimed. I approve.

for Scott W Hagen
W. M. Traver

enclosures

WMT/pam

cc A
E2
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
June 24, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: M. H. Salsbury

Subject: DMMA 110, Contract Idm-E2 (Lead-zinc), Callahan Zinc-Lead Company (Akron mine), Gunnison County, Colorado - Progress report for May 1953

The subject underground progress was inspected June 15, 1953, in company with J. E. Dunn, superintendent for the contractor. Work was resumed under the contract on May 11, 1953.

On the date of inspection the 2-3101 raise was up 165.85 feet above the floor of the 4200-foot sublevel. The contractor claims payment for 43 feet of raising for May, which is 45.35 feet less than the difference between 165.85 feet and the total of 77-1/2 feet claimed in the raise previously. No ore was encountered in the work.

Repair work on the Akron level was carried on after May 11, 1953, a total of two-thirds month, and two-thirds of the amount allowed monthly is claimed.

The monthly unit totals, as entered on forms MF-104 and MF-104A for May 1953, are correct.

Payment of $1,347.84, or 50 percent of the amount which is claimed in May 1953, $2,695.67, is approved.

Scott W Hagend
for M. H. Salsbury
Mining Engineer

MHS/pam

cc 6
E2
DMMA Chron.

June 6, 1953

Mr. W. M. Traver, Chief
Colorado Branch
Mining Division, Region IV
Room 137, Building 20
Denver Federal Center
Denver, 14, Colorado

Dear Mr. Traver:

I am inclosing operator's Monthly Progress Report Docket No. DMEA-110, Contract No.Idm-42, for the month of May, 1953.

Actual Raise advance was started May 18th with 43 feet of raise completed prior to June 1.

The advance took the raise away from the contact zone noted previously and rock has been a very dense fine grained porphyry. No mineralization has been evident in the footage advanced.

We expect to complete the connection to the Morning Star Shaft before the end of July.

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY

BY: J. B. Dunn

J. B. Dunn
General Superintendent

COPY

Form [illegible] (Rev.)
(April 1952)

Budget Bureau No. 42-R[illegible]63.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 195[illegible] Docket No. DMEA 119 Contract No. [illegible]
Operator's Name Gallagher Blacker Company Minerals Lead & Zinc
Address Lithgow, Colorado
Contract Amount, $ 64,017.00 Government Participation: 80% Amount, $ 27,400.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
[illegible] Raising	[illegible]	[illegible]	[illegible]			
Bulldozing						
Crosscutting						
Drifting		[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
(2) Labor and Supervision:						
Labor		[illegible]	[illegible]			
Supervision		[illegible]	[illegible]			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		[illegible]	[illegible]			
Explosives		[illegible]	[illegible]			
Pipe		[illegible]	[illegible]			
Track		[illegible]	[illegible]			
Other		[illegible]	[illegible]			
Power		[illegible]	[illegible]			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		[illegible]	[illegible]			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		[illegible]	[illegible]			
Sampling and Analysis						
Payroll Taxes		[illegible]	[illegible]			
Liability Insurance						
[illegible]		[illegible]	[illegible]			
[illegible]		(2,[illegible])	(2,[illegible])			
(8) Contingencies (specify):						
TOTALS	[illegible]	[illegible]	[illegible]	606.75	132,292.22	132,898.97

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 3/11/53 *Payee Gallagher Blacker Company

Per James Flynn Title Asst. Supt.

*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:

$ 303.37

Signature [illegible] (Authorized Certifying Officer)

Date 6-5-53 Vou. No. 53-144

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E2 in accordance with the terms of the contract.

Signature M. H. Halsbury 303 39 WNT Title Mining Engineer Date Mar. 18, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R. B.

Signature W. H. King Title Executive Officer Date JUN 3 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-101A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 195 3 Docket No. DMEA 110 Contract No. Idm-2
Operator's Name Callahan Zinc-Lead Company Minerals Lead & Zinc
Address Salida, Colorado

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	ft.	--	--	6,000.00	120	50.00	745	50.00
Crosscutting								
Raising	ft.	600.0	6	6,333.00	111	53.00	239	53.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Repair & Lt. Iron &	Ea.	225.25	2	3,200.25	6 2	125.00	8	625.00
Total Distributed Costs		808.75		18,709.25				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		808.75		18,709.25				64,917.00

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

Date 3/11/53 Operator Callahan Zinc-Lead Company

Per James A. Flynn Title Sect. Cpt.

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

Remarks: Work discontinued as February 7th.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

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

OPERATOR'S UNIT COST AND PROGRESS REPORT

Work completed prior to August 12, 1952

Month of ..... 195..... Docket No. DMEA 110 Contract No. 12m-2

Operator's Name Callahan Zinc-Lead Company Minerals Lead & Zinc

Address Salida, Colorado

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	ft.			77,940.69	1474			
Crosscutting	ft.			14,412.69	416			
Raising	ft.			7,357.20	151			
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Mapping, Classification	ft.			19,537.77				
TOTAL DISTRIBUTED COSTS				119,648.35				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				119,648.35				

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 3/11/53 Operator Callahan Zinc-Lead Company

Per [signature] Title Asst. Supt.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

June 3, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 110, Contract Idm-E2 (Lead-Zinc), Callahan Zinc-Lead Company (Akron Mine), Gunnison County, Colorado. Operator's Monthly Progress Report for the period February 1953.

Enclosed are the original and four copies of Form MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	March 11, 1953.
Date Received in Field Office	March 13, 1953.
Date Received in Region Office	March 25, 1953.
Date Processed for Payment	June 3, 1953.

Shutdown February 7, 1953 due to low metal prices. Work resumed May 11, 1953.

Report held up in order to protect Government's equities in jointly-owned equipment, etc.

W. H. King
W. H. King

Enclosures

RDB:cwm

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
March 24, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 110, Contract Idm-K2 (Lead-zinc), Callahan Zinc-Lead Company (Akron mine), Gunnison County, Colorado - Progress report for February 1953

Enclosed please find the original and four copies of the above progress report--form MF-104 and two forms MF-104A, with narrative and map--and the original and six copies of M. H. Salsbury's memorandum covering inspection of the underground progress. The contract is short form MF-200 (A).

Underground progress is correctly reported in the narrative as 8-1/2 feet of raising, and it is assumed pro rata charge for Akron level maintenance will be approved. Entries on the reporting forms are made accordingly.

The operator's superintendent reported operations under the contract were recessed February 7, 1953.

Payment of $303.37, or 50 percent of the total $606.75 claimed by the contractor, is approved and certified on the MF-104 forms.

W. M. Traver

W. M. Traver

enclosures

WMT/cb

cc 4
K2
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
March 24, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: M. H. Salsbury

Subject: DMEA 110, Contract Idm-E2 (Lead-mine), Callahan Zinc-Lead Company (Akron mine), Gunnison County, Colorado - Progress report for February 1953

The subject underground progress was inspected February 17, 1953, in company with J. E. Dunn, superintendent for the contractor. Dunn states that work was discontinued February 7, 1953.

On the date of inspection the 2-3101 raise was up 78 feet above the floor of the +200-foot sublevel. The contractor claims 8-1/2 feet of raising for February, which is 1/2-foot less than the difference between 78 feet and and the total of 69 feet claimed in this raise through January 1953.

Repair work on the Akron level had been carried on up until the work was discontinued, one-fourth month, and one-fourth of the amount allowed monthly is claimed.

The monthly unit totals, as entered on forms MF-104 and MF-104A for February 1953, are correct.

Payment of $303.38, or 50 percent of the amount which is claimed in February, $606.75, is approved.

Scott W Hagen Jr
for M. H. Salsbury
Mining Engineer

MHS/cb

cc 6
E2
DMEA Chron.

March 11, 1953

Mr. W. H. Traver, Jr., Chief
Colorado Branch
Mining Division, Region IV
Room 137, Building 20
Denver Federal Center
Denver 14, Colorado

Dear Mr. Traver:

I am inclosing Operator's Monthly Progress Report Docket No. DMEA-110, Contract No. Idr-42, for the month of February, 1953.

Advance consisted of 8½ ft. of raising up to February 7th when work was discontinued.

The face continues in the contact zone showing fragments of limestone in the faulting.

The raise was bulk headed tightly and will stand for a time without attention.

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY

BY: J. E. Dunn

J. E. Dunn
General Superintendent

JED/rjf
encl.

COPY

Form [illegible]-104 (Rev.)
(Ap[illegible] 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 195 3 Docket No. DMEA 110 Contract No. Idm-E2

Operator's Name Callahan Zinc-Lead Company Minerals Lead & Zinc

Address Whitepine, Colorado

Contract Amount, $ 54,917.00 Government Participation: 50% Amount, $ 27,458.50

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:						
Raising	3,657.00	1,775.50	5,432.50			
Bulldozing						
Crosscutting						
Drifting	1,000.00	5,000.00	6,000.00			
Repair & Mt. Akron L	625.00	3,125.00	3,750.00			
(2) Labor and Supervision:						
Labor		69,258.95	69,258.95			
Supervision		4,029.13	4,029.13			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		8,635.93	8,635.93			
Explosives		6,974.81	6,974.81			
Pipe		2,313.61	2,313.61			
Track		1,821.61	1,821.61			
Other		11,211.51	11,211.51			
Power		3,578.44	3,578.44			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		5,363.93	5,363.93			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		2,098.94	2,098.94			
Sampling and Analysis						
Payroll Taxes		3,979.38	3,979.38			
Liability Insurance						
Misc.		382.09	382.09			
Audit Difference		(53.00)	(53.00)			
(8) Contingencies (specify):						
Previous Deductions		(2,485.61)	(2,485.61)			
TOTALS	5,282.00	127,010.22	132,292.22	5282.00	127,010.22	132,292.22

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 2/5/53 *Payee Callahan Zinc-Lead Company

Per [signature] Title Asst. Supt.

*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:

$ 3641.00

Signature [signature]
(Authorized Certifying Officer)

Date 6-5-53 Vou. No. 53-144

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E2 in accordance with the terms of the contract.

Signature M. H. Salsbury #2641-00 Title Mining Engineer Date Feb. 18, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.BB.

Signature W. H. King Title Executive Officer Date JUN 3 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form 1[illegible]-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1953 Docket No. DMEA 110 Contract No. Idm-E2

Operator's Name Callahan Zinc-Lead Company Minerals Lead & Zinc

Address Whitepine, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.	1,000.00	20	6,000.00	120	50.00	745	50.00
Crosscutting								
Raising	ft.	3,657.00	69	5,432.50	102⅓	53.00	239	53.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Repair & Mt. Akron L.	mo.	625.00	1	3,750.00	6	625.00	8	625.00
TOTAL DISTRIBUTED COSTS		5,282.00		15,182.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		5,282.00		15,182.50				54,917.00

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

Date 2/5/53 Operator Callahan Zinc-Lead Company

Per [signature] Title Asst. Supt.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

Form M[illegible]-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Work completed prior to August 12, 1952
Month of ..... 195..... Docket No. DMEA 110 Contract No. Idm-E2
Operator's Name Callahan Zinc-Lead Company Minerals Lead & Zinc
Address Whitepine, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.			77,940.59	1474			
Crosscutting	ft.			14,412.69	416			
Raising	ft.			7,357.28	151			
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Rehabilitiation	ft			19,937.77				
TOTAL DISTRIBUTED COSTS				119,648.33				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				119,648.33				

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 2/5/53 Operator Callahan Zinc-Lead Company

Per James Flynn Title Asst. Supt.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

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

224 New Customhouse
Denver 2, Colorado

June 3, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 110, Contract Idm-E2 (Lead-Zinc), Callahan Zinc Lead Company (Akron Mine), Gunnison County, Colorado-Operator's Monthly Progress Report, for the period January, 1953.

Enclosed are the original and four copies of Form MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 50% of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report----------February 5, 1953
Date Received in Field Office----------February 9, 1953
Date Received in Region Office----------February 25, 1953
Date Processed for Payment----------June 3, 1953

Shut down February 7, 1953 due to low metal prices.
Work resumed May 11, 1953.
Report held up in order to protect Government's equities in jointly-owned equipment, etc.

RDB:es

W. H. King

W. H. King

cc: Contract, Sec. to the Oper. Comm.(2)
Chron., Traver

Enclosures

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 20, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 110, Contract Idm-E2 (Lead-zinc), Callahan Zinc-Lead Company (Akron mine), Gunnison County, Colorado - Progress report for January 1953

Please find enclosed five copies of the subject progress report--forms MF-104 and two forms MF-104A, with narrative--and seven copies of M. H. Salsbury's memorandum covering inspection of the underground progress. The contract is short form MF-200 (A).

Underground progress comprising 20 feet of drifting, 69 feet of raising, and the allowed amount of Akron level maintenance was verified by the inspector and approved. Entries on the report forms are correct, reflecting disallowances through December 1952.

Operations were recessed at the project effective February 3, 1953, due to low metal prices.

Payment of $2,640.00, or 50 percent of the total $5,282.00 claimed by the contractor, is approved.

W. M. Traver

W. M. Traver

enclosures

WMT/cb

cc 4
E2
DMEA Chron

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 20, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: M. H. Salsbury

Subject: DMEA 110, Contract Idm-E2 (Lead-zinc), Callahan Zinc-Lead Company (Akron mine), Gunnison County, Colorado - Progress report for January 1953

The subject underground progress was inspected February 17, 1953, in company with J. E. Dunn, superintendent for the contractor. Operation under this contract had been suspended February 5, 1953.

The +200 sublevel 2-3201 drift (called the +200 sublevel crosscut in the contract) was completed for a total length of 122 feet reported in the last inspection on January 27, 1953. The measurement was checked on February 11 and is corrected to 121 feet. This is one foot more than the total of 120 feet claimed by the contractor, made up of 20 feet claimed in January and 100 feet previously claimed. One hundred twenty feet is the amount allowed under item 2, Exhibit "A", stage II, of the subject contract.

The back of the 2-3101 raise was 78 feet above the floor of the + 200 foot sublevel. None of this had been claimed previous to January 1953 when the contractor claims 69 feet.

Repair work on the Akron level has been carried on intermittently.

The monthly unit totals and costs as entered on forms MF-104 and MF-104A for January are correct. Total disallowances of $2,538.61 through December 1952 are entered on the MF-104 form. This includes the most recent audit difference of $53.00, which was rendered on January 14, 1953.

Payment of $2,641.00 or 50 percent of the amount which is claimed in January, $5,282.00, is approved.

For M. H. Salsbury
Mining Engineer

MHS/cb

cc: 6, E2, DMEA Chron.

February 5, 1953

Mr. W. M. Traver, Jr., Chief
Colorado Branch
Mining Division, Region IV
Room 137, Building 20
Denver Federal Center
Denver 14, Colorado

Dear Mr. Traver:

I am enclosing operator's monthly progress report, Docket No. DMEA 110, Contract No. Idm-E2, for the month of January, 1953.

Work consisted of 20 ft. of drift and 69 ft. of raise advance.

The work has continued in rhyolite porphyry, but the face is now in a contact zone showing considerable movement and fragments of limestone.

Minor mineralization consisting of high grade fragments of ore have also been found in the fault gouge.

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY

BY: J. E. Dunn
General Superintendent

JED/rjf
Encl.
cc E. A. Salo

COPY

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1003.3.
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 20 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December 195 2 Docket No. DMEA 110 Contract No. Idm-E2

Operator's Name Callahan Zinc-Lead Company Minerals Lead & Zinc

Address Whitepine, Colorado

Contract Amount, $ 54,917.00 Government Participation: 50 % Amount, $ 27,458.50

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
~~Bulldozing~~ Raising		1775.50	1,775.50			
Crosscutting						
Drifting	4,050.00	950.00	5,000.00			
Mt. & Repair Akron L.	625.00	2,500.00	3,125.00			
(2) Labor and Supervision:						
Labor		69,258.95	69,258.95			
Supervision		4,029.15	4,029.15			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		8,635.93	8,635.93			
Explosives		6,974.81	6,974.81			
Pipe		2,313.61	2,313.61			
Track		1,821.61	1,821.61			
Other		11,211.51	11,211.51			
Power		3,578.44	3,578.44			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		5,363.93	5,363.93			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		2,098.94	2,098.94			
Sampling and Analysis						
Payroll Taxes		3,979.38	3,979.38			
Liability Insurance						
Misc.		382.09	382.09			
(8) Contingencies (specify): Previous Deductions		(2,485.61)	(2,485.61)			
				4675.00	122,388.22	127,063.22
TOTALS	4,675.00	122,388.22	127,063.22		*-53.00	*-53.00
				4675.00	122,335.22	127,010.22

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 1/9/53 *Payee Callahan Zinc-Lead Company

Per [signature] Title Asst. Supt.

*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:

$ 2337.50

Signature [signature]
(Authorized Certifying Officer)

Date 2/16/53 Vou. No. DMA 53-97

(See other side)

* Previous deductions

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 2 in accordance with the terms of the contract.

Signature M. H. Lakey $2337.50 Title Mining Engineer Date 1/30/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.D.S. B

Signature W. H. Kung Title Executive Officer Date FEB 6 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires June 30, 1953.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 20 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 195 2 Docket No. DMEA 110 Contract No. Idm-E2
Operator's Name Callahan Zinc-Lead Company Minerals Lead & Zinc
Address Whitepine, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.	4,050.00	81	5,000.00	100	50.00	745	50.00
Crosscutting								
Raising	ft.			1,775.50	33½	53.00	239	53.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Repair & Mt. Akron Lo.	mo.	625.00	1	3,125.00	5	625.00	8	625.00
TOTAL DISTRIBUTED COSTS		4,675.00		9,900.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4,675.00		9,900.50				54,917.00

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

Date 1/9/53 Operator Callahan Zinc-Lead Company

Per R James Flynn Title Asst. Supt.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 20 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Work Completed Prior to August 12, 1952
Month of ..... 195..... Docket No. DMEA 110 Contract No. Idm-52
Operator's Name Callahan Zinc-Lead Company Minerals Lead & Zinc
Address Whitepine, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.			77940.59	1474			
Crosscutting	ft.			14412.69	416			
Raising	ft.			7357.28	151			
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Rehabilitation				19937.77				
TOTAL DISTRIBUTED COSTS				119,648.33				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				119,648.33				

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 1/9/53 Operator Callahan Zinc-Lead Company

Per [signature] Title Asst. Supt.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

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

224 New Customhouse
Denver 2, Colorado

February 6, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 110, Contract Idm-E2, (Lead-Zinc) Callahan Lead Zinc Company (Akron Mine) Gunnison County, Colorado Operator's Monthly Progress Report for the period of December, 1952

Enclosed are the original and four copies of Form MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report - January 9, 1953
Date Received in Field Office - January 12, 1953
Date Received in Region Office - February 5, 1953
Date Processed for Payment - February 6, 1953

W. H. King
W. H. King

Enclosures
RDB:oc
cc: Contract
Secretary to the Operating Committee (2)
WMTraver
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 4, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 110, Contract Idm-E2 (lead-zinc), Callahan Zinc-Lead Company (Akron mine), Gunnison County, Colorado - Progress report for December 1952

Please find enclosed five copies of the subject progress report--form MF-104 and two forms MF-104A, with narrative--and seven copies of M. H. Salsbury's memorandum covering inspection of the underground progress. The contract is short form MF-200 (A).

The drifting footage claimed, 81 feet, and the repair and maintenance of the Akron level for one month were found correct and are approved by the inspecting engineer.

Payment of $2,337.50, or 50 percent of the total $4,675.00 claimed by the contractor, is recommended.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

WMT/amh

cc: 4
E2
DMEA Chron.

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 4, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: M. H. Salsbury

Subject: DMEA 110, Contract Idm-E2 (lead-zinc), Callahan Zinc-Lead Company (Akron mine), Gunnison County, Colorado - Progress report for December 1952

The subject underground progress was inspected January 27, 1953, in company with Ralph Stitzer, engineer for the contractor.

On the above date, the +200 level 2-3201 drift (called the +200 sublevel crosscut in the contract) was completed for a total length of 122 feet, 2 feet more than called for under Item 2, Exhibit "A", stage II.

The back of the 2-3101 raise was 52.75 feet above the floor of the +200 sublevel.

Both of the above measurements were more than the amount claimed by the contractor in December 1952.

A sketch showing the measuring point for the 2-3101 raise is in the Mineral Resources Branch files, Building 20, Denver Federal Center.

The $53.00 deduction for the disallowance on the November report, shown on the audit report difference sheet dated January 14, will be shown on the contractor's January MF-104 report.

The contractor's New York office reports an error in the Government's favor in the total disallowances up to the end of November 1952. They were advised to communicate with the Region IV office in Denver.

Repair work on the Akron level was carried on intermittently.

Payment of $2,337.50, or 50 percent of the amount claimed in December, $4,675.00, is approved.

for Scott W. Hagerty
M. H. Salsbury
Mining Engineer

MHS/amh
cc: 6, E2, DMEA Chron.

January 10, 1953

Mr. W. M. Traver, Jr., Chief
Colorado Branch
Mining Division, Region IV
Room 137, Building 20
Denver Federal Center
Denver 14, Colorado

Dear Mr. Traver:

I am enclosing operator's monthly progress report, Docket No. DMEA 110, Contract No. IdmE2 for the month of December, 1952.

Drifting advanced 81 feet during the month. Excavation continued in blocky rhyolite porphyry that is difficult to drill and break but requires heavy timbering. This phase of drifting will be complete during the first week in January, with raise work started immediately.

Repair work on the lower section between the Akron and Morning Star Mines is being continued.

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY

J. E. Dunn
General Superintendent

JED:lf
Enc.
cc: E. A. Salo

COPY

Form MR 104 (Rev.)
(Apr. 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 2 5 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1952 Docket No. DMEA 110 Contract No. Idm-L2
Operator's Name Callahan Zinc-Lead Company Minerals Lead & Zinc
Address Whitepine, Colorado
Contract Amount, $ 54,917.00 Government Participation: 50% Amount, $ 27,458.50

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						
~~Building~~ Raising	503.50	1,272.00	1,775.50	450.50	1,272.00	1,722.50
Crosscutting						
Drifting	950.00		950.00			
Mt. & Repair-Akron L.	625.00	1,875.00	2,500.00			
(2) Labor and Supervision:						
Labor		69,258.95	69,258.95			
Supervision		4,029.15	4,029.15			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		8,635.83	8,635.83			
Explosives		6,974.81	6,974.81			
Pipe		2,313.61	2,313.61			
Track		1,821.61	1,821.61			
Other		11,211.51	11,211.51			
Power		3,578.44	3,578.44			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		2,098.94	2,098.94			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes		3,979.38	3,979.38			
Liability Insurance						
Misc.		382.09	382.09			
(8) Contingencies (specify):						
TOTALS	2,078.50	122,795.33	124,873.83	2,025.50	122,795.33	124,820.83
					**-2,485.61	**2,485.61
				2,025.50	120,309.72	122,335.22

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 12/10/52 *Payee Callahan Zinc-Lead Company

Per James Flynn Title Asst. Supt.

*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:

$1012.75

Signature [illegible]
(Authorized Certifying Officer)

Date 1/14/53 Vou. No. DMA 53-81
(See other side)

* R 1 ft. of raise disallowed by field inspector
** Previous disallowances

(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. IDME 2 in accordance with the terms of the contract.

Signature M. H. Salabury Title Mining Engineer Date 12/19/52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R. D. B.

Signature W. H. King Title Executive Officer Date JAN 8 1952

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

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 23 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1952 Docket No. DMEA 110 Contract No. Idr-52
Operator's Name Callahan Zinc-Lead Company Minerals Lead & Zinc
Address Whitepine, Colorado

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	ft.	950.00	19	950.00	19	50.00	745	50.00
Crosscutting								
Raising	ft.	503.50	9½	1,775.50	33½	53.00	239	53.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Repair & Mt. Akron L	No.	625.00	1	2,500.00	4	625.00	8	625.00
Total Distributed Costs		2,078.50		5,225.50				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2,078.50		5,225.50				54,917.00

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

Date 12/10/52 Operator Callahan Zinc-Lead Company

Per James S. Hyzm Title Asst. Supt.

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

Remarks:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

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

OPERATOR'S UNIT COST AND PROGRESS REPORT

Work completed prior to August 12, 1952 110 Idm-32

Month of ..... 195..... Docket No. DMEA ..... Contract No. .....

Operator's Name Callahan Zinc-Lead Company Minerals Lead & Zinc

Address Whitepine, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.			77,940.59	1474			
Crosscutting	ft.			14,412.69	416			
Raising	ft.			7,357.28	151			
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Rehabilitation				19,937.77				
TOTAL DISTRIBUTED COSTS				119,648.33				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				119,648.33				

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 12/10/52 Operator Callahan Zinc-Lead Company

Per R James Flynn Title Asst. Supt.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 23 1953

[illegible]

Date: January 14, 1953
[illegible]
Progress
Report - November - 1952

Callahan Zinc Lead Co.
100 Park Avenue
New York 7, New York

[illegible] of the above Report's Reference a difference has been [illegible] to necessary to request your account accordingly:

Amount Claimed	$2,078.50
Difference	53.00
Amount Approved	$2,025.50

The reason for the difference was due to:

1 foot of raising shown on operator's report disallowed by Field Engineer.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-IV-B & F Form No. 4
[illegible]

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

224 New Customhouse
Denver 2, Colorado

January 8, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 110, Contract Idm-E2 (Lead-Zinc) Callahan Zinc Lead Co. (Akron Mine), Gunnison County, Colorado - Operator's Monthly Progress Report for the period of November 1952

Enclosed are the original and four copies of Form MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Disallowance of $53.00 as recommended by the Field Engineer is to be made on this report due to an error in measurement for Raising as reported by the Operator.

Remarks:

Date of Report	Dec. 10, 1952
Date Received in Colo. Br. Office	Dec. 15, 1952
Date Received in Region IV Office	Dec. 30, 1952
Date Processed for Payment	Jan. 8, 1953

W. H. King
W. H. King

Enclosures

RDB:jp
cc Sec. Oper. Committee (2)
WMTraver
Contract
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
December 29, 1952

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 110, Contract Idm-82 (Lead-zinc), Callahan Zinc-Lead Company (Akron mine), Gunnison County, Colorado - Progress report for November 1952

Please find enclosed the original and four copies of the subject progress report--forms MF-104 (revised) and two forms MF-104A, with narrative--and the original and six copies of M. H. Salsbury's memorandum covering inspection of the underground progress. The contract is on the short form MF-200 (A).

According to Salsbury's memorandum, total advance in the 3301 raise in September, October, and November measured 22.5 feet. Harrer checked the 10 feet claimed in August and, as of September 1, according to his measurements, the back of the raise was at 161 feet above the Akron tunnel track level. Thus, the contractor's claim is in error by 1 foot and, inasmuch as the September claim of 14 feet was allowed without inspection, it is assumed the error is in the November claim and $53.00 is disallowed for that month.

The drifting footage of 19 feet is correct.

Deducting $53.00 from the $2,078.50 claimed by the contractor leaves $2,025.50. Of this sum, 50 percent, or $1,012.75, is approved for payment.

The contractor should be notified that both the MF-104A forms which he submits for the next period, as well as the "Totals to Date" and "Totals Previously Reported" on the MF-104, should reflect disallowances made previously.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures
WMT/amh
cc: 4, AMKoschmann
82, DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
1958

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
December 29, 1952

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: M. K. Salsbury

Subject: DMMA 110, Contract Idm-82 (Lead-zinc), Callahan Zinc-Lead Company (Akron mine), Gunnison County, Colorado - Progress report for November 1952

The subject underground progress was inspected December 17, 1952, in company with J. E. Dunn, superintendent for the contractor.

On the above date, the back of the completed 3301 raise was measured at 183.5 feet above the track level of the Akron tunnel. This is 1 foot less than the measurement used by the contractor in claiming payment for 9.5 feet of raise in November. Harrer's September 1 notation in the field folder places the back of the raise at 161 feet above the Akron tunnel track level. Thus, the total raise driven in September, October, and November was 22.5 feet according to my measurement instead of the 23.5 feet claimed.

The face of the 200-foot sublevel drift was 46 feet from the zero point on December 17. The zero point for measurements was established as the south side of the southwest corner post of the raise. The measurement of 46 feet is 27 feet more than the 19 feet of drift claimed by the contractor in November, which includes 5 feet excavated on the north side of the sublevel station.

A two-man crew has been engaged part time in repairs and maintenance of the Akron level, and were thus employed at the time of the inspection.

A fatal accident in the 3301 raise occurred at the end of the night shift December 1, 1952.

Payment of $1,012.75, or 50 percent of the amount which is claimed in November, $2,078.50, less $53.00 deducted for the 1 foot of raise disallowed, is approved.

M. K. Salsbury
M. K. Salsbury
Mining Engineer

MKS/smh
cc: 6, AKKoschmann
82, DMMA Chron.

December 10, 1952

Mr. W. M. Traver, Jr., Chief
Colorado Branch
Mining Division, Region IV
Room 137, Building 20
Denver Federal Center
Denver 14, Colorado

Dear Mr. Traver:

Work was started advancing the face of 3301 Raise on November 17, 1952. Considerable repair work was necessary prior to actual advance.

The raise was advanced 9½ feet and drifting started. Drift advance totaled 19 ft.

All excavation was in a blocky rhyolite porphyry which was difficult to drill and has required timber.

The work was marred by a fatal accident, the first we have had at this property.

Operator's Monthly Progress Report covering Docket DMEA 110, Contract Idm-12 for the month of November, is inclosed herewith.

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY

J. E. Dunn
General Superintendent

JED:rjf
encl.
cc: L. A. Salo

COPY

Form MF-204 (Rev.)
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 1 3 1952

Month of October, 1952 Docket No. DMEA 110 Contract No. Idm-E2
Operator's Name Callahan Zinc-Lead Company Minerals Lead & Zinc
Address Whitepine, Colorado
Contract Amount, $ 54,917.00 Government Participation: 50 % Amount, $ 27,458.50

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
~~Crosscutting~~ Raising		1,272.00	1,272.00			
Drifting						
Lt. & Repair-Akron 1	625.00	1,250.00	1,875.00			
(2) Labor and Supervision:						
Labor		69,258.95	69,258.95			
Supervision		4,029.13	4,029.13			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		8,635.93	8,635.93			
Explosives		6,974.81	6,974.81			
Pipe		2,313.61	2,313.61			
Track		1,821.61	1,821.61			
Other		11,211.51	11,211.51			
Power		3,578.44	3,578.44			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		5,363.93	5,363.93			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		2,098.94	2,098.94			
Sampling and Analysis						
Payroll Taxes		3,979.38	3,979.38			
Liability Insurance						
Miscellaneous		382.09	382.09			
(8) Contingencies (specify):						
				625.00	122,170.33	122,795.33
					*-2,485.61	2,485.61
TOTALS	625.00	122,170.33	122,795.33	625.00	119,684.72	120,309.72

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 11/18/52 *Payee Callahan Zinc-Lead Company

Per [signature] Title Asst. Superintendent

*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:

$312.50

Signature [signature]
(Authorized Certifying Officer)

Date 12/8/52 Vou. No. DMA 53-68

(See other side)

* Previous deductions

(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 W. M. Craver Jr. $312.50 Title Chief Pro. Br. Date 11/28/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: C.S.B.

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 15 1952

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 195 2 Docket No. DMEA 110 Contract No. Idm-E2
Operator's Name Callahan Zinc-Lead Company Minerals lead-zinc
Address Whitepine, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft.			[redacted]			745	50.00
Crosscutting	ft.							
Raising	ft.			1,272.00	24	53.00	239	53.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Repair & Mt. Akron	Mo.	625.00	1	1,875.00	3	625.00	8	625.00
TOTAL DISTRIBUTED COSTS		625.00		3,147.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		625.00		3,147.00				54,917.00

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

Date 11/18/52 Operator Callahan Zinc-Lead Company

Per James Flynn Title Asst. Supt.

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

Form M-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 15 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Work completed prior to August 12, 1952

Month of ..... 195.... Docket No. DMEA 110 Contract No. Idm-E-2

Operator's Name Callahan Zinc-Lead Company Minerals lead - zinc

Address Whitepine, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	feet			77,940.59	1474			
Crosscutting	feet			14,412.69	416			
Raising	feet			7,357.28	151			
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Rehabilitaion				19,937.77				
TOTAL DISTRIBUTED COSTS				119,648.33				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				119,648.33				

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 11/18/52 Operator Callahan Zinc-Lead Company

Per R James Shyan Title Asst. Superintendent

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

REMARKS:

(Instructions on reverse)

(For Government use only)

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

OPERATOR'S UNIT COST AND PROGRESS REPORT

Work completed prior to August 12, 1952

Month of ..... 195.2 Docket No. DMEA 110 Contract No. I-DMA-E2

Operator's Name Callahan Zinc-Lead Company Minerals Lead and Zinc

Address Whitepine, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	feet			77,940.59	1474			
Crosscutting	feet			14,412.69	416			
Raising	feet			7,357.28	151			
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Rehabilitation				19,937.77				
TOTAL DISTRIBUTED COSTS				119,648.33				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				119,648.33				

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

REMARKS:

Date 10/24/52 Operator Callahan Zinc-Lead Company

Per Frank S. Mecari Title Accountant

R James Flynn Asst. Supt.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

[illegible]

[illegible]

[illegible] November 21, 1952

[illegible] Progress Report - September 1952

Callahan, Zinc, Lead Co.
100 Park Avenue
New York 7, N. Y.

Upon examination of the above Payroll Reference & Difference and Audit which made it necessary to support your account receivable for

Amount Claimed $ 1,367.00

Difference $ 1,170.39

Amount Approved $ 196.61

The reason for the difference was due to: Balance of disallowance stated in Audit Report as follows: Dated July 23, 1952:

Miscellaneous items charged in May, 1951 -	$22.47	
June, 1951 -	10.29	
July, 1951 -	33.24	
August, 1951 -	10.05	
October, 1951 -	13.54	
Total -	$	$89.59
Snowshed over waste dump - excluded by "Exhibit B" of the contract -		1,572.33
Repairs and maintenance of Employee's Living Quarters - excluded by "Exhibit B" of the contract		663.47
Total Disallowances -		$2,325.39
Deducted from August, 1952 MF-104		1,155.00
Balance to be deducted from September, 1952 MF-104 Report		$1,170.39

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-Y-R & F Form No. 4

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

224 Federal Customhouse
Denver 2, Colorado

November 17, 1952

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 110, Contract Idm-E2 (Zinc-Lead) Callahan Zinc-Lead Company, Gunnison County, Colorado - Operator's Monthly Progress Report for the period of September, 1952

Enclosed are the original and four copies of Form MF-104, Narrative Report, and Engineer's Report for the above period.

Work has been accomplished as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report, except for the following deductions:

Disallowance by Report of Audit dated July 23, 1952		
Miscellaneous items charged in May, 1951 -	$22.47	
June, 1951 -	10.29	
July, 1951 -	33.24	
August, 1951 -	10.05	
October, 1951 -	13.54	
Total -		$89.59
Snowshed over waste dump - excluded by "Exhibit B" of the contract -		1,572.33
Repairs and maintenance of Employee's Living Quarters - excluded by "Exhibit B" of the contract -		663.47
Total Disallowances -		$2,325.39
Deducted from August, 1952 MF-104		1,155.00
Balance to be deducted from September, 1952 MF-104 Report		$1,170.39

W. H. King
W. H. King

Enclosures

JWT:oc
cc: Contract
Secretary to the Oper. Comm. (2)
WMTraver Chron. AHKoschmann (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
November 13, 1952

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMEA 110, Contract Idm-E2 (Lead-zinc), Callahan Zinc-Lead Company (Akron mine), Gunnison County Colorado - Progress report for September 1952

Please find enclosed five copies of the above progress report--form MF-104 (revised) and two forms MF-104A, with narrative--and seven copies of this memorandum covering the progress and accounts. The report has been prepared in accordance with instructions to the contractor in my letter of October 30, 1952, and a copy of his transmittal letter of November 6 is enclosed for your records.

The two copies of form MF-104A are for the period prior to and through August 12, and for the month of September 1952.

According to the operator's transmittal letter, work was resumed November 1 and we are assuming there will be no progress report for the month of October. For that reason, there appears to be no need to hold this report pending receipt of the one for November. Nor is there need for making a special inspection trip to check the 14 feet reported for September. The engineer will verify both the September and November progress when he makes the inspection for November.

I am certifying the September form MF-104 and recommending payment of $683.50, or 50 percent of the total $1,367.00 claimed by the contractor.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

WMT/cb

cc 6
AHKoschmann
E2
DMEA Akron

CALLAHAN ZINC-LEAD COMPANY, INC.
AKRON MINE
Whitepine, Colorado

November 6, 1952

Mr. W. M. Traver, Jr., Chief
Colorado Branch
Mining Division, Region IV
Room 137, Building 20
Denver Federal Center
Denver 14, Colorado

Dear Mr. Traver:

I am enclosing five (5) complete copies of revised reports under Idm-E2 for both August and September, 1952.

These reports are prepared in accordance with the many letters of instruction from yourself and Mr. King and I hope they are at last in line with your requirements.

I wish to thank both you and Mr. King for your patience in returning these reports with explanations of what was required. I will endeavor to keep them in line with these instructions hereafter.

I note you have retained some portions of these reports at the time they were sent in originally. I have disregarded this fact and the enclosed reports are complete, including original narrative and maps with one form MF-104 and two MF-104A.

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY

/s/ R. James Flynn

R. James Flynn
Ass't Superintendent

RJF:lf
enclosures

October 24, 1952

Mr. T. C. Traver, Jr., Chief
Colorado Branch
Mining Division, Region IV
Room 137, Building 20
Denver Federal Center
Denver 14, Colorado

Dear Mr. Traver:

I am enclosing the operators monthly progress report for September on Docket DMEA 110, Contract I-DMA-12.

The raise was advanced 14 feet early in the month and work was temporarily discontinued due to labor shortage. We expect to be able to start it again some time around November 1st, and from that time on, should be able to continue work without delay.

At present the face is in wet ground which is slabby and extremely dangerous.

Very truly yours,

CALLAHAN MINE-LEAD COMPANY

J. E. Dunn,
General Superintendent

JED:ds
Encl.
cc: Mr. S. A. Sale

COPY

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

1952

Month of August 1952 Docket No. DMEA 110 Contract No. Idm-E2
Operator's Name Callahan Zinc-Lead Company Minerals Lead - Zinc
Address Whitepine, Colorado
Contract Amount, $ 54,917.00 Government Participation: 50 % Amount, $ 27,453.50

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						
Crosscutting						
~~Drifting~~ Raising	530.00		530.00			
Drift Maintenance	625.00		625.00			
(2) Labor and Supervision:						
Labor		69,258.95	69,258.95			
Supervision		4,029.13	4,029.13			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		8,635.93	8,635.93			
Explosives		6,974.81	6,974.81			
Pipe		2,313.61	2,313.61			
Track		1,821.61	1,821.61			
Other		11,211.51	11,211.51			
Power		3,578.44	3,578.44			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		5,363.93	5,363.93			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		2,098.94	2,098.94			
Sampling and Analysis						
Payroll Taxes		3,979.38	3,979.38			
Liability Insurance						
Miscellaneous		382.09	382.09			
(8) Contingencies (specify):						
				1,155.00	119,648.33	120,803.33
					* - 166.70	-166.70
				** + 6.48		+ 6.48
TOTALS	1,155.00	119,648.33	120,803.33	*** 1155.00	***	1,155.00
				6.48	119,481.63	119,488.11

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 11/6/52 *Payee Callahan Zinc-Lead Company

Per [signature] Title Asst. Superintendent

*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:

$324

Signature [signature]
(Authorized Certifying Officer)

Date 11/21/52 Vou. No. 53 63
(See other side)

* Previous deductions
** To correct deductions of pay roll tax
*** A portion of the disallowances stated in the Audit Report dated 7/23/52

(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 W. M. Craven, Jr. 577.50 Title Chief [illegible] Date 11/13/52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. H. Kerr Title Executive Officer Date 11/18/52

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF–104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF–104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF–104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF–104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF–200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF–200; and delete word "Independent" if the contract reported is on Form MF–200 (A). Also, report work paid for on a unit basis under contract Form MF–200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF–104 when submitted for reimbursable expenses incurred under contract Form MF–200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF–200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF–104 is required to be documented. The four copies of Form MF–104 are not to be thus supported.

Form MF–104 submitted for reimbursement under fixed price contracts on Form MF–200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF–104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 13-31 1952 Docket No. DMEA 110 Contract No. Idm-52
Operator's Name Callahan Zinc-Lead Company Minerals Lead - Zinc
Address Whitepine, Colorado

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	ft							
Crosscutting							745	50.00
Raising	feet	530.00	10	530.00	10	53.00	239	53.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Drift Repair		625.00	1	625.00	1	625.00	8	625.00
TOTAL DISTRIBUTED COSTS		1,155.00		1,155.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1,155.00		1,155.00				

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

Date 11/7/52 Operator Callahan Zinc-Lead Company

Per Kiame O Flynn Title Ass't Superintendent

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

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

Work completed prior to 8/13/52

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1-12 195 2 Docket No. DMEA 110 Contract No. Idm-E2

Operator's Name Callahan Zinc-Lead Company Minerals Lead - Zinc

Address Whitepine, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	feet			77,940.59	1474			
Crosscutting	feet			14,412.69	416			
Raising	feet			7,357.28	151			
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Rehabilitation				19,957.77				
TOTAL DISTRIBUTED COSTS				119,648.33				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				119,648.33				

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 11/6/52 Operator Callahan Zinc-Lead Company

Per R James Flynn Title Ass't Superintendent

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis.. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

November 21, 1952

Progress
Report - August 1952

Callahan Zinc-Lead Co.
100 Park Avenue
New York 7, New York

1,155.00
+ 6.48
-1,155.00

6.48

A portion of the disallowance stated in the Audit Report dated July 23, 1952.	-1,155.00
To correct deduction of payroll tax on previous voucher	+ 6.48

Note: See Administrative Audit Difference Statement for September.

[illegible] for [illegible] made above [illegible] to [illegible] of this form.

Very sincerely yours,

[illegible] Form No. [illegible]

[illegible] Storm
Audit [illegible]

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

224 New Customhouse
Denver 2, Colorado

November 17, 1952

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 110, Contract Idm-82 (Zinc-Lead) Callahan Zinc-Lead Company, Gunnison County, Colorado - Operator's Monthly Progress Report for the period of August, 1952

Enclosed are the original and four copies of Form MF-104, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report, except for the following deduction which will absorb the entire amount claimed by the Operator:

Deduction - A portion of the disallowances, stated in the Audit Report dated July 23, 1952, which is equal to the amount claimed by the operator on Form MF-104 - $1155.00

The balance of the disallowance stated in said Audit Report will be deducted from amounts reported for September, 1952.

Remarks - the deduction of the disallowances stated in the Audit Report, dated July 23, 1952, was delayed pending receipt of the Operator's first work reports on which to effect the deductions.

The Operator's Report in quintuplicate consists of one Form MF-104 and two Forms MF-104A. The latter forms show separately the work performed under Contract Forms MF-200 and MF-200A.

W. H. King
W. H. King

Enclosures
~~HMEXXX~~
JWT:oc
cc: Contract
Secretary to the Oper. Comm. (2)
WMTraver
Chron.
AHKoschmann (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
November 13, 1952

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMEA 110, Contract Idm-E2 (Lead-zinc), Callahan Zinc-Lead Company (Akron mine), Gunnison County Colorado - Progress report for August 1952

Please find enclosed five copies of the above progress report--form MF-104 (revised) and two forms MF-104A, with narrative--and seven copies of this memorandum covering the progress and accounts. The report has been prepared in accordance with instructions to the contractor in your letter of October 31, 1952, and a copy of his transmittal letter of November 6 is enclosed for your records.

The two copies of form MF-104A are for the period prior to and through August 12 and the period August 13 through August 31, 1952.

C. M. Harrer inspected underground operations on September 29, 1952, and confirms the 10 feet of progress claimed and that repair and maintenance work was performed on the Akron level.

I assume the report is now in order and I am certifying the form MF-104 and recommending payment of $577.50, or 50 percent of the total $1,155.00 claimed by the operator. This is identical with my recommendation on the original report.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

WMT/cb

cc 6
AHKoschmann
E2
DMEA Chron.

CALLAHAN ZINC-LEAD COMPANY, INC.
AKRON MINE
Whitepine, Colorado

November 6, 1952

Mr. W. M. Traver, Jr., Chief
Colorado Branch
Mining Division, Region IV
Room 137, Building 20
Denver Federal Center
Denver 14, Colorado

Dear Mr. Traver:

I am enclosing five (5) complete copies of revised reports under Idm-E2 for both August and September, 1952.

These reports are prepared in accordance with the many letters of instruction from yourself and Mr. King and I hope they are at last in line with your requirements.

I wish to thank both you and Mr. King for your patience in returning these reports with explanations of what was required. I will endeavor to keep them in line with these instructions hereafter.

I note you have retained some portions of these reports at the time they were sent in originally. I have disregarded this fact and the enclosed reports are complete, including original narrative and maps with one form MF-104 and two Mf-104A.

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY

/s/ R. James Flynn

R. James Flynn
Ass't Superintendent

RJF:lf
enclosures

September 20, 1952

Mr. W. H. Traver, Jr., Chief
Colorado Branch
Mining Division, Region IV
Building 20, Room 137
Denver Federal Center
Denver, Colorado

Subject: I-RMA-E2

Dear Mr. Traver:

I am enclosing the Operators Monthly Progress report for I-RMA-E2.

Work was started late in the month but credits the project with 10 feet of raise for the month.

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY

J. H. Dunn
General Superintendent

JHD:ds
Encl.

COPY

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

224 New Customhouse
Denver 2, Colorado

September 17, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Received
SEP 22 1952

Mr. E. A. Salo, Treasurer
Callahan Zinc-Lead Company, Inc.
100 Park Avenue
New York 17, New York

Re: Docket DMA 110
Contract I-DMA-E2

Dear Mr. Salo:

Reference is made to your letter of September 8, 1952, to the Defense Minerals Exploration Administration, Washington, D.C., concerning the nonreceipt of reimbursement of expenditures in the amount of $91.64 reported for the month of May 1952. Your letter has been referred to this office for reply.

The Report of Audit by an auditor from the Contract Administration and Audit Division, covering the period of May 26, 1951 to May 31, 1952, contains disallowances of expenditures amounting to $2,325.39, which were deemed not allowable under the terms of the contract. The extent of expenditures for the month of May 1952 being insufficient to effect the deduction in favor of the Government, the report in question has been withheld from processing for reimbursement pending the outcome of the request for additional funds and receipt of a report subsequent to resumption of operations in which expenditures are sufficiently large enough to cover the amount of $1,162.69 due the Government by reason of the overpayment.

Upon receipt of advice from our Washington office as to action taken on the request for additional funds, appropriate action will be taken in the matter.

Very truly yours,

W. H. King

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

JWT:jp
cc Chairman, Oper. Comm.
WMTraver
Contract
Chron
AHKoschmann (2)
JEDunn, Whitepine, Colo.

MF-10
(August 1

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E I-DMA-E2

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 24 1952

Name of Operator Callahan Zinc-Lead Company
Docket No. DMA -110
Total Contract Amount $ 120,000
Government Participation: 50 % Amount, $ 60,000
Distribution of Expenditures for Month of May 1952.

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

Callahan Zinc-Lead Company
(Name of Company)

By Frank S. McCarr
(Signature of Authorized Official)

6/17/52
(Date)

Mine Accountant
(Title)

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.

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]						
(c) Furnished by operator		5,363.93	5,363.93			
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	63.93	69,195.02	69,258.95			
5. Supervision		4,029.13	4,029.13			
6. Supplies						
(a) Timber	21.23	8,614.70	8,635.93			
(b) Explosives		6,974.81	6,974.81			
(c) Repair Parts		2,098.94	2,098.94			
(d) Other		15,346.73	15,346.73			
7. Power		3,578.44	3,578.44			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	3.99	1,787.41	1,791.40	00	1,782.41	1,782.41
S. S. Taxes	2.49	2,185.49	2,187.98	00	2,185.49	2,185.49
10. Contract Work						
11. Other (specify)						
Bd. House Subsidy		196.90	196.90			
Misc.		185.19	185.19			
Total	91.64	119,556.69	119,648.33	85.16	119,556.69	119,641.85
Deletions					*- 160.22	- 160.22
Adjusted totals				85.16	119,396.47	119,481.63
Totals previously reported	119,556.69			119396.47		
Totals to date	119,648.33			119481.63		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. M. Harris
Amount approved for payment $4582 4 by
Remarks
ad

John F. Shaw for W. H. Berry

16—64068-3

* Previous disallowances

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF May, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting								1474	1474	2200
Crosscutting								416	416	
Raising	63.93	--	21.23	6.48	91.64	Ft.	0	151	151	500
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation								715	715	1200
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	63.93	--	21.23	6.48	91.64	Ft.	0	2756	2756	3900

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

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

Administrative Audit Difference Statement

Date: October 16, 1952
Payee's
Reference: Progress
Report - May, 1952

Callahan Zinc-Lead Co.
100 Park Ave.
New York, N. Y.

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

Amount Claimed $ 91.64

Difference $ 6.48

Amount Approved $ 85.16

The reason for the difference was due to:

Payroll taxes disallowed: May be reclaimed on quarterly basis documented by a copy of operator's quarterly report pertaining to that period.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-IV - B & F Form No. 4
4-15-52 D

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

October 13, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 110, Contract Idm-82, (Lead-Zinc) Callahan Zinc-Lead Company, Gunnison County, Colorado - Operator's Monthly Progress Report for the period of May, 1952

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

No work was accomplished during the period, however, the claim is allowable for costs incurred on previous accomplishments and payment is recommended as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and mathematical accuracy of computations.

Remarks: - Documentation has been waived under the contract.

John F. Shaw
John F. Shaw for
W. H. King

Enclosures

cc: Contract
Secretary to the Operating Committee (2)
WMTraver
Chron.
Koschmann (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Date Rec'd
JUL 1952
BUREAU OF MINES
Denver, Colorado

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado

July 2, 1952

Memorandum

To: Acting Chief, Mining Division, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMA 110, Contract I-DMA-E2, Callahan Zinc-Lead Company, Inc., Gunnison County, Colorado - May 1952 progress report

Please find enclosed five copies of the above progress report, form MF-104, with transmittal, payroll clarification memorandum and adjustment tabulation, and seven copies of C. M. Harrer's memorandum covering investigation of the accounts.

The sum of $91.64 claimed is for payroll and supplies adjustments on the April 1952 account resulting from contract operation.

Payment of $45.82, or 50 percent of the total claimed by the contractor, is approved on the assumption that it will not be paid until the amendment allowing additional funds is processed.

W. M. Traver, Jr.

W. M. Traver, Jr.

Enclosures

WMT/bam

cc: 4
AHKoschmann
E2
DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
June 27, 1952

Memorandum

To: Chief, Colorado Branch, Mining Division, Region IV

From: C. M. Harrer

Subject: DMA 110, Contract I-DMA-E2, Callahan Zinc-Lead Company, Inc., Gunnison County, Colorado - May 1952 progress report

Company accounts were checked in detail with F. S. Micari, accountant. General details were discussed with J. E. Dunn, superintendent. Revised MF-104 and 104A forms were delivered and explained.

This project was recessed at the end of April 1952 and charges on the May report are labor and supply costs. Labor costs are all correct and allowed and are merely an adjustment from days' pay to contract earnings for the period April 28 to May 10, 1952, as explained in a note accompanying the 104 forms. A list of the timber, the only supply item reported, is in the Colorado Branch DMEA files at the Denver Federal Center.

Expenditures of $91.64 by Callahan Zinc-Lead Company, Inc., for the month of May, 1952, are approved. U. S. Government participation is $45.82. Mr. Dunn was notified that payment of this amount would probably be held up pending action on extension or termination of the contract.

C. M. Harrer

C. M. Harrer
Mining Engineer

CMH/djk

cc: 6
A. H. Koschmann
E 2
DMEA Chron.

Mining Division
Date Rec'd.

JUN 20 1952

BUREAU OF MINES
Denver, Colorado

June 17, 1952

Mr. W. H. King
Executive Officer Field Team
Region IV
224 New Customhouse
Denver 2, Colorado

Subject: I-DMA-E2

Dear Mr. King:

I am enclosing the operators monthly progress report MF-104 covering the period May 1, to May 31, 1952 inclusive. No progress was made on this work during May and the enclosed reports covers only a slight cost carry over from April.

Very truly yours,

Callahan Zinc-Lead Company

J. E. Dunn
Superintendent

JED:ds
encl.
cc: E. A. Salo

COPY

I-DMA-E2

Note re payroll adjustment for April.

The payroll adjustment of $63.93 as shown in the payroll schedule enclosed was for the contract period April 28, 1952 through May 10, 1952. The miners were paid a straight days pay for the work performed on April 28, 29, and 30th. When the contract was measured and the actual hourly wage computed, the miners were then paid in May for the hours worked on April, 28, 29, and 30th at the new contract rate. The days pay advanced in April was then deducted from the May Gross earnings. This resulted in an increase in I-DMA-E2 April labor costs of $ 63.93.

The timber used is measured and included in costs only as of the close of a contract period. The timber used during the period April 28th through April 30, 1952, therefore was not included in the April 1952 report. The amount of timber used for this period amounted to $ 21.23 and has been included in the May, 1952 report.

I-DMA-E2

Payroll Adjustment 4/28/52
thru 4/30/52

Direct Labor	Occupation	Man Shifts*	Rate $	Gross Earnings $	FOA SUI & FUI $
Clyde Hackney	Piecework Miner	2	19.949	39.90	
Sheldon Houle	" "	3	19.949	59.84	
Cal Nachtrieb	" "	2	19.949	39.90	
Stanley Houle	" "	3	19.949	59.85	
Sub-total		10		199.49	7.78
Less; Days Pay Advanced During April:					
Clyde Hackney		2	13.556	27.11	
Sheldon Houle		3	13.556	40.67	
Cal Nachtrieb		2	13.556	27.11	
Stanley Houle		3	13.556	40.67	
Sub-total				135.56	5.29
Net Adjustment for April, 1952 Payroll				$ 63.93	$ 2.49

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of:

Callahan Zinc-Lead Company

White Pine, Colorado

pertaining to Exploration Project Contract No. E2, Docket DMA-110, for the period of May 26, 1951 to ~~May 31, 1952~~ Apr. 30, 1952.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

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

Total Cost as billed by contractor			$119,556.69
Exceptions (See Audit Report for details):			
During this Audit		$2,325.39	
Prior to this Audit	$160.22		
Less Amounts determined to be allowable	None	160.22	2,485.61
Total Accepted Cost			117,071.08

This contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Fifty eight thousand five hundred thirty five dollars and 54/100

— $58,535.54 —

is valid and proper.

Payment to date	$59,698.23
Payment authorized	58,535.54
Overpayment	1,162.69

This certificate is issued on the provision that 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.

July 23, 1952

J H Bradley
Auditor, Region IV

Callahan Zinc-Lead Company
Exploration Project Contract No. E2
Docket No. DMA 110

I. INTRODUCTION

An audit was made from July 7 to July 11 of Defense Minerals Contract No. E2, Callahan Zinc-Lead Company. The general records pertaining to the contract are in the office of the company at White Pine, Colorado, while the head office of Callahan Zinc-Lead Company is in New York City.

The audit covered the period from May 26, 1951 to ~~May~~ April 30, 1952. The contractor suspended operations early in June as funds available under Contract E2 were exhausted. Amendment requesting additional funds is in process at this time. Mr. J.W. Townsend, Mining Engineer, Mining Division Office, Denver, Colorado, assisted in a very capable manner. Mr. J.E. Dunn, Superintendent, Mr. R. James Flynn, Assistant Superintendent, and Mr. Frank Micari, Accountant, were present and consulted when necessary.

II. EXTENT AND SCOPE OF AUDIT

1. Operating Equipment - Furnished by Operator

Allowances made for operating equipment owned by operator are in agreement with contract. Charges were made for equipment when in use, as covered by the Colorado Division Mining Engineer's Monthly Narrative Report.

2. Labor

Productive labor is paid on a contract basis. The contract is on a footage basis and provides an incentive for increased production. Each miner prepares an individual time ticket daily. This ticket shows contract number, location, number of hours worked, and materials used. The shift boss or superintendent approves tickets daily, which are turned in to the engineering department who group tickets by contract, enter total time of individual

miners on contract calculation sheet every two week pay period. Engineer checks progress made on each contract, calculates total amount due for footage attained. This amount is divided by the total man hours for the period in order to determine rate per hour, which is noted on time ticket. Bookkeeper enters time tickets on monthly individual earnings record which shows all pertinent data regarding deductions, calculates pay due based on total hours times rates from daily time tickets, or at regular hourly rate. Sufficient test check was made to determine that payments to men were in order. Charges under indirect labor costs were carefully scrutinized for items which would not be allowable under terms of the contract. Supervision charges are in line with terms of the contract.

3. Supplies

All suppliers' invoices are vouchered and entered at net, i.e., total charge less discount. Charges to inventory records are at the same basis. Stores are inventoried monthly and unit cost arrived at by dividing total dollar value by total units on hand, to determine average unit cost. This figure is used in determining costs for the subsequent month. Purchases of timber and explosives for the month of March 1952 were verified by examination of invoices which were traced through voucher and check record. Charges to the project for these items for the month of March 1952 were verified by checking tabulation of miners' daily material use reports, compiled from daily time cards.

4. Power

Power bills from Public Service Company of Colorado for the months of June 1951 and March 1952 were examined and traced through voucher and check record. Cost of power is allocated on a basis which we were informed is

based on a study made by power company engineers. There are two meters, one at the Akron Mine, the other at the Erie Mine. Cost shown on Meter No. 1 are divided as follows:

Mill Power	50%
Akron Mine	30%
Camp	20%
	100%

Costs shown on Meter No. 2 are divided as follows:

Akron Mine	33-1/3%
Erie Mine	66-2/3%
	100%

It is the opinion of the division mining engineers who inspect the project that the division is fair and equitable.

5. Workmen's Compensation

Rates for workmen's compensation insurance were checked to State Insurance Department invoices for June 1951 and March 1952. Total charges to project were verified for those two months by multiplying total salaries and wages by applicable rates and checking proration as shown by schedule which is basis of preparation of MF-104.

6. Social Security Taxes

Social Security taxes for June 1951 and March 1952 were verified by applying proper rate to total salaries and wages charged those months and checking schedule of proration as above. Social Security reports are filed by main office in New York, hence it was not possible to examine those reports.

7. Boarding House Subsidy

Charges to this account are approved by the original contract. Test check disclosed that amounts allocated to project appear to be in order.

8. Other

Miscellaneous charges to this account all were disallowed with the exception of one small item for $9.31 which represents allocation of power for camp charged to this account in error.

III. FINDINGS

The records maintained by Callahan Zinc-Lead Company are in good condition and well maintained. Payroll records are somewhat involved, due to the fact that the productive men are paid on incentive plan basis. They are complete, and supporting data is amply cross referenced. Cancelled checks are forwarded to the central office of the company in New York City, hence it was not possible to refer to them.

Expenses are prorated between three operations -- company operations at Akron and Erie Mines, exploratory operations on Akron Tunnel and Morning Star Mine, and exploratory operations at Erie Mine. The prorations are based on man hours or tonnage basis and are considered to be fair and equitable.

Exceptions have previously been taken by the DMEA Finance Officer as follows:

September 1951 --		
Mine Lamp Rental	8.12	
Bank Service Charge	1.54	9.66
November 1951 --		
Claim for old maps - not allowable under contract	75.00	
Bank Service Charge	1.63	76.63
December 1951 --		
Purchase of Air Receiver - not authorized by contract		65.00
February 1952 --		
Equipment Rental - disallowed for one-half month's use of ambulance and two mine cars		8.93
		160.22

Exceptions taken during the audit are:

Miscellaneous items in	May	22.47	
	June	10.29	
	July	33.24	
	August	10.05	
	October	13.54	89.59
Snow shed over Waste Dump - excluded by Exhibit B under contract			1,572.33
Repairs and Maintenance Employees Living Quarters - excluded by Exhibit E under contract			663.47
			2,325.39
Total Disallowances			2,485.61

No further exceptions are taken, the costs being proper and within the terms of the contract and amendments.

IV. RECOMMENDATIONS

The Audit Certificate, prefacing this report, reflects the amount of the costs properly chargeable to this project through May 31, 1952.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

JUN 30 1952

Mr. Jay L. Chambers
c/o Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA 110 (Lead-Zinc)
Contract I-DMA-E2
Callahan Zinc Lead Company
Gunnison County, Colorado

Dear Mr. Chambers:

As the subject contract has been terminated in that the funds have been expended, and the applicant is desirous of continuing the exploration project, he is requesting that either an amendment or extension of the existing contract be made permitting some additional exploration work at an additional estimated cost of some $70,000.00. As the costs that have been presented by the Operator in form MF-104 appear to be exorbitant in relation to the amount of work being done, and as that data is the basis of estimating the cost of proposed work, we believe that an audit of the accounts of the contract should be made. Mr. Alt of the Base Metals Division, on June 24, phoned Mr. King, Executive Officer, Region IV, to ask you to audit the accounts of the contract.

The overhead costs that are charged against the contract work are much greater per unit of advance than seems warranted. It may be possible to come to some arrangement with the company which would permit a minimum base overhead charge per unit of advance on any work done in the future.

We shall appreciate your making this audit as soon as possible, as we are now processing the request for an amendment to the contract.

Sincerely yours,

O. Mitchell

Acting Administrator

MF 104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E I-DMA-E2

Name of Operator Callahan Zinc-Lead Company
Docket No. DMA -110
Total Contract Amount $ 120,000
Government Participation: 50 % Amount, $ 60,000
Distribution of Expenditures for Month of April, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 27 1951

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

Callahan Zinc-Lead Company
(Name of Company)

By R James Flynn
(Signature of Authorized Official)

5/15/52
(Date)

Ass't Superintendent
(Title)

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.

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]						
(c) Furnished by operator						
Special List Attached Schedule C	330.50	5,033.43	5,363.93	330.50	5,033.43	5,363.93
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

16—64068-3

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	3,445.27	65,749.75	69,195.02	3,445.27	65,749.75	69,195.02
5. Supervision	269.48	3,759.65	4,029.13	269.48	3,759.65	4,029.13
6. Supplies						
(a) Timber	1,024.28	7,590.42	8,614.70	1,024.28	7,590.42	8,614.70
(b) Explosives	230.29	6,744.52	6,974.81	230.29	6,744.52	6,974.81
(c) Repair Parts	199.30	1,899.64	2,098.94	199.30	1,899.64	2,098.94
(d) Other	727.67	14,619.06	15,346.73	727.67	14,619.06	15,346.73
7. Power	242.36	3,336.08	3,578.44	242.36	3,336.08	3,578.44
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	82.42	1,704.99	1,787.41	82.42	1,704.99	1,787.41
SS Taxes	69.36	2,116.13	2,185.49	69.36	2,116.13	2,185.49
10. Contract Work						
11. Other (specify)						
Bd. House Subsidy	11.57	185.33	196.90	11.57	185.33	196.90
Misc.		185.19	185.19		185.19	185.19
Total	6,632.50	112,924.19	119,556.69	6,632.50	112,924.19	119,556.69
Deletions						
Adjusted totals						
Totals previously reported	112,924.19			112,924.19		
Totals to date	119,556.69			119,556.69		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C.M. Harrel
Amount approved for payment $3316.25 $3316.25
Remarks

16—64068-3

Schedule DMA 52-61
June 19, 1952
3316.25

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF April, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting						ft.		1474	1474	(2200
Crosscutting						ft.		416	416	(
Raising	3,714.75	330.50	2,181.54	405.71	6,632.50	ft.	117	34	151	500
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation						ft.		715	715	1200
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	3,714.75	330.50	2,181.54	405.71	6,632.50		117	2639	2756	3900

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E I-DMA-E2

Name of Operator Callahan Zinc-Lead Company
Docket No. DMA -110
Total Contract Amount $ 120,000
Government Participation: 50% % Amount, $ 60,000
Distribution of Expenditures for Month of March, 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 29 1952

CERTIFICATION

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.

Callahan Zinc-Lead Company
(Name of Company)

By R James Flynn
(Signature of Authorized Official)

4/15/52
(Date)

Ass't Superintendent
(Title)

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.

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]						
(c) Furnished by operator						
See Special List Attached Schedule C	422.87	4,610.56	5,033.43	422.87	4610.56	5033.43
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	5,651.04	60,098.71	65,749.75	5651.04	60,098.71	65,749.75
5. Supervision	310.58	3,449.07	3,759.65	310.58	3449.07	3759.65
6. Supplies						
(a) Timber	835.59	6,754.83	7,590.42	835.59	6754.83	7590.42
(b) Explosives	523.22	6,221.30	6,744.52	523.22	6221.30	6744.52
(c) Repair Parts	917.66	981.98	1,899.64	917.66	981.98	1899.64
(d) Other	1,377.18	13,241.88	14,619.06	1377.18	13,241.88	14,619.06
7. Power	309.39	3,026.69	3,336.08	309.39	3026.69	3336.08
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	94.12	1,610.87	1,704.99	94.12	1610.87	1704.99
SS Taxes	268.27	1,847.86	2,116.13	268.27	1847.86	2116.13
10. Contract Work						
11. Other (specify)						
Ed. House Subsidy	28.16	157.17	185.33	28.16	157.17	185.33
Misc.		185.19	185.19		185.19	185.19
Total	10,738.08	102,186.11	112,924.19	10,738.08	102,186.11	112,924.19
Deletions						
Adjusted totals						
Totals previously reported	102,186.11			102,186.11		
Totals to date	112,924.19			112,924.19		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C.W. Harrer. W.M.T.
Amount approved for payment $5369.04 $5369.04
Remarks

16—64068-3

Schedule DMA 52-49
May 12, 1952
$5369.04

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF March, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress[4]				
	Wages[1] and salaries	Equipment[2]	Supplies	Other[3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	5,581.88	395.93	3,471.77	655.36	10,104.94	ft.	97	1377	1474	(2200
Crosscutting								416	416	(
Raising	379.74	26.94	181.88	44.58	633.14	ft.	34		34	500
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation						ft.		715	715	1200
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	5,961.62	422.87	3,653.65	699.94	10,738.08		131	2508	2639	3900

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

Schedule DMA 52-39

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

Administrative Audit Difference Statement

Date: April 8, 1952
Payee's
Reference: Progress Report
February 1952

Callahan Zinc-Lead Co., Inc.
100 Park Avenue
New York 7, N. Y.

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

Amount claimed $ 11,860.43

Difference $ - 8.93

Amount Approved $ 11,851.50

The reason for the difference was due to:

Equipment depreciation disallowed for 1/2 month use of truck and two mine cars.

Schedule DMA 52-39
April 8, 1952
$5925.75

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-IV - B&F Form No. 4
5-1-51 - 1M

MI-104
(August 1951)

COPY

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E I-DMA-E2

Name of Operator Callahan Zinc-Lead Company
Docket No. DMA -110
Total Contract Amount $ 120,000
Government Participation: 50 % Amount, $ 60,000
Distribution of Expenditures for Month of February, 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

Callahan Zinc-Lead Company
(Name of Company)

By /s/ R. James Flynn
(Signature of Authorized Official)

2/15/52
(Date)

Ass't Superintendent
(Title)

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.

16--64068-6

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]						
(c) Furnished by operator						
Exhibit C Contract Form MF-200	501.50	4,109.06	4,610.56	492.57	4109.06	4601.63
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

16—64068-3

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	6,752.90	53,345.81	60,098.71	6752.90	53,345.81	60,098.71
5. Supervision	452.27	2,996.80	3,449.07	452.27	2996.80	3449.07
6. Supplies						
(a) Timber	1,401.92	5,352.91	6,754.83	1401.92	5352.91	6754.83
(b) Explosives	742.52	5,478.78	6,221.30	742.52	5478.78	6221.30
(c) Repair Parts	175.33	806.65	981.98	175.33	806.65	981.98
(d) Other	926.38	12,315.50	13,241.88	926.38	12,315.50	13,241.88
7. Power	408.19	2,618.50	3,026.69	408.19	2618.50	3026.69
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	159.74	1,451.13	1,610.87	159.74	1451.13	1610.87
SS Taxes	324.23	1,523.63	1,847.86	324.23	1523.63	1847.86
10. Contract Work						
11. Other (specify)						
Bd. House Subsidy	15.45	141.72	157.17	15.45	141.72	157.17
Misc.		185.19	185.19		185.19	185.19
Total	11,860.43	90,325.68	102,186.11	11,851.50	90,325.68	102,177.18
Deletions						
Adjusted totals						
Totals previously reported	90,325.68			90,325.68		
Totals to date	102,186.11			102,177.18		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by /s/ CMHarrer * WMT
Amount approved for payment $5925.75 $5925.75
Remarks

16—64068-3

* Deduct Morning Star equipment used one half month @ $8.93

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF February, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	6,115.90	483.63	2,712.48	824.70	10,136.71	ft.	189	1188	1377	(2200 $53.63/ft.
Crosscutting						ft.		416	416	(
Raising						ft.				500
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	1,089.27	17.87	533.67	82.91	1,723.72	ft.	108	607	715	1200 $15.96/ft.
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	7,205.17	501.50	3,246.15	907.61	11,860.43		297	2211	2508	3900

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E I-DMA-82

Name of Operator Callahan Zinc-Lead Company
Docket No. DMA -110
Total Contract Amount $ 120,000.00
Government Participation: 50% % Amount, $ 60,000.00
Distribution of Expenditures for Month of January, 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

Callahan Zinc-Lead Company (Name of Company)

By R. James Flynn (Signature of Authorized Official)

2/8/52 (Date)

Asst Superintendent (Title)

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.

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]						
(c) Furnished by operator						
Exhibit C						
Contract Form						
MF-200	501.50	3,607.56	4,109.06	501.50	3607.56	4109.06
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	5,610.37	47,735.44	53,345.81	5610.37	47,735.44	53,345.81
5. Supervision	396.31	2,600.49	2,996.80	396.31	2600.49	2996.80
6. Supplies						
(a) Timber	654.69	4,698.22	5,352.91	654.69	4698.22	5352.91
(b) Explosives	554.70	4,924.08	5,478.78	554.70	4924.08	5478.78
(c) Repair Parts	11.10	795.55	806.65	11.10	795.55	806.65
(d) Other	912.53	11,402.97	12,315.50	912.53	11,402.97	12,315.50
7. Power	271.18	2,347.32	2,618.50	271.18	2347.32	2618.50
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	134.68	1,316.45	1,451.13	134.68	1316.45	1451.13
SS Taxes	270.30	1,253.33	1,523.63	270.30	1253.33	1523.63
10. Contract Work						
11. Other (specify)						
Bd. House Subsidy	18.46	123.26	141.72	18.46	123.26	141.72
Misc.		185.19	185.19		185.19	185.19
Total	9,335.82	80,989.86	90,325.68	9335.82	80,989.86	90,325.68
Deletions						
Adjusted totals						
Totals previously reported	80,989.86			80,989.86		
Totals to date	90,325.68			90,325.68		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. M. Harrer WMT.
Amount approved for payment $4667.91 $4667.91
Remarks

16—64063-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF January, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	4,795.10	483.63	1,765.74	597.28	7,641.75	Ft.	145	1043	1188	(2200
Crosscutting						Ft.		416	416	(
Raising						Ft.				500
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	1,211.58	17.87	367.28	97.34	1,694.07	Ft.	22	585	607	1200
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	6,006.68	501.50	2,133.02	694.62	9,335.82		167	2044	2211	3900

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E I-DMA-E2

Name of Operator Callahan Zinc-Lead Company
Docket No. DMA -110
Total Contract Amount $ 120,000.00
Government Participation: 50 % Amount, $ 60,000.00
Distribution of Expenditures for Month of December, 1951

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

Callahan Zinc-Lead Company
(Name of Company)

By R. James Thym
(Signature of Authorized Official)

1/14/52
(Date)

Ass't Superintendent
(Title)

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.

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1]						
(*b*) Rented[2]						
(*c*) Furnished by operator						
Exhibit C Contract Form MF-200	501.50	3,106.06	3,607.56	501.50	3106.06	3607.56
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	7,285.46	40,449.98	47,735.44	7285.46	40,449.98	47,735.44
5. Supervision	324.81	2,275.68	2,600.49	324.81	2275.68	2600.49
6. Supplies						
(a) Timber	228.29	4,469.93	4,698.22	228.29	4469.93	4698.22
(b) Explosives	981.40	3,942.68	4,924.08	981.40	3942.68	4924.08
(c) Repair Parts	5.10	790.45	795.55	5.10	790.45	795.55
(d) Other	1,152.18	10,250.79	11,402.97	1087.18	10,250.79	11,337.97
7. Power	336.59	2,010.73	2,347.32	336.59	2010.73	2347.32
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	406.94	909.51	1,316.45	406.94	909.51	1316.45
SS Taxes	128.39	1,124.94	1,253.33	128.39	1124.94	1253.33
10. Contract Work						
11. Other (specify)						
Bd. House Subsidy	14.75	108.51	123.26	14.75	108.51	123.26
Misc.		185.19	185.19		185.19	185.19
Total	11,365.41	69,624.45	80,989.86	~~11,300.41~~	69,624.45	80,924.86
Deletions				65.00		
Adjusted totals				11,300.41		
Totals previously reported	69,624.45			69,624.45		
Totals to date	80,989.86			80,924.86		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. M. Harper WMT
Amount approved for payment $5,550.00
Remarks

W. H. K.

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF December, 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	6,026.78	483.63	2,120.69	775.51	9,406.61	ft.	243	800	1043	(2200
Crosscutting	170.53	--	7.29	19.11	196.93	ft.	--	416	416	(
Raising						ft.				500
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	1,412.96	17.87	239.09	92.05	1,761.97	ft.	12	573	585	1200
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	7,610.27	501.50	2,366.97	886.67	11,365.41		255	1789	2044	3900

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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.

Callahan Zinc-Lead Company
(Name of Company)

By [signature]
(Signature of Authorized Official)

12/12/51
(Date)

Ass't Superintendent
(Title)

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.

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator Callahan Zinc-Lead Company
Project No. DMA I-DMA-E2
Total contract amount $ 120,000
Government participation percent 50%

Distribution of Expenditures for Month of November, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	7,170.57	35,555.09	42,725.66	7170.57	35,555.09	42,725.66
Equipment purchase [1]						
Equipment rental [2]	501.50	2,604.56	3,106.06	501.50	2604.56	3106.06
Buildings						
Explosives	663.80	3,278.88	3,942.68	663.80	3278.88	3942.68
Repair parts	57.50	732.95	790.45	57.50	732.95	790.45
Other supplies	1,751.75	12,968.97	14,720.72	1751.75	12,968.97	14,720.72
Power	362.14	1,648.59	2,010.73	362.14	1648.59	2010.73
Transportation						
Withholding taxes						
Compensation insurance	154.02	755.49	909.51	154.02	755.49	909.51
Other insurance SS Taxes	116.17	1,008.77	1,124.94	116.17	1008.77	1124.94
Contract work						
Other (specify)	96.43	197.27	293.70	19.80	197.27	217.07
Total	10,873.88	58,750.57	69,624.45	10,797.25	58,750.57	69,547.82
Totals previously reported	58,750.57			58,750.57		
Totals to date	69,624.45			69,547.82		

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. M. Harrier
Amount approved for payment
Remarks

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF November, 1951

Name of operator Callahan Zinc-Lead Company
Project No. DMA I-DMA-E2
Total contract amount $ 120,000
Government participation percent 50%

Type	Number	Man-Shifts	Rate	Total
Miners	8	226	$ 22.05 *	$ 4,982.24
Muckers				
Trammers	3	24 **	18.82 *	451.41
Timbermen	3	24 **	11.84 ***	284.95
Pumpmen				
Hoistmen				
Surface	3	25 **	11.84	292.58
Samplers				
Assayers				
Shift bosses	2	17 **	17.13	296.27
Mechanics	2	19 **	13.76	267.21
Electricians	1	1 **	13.76	12.93
Blacksmiths				
Carpenters	2	20 **	12.80	255.08
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent	1	3 **	--	72.05
Engineers	1	6 **	--	106.83
Geologists				
Bookkeeper	1	8 **	10.56	88.69
Foreman				
Clerks				
Stenographers				
Other Warehouseman	1	5 **	11.84	60.33
Total	28	378	--	7,170.57

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. M. Harrer WMT
Remarks $ 5399.44

* Piecework
** Correct to nearest manshift only. These men working for entire operation and cost prorated as explained in schedules A and B.
*** General wage raise of 12¢ per hour for all employees on 11/1/51.

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF November, 1951

Name of operator Callahan Zinc-Lead Company
Project No. DMA I-DMA-E2
Total contract amount $ 120,000
Government participation, percent 50%

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2] Rental	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting	3,933.02	364.08	1,723.68	464.97	6,485.75	ft.	148	652	800	(2200
Crosscutting	1,704.83	119.55	557.83	135.83	2,518.04	ft.	63	353	416	(
Raising						ft.				500
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	1,532.72	17.87	191.54	127.96	1,870.09	ft.	21	552	573	1200
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	7,170.57	501.50	2,473.05	728.76	10,873.88		232	1557	1789	3900

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. M. Hanner
Remarks

Standard Form No. 1034a—Rev.
Form approved by
Comptroller General, U. S.
May 26, 1938
(Amended August 15, 1941)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. _____
Bu. Vou. No. DMA-100

GENERAL ACCOUNTING OFFICE PREAUDIT
Certified for payment in the sum of $_____
Comptroller General of the United States
By _____

U. S. Dept. of Interior, Defense Minerals Administration, 224 New Customhouse
(Department, bureau, or establishment)

Voucher prepared at Denver, Colorado 11/29/51
(Give place and date)

THE UNITED STATES, Dr.,

To Callahan Zinc-Lead Company
100 Park Avenue (Payee)
Address New York 7, New York
Payee's Account No. I-DMA-E-2

PAID BY
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms _____% Discount Cash _____ days	Quantity	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
		Brought forward from continuation sheet(s)					
	UPM October 1951	Certified "Operator's Monthly Progress Report" for the Mineral Exploration Program attached:				5,820	73

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 5,820 73

(Payee must NOT use this space)
Differences _____
Account verified; correct for 5820 73
(Signature or initials) _____

Contract No. I-DMA-E-2 Date 5/25/51 Req. No. _____ Date _____ Invoice Rec'd _____

MEMORANDUM

Approved for payment by:
J. H. East, Jr. W. H. K.

NOV 30 1951

Naomi E. Stokes
Authorized Certifying Officer

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount	Appropriation Amount
14X4401	Defense Minerals Administration		5,820.73

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. _____ dated _____, 19____, for $_____ } on Treasurer of the United States in favor of payee named above.
{ Cash, $_____, on _____, 19____, Payee _____ }
(Sign original only)

Per _____
Title _____

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the blank space below "Approved for $_____", and over his official title.

16—22900a-1

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.

2. (*a*) After advertising by circular letters sent to _____ dealers.

(*b*) And by notices posted in public places.

(If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made. The notation on the certificate on the face of the voucher must be "2(*a*) (*b*)" or "2(*a*)", depending on whether or not notices were posted.)

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.

4. Without advertising in accordance with _____

5. Without advertising, it being impracticable to secure competition because of _____

_____

_____

_____

_____

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, Supplement No. 6, General Accounting Office, Aug. 20, 1930.)

U. S. GOVERNMENT PRINTING OFFICE: 1946 O-88934 16—22900-1

M[illegible]304
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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.

Callahan Zinc-Lead Company
(Name of Company)

By [signature]
(Signature of Authorized Official)

11/12/51
(Date)

Ass't Superintendent
(Title)

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.

MONTHLY SUMMARY COST STATEMENT

Name of operator Callahan Zinc-Lead Company
Project No. DMA I-DMA-E2
Total contract amount $ 120,000
Government participation percent 50%

Distribution of Expenditures for Month of October, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	6,941.59	28,613.50	35,555.09	6941.59	28,613.50	35,555.09
Equipment purchase [1]						
Equipment rental [2]	501.50	2,103.06	2,604.56	501.50	2103.06	2604.56
Buildings						
Explosives	500.56	2,778.32	3,278.88	500.56	2778.32	3278.88
Repair parts	102.99	629.96	732.95	102.99	629.96	732.95
Other supplies	2,947.06	10,021.91	12,968.97	2947.06	10,021.91	12,968.97
Power	317.36	1,331.23	1,648.59	317.36	1331.23	1648.59
Transportation						
Withholding taxes						
Compensation insurance	147.44	608.05	755.49	147.44	608.05	755.49
Other insurance SS Taxes	152.74	856.03	1,008.77	152.74	856.03	1008.77
Contract work						
Other (specify)	30.23	167.04	197.27	30.23	167.04	197.27
Total	11,641.47	47,109.10	58,750.57	11,641.47	47,109.10	58,750.57
Totals previously reported	47,109.10					
Totals to date	58,750.57					

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by E. M. Harrer WOM PTG
Amount approved for payment
Remarks

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF October, 1951

Name of operator Callahan Zinc-Lead Company
Project No. DMA I-DMA-E2
Total contract amount $ 120,000
Government participation percent 50%

Type	Number	Man-Shifts	Rate	Total
Miners	8	199	$ 25.29 *	$ 5,033.49
Muckers				
Trammers	3	xx 24	18.50 *	440.35
Timbermen	3	xx 28	10.88	307.04
Pumpmen				
Hoistmen				
Surface	3	xx 19	10.88	210.61
Samplers				
Assayers				
Shift bosses	2	xx 15	16.13	249.45
Mechanics	2	xx 15	12.80	190.84
Electricians	1	xx 1	12.80	7.34
Blacksmiths				
Carpenters	2	xx 21	11.84	243.19
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent	1	xx 4		76.06
Engineers	1	xx 4		59.12
Geologists				
Bookkeeper	1	xx 7		69.05
Foreman				
Clerks				
Stenographers				
Other Warehouse	1	xx 5		55.05
Total	28	342		6,941.59

NOTE.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. M. Harper
Remarks

* Piecework
xx Correct to nearest whole manshift only. These men working for entire operation and cost prorated as explained in Schedules A & B.

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF October, 1951

Name of operator Callahan Zinc-Lead Company
Project No. DMA I-DMA-E2
Total contract amount $ 120,000
Government participation, percent 50%

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2] Rental	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting	3,603.48	328.49	2,105.16	380.16	6,417.29	ft.	88	564	652	(2200
Crosscutting	2,177.98	155.14	1,243.59	200.34	3,777.05	ft.	100	253	353	(
Raising										500
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	1,160.13	17.87	201.86	67.27	1,447.13	ft.	12	540	552	1200
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	6,941.59	501.50	3,550.61	647.77	11,641.47		200	1357	1557	3900

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64063-1 U. S. GOVERNMENT PRINTING OFFICE

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. M. Harper
Remarks

Standard Form No. 1034a—Rev.
For approved by
Comptroller General, U. S.
May 26, 1938
(Amended August 15, 1941)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. _____
Bu. Vou. No. DMA-59

GENERAL ACCOUNTING OFFICE PREAUDIT		PAID BY
Certified for payment in the sum of $_____	U. S. Department of Interior, Defense Minerals Administration, 224 New Customhouse (Department, bureau, or establishment)	
Comptroller General of the United States	Voucher prepared at Denver, Colorado 10/24/51 (Give place and date)	
By _____	THE UNITED STATES, Dr.,	(For use of Paying Office)
	To Callahan Zinc-Lead Company (Payee)	
	Address 100 Park Avenue New York 7, N. Y.	
	Payee's Account No. I-DMA-E-2	

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms _____% Discount Cash _____ days	Quantity	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
		Brought forward from continuation sheet(s)					
	September 1951	Certified "Operator's Monthly Progress Report" for the Mineral Exploration Program attached:				6,594	.63

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 6,594.63

(Payee must NOT use this space)
Differences _____
Account verified; correct for 6594.63
(Signature or initials) _____

Contract No. I-DMA-E-2 Date 5/25/51 Req. No. _____ Date _____ Invoice Rec'd _____

MEMORANDUM

Approved for payment by:
J. H. East, Jr.

Naomi E. Stokes
Authorized Certifying Officer

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount	Appropriation Amount
14X4401	Defense Minerals Administration		6,594.63

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. _____ dated _____, 19____, for $_____ } on Treasurer of the United States in favor of payee named above.
{ Cash, $_____, on _____, 19____, Payee _____ (Sign original only)

* 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.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the blank space below "Approved for $_____", and over his official title.

Per _____
Title _____

16—22900a-1

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.

2. (*a*) After advertising by circular letters sent to _____ dealers.

   (*b*) And by notices posted in public places.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made. The notation on the certificate on the face of the voucher must be "2(*a*)(*b*)" or "2(*a*)", depending on whether or not notices were posted.)

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.

4. Without advertising in accordance with _____

5. Without advertising, it being impracticable to secure competition because of _____

_____

_____

_____

_____

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, Supplement No. 6, General Accounting Office, Aug. 20, 1930.)

U. S. GOVERNMENT PRINTING OFFICE: 1946 O-88934 16—22900-1

MF-134
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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.

Callahan Zinc-Lead Company
(Name of Company)

By James D. Lynn
(Signature of Authorized Official)

10/12/51
(Date)

Ass't Superintendent
(Title)

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.

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator: Callahan Zinc-Lead Company
Project No. DMA: I-DMA-D2
Total contract amount: $ 120,000
Government participation percent: 50%

Distribution of Expenditures for Month of September, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	8,821.88	19,791.62	28,613.50	8821.88	19791.62	28,613.50
Equipment purchase [1]						
Equipment rental [2]	501.50	1,601.56	2,103.06	501.50	1,601.56	2,103.06
Buildings						
Explosives	714.57	2,063.75	2,778.32	714.57	2,063.75	2,778.32
Repair parts	151.38	478.58	629.96	151.38	478.58	629.96
Other supplies	2,256.04	7,765.87	10,021.91	2256.04	7,765.87	10,021.91
Power	344.10	987.13	1,331.23	344.10	987.13	1,331.23
Transportation						
Withholding taxes						
Compensation insurance	188.30	419.75	608.05	188.30	419.75	608.05
Other insurance SS Taxes	190.40	665.63	856.03	190.40	665.63	856.03
Contract work						
Other (specify) *	30.75	136.29	167.04	21.09	136.29	157.38
Total	13,198.92	33,910.18	47,109.10	13,189.26	33,910.18	47,099.44
Totals previously reported	33,910.18			33,910.18		
Totals to date	47,109.10			47,099.44		

* Boarding House Subsidy $ 21.09
Line Lamp Rental 8.12
Banking Charge 1.54
$ 30.75

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. M. Harrer
Amount approved for payment 6599.46
Remarks

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF September, 1951

Name of operator Callahan Zinc-Lead Company
Project No. DMA I-DMA-12
Total contract amount $ 120,000
Government participation percent 50%

Type	Number	Man-Shifts	Rate	Total
Miners	8	201	$ 32.78 *	$ 6,592.39
Muckers				
Trammers	3	28 xx	19.07 *	534.00
Timbermen	3	30 xx	10.88	324.85
Pumpmen				
Hoistmen				
Surface	3	28 xx	10.88	303.81
Samplers				
Assayers				
Shift bosses and Mine Foreman	2	17 xx	16.13	267.54
Mechanics	2	10 xx	12.80	128.52
Electricians	1	5 xx	12.80	61.76
Blacksmiths				
Carpenters	2	28 xx	11.84	328.28
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent	1	4 xx		63.96
Engineers	1	6 xx		75.61
Geologists				
Bookkeeper	1	8 xx		72.05
Foreman				
Clerks				
Stenographers				
Other Warehouseman	1	7 xx	10.88	74.11
Total	28	372		8,821.88

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

* Piecework
xx Correct to nearest whole manshift only. These men working for the entire operation and cost prorated as explained in attached schedules A and B.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. M. Harrer
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF September, 1951

Name of operator Callahan Zinc-Lead Company
Project No. DMA I-DMA-E2
Total contract amount $ 120,000
Government participation, percent 50%

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2] *	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting	4,529.20	336.03	1,833.42	486.00		ft.	62	502	564	(2200
Crosscutting	2,556.84	147.60	945.26	183.91		ft.	123	130	253	(
Raising						ft.				500
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	1,735.84	17.87	343.31	83.64		ft.	60	480	540	1200
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	8,821.88	501.50	3,121.99	753.55	13,198.92		245	1112	1357	3900

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

* Rental

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. M. Harrer
Remarks

Standard Form No. 1034a—Rev.
Form approved by
Comptroller General, U. S.
May 26, 1938
(Amended August 15, 1941)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. _____

Bu. Vou. No. DMA-41

GENERAL ACCOUNTING OFFICE PREAUDIT

Certified for payment in the sum of $_____

Comptroller General of the United States

By _____

U. S. Department of Interior, 224 New Customhouse
Defense Minerals Administration

Voucher prepared at Denver, Colorado and dated 10/4/51

THE UNITED STATES, Dr.,

To Callahan Zinc-Lead Company

Address 100 Park Avenue
New York 7, New York

Payee's Account No. _____

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms _____% Discount Cash _____ days	Quantity	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
		Brought forward from continuation sheet(s)					
	August, 1951	Contract No. I-DMA-E-2 Certified "Operator's Monthly Progress Report" for the Mineral Exploration Program attached:				5724	16

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 5724 16

(Payee must NOT use this space)

Differences _____

Account verified; correct for _____ 5724 16

(Signature or initials) _____

Callahan Zinc-Lead Company

Contract No. I-DMA-E-2 Date 5/25/51 Req. No. _____ Date _____ Invoice Rec'd 10/4/51

W.H.K.

MEMORANDUM

Approved for payment by:

DATE: OCT 4 1951

Naomi E Stokes
Authorized Certifying Officer

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount	Appropriation Amount
14X4401	Defense Minerals Administration		5724.16

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. _____ dated _____, 19____, for $_____ on Treasurer of the United States in favor of payee named above.
Cash, $_____, on _____, 19____, Payee _____ (Sign original only)

* 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.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the blank space below "Approved for $_____", and over his official title.

Per _____

Title _____

16—22900a-1

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.

2. (*a*) After advertising by circular letters sent to _____ dealers.

(*b*) And by notices posted in public places.

(If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made. The notation on the certificate on the face of the voucher must be "2(*a*)(*b*)" or "2(*a*)", depending on whether or not notices were posted.)

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.

4. Without advertising in accordance with _____

5. Without advertising, it being impracticable to secure competition because of _____

_____

_____

_____

_____

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, Supplement No. 6, General Accounting Office, Aug. 20, 1930.)

U. S. GOVERNMENT PRINTING OFFICE: 1946 O-88934 16—22900-1

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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.

Callahan Zinc-Lead Company
(Name of Company)

By James Flynn
(Signature of Authorized Official)

9/12/51
(Date)

Ass't Superintendent
(Title)

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.

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator Callahan Zinc-Lead Company
Project No. DMA I-DMA-E2
Total contract amount $ 120,000
Government participation percent 50%

Distribution of Expenditures for Month of August, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	6,798.12	12,993.50	19,791.62	6,798.12	12,993.50	19,791.62
Equipment purchase [1]						
Equipment rental [2]	501.50	1,100.06	1,601.56	501.50	1,100.06	1,601.56
Buildings						
Explosives	1,094.86	968.89	2,063.75	1,094.86	968.89	2,063.75
Repair parts	282.55	196.03	478.58	282.55	196.03	478.58
Other supplies	2,024.03	5,741.84	7,765.87	2,024.03	5,741.84	7,765.87
Power	388.96	598.17	987.13	388.96	598.17	987.13
Transportation						
Withholding taxes						
Compensation insurance	144.75	275.00	419.75	144.75	275.00	419.75
Other insurance SS	184.93	480.70	665.63	184.93	480.70	665.63
Contract work						
Other (specify)	28.63	107.66	136.29	28.63	107.66	136.29
Total	11,448.33	22,461.85	33,910.18	11,448.33	22,461.85	33,910.18
Totals previously reported	22,461.85					
Totals to date	33,910.18					

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by O. W. Harrer WCM Pete
Amount approved for payment
Remarks

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF August, 1951

Name of operator Callahan Zinc-Lead Company
Project No. DMA I-DMA-E2
Total contract amount $ 120,000
Government participation percent 50%

Type	Number	Man-Shifts	Rate	Total
Miners	8	202	$ 22.17 *	$ 4,478.26
Muckers				
Trammers	3	28 xx	16.29 *	456.17
Timbermen	2	34 xx	10.88	371.36
Pumpmen				
Hoistmen				
Surface	4	49 xx	10.88	532.76
Samplers				
Assayers				
Shift bosses & Mine Foreman	3	27 xx	15.38	415.22
Mechanics	2	13 xx	12.80	168.68
Electricians	1	7 xx	12.80	84.34
Blacksmiths				
Carpenters	1	5 xx	11.20	56.23
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent	1	4 xx		61.92
Engineers	1	4 xx		56.47
Geologists				
Bookkeeper	1	8 xx		72.53
Foreman				
Clerks				
Stenographers				
Other Warehouse	1	4 xx	10.88	44.18
Total	28	385		6,798.12

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

* Piece Work
xx These men working for entire operation and time prorated as explained in attached schedules A & B.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. M. Harrer WWM
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF August, 1951

Name of operator Callahan Zinc-Lead Company
Project No. DMA I-DMA-E2
Total contract amount $ 120,000
Government participation, percent 50%

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting	3,601.02	315.98 *	2,126.84	458.64	6,502.48	ft.	202	300	502)	2200
Crosscutting	1,639.09	167.67 *	1,127.10	197.80	3,131.66	ft.	107	23	130)	
Raising						ft.				500
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	1,558.01	17.85 *	147.50	90.83	1,814.19	ft.	60	420	480	1200
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	6,798.12	501.50	3,401.44	747.27	11,448.33		369	743	1112	3900

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

* Rental

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. M. Harrer
Remarks

Standard Form No. 1034a—Rev.
Form approved by
Comptroller General, U. S.
May 23, 1938
(Amended August 15, 1941)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

Defense Minerals Administration

D. O. Vou. No. _____

Bu. Vou. No. DMA-17

GENERAL ACCOUNTING OFFICE PREAUDIT

Certified for payment in the sum of $_____

Comptroller General of the United States

By _____

U. S. Dept. of Interior, 224 New Customhouse
(Department, bureau, or establishment)

Voucher prepared at Denver, Colorado 8/28/51
(Give place and date)

THE UNITED STATES, Dr.,

To Callahan Zinc Lead Company
(Payee)

Address 100 Park Avenue
New York 7, New York

Payee's Account No. DMA Docket 110

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms net % Discount Cash ____ days	Quantity	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
		Brought forward from continuation sheet(s)					
	July, 1951	Certified "Operator's Monthly Progress Report" for the Mineral Exploration program attached:				5,133	.11

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 5,133.11

(Payee must NOT use this space)

Differences _____

Account verified; correct for _____

(Signature or initials) _____

Contract No. I DMA E-2 Date 5/25/51 Req. No. _____ Date _____ Invoice Rec'd 8/28/51

MEMORANDUM

AUG 28 1951

Naomi E. Stokes
Authorized Certifying Officer

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount	Appropriation Amount
14X4401	Defense Minerals Administration		5,133.11

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. _____ dated _____, 19____, for $_____ } on Treasurer of the United States in favor of payee named above.
{ Cash, $_____, on _____, 19____, Payee _____ }

(Sign original only)

Per _____

Title _____

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the blank space below "Approved for $_____", and over his official title.

U. S. GOVERNMENT PRINTING OFFICE 16—22900a-1

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.

2. (*a*) After advertising by circular letters sent to ..... dealers.

   (*b*) And by notices posted in public places.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made. The notation on the certificate on the face of the voucher must be "2(*a*) (*b*)" or "2(*a*)", depending on whether or not notices were posted.)

3. Without advertising under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.

4. Without advertising in accordance with .....

5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, Supplement No. 6, General Accounting Office, Aug. 20, 1930.)

16—22900-1

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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.

Callahan Zinc-Lead Company
(Name of Company)

By [signature]
(Signature of Authorized Official)

8/12/51
(Date)

Ass't Superintendent
(Title)

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.

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator Callahan Zinc-Lead Company
Project No. DMA I-DMA-E2
Total contract amount $ 120,000
Government participation percent 50%

Distribution of Expenditures for Month of July, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	5,888.93	7,104.57	12,993.50	5,888.93	7,104.57	12,993.50
Equipment purchase [1]						
Equipment rental [2]	501.50	598.56	1,100.06	501.50	598.56	1,100.06
Buildings						
Explosives	606.29	362.60	968.89	606.29	362.60	968.89
Repair parts	58.84	137.19	196.03	58.84	137.19	196.03
Other supplies	2,547.98	3,193.86	5,741.84	2,547.98	3,193.86	5,741.84
Power	311.31	286.86	598.17	311.31	286.86	598.17
Transportation						
Withholding taxes						
Compensation insurance	127.36	147.64	275.00	127.36	147.64	275.00
Other insurance SS	176.67	304.03	480.70	176.67	304.03	480.70
Contract work						
Other (specify)	47.34	60.32	107.66	47.34	60.32	107.66
Total	10,266.22	12,195.63	22,461.85	10,266.22	12,195.63	22,461.85
Totals previously reported	12,195.63			12,195.63		
Totals to date	22,461.85			22,461.85		

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. M. Harrer
Amount approved for payment $5,133.11 which is
Remarks 50% of the total disbursement of $10,266.22

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF July, 1951

Name of operator Callahan Zinc-Lead Company
Project No. DMA I-DMA-E2
Total contract amount $ 120,000
Government participation percent 50%

Type	Number	Man-Shifts	Rate	Total
Miners	8	155	$ 25.70 *	$ 3,983.29
Muckers				
Trammers	2	xx 16	22.00 *	355.72
Timbermen	2	xx 33	10.88	360.32
Pumpmen				
Hoistmen				
Surface	4	xx 35	10.88	380.10
Samplers				
Assayers				
Shift bosses & Mine Foremen	3	xx 27	13.70	365.73
Mechanics	2	xx 11	12.80	145.69
Electricians	1	xx 6	12.80	80.52
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent	1	xx 3	-	52.11
Engineers	1	xx 3	-	42.56
Geologists				
Bookkeeper	1	xx 3	-	34.73
Foreman				
Clerks				
Stenographers				
Other Warehouse	1	xx 8	10.88	88.16
Total	26	300	-	5,888.93

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

* Piecework
xx These men working for entire operation and time prorated as explained in attached schedules A and B

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. M. Harrer
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF July, 1951

Name of operator Callahan Zinc-Lead Company
Project No. DMA I-DMA-E2
Total contract amount $ 120,000
Government participation, percent 50%

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting	3,742.50	445.26*	2,780.08	475.85	7,443.69	ft.	177	123	300)	2200
Crosscutting	487.46	56.24*	351.18	60.52	955.40	ft.	23	0	23)	
Raising										500
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	1,658.97		81.85	126.31	1,867.13	ft.	90	330	420	1200
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	5,888.93	501.50	3,213.11	662.68	10,266.22		290	453	743	3900

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

* Rental

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. M. Harrer
Remarks

Standard Form No. 1034a—Rev.
Form approved by
Comptroller General, U. S.
May 26, 1938
(Amended August 15, 1941)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. 10076
Bu. Vou. No. [redacted] DMA-4

GENERAL ACCOUNTING OFFICE PREAUDIT
Certified for payment in the sum of $_____
Comptroller General of the United States
By _____

U. S. Department of Interior, Defense Minerals Admin., 224 New Customhouse
(Department, bureau, or establishment)

Voucher prepared at Denver, Colorado, July 20, 1951
(Give place and date)

THE UNITED STATES, Dr.,

To Callahan Zinc-Lead Company, Inc.
(Payee)

Address 100 Park Avenue
New York 7, New York

Payee's Account No. DMA-110

PAID BY
Paid Jul 26, 1951
6 E Evans
R29
413
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms net % Discount Cash days	Quantity	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	5/26 - 6/30/51	Brought forward from continuation sheet(s)					
		Certified "Operator's Monthly Progress Report" for the Mineral Exploration Program attached:				6,097.82	

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 6,097.82

(Payee must NOT use this space)

Differences _____

Account verified; correct for 6,097.82

(Signature or initials) [illegible]

Contract No. I-DMA-E-2 Date May 25, 1951 Req. No. _____ Date _____ Invoice Rec'd 7/18/51

MEMORANDUM

DATE: JUL 23 1951

Naomi E. Stokes
Authorized Certifying Officer

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount	Appropriation Amount
14X4401	Defense Minerals Administration		6,097.82

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. _____ dated _____, 19____, for $_____ } on Treasurer of the United States in favor of payee named above.
{ Cash, $_____, on _____, 19____, Payee _____ }
(Sign original only)

* 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.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the blank space below "Approved for $_____", and over his official title.

Per _____

Title _____

16—22900a-1

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.

2. (*a*) After advertising by circular letters sent to _____ dealers.

   (*b*) And by notices posted in public places.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made. The notation on the certificate on the face of the voucher must be "2(*a*)(*b*)" or "2(*a*)", depending on whether or not notices were posted.)

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.

4. Without advertising in accordance with _____

5. Without advertising, it being impracticable to secure competition because of _____

_____

_____

_____

_____

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, Supplement No. 6, General Accounting Office, Aug. 20, 1930.)

U.S. GOVERNMENT PRINTING OFFICE: 1946 O-88934 16—22900-1

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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.

CALLAHAN ZINC-LEAD COMPANY, INC.
(Name of Company)

By R. James Flynn
(Signature of Authorized Official)

July 12, 1951
(Date)

Assistant Superintendent
(Title)

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.

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator Callahan Zinc-Lead Company, Inc.
Project No. DMA I-DMA-E2
Total contract amount $120,000.00
Government participation percent 50%

Distribution of Expenditures for Month of May 26, 1951 to June 30, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	7,104.57		7,104.57	7,104.57		7,104.57
Equipment purchase [1]						
Equipment rental [2]	598.56		598.56	598.56		598.56
Buildings						
Explosives	362.60		362.60	362.60		362.60
Repair parts	137.19		137.19	137.19		137.19
Other supplies	3,193.86		3,193.86	3,193.86		3,193.86
Power	286.86		286.86	286.86		286.86
Transportation						
Withholding taxes						
Compensation insurance	147.64		147.64	147.64		147.64
Other insurance S. S. Taxes & U. I.	304.03		304.03	304.03		304.03
Contract work						
Other (specify)	60.32		60.32	60.32		60.32
Total	12,195.63	✓	12,195.63	12,195.63		12,195.63
Totals previously reported						
Totals to date	12,195.63			12,195.63		

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by
Amount approved for payment
Remarks

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF May 26, 1951 to June 30, 1951.

Name of operator Callahan Zinc-Lead Company, Inc.
Project No. DMA I-DMA-E2
Total contract amount $120,000.00
Government participation percent 50%

Type	Number	Man-Shifts	Rate	Total
Miners (Piece work)	7	203	$ 27.57	$ 5,417.49
Muckers				
Trammers	2 *	20		299.54
Timbermen	2*	34		379.92
Pumpmen				
Hoistmen				
Surface	4 *	28		329.60
Samplers				
Assayers				
Shift bosses & Mine Foreman	2 *	17		291.00
Mechanics	2 *	12		177.28
Electricians	1 *	-		8.98
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent	1 *	)		
Engineers	1 *	) 12		178.30
Geologists		)		
Bookkeeper	1 *	)		
Foreman				
Clerks				
Stenographers				
Other Warehouse	1 *	2		22.46
Total	24	328		7,104.57

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

* These men working for entire operation and time pro-rated as explained in attached schedules A & B

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by H. R. McMillan
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF May 26, 1951 to June 30, 1951

Name of operator: Callahan Zinc-Lead Company, Inc.
Project No. DMA: I-DMA-E2
Total contract amount: $ 120,000.00
Government participation, percent: 50%

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting	3,366.49	598.56 *	2,230.47	421.30	6,616.82	ft.	123	-	123	2200
Crosscutting										
Raising						ft.				500
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation Morning Star	3,738.08		1,463.18	377.55	5,578.81	ft.	330	-	330	1200
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	7,104.57	598.56	3,693.65	798.85	12,195.63		453		453	3900

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

*Rental

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. T. McClure
Remarks

LEASE AND OPTION

THIS LEASE AND OPTION, Made and entered into in triplicate as of the 2nd day of February, 1951, by and between LYYLE AHO, LEO E. OBERTO, and S. J. OBERTO, the sole surviving heirs of Gio Oberto, deceased, parties of the first part, and THE HAYDEN MINING COMPANY, a Colorado corporation, party of the second part (the party of the first and second part are sometimes hereinafter called the "lessors"), and the CALLAHAN ZINC-LEAD COMPANY, INC., an Arizona corporation authorized to do business in the State of Colorado, party of the third part, hereinafter called "lessee",

WITNESSETH:

WHEREAS, the parties of the first part are the owners of the properties hereinafter described and indicated as the property of the parties of the first part, and the party of the second part is the owner of other properties hereinafter described and indicated as the property of the party of the second part, and

WHEREAS, it is the desire of all the parties hereto that all the properties hereinafter described be included herein as a unit, and be dealt with by the lessee herein as a unit, provided that the parties of the first part shall not be responsible for such obligations as are herein imposed upon party of the second part as to the ownership of the property herein indicated as being owned by the party of the second part, or otherwise herein imposed upon party of the second part, and the party of the second part shall not be responsible for such obligations as are herein imposed upon the parties of the first part as to the ownership of the property herein indicated as being owned by the parties of the first part, or otherwise herein imposed upon parties of the first part;

NOW, THEREFORE, for and in consideration of the premises and the sum of One Dollar ($1.00) to them in hand paid by the lessee, and other valuable considerations, the receipt

of which is hereby acknowledged, and for and in consideration of the rentals and royalties to be paid by the lessee, and of the covenants and agreements of the lessee hereinafter set forth, the parties hereto agree as follows:

1. The lessors do hereby lease, give and grant to the lessee, its successors or assigns, the sole and exclusive right, privilege and option to purchase for the price and upon the terms and conditions hereinafter set forth, free and clear of all liens and encumbrances, all those certain patented and located mining claims, situate, lying and being in the Tomichi Mining District, Gunnison County, Colorado, to-wit:

PATENTED CLAIMS:

Description	Survey No.
Belvidere	17383
Comstock Jr.	17383
Gopher	17384
David H.	1941
Denver City	1940
John C.	1966
Little Iron	1967
Little Giant	6692
Mattie E.	13295
W. A.	13295
Little Alice	15553
Black Diamond	15554
Inspiration	19137
Last Chance	19137
Helen	20006
Evening Star	20007
Good Hope	20008
John C.	20008
Lucky Boy	20008
Magnolia No. 1	20008
Washington	20008
Columbus	20008
Bryan	20008
Morning Star	6575
Victor	17173
Isabel	4540
Dusky Belle	2615
Excelsior	2615
Hartford	18876
Mary Campbell	1986
Sam T.	1985
Vulcan	8312
Iron Mask	8312
Annie Hudson	1695
Hutchinson	1906

UNPATENTED CLAIMS:

Starlight
Lone Star
Estrellita
Dog Star
Polar Star
Bright Star
Lucky Star
Little Star
Double Star
Twin Star
Nova

It is understood and agreed that the patented claims above described beginning with the claim "Belvidere, Survey No. 17383" and ending with the claim "Morning Star, Survey No. 6575" are the properties of the parties of the first part herein, and that all other claims herein before described, both patented and unpatented, are the properties of the party of the second part.

It is further understood and agreed by and between the parties hereto that the parties of the first part shall not be responsible for such obligations as are herein imposed upon the party of the second part as to the ownership of the property herein indicated as being owned by the party of the second part, or otherwise herein imposed upon party of the second part and that the party of the second part shall not be responsible for such obligations as are herein imposed upon the parties of the first part as to the ownership of the property herein indicated as being owned by the parties of the first part, or otherwise herein imposed upon parties of the first part.

2. The term of this lease and option, unless sooner forfeited, cancelled, terminated or surrendered as hereinafter provided, shall be for Ten (10) years from the date hereof.

3. The purchase price for which the lessors agree to sell the above described property to the lessee shall be the sum of One Hundred Sixty Thousand Dollars ($160,000.00). A payment of Five Hundred Dollars ($500.00) by the lessee to the lessors is hereby acknowledged by the lessors, and this amount has been applied on the aforesaid purchase price, and is an advance royalty paid hereunder. There shall be applied on the afore-

said purchase price all royalty payments made hereunder, whether earned or advance royalties as hereinafter defined.

4. During the term of this Lease and Option and as additional considerations to the lessors, the lessee agrees to pay all general taxes levied on the patented mining claims herein described, beginning with the 1951 taxes payable in 1952, and to pay all taxes on account of the unpatented claims hereinbefore described if and when the same become subject to assessment for taxes. Such payments shall be made prior to said taxes becoming delinquent and receipts for such payments shall be furnished to lessors. Lessee has heretofore paid general taxes for lessors on some of said mining claims in the amount of $ 917.39, and lessors agree that such amount shall be applied as a credit first on the Five Hundred Dollars ($500.00) payment acknowledged as provided for in Paragraph 3 above, and the remainder to be applied on amounts that become due after all other credits have been applied, for the minimum monthly royalty as provided for in Paragraph 7 below. The lessee may retain in its possession all tax certificates that it holds as a result of the payment of general taxes in the aforesaid amount of $ 917.39 until such amount has been applied in full as heretofore in this paragraph provided for, at which time such tax certificates shall be assigned and delivered by lessee to lessors. Lessee agrees that it will take no steps and will permit no steps to be taken to the end that any of said tax certificates ripen into a tax deed so long as this instrument is in effect.

5. The lessee shall pay to the lessors a ten per cent (10%) royalty on all ores mined from the properties leased under this agreement based on net mill or smelter returns, and all amounts so paid shall be classified as earned royalties and applied as a credit in favor of lessee upon the purchase price heretofore provided for.

6. Net smelter returns are hereby defined to be the net amount received from the smelter in payment for direct smelting ores, less cost of transportation from the mine to the smelter, and less smelter charges. Net mill returns are hereby

defined to be the net amount of the value of all ore concentrated at lessee's mill based on the ore purchase schedule known as Schedule 7-B, a copy of which is attached hereto, of the American Smelting and Refining Company Arkansas Valley Plant, Leadville, Colorado. The treatment charge for such ore will be the actual milling cost at lessee's mill plus the cost of freight on concentrates from lessors' ore to smelters from lessee's mill. Royalty settlements are to be made monthly and payment to be paid by the 25th day of the second following month as to ore delivered to a smelter or other purchaser during the second preceeding month thereto, to the lessors at Colorado Springs, Colorado, by the lessee direct. The lessors shall have sixty days to examine settlement statements, and if no objection is made within sixty days the statements shall be considered as correct. Payment of one-half of the proceeds of all payments herein required to be made by lessee to lessors shall be made to The Hayden Mining Company, and one-half of such proceeds shall be remitted to the parties of the first part by making checks or drafts payable to S. J. Oberto and such checks or drafts may be delivered to The Hayden Mining Company, Colorado Springs, Colorado, (P. O. Box 1071). Lessee shall not be obligated to see to the distribution of said proceeds except as herein provided for, and payments as herein provided for shall be accepted by the lessors respectively as their proper share of all payments that become due hereunder.

7. Beginning for the month of November, 1951, and for every month thereafter during the term of this agreement the lessee shall pay to the lessors the sum of Two Hundred and Fifty and no/100 ($250.00) Dollars by the 25th day of the second following month, as a minimum monthly royalty, and as advance royalties, which payments shall be applied as a credit in favor of lessee upon the purchase price heretofore provided for.

8. All payments as advance royalties as so defined in this agreement shall be credited in the aggregate to lessee on aggregate amounts that become due for earned royalties; provided that such credit shall not be taken in any one month in an amount exceeding fifty per cent (50%) of the amount of earned royalties earned for that month. At any time that lessee has paid earned royalties in an aggregate amount in excess of the aggregate amount due for advance royalties, such excess shall be applied as a credit in favor of lessee upon amounts due for minimum royalties under this agreement, during the next succeeding twelve months and not thereafter.

9. In order to determine amounts payable as earned royalties on ores taken from the properties herein described, which may be mixed in the mill with ores taken from other properties which belong to lessee, it is mutually understood that each carload of ore taken from the properties described in this agreement shall be sampled and the samples combined, crushed, and assayed in accordance with common and accepted standard procedures. Lessors shall have the right to select and employ a representative to be present upon the property from which the ore is being shipped, who shall have the priviledge of observing all such sampling.

10. The lessee is hereby given and granted the right to enter upon and take over immediately the sole and exclusive possession and control of said property and the whole or any part thereof, and during the term of this lease and option, to remain in the sole and exclusive possession and control thereof, and to investigate, measure, sample, examine, test, develop, work, mine, operate, use, manage and control the same, and to mine, extract, and remove from said property the ores and minerals therein, and to treat, mill, ship, sell or otherwise dispose of the same and receive the full proceeds therefrom, less the aforesaid royalties.

11. The lessee agrees to take possession of said property immediately, and beginning six months after the date hereof with reasonable diligence and continuity, to enter upon

a mining or development program consisting of at least 500 shifts of work during every six months period, each shift to consist of 8 hours labor of one man. Such shifts of work may be performed on the premises leased hereby or on the other premises of lessee in development of the premises leased hereby. If in any six months period provided for in this paragraph lessee performs more than 500 shifts of work, any such excess may be credited on the number of shifts required for the next ensuing six months period, notwithstanding anything to the contrary provided for in this paragraph.

12. Lessee agrees to do all annual labor that is necessary and to file all annual statements that are required in order to hold the unpatented claims that are hereinbefore listed. Such statements are to be made in the name of The Hayden Mining Company, copies thereof forwarded to lessors.

13. TIMBERING - The lessee agrees to well and sufficiently timber all workings on the premises hereby leased at all points where proper, and in accordance with good mining; to repair old timberings wherever it may be necessary to insure the permanency and safety of these workings which are currently used; to keep the timbering of such workings at all times in good, safe and servicable condition.

14. MINING - The lessee agrees to do all work in a thorough and workmanlike manner and in accordance with the rules of good mining; to keep all drifts, shafts and workings in a safe and secure condition at all times (unless prevented by extra-ordinary casualty).

15. INSPECTION, SAMPLING AND SURVEYING - The lessors, or any duly authorized agent or representative shall have the right at any or all times, to enter and visit all parts of said mining premises and the workings thereon, for the purpose of inspection and taking of samples; to sample any ore awaiting shipment, or to have surveys made of the workings. The lessee further agrees, upon demand of the lessors to have surveys and maps made of their workings and to furnish the lessors with

copies or blue prints of same and generally to facilitate in every way the inspection of the premises by the lessors or their agent or representative.

16. APEX RIGHTS - The lessors hereby expressly reserve the right in case of apex litigation or controversy, to prosecute such development work either on the leased property or adjacent premises as may be necessary, provided always that the same shall not interfere more than is reasonably necessary with the mining operations of the lessee, and that all ore mined in the prosecution of such development work shall belong to the lessee, insofar as the same shall be taken from the ground hereby leased, subject to the royalty hereinbefore provided, and lessee will pay to lessors the reasonable value of the work required to mine and deliver such ore, but such payment shall not exceed the value of the ore mined after deduction of royalty.

17. ACCOUNTS AND STATEMENTS - Lessee agrees to keep accurate accounts and to render monthly written statements to the lessors, showing the amount of ore taken from the premises, the assay value of the same, and the value of such ores computed in accordance with the schedule attached hereto known as Schedule 7-E.

18. The lessee shall keep said property and the whole and every part thereof free and clear of liens for labor done or performed upon said property or for materials furnished to it on or for said property or for the operation thereof under this lease and option or any sub-lease thereof and while the same is in force and effect, and will save and keep harmless the lessors from all costs, loss or damage which may arise by reason of any injury to any persons, livestock or other property as the result of any work or operation of said lessee, or its possession or occupancy of said property.

19. The lessee agrees to carry at all times during the term of this lease and option Workmen's Compensation Insurance and any other insurance that may be required by the laws and mining regulations of the State of Colorado.

20. The failure of the lessee to make or cause to be made any of the payments herein provided for or keep any agree-

ments on its part to be kept and performed according to the terms and provisions hereof, shall, at the election of the lessors, work a forfeiture hereof and any and all monies which have been paid by the lessee to the lessors, as rentals, royalties or otherwise, shall be deemed forfeited to the lessors. Provided, however, that in the event of a default on the part of the lessee and the election of the lessors to terminate this lease and option on account thereof, the lessors shall give to the lessee a written notice of intention to declare a forfeiture of this lease and option and to terminate the same on account thereof, specifying the particular default or defaults relied upon and the lessee shall have sixty (60) days after the receipt of said notice in which to make good such defaults, and in that event there shall be no forfeiture thereof.

21. The lessee expressly reserves the right to cancel, terminate and surrender this lease and option and to relinquish and surrender said property to the lessors at any time during the term of this lease and option even though it has made a partial payment or payments on the purchase price, upon giving thirty (30) day's notice to the lessors of its intention so to do, and delivering to the lessors upon said cancellation a written relinquishment of this lease and option. In the event of a valid forfeiture, surrender or other termination of this lease and option, the lessee will surrender peaceable possession of said property and the whole and every part thereof to the lessors immediately and any and all payments made as rental or royalties or otherwise shall remain the property of the lessors.

22. The lessee shall have ninety (90) days after a valid forfeiture, surrender or other termination of this lease and option, to remove from said property any and all warehouse stocks, merchandise, materials, tools, machinery and equipment erected or placed upon said property by it except mine timbers in place and permanent improvements.

23. Upon the written request of the lessee made at any time after the lessee has completed the payment of one-half of

the option purchase price for the property, the lessors will make, execute and acknowledge or cause to be made, executed and acknowledged a good and sufficient deed covering the above described property to the lessee free and clear of encumbrances and place same in escrow in a bank to be designated by lessee together with proper instructions and copy of this Lease and Option. Also the lessors will furnish and deposit with the deed a complete abstract of title to said property brought down to the date of the execution of the deed. Within six months from the date hereof lessors will furnish lessee an opinion from a member of the Colorado Bar Association that the title of the lessors to the leased properties is marketable, free and clear of all liens and encumbrances except general taxes for the year 1951 payable in 1952.

24. Lessors agree to protect lessee and the properties covered by this agreement against all adverse claims, suits, actions, or proceedings, initiated by others based upon any alleged invalidity or defect in the rights of the lessors, provided that if lessors so desire they may decline to so defend any such action and notify the lessee that they do decline, in which event the lessee may defend any such action and the reasonable costs, charges and expenses of lessee in so doing may be by lessee applied against the advance royalties herein provided for as such royalties thereafter accrue and lessors shall not be liable or responsible for any such costs or expenses beyond such future royalties.

25. If questions or disputes arise under this contract, which the parties cannot settle between themselves, either party may, by notice in writing to the other party, request that said questions or disputes be settled by arbitration, in which event each party shall appoint one arbitrator within ten days from the request for arbitration, and the arbitrators thus appointed shall agree upon the third, but in the event of failure of the said two arbitrators to agree upon a third, a third arbitrator shall be appointed by the presiding judge of the District Court of the State of Colorado, in and for the

Seventh Judicial District. Any decision of the arbitrators to be final must be by a majority thereof. Expenses of any arbitration must be divided equally between the parties hereto, unless the arbitrators otherwise specify. Any award made in favor of any party by the arbitrators may be filed with the clerk of said District Court who may enter judgment thereon and issue execution therefor in accordance with Rule 109 of the Colorado Rules of Civil Procedure.

26. It is mutually understood that no payments provided for in this agreement shall be paid if such payments are in violation of any laws, rules, or regulations of any Governmental agency.

27. It is understood and agreed by the parties hereto that any period of delay either in beginning the work hereinabove mentioned or in continuously carrying it on, occasioned by strikes, acts of God, war, rebellion, or other cause (except financial) reasonably beyond the control of either of the parties hereto shall be excepted and such delay shall not be considered a default hereunder by such party, but such party shall exert every reasonable effort to overcome any such cause of delay.

28. All notices herein provided for, unless otherwise specified in writing by the respective parties, shall be given by mail at the following addresses:

TO THE LESSORS: P. O. BOX 1071, COLORADO SPRINGS, COLO.

TO THE LESSEE: 100 PARK AVENUE, NEW YORK 17, N.Y.

29. Time is of the essence of this Lease and Option. The terms, provisions, convenants and agreements herein contained shall extend to, be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunder set their hands, all in duplicate originals as of the day and year first written above.

Lyyli Aho

Leo E. Oberto

S. J. Oberto

PARTIES OF THE FIRST PART

THE HAYDEN MINING COMPANY

By _____ President

Attest:

_____ Secretary

PARTY OF THE SECOND PART

CALLAHAN ZINC-LEAD COMPANY, INC.

By _____ President

Attest:

_____ Ass't. Secretary

PARTY OF THE THIRD PART

AMERICAN SMELTING AND REFINING COMPANY
Leadville Milling Unit

Schedule No. 7-E

All schedules on ore not under contract for a definite period of time are subject to change or termination without notice.

Quotations for Akron (Lost Contact) Ore

Date Nov. 18, 1947

Name Callahan Zinc-Lead Co.

Shipping Point Sargents, Colo.

Effective Shipments on or after Dec. 1st, 1947 B/L date to govern. Cancels and supersedes Schedule 7-D dated June 20, 1947

PAYMENTS

GOLD: If 0.03 Troy oz. per dry ton or over, pay for 70% at $19.00 per Troy oz. plus 90% of the amount by which the "Realized price" exceeds the former Mint price of $20.67 plus per oz. (At the present realized price of $34.9125 per oz., this is equivalent to paying for 70% at $31.81825.)

SILVER: If 1.0 Troy oz. per dry ton or over, pay for 75% at the realized Mint price ($0.90 per oz. at present), provided silver qualifies for Government purchase and affidavit is furnished, or, if Seller so elects in advance, at the Handy and Harman New York quotation for silver. Minimum deduction 1.0 Troy oz. per ton.

LEAD: If the sulphide lead assay is 3.0% or over, deduct from the sulphide lead assay 0.5 and pay for 80% of the remainder at the A. S. & R. Co. New York quotation for common desilverized domestic lead less 2.45 cents per pound. No payment will be made for non-sulphide lead, or sulphide lead less than 3.0% assay.

ZINC: If the sulphide zinc assay is 3.0% or over, deduct 1.5 from the sulphide zinc assay and pay for 47% of the remainder at the E. & M. J. East St. Louis quotation for Prime Western zinc less 2.75 cents per pound.

No payment will be made for any metal or content except as above specified.

QUOTATIONAL PERIOD: For the purpose of determining metal payments, cash quotation specified for Silver, Lead and Zinc shall be the average of the daily published quotations for the calendar week including the date of delivery at Buyer's Mill.

JAN 31 1964

Pinnacle Exploration, Inc.
100 Park Avenue
New York 17, New York

Re: DMEA-110 (Lead-Zinc)
Callahan Zinc-Lead Company, Inc.
Victor, Akron, and Morning Star Mines
Gunnison County, Colorado
Contract Idm-E2

Gentlemen:

By the terms of the subject Amended Exploration Project Contract, as amended, and the royalty agreement in Paragraph 5 of the Termination Agreement, dated May 4, 1955, all minerals mined or produced from August 12, 1952, to August 12, 1963, were subject to the Government's percentage royalty as set forth in said amended contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the amended contract or any future production therefrom. We, therefore, are closing our books and records on this contract.

Sincerely yours,

George Fumich, Jr

Acting Director

FMMurphy/mm (1/30/64)
cc: Director's Reading File
Region III w/cy of Form 63 dated 8/20/63
CA&A Division
Docket
Code 500

Government's copy

TERMINATION AGREEMENT

It is agreed this 4th day of May, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Callahan Zinc-Lead Co., Inc., hereinafter called the "Operator," parties to that certain Amended Exploration Project Contract Idm-E2, Docket No. DMEA-110, dated August 12, 1952, as amended, hereinafter called the "Contract," that:

1. In Article 2 of the Contract the description of the land (Appendix I to the Original Contract) is amended effective August 12, 1952, to read as follows:

Patented Claims held under lease

Victor	No. 17173
Morning Star	No. 6575
Good Hope	No. 20008
Lucky Boy	No. 20008
John C.	No. 20008

Patented Claims owned by the Operator

The southerly 1,200 feet of the following claims:

Deadwood	No. 1872
North Star	No. 847A
Muldoon	No. 849
Narrow Guage	No. 848
Number Three	No. 850

The land described above is also shown on a map entitled "Fig. 5 Callahan Zinc-Lead Co., . . . Claim and Project Location Map," attached hereto and made a part hereof.

2. Effective September 10, 1953, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

3. The Government shall contribute only to the fixed unit costs of work performed prior to September 10, 1953.

4. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including (a) the disposal of any facilities, buildings, fixtures, equipment, or other items to the cost of which the Government has contributed; and (b) the rendering of the final report and final account.

5. The total net amount contributed by the Government shall be repayable in the form of a percentage royalty on any minerals mined or produced from the land described in Article 2 of the Contract, in the manner and amount provided in the Contract, for a period of eleven years from the date of the Amended Contract (August 12, 1952), certification of discovery or development being hereby waived.

6. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense Minerals
Exploration Administration

CALLAHAN ZINC-LEAD CO., INC.

By E. G. Lobs
Treasurer

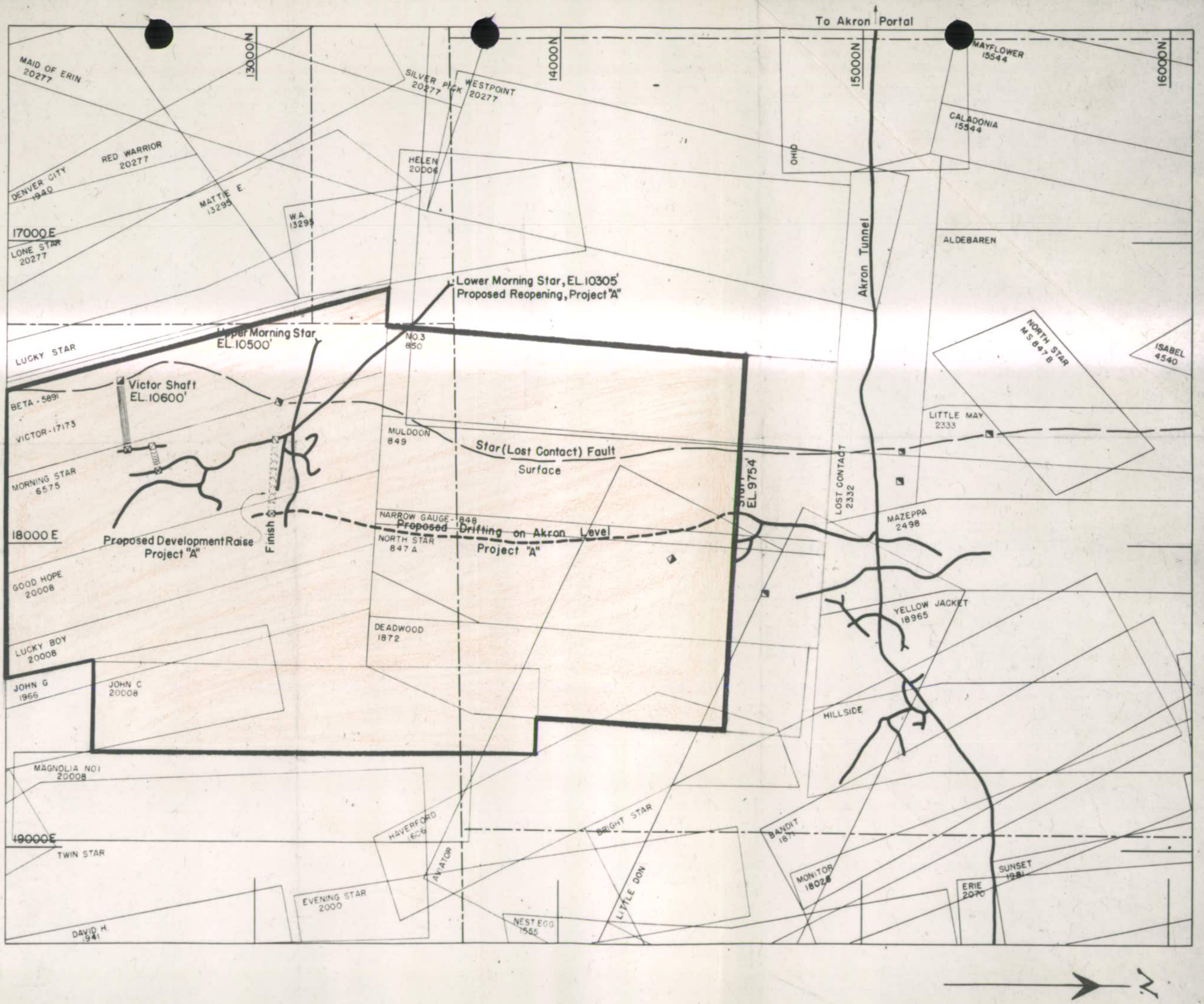


Fig.5, CALLAHAN ZINC-LEAD CO. AKRON UNIT, GUNNISON COUNTY, COLO.

CLAIM AND PROJECT LOCATION MAP, DMA-110

500

MAY - 5 1955

Mr. W. F. Traver, Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-110 (Lead-Zinc)
Callahan Zinc-Lead Co., Inc.
Akron and Morning Star Mines
Gunnison County, Colorado
Amended Contract No. Idm-42

Dear Mr. Traver:

With reference to your letter of January 18, with enclosures, covering the cited project, the subject involved has been covered with various conferences with the representatives of the Operating company.

We are quite in accord with the opinions expressed by yourself, and by the examining engineer and geologist, that it would be desirable to have the work program carried to completion. On the other hand, the representatives maintain that the economic realities preclude their resuming this mine in the foreseeable future.

At this moment, in view of the many problems which still confront the domestic lead-mine industry, we are reluctant to institute legal proceedings against this Operator to attempt to enforce complete compliance of the program.

It has therefore seemed advisable to execute a mutual termination of the project, such a termination containing a stipulation having the effect of a project certification.

We have noted in the memorandum of October 4, 1954, by Mr. R. H. King, that the Government has a joint interest in equipment to the extent of $3,444.76 expended for pipe and $2,797.17 for truck. He further stated that for the months of August and September, 1953, an aggregate amount of Government participation of $1,735.75 was held in enforcement. We presume that the truck and pipe have some salvage value and we suggest that this amount be negotiated with the Operator's representative.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

APPROVED:

M. L. Volin

Member, Bureau of Mines

/s/ R. D. Trace

Member, Geological Survey

Copy to: Docket
Adm & File
Op. Committee
Dem Metals
Mr. Bishop, DMEA
Mr. Killgard, L-4
Mr. Jay Chambers
Chron.

WHTrimble/ar (4/19 & 5/4/55)

Government's copy

DEC 4 -

AMENDED EXPLORATION PROJECT CONTRACT
CALLAHAN ZINC-LEAD COMPANY
DOCKET NO. DMEA-110

AMENDMENT NO. 6

It is agreed this 25th day of November, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Callahan Zinc-Lead Company, a Colorado corporation, hereinafter called the "Operator," that Amended Exploration Project Contract Idm-E2, Docket No. DMEA-110, dated August 12, 1952, as amended, is further amended as follows:

1. This amendment shall be effective as of August 12, 1952.

2. In lieu of Article 6, the provisions of Annex II, attached hereto and made a part hereof, are substituted.

3. During the period from September 10, 1953, to March 10, 1954: (a) the project work shall be recessed; (b) the Government shall not contribute to any costs incurred by the Operator; and (c) the Operator shall save the Government harmless from any and all claims, and preserve and protect the project work and any property in which the Government has an interest.

4. In Article 3 of the amended contract form, as amended, in lieu of the words "prior to March 25, 1954," the words "prior to September 25, 1954," are substituted.

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, nor the agreed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O P Mitteudorf
Administrator, Defense Minerals Exploration Administration

CALLAHAN ZINC-LEAD COMPANY

By E G Sabo
Treasurer

ANNEX II

The following provisions are in lieu of Article 6 :

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by this contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent 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) per cent 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 ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) per cent.)

c. Definitions.--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.

d. Lien for Payment.--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.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 20 1953

No. 5

AMENDMENT OF CONTRACT: No. Idm-E2

Contract Docket No. DMEA-110, dated August 12, 1952, between the United States of America and Callahan Zinc-Lead Company is hereby amended as follows, effective June 25, 1953:

Referring to "EXHIBIT "A" attached to Exploration Project Contract Form MF-200(A), heading "Description of the work", subheading "Stage II", delete item "4" and in lieu thereof substitute the following:

"4. Drift and crosscut an estimated aggregate of 250 feet on a sublevel from the raise under item 3 to explore for the extension of the Morning Star ore body. The sublevel will be located below the Morning Star winze level approximately 100 feet down the dip of the structure. The location, direction and extent of crosscutting along or adjacent to the hanging wall of the dike will be determined after the hanging wall of the dike is encountered by the sublevel drift. The location and extent of crosscuts must be acceptable to the DMEA representative. Reimbursement to the operator for the costs of the drifting and crosscutting shall constitute final approval for the work."

Further referring to said "EXHIBIT "A", same heading, same subheading, delete item "5", and in lieu thereof substitute the following:

"5. Drift and crosscut from the 200 sublevel, cited under item 2, an estimated aggregate distance of 322 feet to explore for the downward extension of the Morning Star ore body approximately 200 feet below the work authorized under item 4. The location, direction and extent of drifting and crosscutting from the 200 sublevel will be determined after the results of work performed under item 4 are evaluated, and must be acceptable to the DMEA representative. The aggregate total footage of drifting and crosscutting under items "4" and "5" shall not exceed 572 feet."

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 JUL 16 1953.

CALLAHAN ZINC-LEAD COMPANY

By E. G. Sale
Secretary-Treasurer

SEAL

UNITED STATES OF AMERICA

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
June 12, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 110, Contract Idm-82 (Lead-zinc), Callahan Zinc-Lead Company (Akron mine), Gunnison County, Colorado - Request for amendment

Please find enclosed the original and five copies of M. H. Salsbury's memorandum covering the subject request for amendment.

Salsbury recommends approval of the amendment request, subject to agreement by the Geological Survey. I understand you have or will receive their memorandum, and the recommendation therefore has my approval. Salsbury also suggests wording of the amendment for your consideration.

The copy of the operator's request is returned herewith.

W. M. Traver

W. M. Traver

enclosures

WMT/pam

cc 5
82
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
June 12, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: M. H. Galsbury

Subject: DMEA 110, Contract Idm-E2, Callahan Zinc-Lead Company, Gunnison County, Colorado - Request for amendment

The changes in exploration work requested by the contractor were discussed with J. E. Dunn, General Superintendent of the Whitepine unit, at the time of the last inspection, February 17, 1953.

The request is the result of more mature consideration of the possible position of the Morning Star ore body below the old workings.

While the Morning Star winze workings have never been seen by the Bureau engineer, Dunn's reasons for the changes are entirely logical, and it would be good mining practice to attempt to locate the ore shoot extension at a level somewhat closer to the last point it was worked.

From an engineering standpoint, the proposed amendment is recommended for approval. However, this decision may be subject to geological considerations.

A change in the wording of Dunn's description is recommended to take care of other changes which might arise later and cause delay while approval is sought.

The exploration under the contractor's "clauses 4 and 5," totaling 553 feet, should be described in the amendment so that it can be done either on the proposed upper sublevel or the 200-foot sublevel.

With the limited information at hand it is not possible to state that 203 feet of work on the upper sublevel would reach the objective.

Also, if the ore body is not located on the upper sublevel, it would hardly be worth while to look for it on the 200-foot sublevel, and the only work which would remain on that sublevel would be to explore for the possible upward extension of the mineralization discovered in the Government-assisted work on the Akron level.

Also, after the upper raise is connected through to the old Morning Star winze workings, some additional information might be obtained which would alter exploration plans. As an illustration, it might be better to locate the upper sublevel at an elevation as much as 150 feet on the dip below the lowest Morning Star winze level.

Suggested wording for the proposed amendment is as follows:

"Drift and crosscut 553 feet on an upper sublevel and on the 200-foot sublevel, work to be done in that order, for the purpose of locating the downward extension of the Morning Star ore shoot--the proportion of work on each level and the location of the upper sublevel to be determined after the upper raise is connected through to the Morning Star winze. Any unexpended footage remaining after the above work is completed to be used to explore on the

200-foot sublevel, or on the Akron level, the mineralization discovered during Government-assisted work on the Akron level. All stages of the work are subject to approval by a representative of the Region IV Field Team."

The proposed amendment would eliminate the exploration under item 5, stage II of the contract, unless approval is given for some drifting after other work is completed.

The mineralization cut on the Akron level does not show any sign of getting stronger going north, and it may not even be the downward extension of the Morning Star ore shoot. The Bureau engineer agrees that it is of secondary importance to be given further consideration if there is unexpended footage from the other work.

The additional 50 feet of raising, requested by the contractor on January 17, 1953, for which approval has already been recommended, was allowed for and was deducted in setting the total of drifting and crosscutting called for by the new proposed amendment. The total amount of the original contract and annex I is not exceeded.

Approval of the requested amendment is recommended, subject to any necessary geological considerations. A broader wording of the amendment, as suggested, is recommended if it does not conflict with DMEA regulations.

Floyd N Everett
for
M. H. Salsbury
Mining Engineer

MHS/pam

cc 5, E2, DMEA Chron.

June 8, 1953

G.H.K.

Memorandum

To: Mr. A. H. Koschmann

From: E. N. Harshman, Geologist, U. S. Geological Survey

Subject: Request for amendment to Contract Idm-E2, DMEA Docket 110, Callahan Zinc-Lead Company, Gunnison County, Colorado.

In a letter dated May 25, 1953, from J. E. Dunn, General Superintendent of Callahan Zinc-Lead Company to the Executive Officer, Region IV Field Team, two amendments were requested as follows:

Docket No. DMEA 110X, Exhibit "A", Stage II:

Change clause 4 to read as follows: Drift and crosscut up to 350 feet on the 200-foot sublevel to explore for the extension of the Morning Star ore body down the dip of the structure.

Change clause 5 to read as follows: Drift and crosscut up to 203 feet to locate the Morning Star ore body at an elevation approximately 100 feet down the dip from the lower Morning Star winze level.

From the geological viewpoint both amendments appear justified and in accordance with good exploration procedure. Exploration on the main (adit) level of the Akron mine has been disappointing in that the downward extensions of the Morning Star ore bodies were not found. Since significant mineralization was not found by the lower level exploration accomplished to date, it appears reasonable to explore first in the area immediately below the known ore. Data obtained by this exploration can be used to plot the downward projection of the ore shoots and to guide exploration at greater depths.

Although Mr. Dunn has requested a specific number of feet of work to be done on each of two levels, it appears more reasonable to allow a total of 555 feet of drift and crosscut to be applied to exploration on 2 levels from the raise, the exact amount on each level and the exact position of the levels to be determined after the completion of the raise and as exploration on the levels progresses.

Approval of the amendments requested by the Callahan Zinc-Lead Company is recommended with a slight re-wording as suggested above.

Mining Division
Date Rec'd
MAY 28 1953
BUREAU OF MINES
Denver, Colorado

May 25, 1953

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

Re: DMEA Docket 110
Contract Idm-E2

Dear Mr. King:

Please consider this a request for amendment to Contract Idm-E2 as follows:

Docket No. DMEA 110 X, Exhibit "A", Stage II

Change Clause 4 to read as follows:

Drift and Crosscut up to 350 ft. on the 200 ft. sublevel to explore for the extension of the Morning Star ore body down the dip of the structure.

Change Clause 5 to read as follows:

Drift and crosscut up to 205 ft. to locate the Morning Star ore body at an elevation approximately 100 ft. down the dip from the lower Morning Star Winze level.

Sequence of work would be to do the drifting at the higher elevation immediately after completing the raise, with work on the 200 ft. level started after locating ore above.

The necessity of these changes is due to the following: Study of the geology on the Morning Star area indicates that the ore body had a relatively short strike length, that the ore body was located on the hanging wall of the porphyry dike in a narrow band of limestone along the major granite contact, and rake of the ore down the dip has been to the north from the Morning Star tunnel to the surface. Mapping in old workings and interpretations of this work indicate the possibility of an abrupt change in rake at or near the elevation of the Morning Star tunnel level. Mineralization located to date on the main level has been on the footwall of the dike. It is doubtful if this mineralization is directly associated with the Morning Star ore bodies, although, of course, the source of mineralization was probably the same. We believe that we should first locate the ore body at some point closer to where the last mining was done before expenditure of any further funds on main level exploration. The relatively short strike length of the Morning Star ore body and the lack of information about its rake might result in a great deal of dead work being done on the main level before locating the ore body.

I am enclosing a map that will assist in clarifying the proposal.

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY

J. E. Dunn
General Superintendent

COPY

JED:rjf

Enc.

LARGE FORMAT DOCUMENTS AT END OF FILE

JUL 6

Government's Copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 20 1953

AMENDED EXPLORATION PROJECT CONTRACT
CALLAHAN ZINC-LEAD COMPANY
DOCKET NO. DMEA-110

AMENDMENT NO. 4

It is agreed this 19th day of June, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Callahan Zinc-Lead Company, a Colorado corporation, hereinafter called the "Operator," that, effective as of July 1, 1953, Amended Exploration Project Contract Idm-E2 dated August 12, 1952, as amended, is further modified and amended, as follows:

1. In Exhibit "A", attached to the Amended Exploration Project Contract:

(A) Under "Description of the Work, Stage II" (1) in Item 3, the figure "190" is changed to "240". (2) in Item 4, the words "400 feet" are changed to "347 feet".

(B) Under "Estimated Costs of Additional Work, Stage II", the first two items thereof are changed to read as follows:

"289 feet of raising @
$53/ft. - $15,317.00"

"692 feet of drifts and crosscuts
@ $50/ft. - $34,600.00"

2. 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, nor the agreed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense
Minerals Exploration
Administration

CALLAHAN ZINC-LEAD COMPANY

By E. G. Lalo
Secretary-Treasurer

No. 3

AMENDMENT OF CONTRACT: No. Idm-E2 amended

Contract Docket No. DMA 110, dated August 12, 1952, between the United States of America and Callahan Zinc-Lead Company is hereby amended as follows:

> Referring to Amendment No. 2 to the contract form, in the sixth line of the introductory paragraph, delete the date "March 25, 1953," substitute in lieu thereof the date February 7, 1953.
>
> Further referring to Amendment No. 2 to the contract form paragraph (2), delete the dates "March 25, 1953" and "September 25, 1953," substitute in lieu thereof the dates "February 7, 1953" and "May 11, 1953."

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: JUN 1 1953

CALLAHAN ZINC-LEAD COMPANY

By E. G. Sabo
Secretary-Treasurer

UNITED STATES OF AMERICA

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

Government's Copy

EXPLORATION PROJECT CONTRACT
CALLAHAN ZINC-LEAD COMPANY
DOCKET NO. DMEA-110

AMENDMENT NO. 2
to
AMENDED CONTRACT

It is agreed this 4th day of May, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Callahan Zinc-Lead Company, a Colorado corporation, hereinafter called the "Operator," that, effective as of March 25, 1953, the Exploration Project Contract Idm-E2 dated August 12, 1952, is amended, as follows:

(1) In Article 3 of the contract form, the date "May 25, 1953," is hereby changed to "March 25, 1954."

(2) During the period March 25, 1953, to September 25, 1953, the project work shall be recessed without any obligation on the part of the Government for any costs whatever (including the cost of maintenance and/or rental of equipment) incurred by the Operator during that period.

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 percentage of the costs which the Government is required to contribute.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O P Mitteudorf
Administrator, Defense
Minerals Exploration
Administration

CALLAHAN ZINC-LEAD COMPANY

By E G Lalo
Secretary-Treasurer

No. 1(A)

AMENDMENT OF CONTRACT: No. Idm-E2

Contract Docket No. DMEA 110, dated August 12, 1952, between the United States of America and Callahan Zinc-Lead Company is hereby amended as follows, effective as of the date of said contract:

> Referring to "ANNEX I" attached to Exploration Project Contract Form MF-200(A), delete the second paragraph in its entirety and in lieu thereof substitute the following:
>
> "Work under the Original Contract having been suspended on or about May 1, 1952, and resumed on or about August 13, 1952, this Amendment and supplement providing for additional work shall become effective as of said resumption of work, and shall supersede the Original Contract in all respects except that vouchers and claims for the Government's contribution to the cost of the work performed under the Original Contract, prior to the effective date of this Amendment, shall be processed and paid as provided in the Original Contract."

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 November 17 1952

CALLAHAN ZINC-LEAD COMPANY

By R. F. Mahoney
R.F. Mahoney, Vice President

UNITED STATES OF AMERICA

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

(Attest) E. G. Sales
Secretary

GOVERNMENT'S COPY

EXPLORATION PROJECT CONTRACT
CALLAHAN ZINC-LEAD COMPANY
DOCKET NO. DMA-110
CONTRACT NO. Idm-E2

AMENDMENT NO. I

(to amended contract dated August 12, 1952)

WHEREAS, Contract Docket No. DMA-110 dated May 25, 1951, between the United States of America and Callahan Zinc-Lead Company was amended effective August 12, 1952, to provide a Stage II for the project; and

WHEREAS, the amount of the Government's contribution to the project was correctly stated in Exhibit "A" of the amendment referred to above, and incorrectly stated on the contract form (MF-200) of the amendment;

NOW, THEREFORE, the amendment dated August 12, 1952, is amended as follows:

In Article 4 of the contract form, delete the amount "$27,453.50", and substitute in lieu thereof the amount "$27,458.50".

Dated November 25, 1952

THE UNITED STATES OF AMERICA

By C Mitteauer
Administrator, Defense Minerals
Exploration Administration

CALLAHAN ZINC-LEAD COMPANY

By K Mahney
Vice-President

DEPARTMENT OF THE INTERIOR
Defence Minerals Administration
LIBRARY
MAR 5 1952

Docket No. 110

Commodity Zinc-Lead

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 2

Date of Contract ~~xxxxxxxxxxx~~ May 12, 1951

Name and Address of Operator:

Callahan Zinc-Lead Company
100 Park Avenue
New York 17, New York

Amount of Government participation $ 85,994.04

Percent of Government participation 50 %

Region: III State: Colorado

Note: Please release $11,968.43. Contract terminated.

C.E.G.
(Name)

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

Date Delivered to Bureau of Mines, Washington. 12/15/55

54458

Docket No. 110

Commodity ~~Zinc-Lead~~

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.

REVISED CONTRACT

Contract No. Idm-E 2

Date of Contract/~~Amendment~~ Revision: August 12, 1952

Name and Address of Operator:

Callahan Zinc-Lead Company
100 Park Ave.
New York 7, New York

Amount of Government participation $ 85,994.04

Percent of Government participation 50 %

Region: XV State: Colorado

NOTE: This document cancels the previous obligation of $60,000.00 and establishes the amount shown above.

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

(Title)

Date Delivered to Bureau of Mines, Washington. Sept. 19, 1952 13808

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 110

COMMODITY Lead-Zinc
Idm-E2
Government's Copy

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 12 day of August, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Callahan Zinc-Lead Company
100 Park Avenue
New York 7, New York, as provided in Annex I, annexed hereto and 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 Gunnison, described as follows:[3] A total of 31 patented and located claims totally owned, and 46 patented and located claims held by lease and option. All situated in Section 35, T. 50 N. R. 5 E, Tomichi Mining District and listed in Appendix I attached to the Original Contract and incorporated herein by reference thereto the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, of the property listed in Appendix I, as wholly owned and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: None

(*b*) That the Operator is a lessee, in possession and entitled to possession, of the property listed in Appendix I, as leased

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, shall continue work on a project of exploration for[5] zinc and lead in or upon the described land; and shall bring the project to completion prior to May 25, 1953. 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. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. 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 4. *Costs of the project.*—The agreed, estimated costs of performing the additional work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 50 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $27,453.50 which is 50 percent of $54,917.00 the agreed, estimated total cost. *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or 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. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator. See Article 9.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed 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 units of work performed 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.

[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 [illegible] the production from which is not to be subject to the Government's percentage royalty.
[illegible] out the provision not applicable.
[illegible] of mineral or minerals.

(*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 the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, 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 and statement of work performed to accompany his final report.

ARTICLE 6. *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 the 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 7. *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 8. *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.

ARTICLE 9. *Changes and added provisions* In Article 4, add the following provisions immediately preceding the word "Provided": "The agreed, estimated total cost of the project, as amended and supplemented by this contract, is $171,988.08. The Government will pay 50 percent of the costs of the project, as they accrue not in excess of an aggregate total amount of $85,994.04."

Executed in sextuplicate the [redacted], 1952

THE UNITED STATES OF AMERICA

By O. Meredith
Administrator - Defense
Minerals Exploration
Administration

Callahan Zinc-Lead Company
(Operator)

By R. F. Mahoney
Vice President

I, E. A. Salo, certify that I am the secretary of the corporation named as Operator herein; that R. F. Mahoney, who signed this contract on behalf of the Operator, was then Vice-President 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.

[CORP.]

EXPLORATION PROJECT CONTRACT
CALLAHAN ZINC-LEAD COMPANY
DOCKET NO. DMEA-110X

ANNEX I

This agreement, between Callahan Zinc-Lead Company, and the United States, amends and supplements Contract Idm-E2, Docket No. DMEA-110, dated May 25, 1951, as amended prior hereto, all hereinafter called the "Original Contract," as follows:

When the work specified in the Original Contract is completed, this amendment and supplement providing for additional work shall become effective, and shall supersede the Original Contract in all respects, except that vouchers and claims for the Government's contribution to the costs of the work performed under the Original Contract shall be processed and paid as provided in the Original Contract.

EXPLORATION PROJECT CONTRACT
CALLAHAN ZINC-LEAD COMPANY
DOCKET NO. DMEA-110X

EXHIBIT "A"

Description of the Work

The work specified in the Original Contract is identified as Stage I and is retained as part of the specifications for the work under this amending and supplementing agreement, with the following additions thereto:

Stage II

1. Continue raise, started in Stage I, to the 4 200 sublevel above the Akron level, a distance of 49 feet.

2. Crosscut 120 feet in the direction of the Morning Star Winze on the 4 200 sublevel.

3. Raise 190 feet to connect to lower working level of the Morning Star Winze from the crosscut specified in item 2.

4. Drift and crosscut 400 feet on the 4200 sublevel to explore the mineralization found on the Akron level.

5. Drift 225 feet on the Akron level on the ore discovered along the footwall of the dike.

6. Repair and maintain the Akron level between the Akron Mine and the Morning Star Mine.

All drifts shall have a minimum size of 6'-0" x 7'-6".

The raise shall be of two compartments with a minimum size of 4'-0" x 8'-0".

The work in Stage II is shown on the attached map.

Estimated Costs of Additional Work

Stage II

239 feet of raising @ $53.00 per foot	$12,667.00	
745 feet of drifts and crosscuts @ $50.00 per foot	37,250.00	
Repairs and maintenance of Akron Level during eight (8) months @ $625.00 per month	5,000.00	
Total Cost of Stage II		$ 54,917.00

Note: For the purpose of this contract, repairs and maintenance for one month is considered a unit of work.

Cost of Work in Original Contract	$117,071.08	
Estimated Cost of Work in Amending Contract	54,917.00	
Total Estimated Cost of Project		$171,988.08
Government Participation @ 50%		$ 85,994.04

Contracts & Audit

No. 3

AMENDMENT OF CONTRACT: No. I-DMA-E2

Contract Docket No. DMA 110, dated May 25, 1951, between the United States of America and Callahan Zinc-Lead Company is hereby amended as follows, effective November 1, 1951:

> Referring to "Exhibit D" attached to Exploration Project Contract Form MF-200, titled "Question 8 Form MF-200", subtitles "Labor" and "Supervision and accounting", and referring to the amendment to the above subtitles:
>
> The wages of all personnel are increased by 12 cents an hour, or a total of 96 cents per 8-hour day.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay or the percentage of the costs which the Government may pay under the provisions of Article 11 of the contract form.

Dated April 4, 1952.

CALLAHAN ZINC-LEAD COMPANY

By Joseph J Hall
Pres.

UNITED STATES OF AMERICA

By
Executive Officer - DMA

Contracts & Audit

No. 2

AMENDMENT OF CONTRACT: No. I-DMA-E2

Contract Docket No. DMA 110, dated May 25, 1951, between the United States of America and Callahan Zinc-Lead Company is hereby amended as follows, effective as of the date of said contract:

Referring to "Exhibit D" attached to Exploration Project Contract Form MF-200, titled "Question 8 Form MF-200", subtitle "Labor", delete the material thereunder and insert in lieu thereof the following:

Number	Class	Maximum Base Days Pay	
4 to 10	Miners /1	10.88	/1
3	Trammers /2	10.88	/2
2	Timber Framers and Compressor Men	10.56	/3
2	Shopmen (Mechanics)	12.80	/3
2	Tunnel Maintenance Men (Timbermen)	10.88	/3
2	Waste Dump Men (Surface)	10.88	/3
1	Electrician and Mine Lamp Man	12.80	/3
1	Carpenter	11.84	/3
1	Warehouse Man	10.88	/3

The above daily wage rates are based on an 8-hour day, 5-day week. Time and one-half is allowable for overtime.

1/ Payment for work of miners will be inconformance with a contract or piece work system patterned after the "Butte system" which is the established procedure in the mine. The system provides for payment on the basis of units of the various types of work accomplished. Should a contract fall under the published base scale of wages for the type of work the contract or piece work rate is not used and the participants are paid at the base day rate of pay. Total unit payments for a contract period divided by the number of hours of labor performed designate base hourly rates on which overtime is paid in accordance with wage and hour regulations.

2/ Payment for main level tramming will be on a piece work basis at variable rates per ton handled depending on the distance trammed and conditions involved. This system has been in effect for over two years. The cost of main level tramming will be prorated among the Exploration Project work and other mine operations on the basis of tons of material handled from each operation.

3/ Payment for work performed by classes so noted is an indirect mining cost for the benefit of the Exploration Project work and other mine operations. Costs of such work will be prorated among the project and other mine operations on the basis of tons of material handled for the benefit of each.

With further reference to Exhibit D, same title, but subtitled "Supervision and Accounting" delete all material thereunder and substitute in lieu thereof the following:

Number	Class	Maximum Base Pay Rate
1	Superintendent	@ $643.50 per month
1	Mine Foreman (Shift Boss)	@ $456.30 per month
1	Engineer	@ $424.70 per month
1	Clerk	@ $ 9.60 per day

All salaries are paid as base salary plus a percentage of the base salary that changes with the cost of living index figures released by the Government. However, any increase above the maximum rates shown will require prior authorization from DMEA Region IV.

The salaries and wages of supervisory and accounting personnel listed above will be prorated between the Exploration Contract work and other mine operations on the basis of man-shifts of work performed for the benefit of each.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay or the percentage of the costs which the Government may pay under the provisions of Article 11 of the contract form.

Dated April 4, 1952.

CALLAHAN ZINC-LEAD COMPANY

By Joseph Drace
Pres.

UNITED STATES OF AMERICA

By
Executive Officer - DMA

Contract & Audit

No. 1

AMENDMENT OF CONTRACT: No. I-DMA-E2

Contract Docket No. DMA 110, dated May 25, 1951, between the United States of America and Callahan Zinc-Lead Company is hereby amended as follows, effective as of the date of said contract:

Referring to "Exhibit A" attached to Exploration Project Contract Form MF-200, titled "Question 3 Form MF-200", subtitle, "This project will consist of the following:" Item(2), delete the figure 500 wherever it appears and substitute in lieu thereof the figure 400; delete the figure $23,945.00 and substitute in lieu thereof the figure $19,156.00.

Referring to the same title and subtitle, item (3) delete the entire item and insert in lieu thereof the following: (3) 1400 feet of rehabilitation of the lower Morning Star tunnel including the crosscut leading to the Morning Star winze; and rehabilitation and repair of approximately 180 feet of the Morning Star winze to the lower winze level, including necessary station repairs. Estimated cost of labor, supplies and supervision - $17,412.00.

With further reference to Exhibit A, under the title "PROJECT A - Estimated Costs", under Item 2 delete the figure 10,300.00, and insert in lieu thereof the figure 7,300.00. Delete the figure 6,900.00 and insert in lieu thereof the figure 5,111.00. Under Item 3 delete the item in entirety and insert in lieu thereof the following: 3. 1400 Feet of rehabilitation of the lower Morning Star tunnel including the crosscut leading to the Morning Star winze; and rehabilitation and repair of approximately 180 feet of the Morning Star winze to the lower winze level, including necessary station repairs. Estimated cost of labor, supplies and supervision - $17,412.00.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay or the percentage of the costs which the Government may pay under the provisions of Article 11 of the contract form.

Dated April 4, 1952.

CALLAHAN ZINC-LEAD COMPANY

By Joseph T. Hall
Pres.

UNITED STATES OF AMERICA

By [illegible]
Executive Officer - DMA

MF-200
(April 1951)

Index
No. Card
Cat.
Reviewed
6/8/51

Idm-E-2
Docket No. DMA 110
Commodity Lead-Zinc
~~I-DMA-E2~~

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 25th day of May, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] 1951
Callahan Zinc-Lead Company
100 Park Avenue
New York 7, New York
JUN 5
RECEIVED
CONTRACT SERV. SEC.
G.A.O.

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Colorado, County of Gunnison described as follows: [3] A total of 31 patented and located claims totally owned and 46 patented and located claims held by lease and option. All situated in Section 35, T. 50 N, R5E Tomichi Mining District and listed in Appendix I attached.
with respect to which the Operator represents and undertakes: [4]

(*a*) That he is the sole 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 holder is attached: None.
Appendix II attached hereto is made a part of this contract.

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within ten (10) days days from the date of this contract shall commence work on a project of exploration for [5] zinc and lead; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] thirteen (13) months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. 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.

5. *Fixtures and improvements.* 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. Attached hereto, marked "Exhibit 'B'," is a detailed list of additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute its agreed pro-rata share of the cost. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

6. *Operating equipment.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. As to equipment purchased for the project, the Government will contribute its agreed pro-rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

[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.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of [illegible]ty.* All facilities, buildings, fixtures, equi[illegible] or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* Attached hereto, marked "Exhibit 'D'," is an itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project.

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule of existing facilities, buildings, installations, and fixtures, with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition, which cost shall be allowed as a cost of the project.

10. *Allowable costs of the project.* The allowable costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in the contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, or any other indirect costs not expressly allowed by these regulations, 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.

11. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator 50 percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $60,000, which is 50 percent of the agreed estimated total cost of this project, $120,000.

12. *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.

13. *Progress reports.* The Operator shall provide the Government with monthly reports of progress in form and content satisfactory to the Government, and upon the completion of the project or termination of the contract shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

14. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent additional for each full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the property which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

15. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

16. *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 worthwhile 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 render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in ~~[illegible]~~ the day and year first above written.

sextuplet
CALLAHAN ZINC-LEAD COMPANY, INC.
(Operator)

By James Thyson
Assistant Superintendent, Akron Unit

THE UNITED STATES OF AMERICA

By James Boyd
Administrator, Defense Minerals Administration

Com
BJK

Docket No. DMA-110

CALLAHAN ZINC-LEAD COMPANY, INC.

Exploration Project Contract

"Exhibit A"

Question 3 Form MF-200

This project will consist of the following:

(1) 2200 feet of drifting and crosscutting on the Akron Tunnel Level south into the Morning Star-Victor ore shoots. The main drift south would parallel the shear zone in the footwall of the fault. The fault zone would be checked periodically by crosscuts.

2200 feet at estimated cost of $34.96 per foot	$76,912.00

(2) 500 feet of 2-compartment exploration raise considered necessary to complete the exploration in this area.

500 feet at estimated cost of $47.89 per foot	23,945.00

(3) 1200 feet of rehabilitation of the lower Morning Star tunnel.

1200 feet at estimated cost of $10.519 per foot	12,623.00

(4) Equipment rental, 13 months @ $501.50	6,520.00
	$120,000.00

Attached hereto are sheets showing estimated cost breakdown and maps indicating the exploration project.

PROJECT A - Estimated Costs

1. 2200 feet of drifting and crosscutting at an average rate of 200 feet per month:

   Labor (4 men at estimated contract earnings of $600 per month plus 6.08% comp. ins., Social Security taxes and unemployment ins.) $12.72 per foot - 2200 ft. — $27,984.00

   Tramming air, power, shop and drill repair, tunnel maintenance and waste disposal costs will be actual costs for this work distributed between the project and our other work on the basis of tons of material handled from each and estimated to be $9.87 per foot. — 21,714.00

   Supplies including repair parts and small tools estimated to be $10.25 per foot. — 22,550.00

   Direct Supervision, engineering, surveying, employee living quarters, boarding house subsidy, mine office and accounting, estimated to be $2.12 per foot. — 4,664.00

2. 500 feet Raising, 2 compartment, to be done at an average rate of 100 feet per month.

   Labor: 4 men at an estimated contract earnings of $500 per month plus 6.08% compensation insurance, Social Security taxes and unemployment insurance, $20.60 per foot - 500 feet — 10,300.00

   Tramming, air, power, shop and drill repair, tunnel maintenance and waste disposal costs will be actual costs for this work distributed between the project and our other work on the basis of tons of material handled from each and estimated to be $13.80 per foot. — 6,900.00

   Supplies, including repair parts and small tools estimated to be $9.25 per foot - 500 ft. — 4,625.00

   Direct supervision, engineering, surveying, employee living quarters, boarding house subsidy, mine office and accounting, estimated to be $4.24 per foot. — 2,120.00

3. 1200 feet rehabilitation of Morning Star Tunnel at an estimated rate of 200 feet per month.

   Labor (2 men at an estimated contract earnings of $600.00 per month plus 6.08% compensation insurance, Social Security taxes, and unemployment insurance--$6.36 per foot. — 7,632.00

Supplies including repair parts and small tools $3.10 per foot.	$3,720.00
Direct supervision, engineering, surveying, employee living quarters, boarding house subsidy, mine office and accounting, estimated to be $1.059 per foot.	1,271.00
4. Equipment rental as per Exhibit C - $501.50 per month for 13 months.	6,520.00
	$ 120,000.00

Docket No. DMA-110

CALLAHAN ZINC-LEAD COMPANY, INC.

EXPLORATION PROJECT CONTRACT

"Exhibit B"

Question 5 Form MF-200

No additional facilities, buildings or fixtures need be purchased, installed or erected for this project, and any such cost is specifically excluded in this contract.

Docket No. DMA-110

CALLAHAN ZINC-LEAD COMPANY, INC.

Exploration Project Contract

"Exhibit C"

Question 6 Form MF-200

1	Eimco Mucking Machine Model 12-B	$2,967.00
1	2-column Jumbo W/3 - Lyners DA-30	3,955.00
16	Mine cars 25 cu. ft. side dump	6,000.00
1	Greensburg Locomotive w/2 batteries and 2 battery cases	8,370.00
1	Copus blower 15 H.P.	1,175.00
2	Pumps Worthington air	400.00
1	Canton Car Transfer	450.00
1	Battery Charger	1,520.00
2	Air hoists tuggers	1,070.00
3	Stoping Drills 591	1,830.00
1	Copus Blower 2-1/2 HP	450.00
1	Slusher double drum 5211	777.00
2	16 cu. ft. mine cars	322.00
1	Army Ambulance Dodge (used value)	750.00
1	Blasting Machine	55.00
	Total	$30,091.00
	Rental per mo. on a 60 month basis	501.50

Above equipment owned by Operator and is to be used on the Exploration Project. Rental rate has been determined from new equipment prices with amortization on a 5-year average operating life. No other purchase or rental of equipment for this exploration project is contemplated.

Docket No. DMA-110

CALLAHAN ZINC-LEAD COMPANY, INC.

Exploration Project Contract

"Exhibit D"

Question 8 Form MF-200

Labor No.	Class	Maximum days pay rate guaranteed
4 to 10	Miners	$10.88*

*This work to be done on contract or piece work basis determined on regional standards, and maximum rate of pay above normal days pay is based on work performed.

3	Trammers	10.88
2	Timber framers and compressor men	10.56
2	Shop men	12.80
2	Tunnel Maintenance Men	10.88
2	Waste dump men	10.88
1	Electrician and mine lamp man	12.80

The work performed by the above men is an indirect mining cost for the benefit of both production and the exploration project. The cost to the exploration project is based on the pro-rata tons of material handled.

Supervision and Accounting

1	Mine foreman	$456.30 per mo.
1	Engineer	424.70 " "
1	Clerk	9.00 per day

The salaries of the above shall be distributed between the project and our other work on the basis of man shifts of work on each.

Docket No. DMA-110

CALLAHAN ZINC-LEAD COMPANY, INC.

EXPLORATION PROJECT CONTRACT

"Exhibit E"

Question 9 Form MF-200

No rehabilitation or repairs to existing facilities, buildings, installations and fixtures are necessary, and any such cost is specifically excluded in this contract.

APPENDIX I. OPERATORS PROPERTY RIGHTS

A. Claims owned wholly by Callahan Zinc-Lead Company in Tomichi Mining District, Gunnison County, Colorado.

Name	Type	Survey Number
Bandit Lode	patented	1871
Yellow Jacket Lode	"	18965
Nimrod Lode	"	18861
Paymaster Lode	"	18861
Mazeppa Lode	"	2497
Little May Lode	"	2333
Lost Contact Lode	"	2332
✓North Star Lode	"	847A
North Star Millsite	"	847B
✓Number Three Lode	"	850
✓Muldoon Lode	"	849
✓Narrow Gauge Lode	"	848
✓Deadwood Lode	"	1872
Haverford Lode	"	1606
Erie Lode	"	2070
Sunset Lode	"	1981
Trowell Lode	"	1982
Bob Lee Lode	"	2494
Ensign Lode	"	4508
Flirt Millsite	"	2073A
Tomichi Millsite	"	11525
Leonora Lode	"	5872
Wolverine Lode	"	5872
Jersey Lode	"	2305
Snowden Lode	"	2415
Little Don	located claim	
Aviator	"	"
Hillside	"	"
Akron	"	"
Akron Tunnelsite	"	
Ohio	"	"

B. Claims owned by Hayden Mining Company in Tomichi Mining District, Gunnison County, Colorado, on which Callahan Zinc-Lead Company have 10-year lease and option to purchase and covered by attached Subordination Agreement MF-202.

Name	Type	Survey Number
Belvidere	patented claim	17383
Comstock, Jr.	" "	17383

Name	Type	Survey Number
Gopher	patented claim	17384
David H.	" "	1941
Denver City	" "	1940
John G.	" "	1966
Little Iron	" "	1967
Little Giant	" "	6692
Mattie E.	" "	13295
W. A.	" "	13295
Little Alice	" "	15553
Black Diamond	" "	15554
Inspiration	" "	19137
Last Chance	" "	19137
Helen	" "	20006
Evening Star	" "	20007
Good Hope	" "	20008
John C.	" "	20008
Lucky Boy	" "	20008
Magnolia No. 1	" "	20008
Washington	" "	20008
Columbus	" "	20008
Bryan	" "	20008
Morning Star	" "	6575
Victor	" "	17173
Isabel	" "	4540
Dusky Belle	" "	2615
Excelsior	" "	2615
Hartford	" "	18876
Mary Campbell	" "	1986
Sam T.	" "	1985
Vulcan	" "	8312
Iron Mask	" "	8312
Annie Hudson	" "	1695
Hutchinson	" "	1906
Starlight	located claim	
Lonestar	" "	
Estrellita	" "	
Dog Star	" "	
Polar Star	" "	
Bright Star	" "	
Lucky Star	" "	
Little Star	" "	
Double Star	" "	
Twin Star	" "	
Nova	" "	

APPENDIX II

WHEREAS, the subordination agreement of the lessor, required by paragraph numbered 2(b) of the annexed contract, has not been obtained; and

WHEREAS, the United States of America has agreed to waive requirement of the lessor's subordination agreement.

NOW THEREFORE, in consideration of said exploration project contract and of the foregoing, the Operator hereby undertakes and agrees to pay all sums that may fall due and owing to the United States of America under the terms of said contract in the same manner and to the same extent as if the subordination agreement of the lessor had been given. If for any reason the net smelter returns from operations that would be subject under said contract to such payments to the Government are not available as a means of measuring the amount of such payments, than the Operator agrees and undertakes to make such payments according to the best estimates of the amounts that can reasonably be made, and in the event of dispute as to such estimates, the Operator agrees that the determination thereof be either by the Administrator of Defense Minerals Administration or by the Director of the United States Bureau of Mines, and shall be final and binding upon the Operator, provided, however, that should the Operator furnish to the United States the subordination agreement required by paragraph 2(b) of this contract then, in that event, this covenant shall be null and void.

RECEIVED
MAY 28 1951
G.A.O.

May 25, 1951

Mr. M. J. Hall, President
Callahan Zinc-Lead Company
100 Park Avenue
New York 7, New York

Re: Docket No. 110 - Lead-Zinc
Exploration Project Contract

Dear Mr. Hall:

Herewith is your copy of the duly executed contract for the Morning Star-Winter exploration project, Docket DMA-110, exploration project Contract DMPA-82.

Your representative, Mr. R. James Flynn, has been given copies of the progress report, which are to be filled out and presented to the Executive Officer, Defense Minerals Administration, Region IV, 721 New Customhouse Building, Denver 2, Colorado, as soon as possible after the first full calendar month of work and monthly thereafter. The expenditures certified on this report will constitute the basis for the payment of the Government's share to a maximum of $60,000.

Please notify Mr. J. H. Best, Jr., Director of the Denver office, of the starting date of work under this contract.

Sincerely yours,

E. O. Mittenderf, Director
Production Expansion Division

Enclosure-1

LMHoulds/fw
cc to: Field Team Reg. IV (2)
Mr. Mittenderf, Mr. Olund
Mr. Strobel
Mr. Harris
Mr. Reve
Mr. Moon
GAO
Finance Sec., Mines
Mr. Houlds
FILES

Letter Reading File

JUN 15 1951

A-HYB-CS

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

Gentlemen:

Subject: Incorrect contract symbol
" I-DMA-E"

The following Exploration Project Contracts have been received in this office:

Contract No.	Contractor	Date
I-DMA-E1	Mines Management, Inc Spokane, Washington	5/16/51
I-DMA-E2	Callahan Zinc-Lead Co. New York, N. Y.	5/25/51
I-DMA-E3	David C. Wood Gardnerville, Nevada	5/28/51
I-DMA-E6	Layton Mining Co., Inc. Georgetown, Colo.	6/7/51
I-DMA-E7	Combined Metals Reduction Co., Utah, Salt Lake City	6/7/51

There is no record of the approval of the symbol "I-DMA-E" and it is requested that a symbol in the series approved for your office be assigned cited documents and all other similarly designated contracts that have been entered into and that we be advised, or that verification be made of the symbol used in connection with the contracts.

Very truly yours,

Frank McAteo, Jr.

For Acting Chief, Contract Service Section

hyb

JUN 15 1951

A-HYB-CS

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

Gentlemen:

Subject: Incorrect contract symbol
" I-DMA-E"

The following Exploration Project Contracts have been received in this office:

Contract No.	Contractor	Date
I-DMA-E1	Mines Management, Inc Spokane, Washington	5/16/51
I-DMA-E2	Callahan Zinc-Lead Co. New York, N. Y.	5/25/51
I-DMA-E3	David G. Wood Gardnerville, Nevada	5/28/51
I-DMA-E6	Lupton Mining Co., Inc. Georgetown, Colo.	6/7/51
I-DMA-E7	Combined Metals Reduction Co., Utah, Salt Lake City	6/7/51

There is no record of the approval of the symbol "I-DMA-E" and it is requested that a symbol in the series approved for your office be assigned cited documents and all other similarly designated contracts that have been entered into and that we be advised, or that verification be made of the symbol used in connection with the contracts.

Very truly yours,

Frank McAtee, Jr.

For Acting Chief, Contract Service Section

kyb

I-DMA E2

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

I Dafft 110

July 17, 1951

AUG 24 1951

Mr. Joseph T. Hall, President
Callahan Zinc-Lead Company
100 Park Avenue
New York 17, New York

My dear Mr. Hall:

Reference is made to your letter of July 2 to Defense Minerals Administration, relating to your exploration project contract DMA-110.

Inasmuch as you have now furnished the subordination agreements required under Article 2(b) of the contract form, you are therefore advised that Appendix II, which was given in lieu of such subordination agreements, is now null and void as provided in the terms and conditions thereof.

Sincerely yours,

JAMES BOYD

Administrator

Dont. Serv. Sec.
Change Order
Noted.....
Reviewed.....

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned LYYLE AHO, LEO E. OBERTO and S. J. OBERTO are the owners of a portion of those patented mining claims situate, lying and being in the Tomichi Mining District, Gunnison County, State of Colorado, described in a certain Exploration Project Contract dated May 25, 1951, between CALLAHAN ZINC-LEAD COMPANY, INC. and THE UNITED STATES of AMERICA. The portion of said mining claims owned by the undersigned is fully set forth and described in that certain lease and option dated the 2nd day of February, 1951 by and between LYYLE AHO, LEO E. OBERTO and S. J. OBERTO, parties of the first part, THE HAYDEN MINING COMPANY, party of the second part and the CALLAHAN ZINC-LEAD COMPANY, INC., party of the third part. The parties of the first part are lessors of the claims shown by said lease and option to be owned by them, the party of the second part is the owner of the claims shown by said lease and option to be owned by it, and the party of the third part is the lessee. Said lease and option is hereby especially referred to and is to be considered as a part hereof for all of the purposes hereof.

NOW, THEREFORE, the undersigned, as Lessors of said property owned by them under said lease dated as aforesaid, do by these presents subordinate all of their 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 agree 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 agree 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 do hereby assume, insofar as the claims owned by them are concerned, 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 agree 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 29th day of June, 1951.

Lyyle Aho

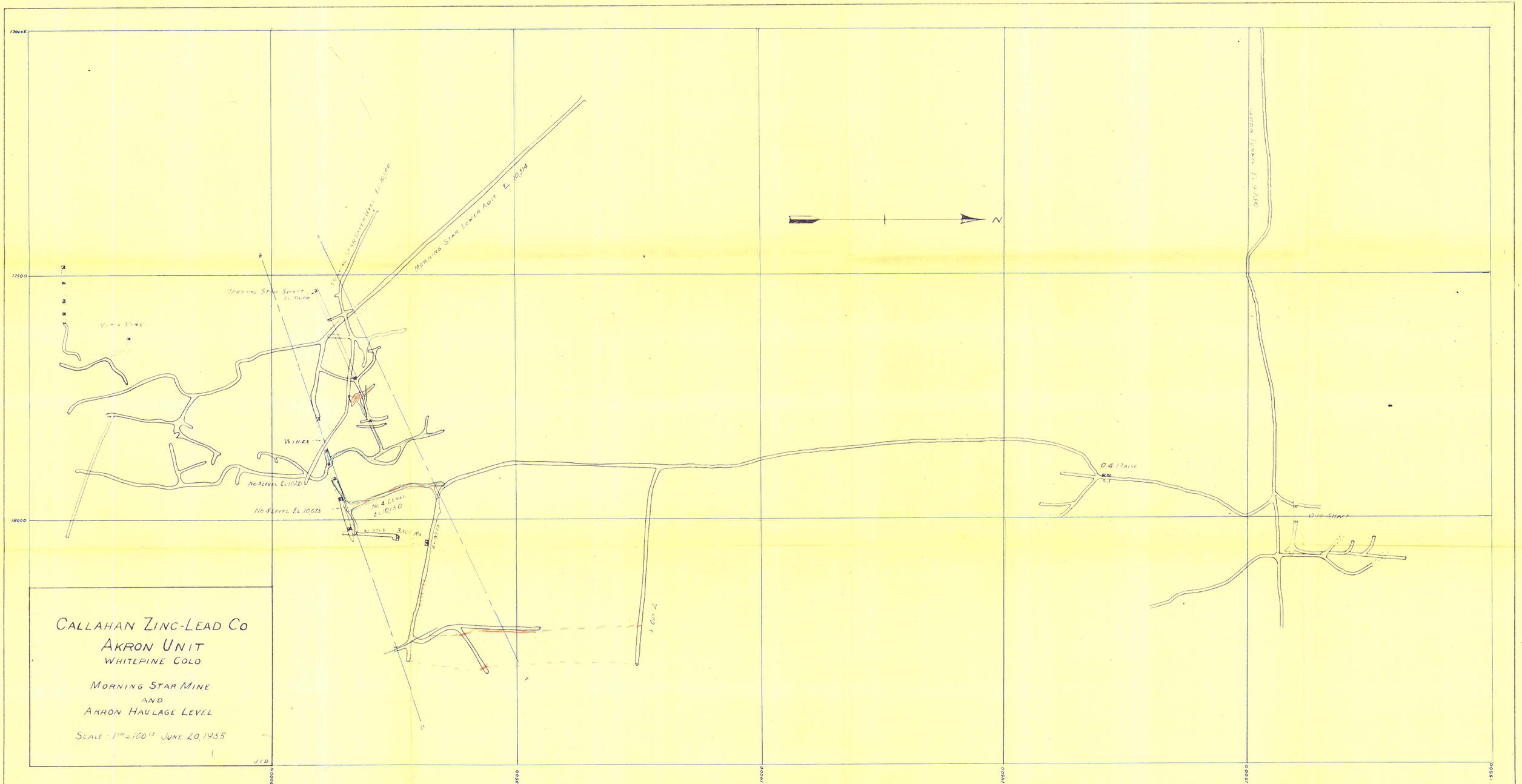
Lyyle Aho

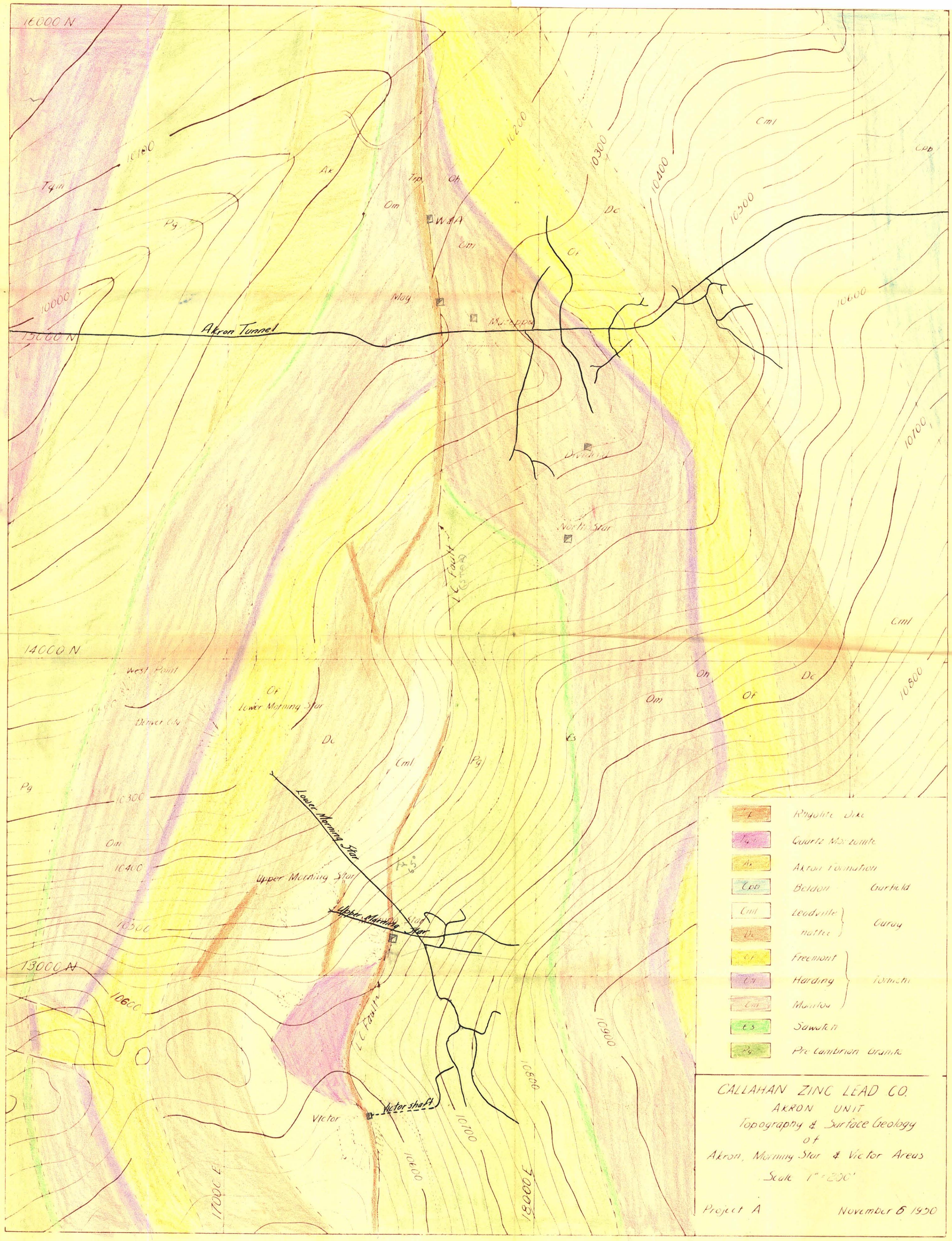
Leo E. Oberto

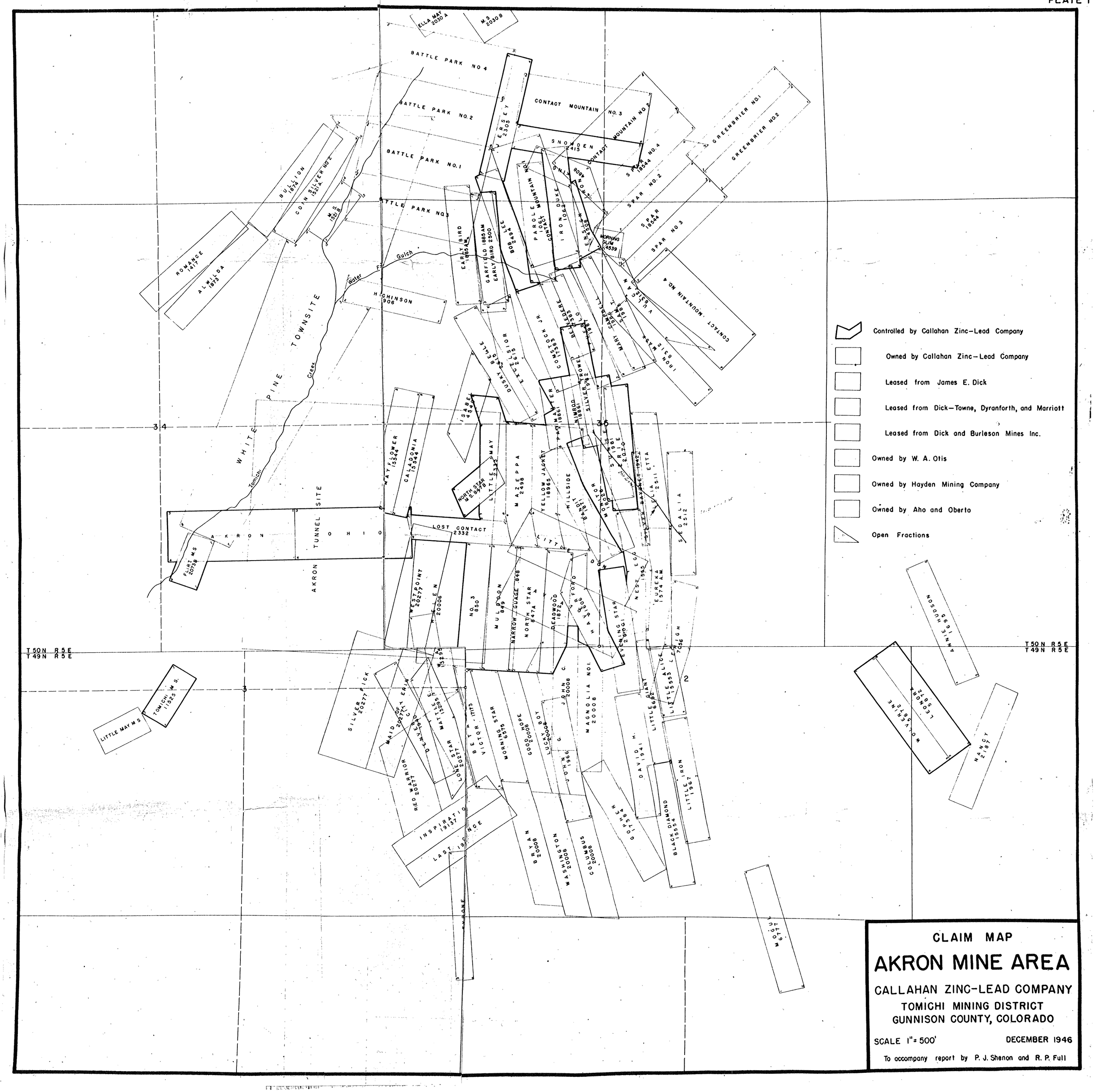
Leo E. Oberto

S. J. Oberto

S. J. Oberto


CALLAHAN ZINC-LEAD CO
AKRON UNIT
WHITEPINE COLO
MORNING STAR MINE
AND
AKRON HAULAGE LEVEL
SCALE: 1" = 100' JUNE 20, 1955
JCD
N
MORNING STAR LOWER ADIT EL. 10,314
MORNING STAR SHAFT EL. 10,100
WINZE
No 3 LEVEL EL. 10,211
No 5 LEVEL EL. 10,075
No 4 LEVEL EL. 10,150
3301 RS.
OLD RAISE
OLD SHAFT
17500
18000
18500
14000
14500
15000
15500


16000 N
15000 N
14000 N
13000 N
Akron Tunnel
Upper Morning Star
Lower Morning Star
Victor shaft
Victor
West Point
Denver City
Lower Morning Star
Upper Morning Star
Mt. Tappan
Dividend
North Star
L.C. Fault
Rhyolite Dike
Quartz Monzonite
Aspen Formation
Beldon
Garfield
Leadville
Gilman
Freemont
Harding
Manitou
Sawatch
Pre Cambrian Granite
CALLAHAN ZINC LEAD CO.
AKRON UNIT
Topography & Surface Geology
of
Akron, Morning Star & Victor Areas
Scale 1" = 200'
Project A
November 6 1950


Controlled by Callahan Zinc-Lead Company
Owned by Callahan Zinc-Lead Company
Leased from James E. Dick
Leased from Dick-Towne, Dyranforth, and Marriott
Leased from Dick and Burleson Mines Inc.
Owned by W. A. Otis
Owned by Hayden Mining Company
Owned by Aho and Oberto
Open Fractions
CLAIM MAP
AKRON MINE AREA
CALLAHAN ZINC-LEAD COMPANY
TOMICHI MINING DISTRICT
GUNNISON COUNTY, COLORADO
SCALE 1" = 500'
DECEMBER 1946
To accompany report by P. J. Shenon and R. P. Full
T50N R5E
T49N R5E
WHITE PINE TOWNSITE
AKRON TUNNEL SITE
AKRON OHIO
Tomichi Creek
Water Gulch
BATTLE PARK NO. 4
BATTLE PARK NO. 2
BATTLE PARK NO. 1
CONTACT MOUNTAIN NO. 3
CONTACT MOUNTAIN NO. 2
CONTACT MOUNTAIN NO. 4
SNOWDEN 2415
JERSEY 2305
PAROLE MOUNTAIN NO. 1
CONTACT 1067
IRON DUKE 1062
IRON MASK 4808
SPAR 18544 NO. 4
SPAR NO. 2
SPAR 18544
SPAR NO. 3
GREENBRIER NO. 1
GREENBRIER NO. 2
MORNING GLOW 14339
EARLY BIRD 1885AM
GARFIELD 1885AM
EARLY BIRD 2500
BOB LEE 2494
ROMANCE 1417
ALWILDA 1875
BULLION 1874
COIN SILVER NO. 2 1921A.
HUTCHINSON 906
EXCELSIOR
DUSKY BELLE
COMSTOCK JR.
BELVEDERE 1388
TOLL GATE 1861
MARY JAGO
SILVER BANK 1884
VULCAN
IRON MASK
CONTACT MOUNTAIN NO. 4
ISABEL 4344
MAY FLOWER 15544
CALADONIA 15544
NORTH STAR M.S. 9478
LITTLE MAY 2332
MAZEPPA 2498
YELLOW JACKET 18965
HILLSIDE
BANDIT
MAY 18861
NIMROD 18861
SILVER CROWN 1882
MONTOR
SILVER CROWN 1881
ETTA 2511
SEDALIA 2512
LOST CONTACT 2332
FLIRT 20738 M.S.
WESTPOINT 20277
HELEN 20006
NO. 3 850
MULDOON 849
NARROW GUAGE 848
NORTH STAR 847A
DEADWOOD 18724
HAYFORD
EVENING STAR 20001
NEST EGG 1555
EUREKA 1574 A.M.
ANNIE HUDSON 1693
LEONORA 1598
WOLVERINE 1597
NANCY 2187
SILVER PICK 20277
MAID OF ERIN 20277
DEVILS NEST 20277
MATTIE 1325
LONE STAR 20277
BETA 1713
VICTOR 1713
MORNING STAR 6575
GOODHOPE 20008
LUCKY BOY 20008
JOHN C. 20008
MAGNOLIA NO. 1 20008
DAVID H. 1941
LITTLE GIANT 1682
LITTLE ALICE 15555
LEIGH 7256
BLACK DIAMOND 15554
LITTLE IRON 1967
GOPHER 6754
WASHINGTON 20008
COLUMBUS 20008
BRYAN 20008
RED WARRIOR 20277
INSPIRATION 19137
LAST CHANCE
TOMICHI M.S. 11325
LITTLE MAY M.S.
M.S. 1929
M.S. 1921B
M.S. 2030A
M.S. 2030B
M.S. 1769

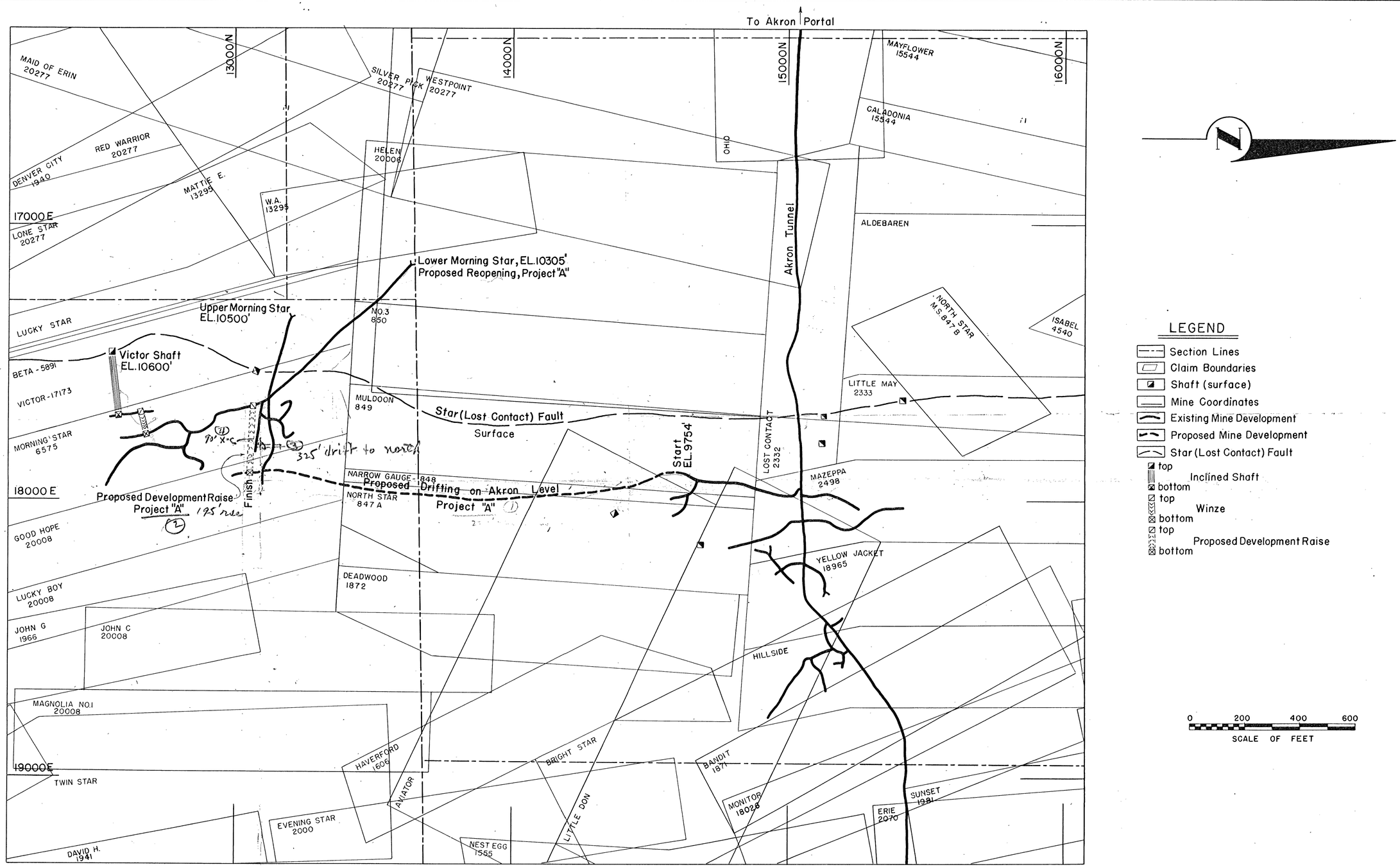
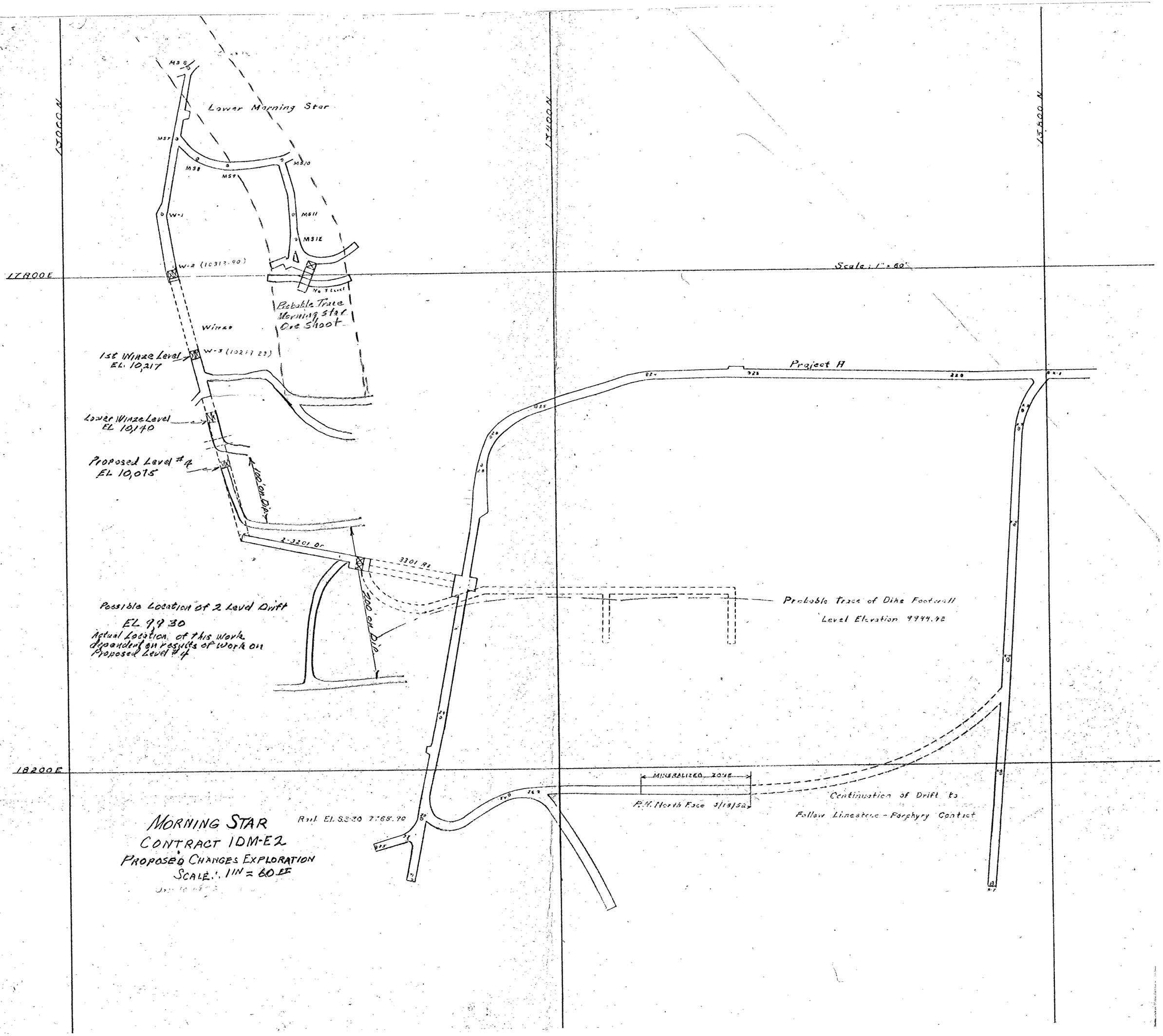


Fig.5, CALLAHAN ZINC-LEAD CO. AKRON UNIT, GUNNISON COUNTY, COLO.

CLAIM AND PROJECT LOCATION MAP, DMA-110


13000 N
13400 N
13800 N
17800 E
18200 E
Scale: 1" = 60'
Lower Morning Star
MS 8
MS 7
MS 8
MS 9
MS 10
MS 11
MS 12
W-1
W-2 (10317.90)
W-3 (10217.23)
No. 3 Level
Probable Trace Morning Star Ore Shoot
Winze
1st Winze Level EL 10,217
Lower Winze Level EL 10,140
Proposed Level #4 EL 10,075
100' on Dip
2-3201 Dr
3301 Rs
200' on Dip
Possible Location of 2 Level Drift EL 9930
Actual Location of this work dependent on results of work on Proposed Level #4
Project A
Probable Trace of Dike Footwall Level Elevation 9944.92
MINERALIZED ZONE
P.H. North Face 3/13/56
Continuation of Drift to Follow Limestone - Porphyry Contact
Rail El. 9530 Z:65.90
MORNING STAR
CONTRACT 1DM-E2
PROPOSED CHANGES EXPLORATION
SCALE: 1IN = 60 FT